

## NORTH LONDON WASTE AUTHORITY

### REPORT TITLE

2013/14 THIRD BUDGET REVIEW AND 2014/15 BUDGET FORECAST

### REPORT OF

FINANCIAL ADVISER

### FOR SUBMISSION TO

AUTHORITY MEETING

### DATE

12 DECEMBER 2013

### 1. SUMMARY OF REPORT

This report is the third in the current year of a series of regular reports on the Authority's finances. It concludes that the Authority is currently forecast to have a revenue surplus of £11.798m at 31 March 2014, i.e. an increase of £6.513m compared with the second review. The improvement is due mainly to the continued good performance of LondonWaste Ltd and its decision to pay a £4m dividend to the Authority in December, further reductions in the waste stream and a reduction in the cost of funding the capital programme.

In September the Authority decided not to proceed with the procurement project and instead decided to develop an alternative strategic route for its longer term service delivery. For the purpose of setting the 2014/15 budget and levy it will be necessary to ensure that the Authority has sufficient resources to fund the costs of its new strategic direction. This will include the need for the Authority to renew a number of its current waste services contracts, particularly the LWL main waste disposal contract. For these reasons, and without prejudging the outcome of decisions yet to be made and contractual terms and prices yet to be determined, the 2014/15 budget forecast has been prepared on a business as usual basis, i.e. using current contract terms and prices as uplifted for inflation.

As a consequence a detailed assessment of the budget and resource requirements for the year ahead indicates that the 2014/15 net budget requirement is currently estimated to be £66.841m. This is a reduction of £0.549m compared with the 2013/14 approved budget and £1.866m lower than the 2014/15 medium term forecast reported to the Authority in February 2013. The figure of £66.841m is also in the region of £3m to £4m lower than the estimated cost were the Authority to have continued with procurement in 2014/15.

It will, however, be necessary to ensure that the Authority has sufficient resources to fund the cost of future decisions and outcomes in the coming year and therefore in determining the 2014/15 levy it is proposed to not fully utilise revenue balances and instead retain balances of £5m. This will sit outside of the Authority's operational budget and can be called upon by Members, if required, as decisions are made and contracts awarded. Any balances not utilised in this way would become available to limit the increase in the 2015/16 levy.

After use of £6.798m of forecast revenue balances and returning a £1m earmarked reserve to the revenue account the Authority's budget will require funding of £59.043m by constituent boroughs. It is estimated that £10.311m will be funded from the non-household charging arrangement and £2.008m through the household charging arrangement. Finally, it is estimated that the remaining costs of the Authority will be funded by a levy of £46.724m, i.e. an increase of £4.895m (11.70%) on 2013/14. The levy comprises a base levy element of £44.492m and an HWRC element of £2.232m.

The current forecast of the Authority's 2014/15 resource requirements represents a significant improvement on previous forecasts. In contrast to previous years' budget recommendations the 2014/15 budget forecast does not propose that the Authority fully utilises the forecast revenue surplus of £11.798m in 2014/15 but instead retains £5m to assist in meeting other costs which may arise in 2014/15. In keeping with established practice it is proposed to liaise with borough Directors of Finance to seek their views on the application of balances and to report back to the Authority at the budget and levy setting meeting in February.

Members of the Finance Working Group will have an opportunity to examine the assumptions which underpin the current budget forecast at their meeting on 9 January 2014. The outcome of this review together with up-to-date advice on the Authority's budget and resource requirements for 2014/15 will be reported to the budget and levy setting meeting in February.

## 2. RECOMMENDATIONS

The Authority is requested to note:-

- (i) The third review of the 2013/14 revenue budget.
- (ii) The current assessment of the budget and resource requirements for 2014/15 and the proposal to retain revenue balances of £5m (the latter to be used only with the prior agreement of Members).
- (iii) The proposal to return the earmarked reserve of £1m to revenue in order to support the 2014/15 levy.
- (iv) The levy apportionment arrangements for 2014/15.
- (v) The issues that will need to be addressed at the 2014/15 budget and levy meeting on 13 February 2014.

**Signed by the Financial Adviser:**

**Agreed by Mike O'Donnell**

**Date: 3<sup>rd</sup> December 2013**

### 3. **Review of the 2013/14 Revenue Budget**

3.1 At its meeting on 12 February 2013 the Authority agreed a budget of £67.390m to be financed by using estimated balances of £14.253m, charges to boroughs for non-household waste and household waste of £9.570m and £1.738m respectively and a levy of £41.829m.

