

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: 2022/23 FINANCE UPDATE

REPORT OF: THE FINANCIAL ADVISER

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 15 DECEMBER 2022

SUMMARY OF REPORT:

This report provides an update on the Authority's finances and forecast outturn at the end of March 2023. In addition, it provides a bottom-up assessment of the budget and resource requirements for 2023/24 and considers the balances that may be available to support the 2023/24 levy.

RECOMMENDATIONS:

The Authority is recommended to:

- A. Note this review of the 2022/23 revenue budget;
- B. Note the current assessment of the budget and resource requirements for 2023/24 and the factors that could affect the level of the 2023/24 levy;
- C. Note the issues that will need to be addressed in setting the budget and levy for 2023/24 at the Authority meeting on 9 February 2023

SIGNED: Jon Rowney, Financial Adviser

DATE: 5 December 2022

1. INTRODUCTION

- 1.1. The report contains an updated forecast for 2022/23. It also sets out the current assessment of the levy requirement for 2023/24, the anticipated levy arrangements based on that current assessment, and a note of the issues to be addressed at the Authority meeting in February 2023 when the budget and levy will be set.
- 1.2. Tables detailing the 2022/23 forecast outturn and 2023/24 budget forecast are set out in Appendices A and B, respectively. The Appendices also contain analyses of key budget elements including the forecast balances. The background and supporting notes are provided in the body of the report.
- 1.3. The report concludes that the Authority is currently forecast to have a revenue surplus of £10.516m at 31 March 2023. This is an increase in balances of £1.744m, compared with the update to the October Authority meeting.

Energy prices

- 1.4. The impact of high energy prices will continue into 2023 and the Authority will benefit from being the 100% shareholder of LondonEnergy Ltd (LEL). Among other activities LEL operates the energy from waste plant at Edmonton. This provides the most responsible route for disposing of residual waste and generates electricity as a by-product, which is supplied to the National Grid.
- 1.5. The Government has announced a levy on all generators of electricity and the Authority expects that this will apply to LEL. This will reduce the amount of income that would otherwise pass from LEL to the Authority, and therefore which would be available for the Authority to distribute as a windfall to boroughs. When the levy is set in February 2023, it is expected that at the same time Members will be invited to agree a £10 million windfall payment to be shared among boroughs. This will more than offset any forecast in levy leading to an overall net reduction in costs to boroughs – as a one off – in 2023/24.
- 1.6. Officers are working on the detail of the application of the windfall between boroughs and the split between costs attributable to the levy and charges and this will be confirmed in February. Table 1 in this report contains an indicative range of the windfall that might be attributable to each borough through the levy. The remainder will be passed to boroughs through a reduction in charges.

Outlook for 2023/24

- 1.7. Excluding the windfall payment, in order to consider the budget and levy on a like-for-like basis, the forecast budget requirement for 2023/24 would be 82.976m, a below-inflation increase of 8.2% compared to the 2022/23 budget. The increase reflects the operating cost and debt financing cost of the Resource Recovery Facility, EcoPark Reuse and Recycling Centre (RRC) and EcoPark House once they

are brought into full operation. In addition, inflation assumptions included in this forecast are 12.9% for costs linked to the Retail Price Index (RPI).

- 1.8. Balances forecast to be available at 31 March 2023 that might be used to support the 2023/24 levy are forecast to be £10.516m. This is higher than the balance of £7.808m than was available to reduce the 2022/23 levy. Taking these balances into account, the total levy for 2023/24 would be £61.817m. This represents an increase of 8.4% on 2022/23 which is also lower than inflation, despite the new assets coming into use.
- 1.9. Including the £10m electricity income from LEL, the Authority's budgeted net expenditure would decrease to £72.775m, a decrease of 5.1% compared to the 2022/23 budget.
- 1.10. Table 1 below, shows the levy movement for each borough. The overall levy is forecast to increase by 8.4% excluding the possible windfall payment in 2023/24. The final three columns demonstrate the likely effect on the levy should this be agreed in February. It shows that between £8.261m-9.131m of the £10.000m windfall will be allocated to the levy, leading to a year-on-year decrease in the overall levy of between £3.491m-£4.361.
- 1.11. All boroughs receive a reduction to the levy with the exception of Camden. Following discussions with counterparts in the borough, there has been an amendment to tonnage forecasts which moves commercial waste into household waste which increases the costs attributable to their levy, but reduces the amount that they pay in charges. This is explained further at paragraph 3.3.

| | Forecast Levy before balances | | | Balances available | | | Forecast Levy after balances | | | potential windfall reduction in 2023/24 | | |
|----------------|-------------------------------|------------------|-----------------------|--------------------|------------------|-----------------------|------------------------------|------------------|-----------------------|--|---|-----------------------------------|
| | 2022/23 £000s | 2023/24 £000s | Increase/ Decrease | 2022/23 £000s | 2023/24 £000s | Increase/ Decrease | 2022/23 £000s | 2023/24 £000s | Increase/ Decrease | Allocation of Windfall (range) £000s | Levy including windfall (range) £000s | Year on year decrease £000s |
| Barnet | 14,408 | 15,507 | 7.6% | (2,716) | (2,741) | 0.9% | 11,692 | 12,766 | 9.2% | (1,700)-(1,878) | 11,066-10,888 | (626)- (804) |
| Camden | 6,778 | 8,377 | 23.6% | (1,080) | 79 | -107.3% | 5,698 | 8,456 | 48.4% | (961)-(1,063) | 7,494 - 7,392 | 1,796 - 1,694 |
| Enfield | 8,444 | 9,573 | 13.4% | (749) | (1,120) | 49.5% | 7,695 | 8,453 | 9.9% | (1,321)-(1,461) | 7,132 - 6,992 | (563)- (703) |
| Hackney | 8,531 | 8,881 | 4.1% | (1,318) | (1,668) | 26.6% | 7,213 | 7,213 | 0.0% | (1,046)-(1,156) | 6,167 - 6,057 | (1,046)-(-1,156) |
| Haringey | 9,587 | 10,151 | 5.9% | (1,731) | (1,956) | 13.0% | 7,856 | 8,195 | 4.3% | (1,161)-(1,283) | 7,034 - 6,912 | (822)- (944) |
| Islington | 7,676 | 8,324 | 8.4% | (875) | (1,305) | 49.1% | 6,801 | 7,019 | 3.2% | (912)-(1,008) | 6,107 - 6,011 | (694)- (790) |
| Waltham Forest | 10,889 | 11,521 | 5.8% | (797) | (1,805) | 126.5% | 10,092 | 9,716 | -3.7% | (1,160)-(1,282) | 8,556 - 8,434 | (1,536)-(-1,658) |
| | 66,313 | 72,334 | 9.1% | (9,266) | (10,516) | 13.5% | 57,047 | 61,818 | 8.4% | (8,261)-(-9,131) | 53,556-52,686 | (3,491)-(-4,361) |

- 1.12. The Member Finance Working Group will meet in January 2023 to examine the assumptions underpinning the current budget forecast and the levy options.
- 1.13. Further work will be carried out, with continuing close liaison with boroughs, to produce updated budget proposals for the Member Finance Working Group to review together with up-to-date advice on the Authority's budget and resource requirements for 2023/24. This will be reported to the Authority meeting in February 2023, at which the budget and levy will be set. In keeping with established practice, Officers will meet with Borough Finance Directors in January

to seek their views on the application of balances and to report back to the Authority in February.

2. REVIEW OF THE 2022/23 REVENUE BUDGET

- 2.1. At the Authority meeting in June, Members were advised that 2021/22 Outturn had included a revenue surplus of £5.840m at 31 March 2022. In the October budget update, a further £2.932m saving was identified mainly due to increase sale price of recyclates and concluded the forecast balances arising at end of the financial year to be £8.772m. Subject to further changes, this balance would be available to support the 2023/24 budget and levy. In addition, Members agreed that £4.753m should be returned to constituent boroughs by them not paying the levy in November 2022.
- 2.2. To inform this report, Authority officers have reviewed tonnages, using actual tonnages to the end of October, forecasting to the end of the year and looking forward for a further year (2023/24). These tonnages have been discussed with officers from all seven boroughs, as conditions and collection strategies are different in each borough and the recovery of the non-household (commercial) waste stream in particular will be dependent on the proportion of different types of commercial premises in each borough. These tonnages have also been shared with borough Environment Directors.

3. CURRENT YEAR FINANCIAL SAVINGS AND PRESSURES

- 3.1. This forecast has identified further savings in net expenditure of £2.703m when compared to the previous forecast produced in October, as shown in Table A1 in Appendix A. The following paragraphs address significant changes that have been identified in this forecast and where necessary, any mitigating actions.

Transport and Disposal and Landfill tax: (-£1.151m)

- 3.2. Based on actual residual waste tonnage date to October 2022 and the borough officers' own expectations for the remainder of the year, the Authority is projecting a total 560,405 tonnes of residual waste in 2022/23, a reduction of 8,895 tonnes of residual waste compared to the October review. This reduction is made up of household waste (+429 tonnes), non-household (-7,475 tonnes), chargeable household waste (-1,508 tonnes). 2022/23 forecast residual tonnage compared with budget for each borough is summarised in the table A2 in appendix A.

- 3.3. Although household waste has increased by 88 tonnes, this is as a result of a change to the split between Household and Non-household tonnage in Camden. This masks changes in other boroughs that are forecasting a drop in household waste.

Camden Waste explained

The residual waste forecast for Camden of 69,549 tonnes is made up of 68,175 tonnes of delivered waste and 1,373 tonnes collected at Regis Road RRC. Although the delivered waste has increased by only 293 tonnes compared to the October forecast, Camden officers have revised their declaration of the split between household waste, non-household (commercial) waste and chargeable household waste (collected from establishments such as schools and healthcare centres). This has transferred tonnage from non-household and chargeable household waste into household waste.

| | October Forecast Tonnes | December Forecast Tonnes | Change Tonnes |
|-------------------|-------------------------------|--------------------------------|------------------|
| Household | 45,363 | 54,910 | +9,547 |
| Non-h'hold | 2,522 | 1,004 | -1,518 |
| Chargeable h'hold | 19,996 | 12,260 | -7,737 |
| | <u>67,881</u> | <u>68,175</u> | <u>+293</u> |

Household waste is recharged to boroughs through the levy and the other two waste types are charged separately. Any cost movements relating to the levy are held as positive or negative balances and are used to adjust the 2023/24 levy. The separate charges are returned at the end to the year once the audit is complete. Camden will receive a refund from charges similar to the amount that will be held as balances that will increase the 2023/24 levy.

- 3.4. Prices in the Authority's waste contracts including its contract with LEL are linked to changes in the Retail Price Index (RPI). The October review allowed for an increase of 12.4% at the relevant review date (1st January for most LEL prices) for these contracts. Inflation is anticipated to be higher than this, and using HM Treasury's summary of independent forecasts, we are now forecasting a December RPI increase at 12.9%. The February budget review will contain the actual rate of change.
- 3.5. The Authority is working with LEL to close out contractual items relating to electricity prices in 2021 and landfill tax for the year ending March 2022. These are expected to be settled before the end of December and the estimates that have been included in previous reports have been reduced by £0.565m.

Composting Waste Services: (-£0.050m)

- 3.6. There has been a decrease in biodegradable tonnage since the October report with mixed food and green waste and separated food waste decreasing by a combined 1,308 tonnes. The forecast for separated green waste increased by 372 tonnes. Together, these variances are forecast to generate a saving of £0.050m. A breakdown of the forecasts for each waste type, by borough, is provided in Appendix A at table A3, A4 and A5.

MRF Services: (-£0.080m)

- 3.7. The forecast includes 108,291 tonnes of dry mixed recycling, a reduction of 1,278 tonnes compared to the October forecast.

Waste Prevention & Communications (-0.054m)

- 3.8. The Waste Prevention programme has been rephased and savings identified.

Revenue Funding of the Capital Programme (-£1.464m)

- 3.9. This budget heading includes interest payments on borrowing and the provision for debt repayment (the Minimum Revenue Provision). Assumptions relating to the recognition if interest charges have been reviewed and the interest has been rephased into future accounting periods.

Income from sale of Recyclates (+£0.086m)

- 3.10. The average market price achieved in the third quarter of 2022/23 is £77.64 per tonne. As mentioned in paragraph 3.6, tonnage was lower than forecast, reducing the anticipated income.

Charges to Boroughs for Non-Household Waste: (+£0.759m)

- 3.11. In the light of borough tonnage declarations, non-household residual waste is currently forecast to be 71,177 tonnes, a decrease of 5,735 tonnes compared with the October review figure of 76,912 tonnes. This is largely a switch from non-household waste to Household waste by Camden. The declared 12,784 tonnes of recyclable waste represents an increase of 203 tonnes compared with the October update figure of 12,581 tonnes.
- 3.12. Although this is shown as a cost pressure to the Authority, Table A9 in Appendix A shows that most boroughs are forecast to receive a refund as they make payments on account based on the budgeted figure.

Charges to Boroughs for Chargeable Household Waste: (+£0.200m)

- 3.13. The latest declarations by the boroughs indicate a decrease of 1,508 tonnes to 14,197 in residual tonnage and a 429 tonne decrease in recyclable tonnage to 3,385 compared with the October update. Estimated charges are shown in Table A10 in Appendix A. Most boroughs are forecast to receive a refund from the Authority for this category of waste.