3.2. In subsequent reviews Members have been advised of:

	£m
Higher level of surplus balances brought forward from 2012/13	(3.779)
Hornsey Street Transfer Station - reduction in operating costs	(0.916)
Reduction in the level of residual waste entering the waste stream	(0.733)
Projected increase in dry recyclable waste tonnages	0.874
Slippage from 2012/13 – waste data management system (implementation)	0.050
Improved dividend from LondonWaste Ltd	(0.500)
Increase in non-household waste income	(0.158)
Increase in chargeable household waste income	(0.123)
<b>Total</b>	<b>(5.285)</b>

3.3 As a consequence, the Authority was forecast in September to have revenue balances at 31 March 2014 of £5.285m. A further detailed review of the budget has identified a number of other changes, the net effect of which is estimated to increase the level of surplus revenue balances likely to be available at 31 March 2014 by a further £6.513m to £11.798m. Details of the most significant changes identified by the third review are shown below.

#### 3.4 **Transport, Disposal and Landfill Tax: (- £0.341m)**

3.4.1 In September Members were advised that based on tonnage data for April to July 2013 the Authority was forecasting a net reduction of 2.43% in the level of waste entering the residual waste stream in 2013/14 compared with 2012/13. As a consequence, total residual waste tonnages for 2013/14 were forecast to reduce by 14,358 tonnes to 577,714 tonnes compared with 2012/13. This is 22,615 tonnes less than the 2013/14 original budget assumption of 600,329 tonnes.

3.4.2 Tonnage data now available for the period to September 2013 indicates that there has been a further reduction in the amount of waste delivered to the Authority. The 2013/14 residual waste stream is now forecast to reduce by 3.32% compared with 2012/13 i.e. by 19,662 tonnes to 572,410 tonnes. Whilst the reduction compares favourably with the 2013/14 original budget assumptions, the Authority will need to take care when budgeting for waste trends at this key time in the budget process. This is considered in more detail below.

3.4.3 Details of the percentage movement in 2013/14 residual waste tonnage levels for each borough compared with their 2012/13 tonnages may be summarised as follows:-

**Table 1**

	<b>September Forecast</b>	<b>December Forecast</b>	<b>Variance between September and December forecasts</b>
	<i>(April to July data)</i>	<i>(April to September data)</i>	
	<b>%</b>	<b>%</b>	<b>%</b>
Barnet	- 0.78	- 1.66	- 0.88
Camden	- 2.11	- 2.58	- 0.47
Enfield	+ 0.41	+ 0.31	- 0.10
Hackney	- 4.87	- 5.50	- 0.63
Haringey	- 5.32	- 5.66	- 0.34
Islington	- 2.08	- 4.47	- 2.39
Waltham Forest	- 2.99	- 4.73	- 1.74
<b>Overall Position</b>	<b>- 2.43</b>	<b>- 3.32</b>	<b>- 0.89</b>

- 3.4.4 Table 1 indicates that all boroughs except Enfield are forecast to see a reduction in their residual waste stream.
- 3.4.5 Given the inherent uncertainty in forecasting waste tonnages the third review adopts a degree of caution in projecting the outturn for the year and allows for an adverse change of 1% in the total waste stream during the second half of the year. As a consequence the third budget review assumes a full year residual tonnage forecast of 580,404 tonnes. Tonnage data for the period to December 2013 will be available to help inform the decisions that will need to be made in February on the 2013/14 revised budget and 2014/15 draft budget.
- 3.4.6 The Authority's waste contracts are linked to changes in the Retail Price Index (RPI) with the LondonWaste Ltd main contract due for a price review in December 2013. Although the 2013/14 budget allowed for an increase of 3.1% at the relevant review date for these contracts, RPI is currently rising at an annual rate of 2.6% per annum (October index) and this has been allowed for in the third budget review. Actual December year-on-year inflation levels will be known by the time of the February budget and levy meeting and therefore there will be an opportunity to allow for the actual rate of change at that time.
- 3.4.7 Also included within this budget category is the cost to the Authority of the annual Compensation Review clause contained in the main contract with LondonWaste Ltd. This requires the Authority to contribute towards the reduction in the Company's electricity income as a result of the cessation of the Non Fossil Fuel Obligation in December 1998 (the Obligation provided for an enhanced electricity price to be paid). Compared with the original budget assumptions the value of this claim in 2013/14 is estimated to be £0.032m less than budgeted.
- 3.4.8 The net effect of these changes, compared with the second budget review is to reduce the cost to the Authority by £0.341m in 2013/14.

### **3.5 Composting and MRF Services: (- £0.168m)**

- 3.5.1 As outlined in the September report the Authority expects to see a significant increase in the use of its MRF services in 2013/14. Changes to its commingled collection service have increased the tonnage being delivered by LB Camden and in October 2013 LB Barnet started to deliver its commingled dry recyclable materials to the Authority. Based on forecast data provided by constituent boroughs, usage of the MRF service is expected to increase by 18,224 tonnes in 2013/14. Compared with the second review the cost of MRF service is estimated to increase by a further £0.118m.
- 3.5.2 In contrast, tonnage delivered by the boroughs for composting is projected to reduce by 5,663 tonnes and therefore the cost of the composting service has been reduced by £0.286m in the third review.

### **3.6 Waste Transfer Stations and Other Sites: (- £0.340m)**

- 3.6.1 The 2013/14 budget for the Hornsey Street facility allows for both the Authority's share of landlord's costs and LondonWaste Ltd's additional operational costs (compared with the cost of operating the former waste transfer station at Ashburton Grove). Members were advised in June that LondonWaste Ltd did not expect to incur any additional costs in 2013/14 with a resultant saving to the Authority of £0.916m. Additionally, the in-year Landlord's costs are expected to be £0.016m less than allowed for in the 2013/14 Budget. There are also minor overhead cost savings amounting to £0.024m at the Hendon rail facility.
- 3.6.2 The maintenance budget for other sites has been reduced by £0.300m to reflect the limited level of maintenance likely to be required during the year.

### **3.7 Household Waste Recycling Centres (HWRCs): (- £0.190m)**

- 3.7.1 During 2012/13 the Authority took over the management of seven HWRCs; 2013/14 is the first full year of this arrangement. Overall, compared with the original budget assumptions the third review allows for a net budget reduction of £0.190m. The reduction reflects the experience that the Authority has gained since assuming this responsibility. The net costs to the Authority of operating HWRCs are ring-fenced to the transferring borough and are recovered from boroughs through a separate element of the levy. Under or over spends 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.
- 3.7.2 In setting the budget and levy for 2013/14 the Authority assumed that it would have favourable HWRC balances of £0.037m to offset the cost of HWRCs in 2013/14. In the final outturn favourable HWRC balances at the 31 March 2013 were £0.409m, an improvement of £0.372m.
- 3.7.3 During the first six months of the year the cost of recycling services at a number of the HWRCs has increased above budget, this is partly due to a volume increase in the amount of materials handled but mainly due to an increase in the cost of wood and paint recycling. The latter is particularly true of the Haringey HWRCs. The Authority has now been operating all HWRCs for at least year and in the light of experience is now able to reduce the operational cost budgets of the Camden and Waltham Forest HWRCs. The net saving from these changes is currently estimated to be £0.190m.

3.7.4 Table 2 below provides a summary of the current financial position for each borough:

<b>Table 2</b>	<b>Change in HWRC Balances at 1 April 2013</b>	<b>Total Operating Costs – 2013/14 Original Budget</b>	<b>Total Operating Costs - 2013/14 Third Budget Review</b>	<b>Change in 2013/14 Total Operating Costs</b>	<b>Estimated HWRC Balances at 31 March 2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Camden	(151,692)	405,320	330,723	(74,597)	(226,289)
Haringey	(7,863)	475,442	563,556	88,114	80,251
Islington	(12,032)	579,288	594,613	15,325	3,293
Waltham Forest	(200,483)	965,930	747,252	(218,678)	(419,161)
<b>Total</b>	<b>(372,070)</b>	<b>2,425,980</b>	<b>2,236,144</b>	<b>(189,836)</b>	<b>(561,906)</b>

3.7.5 Subject to final review in February, HWRC balances of £0.562m will be taken into account in calculating the HWRC element of the 2014/15 levy. In the case of Haringey and Islington these are negative balances that will add to the cost of the 2014/15 levy for these boroughs.

### 3.8 Reuse and Recycling Credits and Other Recycling Initiatives: (- £0.030m)

3.8.1 The Reuse and Recycling Credits Scheme budget provides funds to reward not-for-profit and charitable organisations for taking waste out of the waste stream which reduces the Authority's costs. The value of claims made by registered organisations in the first quarter of this year has been lower than expected and if this trend continues there could be a saving of £0.030m.

### 3.9 Commingled Income Payment Scheme/Income from the sale of Recyclates

3.9.1 The value of payments made to the boroughs under this scheme is limited in practice to the value of income received by the Authority from the sale of recyclates, i.e. there is no net cost to the Authority. Tonnage forecasts provided by the boroughs indicate a significant increase in their use of the scheme in 2013/14 compared with 2012/13. This is largely due to LB Barnet starting to use the Authority's dry recyclates service together with changes to the collection services in Camden. As regards prices achieved in the market by the Authority's MRF contractors, these fell to an average of £33.36 per tonne in 2012/13 and have declined further in the first half of 2013/14; the third review therefore allows for an average of £25.62 per tonne. Taking this into account together with the forecast increase in tonnages, the third budget review allows for an increase of £0.092m compared with the second budget review and £0.514m compared with the original 2013/14 estimate. The increase is reflected in both budgets and therefore remains cost neutral to the Authority. Boroughs may also wish to take a more cautious approach when reviewing their own budgets.