Balances at 31 March 2023

- 3.14. The menu price-based levy requires the Authority to apportion all of its costs to the boroughs based on the types of waste and the tonnage delivered by each borough and to hold borough specific balances. A positive balance for a borough can be used to support a future year's levy but if negative will be recovered through an additional share in the following year's levy, equal to the borough's balance.
- 3.15. Tables A7 and A8 in Appendix A show how in-year levy balances might be apportioned (based on current forecast) between the boroughs and used to reduce the levy when the Authority determines its 2023/24 levy in February 2023. The movement in waste types delivered by Camden mean that the increased cost of household waste tonnage has offset the reduction in costs elsewhere.

Overview

- 3.16. Allowing for the factors outlined above, the total net expenditure in 2022/23 for the Authority is estimated to be £65.259m. This represents a decrease of £2.703m compared with the October update. Taking into account a decrease in non-household and household charges since October of £0.959m, the net revenue surplus at 31 March 2023 is forecast to be £10.516m, i.e. an increase of £1.744m since the October review.

4. REVIEW OF THE BUDGET FOR 2023/24

- 4.1. When setting the levy for 2022/23, no balances were forecast as being available to support the 2023/24 budget and levy. Taking this into account, the levy was forecast to increase by 26.1% in 2023/24. Since then, the unaudited revenue balances at 31 March 2021 improved by £5.840m. In addition, reviews of the 2022/23 budget have identified that revenue balances at 31 March 2023 could increase by a further £4.676m to £10.516m.
- 4.2. The Authority's net expenditure for 2023/24, excluding windfall, is forecast to be £82.976m for the year. This is an increase of 8.2% compared to the 2022/23 budget. The following paragraphs set out the underlying assumptions and discuss significant issues and variances. The budget for 2023/24 compared to 2022/23 is laid out in Appendix B at Table B1. Many budget areas are demand-driven in that they depend on the volume of waste and contractual cost rates.

Inflation

- 4.3. The largest of the Authority's contracts, the contract with LondonEnergy Ltd, is linked to changes in the Retail Price Index (RPI) with the most significant of these linked to the December index. The summary of independent forecasts published by HM Treasury for the month of October 2021 puts the December 2021 annual RPI increase at 12.9% and the budget forecast currently reflects this level of increase in the relevant costs plus a further 6.7% inflation increase in December 2023. Inflation assumptions will be reviewed and updated for the February budget and levy meeting.

Transport & Disposal and Landfill Tax

- 4.4. The 2023/24 Transport and disposal budget has been based on forecast residual waste stream of 575,702 tonnes (includes RRC tonnages), i.e. an increase of 15,308 tonnes compared with the 2022/23 forecast outturn. These tonnages have been reviewed with borough officers and the impacts are therefore tailored to each borough's circumstances. A breakdown by borough is included in table B2 in appendix B. The tonnage increase is driven mainly by assumptions around tonnages of residual household waste growing some way after the drop in 2022/23, but not returning to prior year levels (12,253 tonnes). There are also smaller increases in chargeable household waste (172 tonnes) and non-household waste (2,883 tonnes). Within these tonnages is a reallocation from non-household to household by Camden
- 4.5. In addition to the inflationary increase, the budget forecast reflects the full year effect of the additional cost of the new third-party waste contract.
- 4.6. The electricity income claim and landfill tax claim have been verified to the LEL budget and workings and are reflective of the throughput that can be achieved. The electricity income claim budget has reduced significantly due to the current assumption on the high demand and market prices. The Government has advised that landfill tax rates will rise from £98.60 per tonne to £102.10 per tonne from April 2023.

Composting Waste Services and MRF Services

- 4.7. The budget forecast reflects that mixed organic waste, food waste and green tonnages are expected to increase by 9% to 46,074 tonnes in 2023/24 compared to the 2022/23 forecast as laid out in tables B3 to B5 in Appendix B.
- 4.8. Mixed dry recycling tonnages increase by 805 tons compared to the 2022/23 forecast as laid out in Table B6 in Appendix B. The overall increase in this budget also reflects an allowance of 8.6% for a price inflation in April 2022.

Corporate Support Service and Strategy & Service Teams

- 4.9. The budget forecast includes the full year effect of the known changes to the Authority's establishment in 2023/24. In addition, it also includes the rephasing of the waste data management system project, and the joint waste strategy review.

New Resource Recovery Facility (RRF)

- 4.10. The new Resource Recovery Facility is anticipated to commence commissioning in the spring of 2023 and is likely to fully open early in the 2023/24 financial year. Once it is fully open, capital repayments will be recognised. In addition, the budget also contains budget for the operating cost of the new facility.

North London Heat & Power Project

- 4.11. The budget forecast includes the ongoing feasibility, design and support costs for the North London Heat and Power Project that cannot be capitalised. All costs that can be capitalised will be funded by borrowing and interest will be added to project costs during the construction period.

Revenue Funding of the Capital Programme

- 4.12. The budget forecast provides for the financing costs of:
- 4.12.1. The Authority's investment in LondonEnergy Ltd
 - 4.12.2. Pinkham Way
 - 4.12.3. Lease of laydown area, part of the EcoPark and the purchase of Deephams Farm Road to support the North London Heat and Power project
 - 4.12.4. The Resource Recovery Facility once it opens
 - 4.12.5. The possible refurbishment of RRC sites
 - 4.12.6. The possible investment in a waste transfer station
- 4.13. The Authority also makes a Minimum Revenue Provision (MRP). This represents the minimum amount that must be set aside in the Authority's revenue account each year, to repay the borrowing necessary to finance the asset acquisitions listed above.
- 4.14. The costs of borrowing for the North London Heat and Power Project (NLHPP) are rolled into the capital cost until the asset comes into use. Therefore, the impact of borrowing for the construction of the Energy Recovery Facility and associated costs will not be budgeted under this heading until completion.

Reuse & Recycling Centres

- 4.15. The budget provides for the operation of seven Reuse and Recycling Centres at a cost of £5.524m. The amount charged to the relevant boroughs through the 2023/24 levy will also allow for the change in balances that arose from the closure of the 2021/22 accounts and forecast changes in balances from 2022/23. An analysis by borough of these costs is provided in Table B7 in Appendix B.

Income from the Sale of Recyclates

- 4.16. Due to volatility in market price, the price used for income from recyclates assumes that the current high market values are not sustained and therefore will return close to historic average prices. The 2022/23 budget forecast is based on an average income of £50.00 per tonne.

Non-Household Waste Charges

- 4.17. The Authority expects to receive 87,360 tonnes of residual waste and recycling in 2023/24, an increase of 3,399 tonnes compared to the forecast for 2022/23. The 2023/24 tonnage comprises 74,060 tonnes of residual waste, 11,219 tonnes of dry recyclable waste, 1,558 tonnes of food waste 78 tonnes of green waste and 445 tonnes of mixed organic waste.
- 4.18. The estimated charges per tonne of waste are included in table 2 below. The charge for dry recyclable waste is inclusive of the income the Authority receives through the income sharing arrangements with its Materials Recycling Facility (MRF) providers.
- 4.19. Based on the advised tonnages the estimated cost to the boroughs is £8,854m. This is analysed by borough in Table B9 in Appendix B.

| Table 2 | Price Per tonne £ |
|----------------------|----------------------------------|
| Residual | £110.44 |
| Biodegradable | £86.86 |
| Green | £61.32 |
| Food | £3.62 |
| Mixed Dry Recyclable | £55.87 |

Chargeable Household Waste

- 4.20. The Authority expects to receive 17,996 tonnes of chargeable household waste in 2023/24, an increase of 414 tonnes compared to the forecast for 2022/23. The

2023/24 tonnage comprises 14,369 tonnes of residual waste, 2,376 tonnes of dry recyclable waste, 763 tonnes of mixed organic waste, and 488 tonnes of food waste.

- 4.21. The estimated charges per tonne of waste are included in Table 2 above. The charge for dry recyclable waste is inclusive of the income the Authority receives through the income sharing arrangements with its MRF providers.
- 4.22. Based on the advised tonnages the estimated cost to the boroughs in 2023/24 is £1.788m. The cost is analysed by borough in Table B10 in Appendix B.

Efficiency Savings and Cost Reductions

- 4.23. Members will be aware that given the demand-led nature of the service provided by the Authority to the constituent boroughs and the long-term contracts that it has for the majority of these services, that the scope to make savings is limited. Despite these limitations, the officers are reviewing costs to identify savings within the budget and medium-term forecast.

Contingency

- 4.24. There is a high degree of uncertainty about the scale of a number of budget pressures in the coming year. At this stage, the budget assumes that contingency is assessed on the same basis as recent years, namely a contingency of £1m plus 2% of operational base costs (£1.607m), totalling £2.607m. This budget cannot be used without further Authority approval.

Levy Apportionment Arrangements

- 4.25. All boroughs formally agreed to adopt a menu-price based levy for 2016/17 onwards. Details of the calculation for 2023/24 can be found in Tables B7 and B8 in Appendix B.

5. MEDIUM TERM BUDGET FORECAST FOR 2023/24 TO 2025/26

- 5.1. Assuming that no balances are available to support budgets for these years, net expenditure and levies are forecast in the table below. The increases in net expenditure in 2024/25 are driven largely by the opening of the Resource Recovery Facility (RRF) and the inclusion of MRP which must be included for an asset from the financial year after it is brought into use. If balances are available at the end of 2023/24 they will be used to reduce the cost of services in 2024/25. There has never been a year in which balances have not developed to reduce the eventual levy for the following year.

| | Net Expenditure £'000 | Base Levy £'000 | RRC Levy £'000 | Total £'000 | Increase % |
|---------|--------------------------------------|--------------------------------|---------------------------|------------------------|-----------------------|
| 2024/25 | 91,951 | (73,499) | (5,662) | (79,161) | 28.1% |
| 2025/26 | 92,622 | (73,991) | (5,803) | (79,794) | 0.8% |
| 2026/27 | 111,769 | (89,861) | (5,948) | (95,809) | 20.1% |

6. CONCLUSION

- 6.1. This update indicates that the 2022/23 budget remains sufficiently robust to meet the cost of the Authority's waste disposal obligations in the current year and balances at 31 March 2023 are likely to be £10.516m higher than was assumed when the budget was set in February 2022. There is no certainty that any further balances will emerge in 2022/23 and the forecast levy for 2024/25 to 2025/26 includes no allowance for them. Officers are however reviewing costs to identify opportunities to reduce costs and will keep Borough Directors of Finance informed of progress.
- 6.2. In February 2023 it will be necessary for Members to take decisions to ensure that the 2023/24 budget is sufficient to meet the Authority's statutory obligations in the year ahead. To assist with this process, the Member Finance Working Group will meet in January 2023 to review the assumptions underpinning the 2023/24 budget forecast and to consider levy options. The outcome from this review together with up-to-date advice on the Authority's budget and resource requirements for 2023/24 will be reported to the budget and levy setting meeting in February.

7. EQUALITIES IMPLICATIONS

- 7.1. Budgets and forecasts are considered an allocation of resources. Approval to spend is sought separately by officers. The equalities implications are considered as part of the spending approval.

8. COMMENTS OF THE LEGAL ADVISER

- 8.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

List of documents used:

Report to the Authority 10 February 2022 – Finance Update - Budget and Levy 2022/23
 Report to the Authority 23 June 2022 – 2021/22 Financial Outturn and 2022/23 Update
 Report to the Authority 31 October 2022 – 2022/23 Budget Update
 2022/23 budgetary control and 2023/24 budget working papers

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APPENDIX A FINANCIAL TABLES TO SUPPORT THE REPORT

Table A1 shows the variance between the October update and the current forecast.

| Table A1 | 2022/23 Budget £'000 | 2022/23 October Forecast £'000 | 2022/23 Current Forecast £'000 | Variance £'000 |
|--|-------------------------------------|---|---|---------------------------|
| Expenditure | | | | |
| Main Waste Disposal Contract (ex RRC Waste) | 42,601 | 39,175 | 38,024 | (1,151) |
| Composting Waste Services | 2,117 | 1,658 | 1,608 | (50) |
| MRF Services | 10,933 | 10,132 | 10,052 | (80) |
| Transfer Station and Other Sites | 3,426 | 2,711 | 2,711 | 0 |
| Corporate and Other Support Service Costs | 4,332 | 4,511 | 4,511 | 0 |
| Waste Prevention and Communications Programme | 774 | 595 | 541 | (54) |
| Recycling Communications | 300 | 300 | 300 | 0 |
| Recycling Initiatives | 275 | 230 | 217 | (13) |
| North London Heat and Power Project | 849 | 849 | 849 | 0 |
| Revenue Funding – Capital Programme | 8,586 | 8,586 | 7,122 | (1,464) |
| | 74,193 | 68,747 | 65,935 | (2,812) |
| Reuse and Recycling Centres Expenditure | | | | |
| Residual Waste Disposal | 1,194 | 1,231 | 1,231 | 0 |
| Operating Costs | 3,721 | 3,842 | 3,865 | 23 |
| | 4,915 | 5,073 | 5,096 | 23 |
| Income | | | | |
| Rents | (128) | (128) | (128) | 0 |
| Sale of Recyclates | (4,713) | (8,175) | (8,089) | 86 |
| Interest on Balances | (40) | (40) | (40) | 0 |
| | (4,881) | (8,343) | (8,257) | 86 |
| Net Expenditure | 74,227 | 65,477 | 62,774 | (2,703) |
| Contingency | 2,485 | 2,485 | 2,485 | 0 |
| Total Net Expenditure | 76,712 | 67,962 | 65,259 | (2,703) |
| Financed By | | | | |
| Use of Balances | (9,266) | (15,251) | (15,251) | 0 |
| Charges to Boroughs (Non-household waste) | (8,590) | (7,574) | (6,815) | 759 |
| Charges to Boroughs (Chargeable Household Waste) | (1,809) | (1,615) | (1,415) | 200 |
| 2022/23 Levy - Base Element | (52,440) | (52,440) | (52,440) | 0 |
| - Base Element Refund | 0 | 4,753 | 4,753 | 0 |
| - HWRC Element | (4,607) | (4,607) | (4,607) | 0 |
| Total Levy | (57,047) | (52,294) | (52,294) | 0 |
| Total Resources Available | (76,712) | (76,734) | (75,775) | 959 |
| Estimated Additional Revenue Balances at 31 March | 0 | (8,772) | (10,516) | (1,744) |

TONNAGE FORECASTS

The tonnage in tables A2-A6 have been reviewed based on actual tonnage delivered in April to October 2022, and borough officers' own expectations for November 2022 to March 2023. Where officers are aware of planned service changes, these have been included in the forecast.

TABLE A2 – RESIDUAL WASTE FORECAST

| | 2021/22 Actual Tonnes | 2022/23 Budget Tonnes | 2022/23 Dec Forecast Tonnes | Change Tonnes | Change % |
|--------------|--------------------------------------|--------------------------------------|--|--------------------------|---------------------|
| Barnet | 110,118 | 117,793 | 109,730 | -8,063 | -6.85 |
| Camden | 68,252 | 71,588 | 69,549 | -2,039 | -2.85 |
| Enfield | 89,997 | 91,568 | 87,351 | -4,217 | -4.61 |
| Hackney | 84,791 | 85,283 | 84,487 | -796 | -0.93 |
| Haringey | 73,049 | 75,796 | 70,631 | -5,165 | -6.81 |
| Islington | 74,146 | 75,017 | 69,157 | -5,860 | -7.81 |
| Waltham | 73,006 | 74,781 | 69,500 | -5,281 | -7.06 |
| Total | 573,359 | 591,826 | 560,405 | -31,421 | -5.31 |

TABLE A3 – MIXED ORGANIC (FOOD AND GREEN) WASTE FORECAST

| | 2021/22 Actual Tonnes | 2022/23 Budget Tonnes | 2022/23 Dec Forecast Tonnes | Change Tonnes | Change % |
|----------------|--------------------------------------|--------------------------------------|--|--------------------------|---------------------|
| Barnet | 0 | 0 | 0 | +0 | N/A |
| Camden | 0 | 0 | 0 | +0 | N/A |
| Enfield | 0 | 0 | 0 | +0 | N/A |
| Hackney | 0 | 0 | 0 | +0 | N/A |
| Haringey | 818 | 192 | 412 | +220 | +114.58 |
| Islington | 4,106 | 3,793 | 3,859 | +66 | +1.74 |
| Waltham Forest | 9,588 | 9,841 | 7,949 | -1,892 | -19.23 |
| Total | 14,512 | 13,826 | 12,220 | -1,606 | -11.62 |

TABLE A4 - FOOD WASTE TONNAGE FORECAST

| | 2021/22 | 2022/23 | 2022/23 Q2 | Change | Change |
|----------------|----------------|----------------|-------------------|---------------|---------------|
| | Actual | Budget | Forecast | Tonnes | % |
| | Tonnes | Tonnes | Tonnes | | |
| Barnet | 0 | 0 | 0 | +0 | N/A |
| Camden | 3,072 | 3,200 | 2,748 | -452 | -14.13 |
| Enfield | 0 | 0 | 0 | +0 | N/A |
| Hackney | 5,879 | 6,431 | 5,415 | -1,016 | -15.80 |
| Haringey | 3,514 | 4,145 | 3,399 | -746 | -18.00 |
| Islington | 0 | 0 | 0 | +0 | N/A |
| Waltham Forest | 466 | 492 | 460 | -32 | -6.50 |
| Total | 12,931 | 14,268 | 12,022 | -2,246 | -15.74 |

TABLE A5 – GREEN WASTE TONNAGE FORECAST

| | 2021/22 | 2022/23 | 2022/23 Q2 | Change | Change |
|----------------|----------------|----------------|-------------------|---------------|---------------|
| | Actual | Budget | Forecast | Tonnes | % |
| | Tonnes | Tonnes | Tonnes | | |
| Barnet | 12,118 | 11,949 | 10,705 | -1,244 | -10.41 |
| Camden | 1,848 | 1,793 | 1,729 | -64 | -3.57 |
| Enfield | 444 | 200 | 242 | +42 | N/A |
| Hackney | 2,744 | 2,699 | 2,681 | -18 | -0.67 |
| Haringey | 2,264 | 3,057 | 1,975 | -1,082 | -35.39 |
| Islington | 461 | 418 | 406 | -12 | -2.87 |
| Waltham Forest | 351 | 193 | 202 | +9 | +4.66 |
| Total | 20,230 | 20,309 | 17,940 | -2,369 | -11.66 |

TABLE A6 – MDR TONNAGE FORECAST

| | 2021/22 Actual Tonnes | 2022/23 Budget Tonnes | 2022/23 Q2 Forecast Tonnes | Change Tonnes | Change % |
|----------------|--------------------------------------|--------------------------------------|---|--------------------------|---------------------|
| Barnet | 27,464 | 29,163 | 26,365 | -2,798 | -9.59 |
| Camden | 16,331 | 16,452 | 15,342 | -1,110 | -6.75 |
| Enfield | 0 | 0 | 0 | +0 | +0.00 |
| Hackney | 19,221 | 20,169 | 17,920 | -2,249 | -11.15 |
| Haringey | 18,314 | 18,506 | 17,476 | -1,030 | -5.57 |
| Islington | 15,245 | 16,952 | 13,701 | -3,251 | -19.18 |
| Waltham Forest | 17,110 | 17,668 | 17,487 | -181 | -1.02 |
| Total | 113,685 | 118,910 | 108,291 | -10,619 | -8.93 |

Re-use and Recycling Centre (RRCs) Balances at 31 March 2023

Under the menu-price based levy, the net costs of operating each RRC is attributed to boroughs in accordance with a visitor survey. Under or overspends continue to be attributable to individual sites and are carried forward to the levy calculation in the following year so the net cost to each borough in any year also reflects the changes in its balance position.

In setting the budget and levy for 2022/23, the Authority estimated that it would have balances owed to it of £0.308m to amend the cost of RRCs in 2022/23. The 2021/22 outturn contained additional balances of £0.049m.

Table A7 below provides a summary of the current financial position for each borough:

| | Change in RRC Balances at 1 April 2022 (As reported in June) | Total Operating Costs – 2022/23 Original Budget | Total Operating Costs - 2022/23 Current Forecast | Change in 2022/22 Total Operating Costs | Estimated RRC Balances at 31 March 2023 (Column 1 plus 4) |
|----------------|---|--|---|--|--|
| | 1 | 2 | 3 | 4 | 5 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Barnet | (36) | 806 | 846 | 40 | 4 |
| Camden | 18 | 580 | 637 | 57 | 75 |
| Enfield* | (11) | 300 | 309 | 9 | (2) |
| Hackney | (9) | 241 | 243 | 2 | (7) |
| Haringey | (21) | 599 | 603 | 4 | (17) |
| Islington | (9) | 717 | 722 | 5 | (4) |
| Waltham Forest | 19 | 1,364 | 1,437 | 73 | 92 |
| Total | (49) | 4,607 | 4,797 | 190 | 141 |

* The Authority does not manage Enfield's RRC; the cost of disposing of this site's residual waste is included in Enfield's base levy.

Subject to final review in February, RRC balances of £0.141m will be included when calculating the RRC element of the 2023/24 levy.

Table A8 - Base Levy Balances at 31 March 2023

The menu-price based levy requires the authority to attribute all of its costs to the boroughs and to hold borough specific balances. A positive balance for a borough can be used to support a future year's levy but if negative will be recovered through an addition to the levy. The following table sets out the forecast balance position excluding RRCs. It should be noted the costs in columns 2 and 3 are those that are attributable to the levy; they do not include the costs of processing non-household and chargeable household waste. The 2022/23 base levy included estimated balances of £8.956m, which enabled the Authority to set a base levy of £52.440. Since the levy is fixed for the year, the additional balances arising from the 2021/22 outturn feed into the estimated balance at 31 March 2023 and can be included together with any in-year savings when the Authority determines its 2023/24 levy.

| | Additional balance at 1 April 2022 (reported In June) | 2022/23 Budget Levy Costs | 2022/23 Levy Costs - Current Forecast | 2022/23 in-year Levy Rebate | Forecast Change in 2022/23 Levy Costs | Estimated Balance at 31 March 2023 (Column 1 plus 5) |
|----------------|--|----------------------------------|--|------------------------------------|--|---|
| | 1 | 2 | 3 | 4 | 5 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Barnet | (1,310) | 10,886 | 8,477 | (974) | (1,435) | (2,745) |
| Camden | (364) | 5,118 | 5,010 | (475) | 367 | 3 |
| Enfield | (888) | 7,395 | 6,523 | (641) | (231) | (1,119) |
| Hackney | (919) | 6,972 | 5,629 | (601) | (742) | (1,661) |
| Haringey | (864) | 7,257 | 5,528 | (655) | (1,074) | (1,938) |
| Islington | (585) | 6,084 | 4,801 | (567) | (716) | (1,301) |
| Waltham Forest | (1,007) | 8,728 | 6,996 | (841) | (891) | (1,898) |
| Total | (5,937) | 52,440 | 42,964 | (4,754) | (4,722) | (10,659) |

Table A9 - Charges to Boroughs for Non-Household Waste

Although charges for non-household waste must be separate from the levy, the calculation methodology for these charges is set out in the provisions of the menu-price based levy .

Forecast charges to boroughs for the disposal of non-household waste in 2022/23 compared with the original budget assumptions are shown in the table below

| | 2022/23 Budget Estimate £'000 | 2022/23 Current Forecast £'000 | Estimated Variance £'000 |
|----------------|--|---|---|
| Barnet | 1,129 | 948 | (181) |
| Camden* | 2,256 | 1,231 | (1,025) |
| Enfield | 897 | 841 | (56) |
| Hackney* | 1,802 | 1,728 | (74) |
| Haringey * | 237 | 247 | 10 |
| Islington * | 2,124 | 1,690 | (434) |
| Waltham Forest | 145 | 131 | (14) |
| Total | 8,590 | 6,816 | (1,774) |

* Including income from non-household recyclable wastes.

Table A10 - Charges to Boroughs for Chargeable Household Waste:

Forecast charges to Boroughs for the disposal of Chargeable household waste in 2021/22 compared with the original budget assumptions are shown in the table below:

| | 2022/23 Budget Estimate £'000 | 2022/23 Current Forecast £'000 | Estimated Variance £'000 |
|----------------|--|---|---|
| Barnet | 1,129 | 948 | (181) |
| Camden* | 2,256 | 1,231 | (1,025) |
| Enfield | 897 | 841 | (56) |
| Hackney* | 1,802 | 1,728 | (74) |
| Haringey * | 237 | 247 | 10 |
| Islington * | 2,124 | 1,690 | (434) |
| Waltham Forest | 145 | 131 | (14) |
| Total | 8,590 | 6,816 | (1,774) |

Table A11 – 2022/23 Levy Projection

After taking the balance into account, the increase compared to the approved 2022/23 levy has increased by 8.4%. The table below shows how this increase is broken down by borough.

| | 2022/23 Actual Levy | 2023/24 Current Forecast Levy Costs* | Forecast Levy Increase | 2021/22 Additional Year End Balances | 2022/23 Balances Currently Forecast | Additional Balance to reduce the 2023/24 Levy | 2023/24 Revised Forecast Levy | Revised Forecast Levy Increase |
|----------------|---------------------------|--|------------------------------|---|--|--|--|---|
| | £'000 | £'000 a | % | £'000 b | £'000 c | £'000 d (b+c) | £'000 (a+d) | % |
| Barnet | 11,692 | 15,507 | 32.6% | (1,346) | (1,395) | (2,741) | 12,765 | 9.2% |
| Camden | 5,698 | 8,377 | 47.0% | (346) | 424 | 79 | 8,456 | 48.4% |
| Enfield | 7,695 | 9,573 | 24.4% | (899) | (222) | (1,121) | 8,453 | 9.9% |
| Hackney | 7,213 | 8,881 | 23.1% | (928) | (740) | (1,667) | 7,214 | 0.0% |
| Haringey | 7,856 | 10,151 | 29.2% | (884) | (1,070) | (1,954) | 8,196 | 4.3% |
| Islington | 6,801 | 8,324 | 22.4% | (594) | (711) | (1,305) | 7,019 | 3.2% |
| Waltham Forest | 10,092 | 11,521 | 14.2% | (988) | (818) | (1,806) | 9,716 | -3.7% |
| Total | 57,047 | 72,334 | 26.8% | (5,985) | (4,532) | (10,515) | 61,819 | 8.4% |

* Before balances are taken into account

APPENDIX B FINANCIAL TABLES TO SUPPORT THE REPORT BUDGET 2023/24

Table B1 shows the variance between the 2022/23 budget and the budget forecast for 2023/24. The budget forecast does not include windfall income.

| | 2022/23 Budget | 2023/24 Current Forecast | Variance |
|--|---------------------------|---|-----------------|
| | £'000 | £'000 | £'000 |
| Expenditure | | | |
| Main Waste Disposal Contract (ex RRC Waste) | 42,601 | 44,520 | 1,919 |
| Composting Waste Services | 2,117 | 1,977 | (140) |
| MRF Services | 10,933 | 10,473 | (460) |
| Transfer Station and Other Sites | 3,426 | 4,679 | 1,253 |
| Corporate and Other Support Service Costs | 4,332 | 5,343 | 1,011 |
| Waste Prevention and Communications Programme | 774 | 833 | 59 |
| Recycling Communications | 300 | 0 | (300) |
| Recycling Initiatives | 275 | 287 | 12 |
| North London Heat and Power Project | 849 | 400 | (449) |
| Carbon Capture & Storage | 0 | 1,054 | 1,054 |
| Revenue Funding – Capital Programme | 8,586 | 10,867 | 2,281 |
| | 74,193 | 80,433 | 6,240 |
| Reuse and Recycling Centres Expenditure | | | |
| Residual Waste Disposal | 1,194 | 1,390 | 196 |
| Operating Costs | 3,721 | 4,134 | 413 |
| | 4,915 | 5,524 | 609 |
| Income | | | |
| Rents | (128) | (137) | (9) |
| Sale of Recyclates | (4,713) | (5,411) | (698) |
| Interest on Balances | (40) | (40) | 0 |
| | (4,881) | (5,588) | (707) |
| Net Expenditure | 74,227 | 80,369 | 6,142 |
| Contingency | 2,485 | 2,607 | 122 |
| Total Net Expenditure | 76,712 | 82,976 | 6,264 |
| Financed By | | | |
| Use of Balances | (9,266) | (10,516) | (1,250) |
| Charges to Boroughs (Non-household waste) | (8,590) | (8,855) | (265) |
| Charges to Boroughs (Chargeable Household Waste) | (1,809) | (1,788) | 21 |
| 2023/24 Levy - Base Element | (52,440) | (56,152) | (3,712) |
| - HWRC Element | (4,607) | (5,665) | (1,058) |
| Total Levy | (57,047) | (61,817) | (4,770) |
| Total Resources Available | (76,712) | (82,976) | (6,264) |

TONNAGE FORECASTS

The tonnage forecasts in tables B2-B6 have been based on individual discussions with the boroughs to forecast the anticipated tonnages into 2022/23.

TABLE B2 – RESIDUAL WASTE FORECAST

| | 2021/22 | 2022/23 | 2023/24 | | |
|----------------|----------------|-----------------|----------------|---------------|---------------|
| | Actual | Forecast | Budget | Change | Change |
| | Tonnes | Tonnes | Tonnes | Tonnes | % |
| Barnet | 110,118 | 109,730 | 114,121 | +4,391 | +4.00 |
| Camden | 68,252 | 69,549 | 70,936 | +1,387 | +1.99 |
| Enfield | 89,997 | 87,351 | 90,496 | +3,145 | +3.60 |
| Hackney | 84,791 | 84,487 | 83,862 | -625 | -0.74 |
| Haringey | 73,049 | 70,631 | 72,935 | +2,304 | +3.26 |
| Islington | 74,146 | 69,157 | 72,609 | +3,452 | +4.99 |
| Waltham Forest | 73,006 | 69,500 | 70,743 | +1,243 | +1.79 |
| Total | 573,359 | 560,405 | 575,702 | 15,297 | +2.73 |

TABLE B3 – MIXED ORGANIC (FOOD AND GREEN) WASTE FORECAST

| | 2021/22 | 2022/23 | 2023/24 | | |
|----------------|----------------|-----------------|----------------|---------------|---------------|
| | Actual | Forecast | Budget | Change | Change |
| | Tonnes | Tonnes | Tonnes | Tonnes | % |
| Barnet | 0 | 0 | 0 | +0 | N/A |
| Camden | 0 | 0 | 0 | +0 | N/A |
| Enfield | 0 | 0 | 0 | +0 | N/A |
| Hackney | 0 | 0 | 0 | +0 | N/A |
| Haringey | 818 | 412 | 192 | -220 | -53.40 |
| Islington | 4,106 | 3,859 | 3,840 | -19 | -0.49 |
| Waltham Forest | | | | | |
| | 9,588 | 7,949 | 8,941 | +992 | +12.48 |
| Total | 14,512 | 12,220 | 12,973 | +753 | +6.16 |

TABLE B4 – FOOD WASTE TONNAGE FORECAST

| | 2021/22 | 2022/23 | 2023/24 | | |
|----------------|----------------|-----------------|----------------|---------------|---------------|
| | Actual | Forecast | Budget | Change | Change |
| | Tonnes | Tonnes | Tonnes | Tonnes | % |
| Barnet | 0 | 0 | 0 | +0 | N/A |
| Camden | 3,072 | 2,748 | 2,900 | +152 | +5.53 |
| Enfield | 0 | 0 | 0 | +0 | N/A |
| Hackney | 5,879 | 5,415 | 5,651 | +236 | +4.36 |
| Haringey | 3,514 | 3,399 | 3,846 | +447 | +13.15 |
| Islington | 0 | 0 | 0 | +0 | N/A |
| Waltham Forest | | | | | |
| | 466 | 460 | 492 | +32 | +6.96 |
| Total | 12,931 | 12,022 | 12,889 | +867 | +7.21 |

TABLE B5 – GARDEN WASTE TONNAGE FORECAST

| | 2021/22 | 2022/23 | 2023/24 | | |
|----------------|----------------|-----------------|----------------|---------------|---------------|
| | Actual | Forecast | Budget | Change | Change |
| | Tonnes | Tonnes | Tonnes | Tonnes | % |
| Barnet | 12,118 | 10,705 | 12,349 | +1,644 | +15.36 |
| Camden | 1,848 | 1,729 | 1,793 | +64 | +3.70 |
| Enfield | 444 | 242 | 200 | -42 | N/A |
| Hackney | 2,744 | 2,681 | 2,681 | +0 | +0.00 |
| Haringey | 2,264 | 1,975 | 2,579 | +604 | +30.58 |
| Islington | 461 | 406 | 418 | +12 | +2.96 |
| Waltham Forest | | | | | |
| | 351 | 202 | 193 | -9 | -4.46 |
| Total | 20,230 | 17,940 | 20,213 | +2,273 | +12.67 |

TABLE B6 – MDR TONNAGE FORECAST

| | 2021/22 | 2022/23 | 2023/24 | | |
|----------------|----------------|-----------------|----------------|---------------|---------------|
| | Actual | Forecast | Budget | Change | Change |
| | Tonnes | Tonnes | Tonnes | Tonnes | % |
| Barnet | 27,464 | 26,365 | 26,248 | -117 | -0.44 |
| Camden | 16,331 | 15,342 | 15,546 | +204 | +1.33 |
| Enfield | 0 | 0 | 0 | +0 | +0.00 |
| Hackney | 19,221 | 17,920 | 18,066 | +146 | +0.81 |
| Haringey | 18,314 | 17,476 | 17,957 | +481 | +2.75 |
| Islington | 15,245 | 13,701 | 14,426 | +725 | +5.29 |
| Waltham Forest | 17,110 | 17,487 | 16,853 | -634 | -3.63 |
| Total | 113,685 | 108,291 | 109,096 | +805 | +0.74 |

TABLE B7 – REUSE AND RECYCLING CENTRE LEVY

The amounts charged to the relevant boroughs through the 2023/24 levy allow for the additional balances that arose from the closure of the 2021/22 accounts and forecast additional balances from 2022/23.

| | Forecast RRC Balances at 1 April 2023 £'000 | 2023/24 Estimated costs £'000 | 20223/24 Estimated Levy £'000 |
|----------------|--|--|--|
| Barnet | 4 | 1,124 | 1,128 |
| Camden | 75 | 690 | 765 |
| Enfield* | (2) | 304 | 302 |
| Hackney | (7) | 272 | 265 |
| Haringey | (17) | 756 | 739 |
| Islington | (4) | 841 | 837 |
| Waltham Forest | 92 | 1,538 | 1,630 |
| Total | 141 | 5,525 | 5,666 |

TABLE B8 – BASE LEVY

The amounts charged to the relevant boroughs through the 2022/23 base levy allow for the additional balances that arose from the closure of the 2020/21 accounts and forecast additional balances from 2021/22.

| | Forecast Balances at 1 April 2023 £'000 | 2023/24 Estimated Levy Requirement £'000 | 2023/24 Estimated Levy £'000 |
|----------------|--|---|---|
| Barnet | (2,745) | 14,380 | 11,635 |
| Camden | 3 | 7,688 | 7,691 |
| Enfield | (1,119) | 9,270 | 8,151 |
| Hackney | (1,661) | 8,610 | 6,949 |
| Haringey | (1,938) | 9,395 | 7,457 |
| Islington | (1,301) | 7,483 | 6,182 |
| Waltham Forest | (1,898) | 9,984 | 8,086 |
| Total | (10,659) | 66,810 | 56,151 |

TABLE B9 – NON-HOUSEHOLD WASTE CHARGES

The cost to boroughs in 2022/23 is estimated to be:

| | 2023/24 | 2023/24 |
|-----------------|------------------|------------------|
| | Estimated | Estimated |
| | Tonnes | Cost |
| | | £'000 |
| Barnet* | 11,820 | 1,282 |
| Camden* | 18,112 | 1,729 |
| Enfield | 9,269 | 1,024 |
| Hackney* | 22,490 | 2,210 |
| Haringey * | 3,120 | 304 |
| Islington * | 20,985 | 2,142 |
| Waltham Forest* | 1,564 | 163 |
| Total | 87,360 | 8,854 |

* Including tonnages and income from non-household recyclable wastes.

The Figures in the table above (B9) and below (B10) do not include a portion of the windfall income. These estimated costs will reduce when it is included in the final budget assumptions in February 2023

TABLE B10 – CHARGEABLE HOUSEHOLD WASTE

The cost to boroughs in 2022/23 is estimated to be:

| | 2023/24 | 2023/24 |
|------------------|------------------|------------------|
| | Estimated | Estimated |
| | Tonnes | Cost |
| | | £'000 |
| Barnet | 2,220 | 245 |
| Camden | 1,341 | 123 |
| Enfield | 1,429 | 158 |
| Hackney | 6,637 | 643 |
| Haringey | 2,881 | 284 |
| Islington | 3,488 | 335 |
| Waltham Forest * | 0 | 0 |
| Total | 17,996 | 1,788 |

* Waltham Forest has indicated that it does not collect such waste.

Arrangements for the settling of over or under payments by the boroughs are the same as for non-household waste.

TABLE B11 – MEDIUM TERM FORECAST

| | 2024/25 Budget Forecast £'000 | 2025/26 Budget Forecast £'000 | 2026/27 Budget Forecast £'000 |
|--|--|--|--|
| Expenditure | | | |
| Main Waste Disposal Contract (ex RRC Waste) | 47,132 | 48,248 | 49,421 |
| Composting Waste Services | 2,026 | 2,077 | 2,129 |
| MRF Services | 10,735 | 11,004 | 11,279 |
| Transfer Station and Other Sites | 4,875 | 4,991 | 5,110 |
| Corporate and Other Support Service Costs | 5,267 | 5,493 | 5,522 |
| Waste Prevention and Communications Programme | 718 | 733 | 748 |
| Recycling Initiatives | 296 | 303 | 311 |
| North London Heat and Power Project | 100 | 100 | 100 |
| Carbon Capture & Storage | 1,057 | 0 | 0 |
| Revenue Funding – Capital Programme | 17,026 | 16,941 | 34,041 |
| | 89,232 | 89,890 | 108,661 |
| Reuse and Recycling Centres Expenditure | | | |
| Residual Waste Disposal | 1,424 | 1,460 | 1,497 |
| Operating Costs | 4,237 | 4,343 | 4,452 |
| | 5,661 | 5,803 | 5,949 |
| Income | | | |
| Rents | (139) | (143) | (146) |
| Sale of Recyclates | (5,546) | (5,685) | (5,827) |
| Interest on Balances | (40) | (40) | (40) |
| | (5,725) | (5,868) | (6,013) |
| Net Expenditure | 89,168 | 89,825 | 108,597 |
| Contingency | 2,783 | 2,797 | 3,172 |
| Total Net Expenditure | 91,951 | 92,622 | 111,769 |
| Financed By | | | |
| Use of Balances | 0 | 0 | 0 |
| Charges to Boroughs (Non-household waste) | (10,564) | (10,594) | (13,198) |
| Charges to Boroughs (Chargeable Household 2023/24 Levy - Base Element | (73,499) | (73,991) | (89,861) |
| - HWRC Element | (5,662) | (5,803) | (5,948) |
| Total Levy | (79,161) | (79,794) | (95,809) |
| Total Resources Available | (91,951) | (92,622) | (111,769) |