### **3.10 Corporate and Other Support Service Costs: (- £0.088m)**

3.10.1 Following the Authority's decision in September to cease the procurement project, the staffing structure has been reviewed and revised to reflect new working arrangements with effect from November 2013. This has led to the creation of new budget heads within the corporate and other support costs category, i.e. the formation of a Legal and Governance Team (staff transferring from the procurement project) and the bringing together of staff from other budget heads into a new External Relations Team (staff transferring from the Procurement, Communications and Waste Strategy & Contracts teams). Also grouped here are the costs of the lead borough support arrangements (other than those provided by the Operations and Technical and Planning Teams), the core costs of operating the Authority and the cost of engaging external consultants to support the work of the Managing Director and Authority Advisers. The staffing structure changes and a review of existing expenditure heads are expected to result in a net saving of £0.088m.

### **3.11 Operations Team: (- £0.141m)**

3.11.1 After allowing for the transfer of staff to the External Relations and Technical and Planning Teams the former Waste Strategy and Contracts Team is now known as the Operations Team. The budgetary impact of these changes is reflected in the third budget review. Additionally, in view of staff vacancies earlier in the year and a decision to not fill an HWRC post has resulted in a budget saving of £0.141m.

### **3.12 Technical and Planning Team: (+ £0.108m)**

3.12.1 Staff previously working on the technical and planning aspects of the former procurement project have been re-assigned to work on the Authority's new long-term service delivery plans. The staffing and other costs of this team have hitherto been included under procurement process and waste services budget heads. The budget shown here represents the expected costs of the team from November 2013.

### **3.13 Procurement and Sites & Planning Process Costs: (- £0.217m)**

3.13.1 The procurement process budget originally assumed financial close in October plus the cost of project implementation after that date. Following the decision to end the procurement project the costs of the former procurement have come to an end and the remaining in-house staff who would have been involved in the project implementation process have been re-assigned to develop the Authority's new long-term service delivery plans. The third budget review allows for the costs of the procurement process and the transfer of staff to other areas of the Authority's budget; this has resulted in a budget reduction of £0.375m.

3.13.1 The third review also allows for an up-to-date assessment of costs in connection with the planning process for the year; this is expected to result in an additional cost of £0.158m.

### **3.14 Revenue Funding – Capital Programme: (- £1.256m)**

3.14.1 This budget provides for the revenue cost of funding the Authority's capital programme. Other than the intention to purchase Western Road HWRC at the end of March 2014 no further acquisitions are currently anticipated in 2013/14 and therefore this should result in a saving of £0.846m and a further £0.410m as result of making temporary use of cash balances in lieu of borrowing.

### 3.15 Income from Sale of Recyclates: (+£0.042)

3.15.1 Potential changes to the WEEE Directive in January 2014 could result in a significant reduction in income from this source and therefore the third budget review takes a prudent view and provides only for income for the 9 months to December 2013.

### 3.16 Charges to Boroughs for Non-Household Waste: (+ £0.110m)

3.16.1 The latest tonnage declarations from the boroughs indicates a reduction in the residual waste tonnage that they expect to deliver to the Authority compared with earlier information that informed the second budget review. Although it is expected that income will exceed the original budgeted level, the increase is less than reported in September 2013. Non-household residual waste tonnages in 2013/14 are currently forecast to be 90,006 tonnes – an increase of 525 tonnes compared with the budgeted level of 89,481. Charges are estimated to decrease from £106.08 to £106.07 per tonne, i.e. by £0.01. The overall effect of these changes is to increase the estimated income from non-household charges for residual waste by £0.055m for the year.

3.16.2 In addition to the non-household residual waste stream, Haringey and Islington deliver non-household recyclable wastes to the Authority for treatment. 2013/14 projected tonnages and income from this source remains low and show little change from the original budgeted assumptions. Tonnages are projected to be 1,359 tonnes resulting in an income of £0.071m (compared with the budget assumption of 1,474 tonnes and an income of £0.078m).

3.16.3 The net effect of these changes is an increase in income in 2013/14 of £0.048m compared with the budget but a decrease of £0.110m compared with the second review. The potential financial effect on boroughs varies.

3.16.4 Assuming boroughs continue to deliver waste at current levels the potential impact on individual boroughs is estimated to be as follows:-

<b>Table 3</b>	<b>2013/14 Original Estimate £</b>	<b>2013/14 Current Forecast £</b>	<b>Estimated Variance £</b>
Barnet	1,334,062	1,406,594	72,532
Camden	3,278,721	3,269,820	(8,901)
Enfield	902,847	902,550	(297)
Hackney	1,762,095	1,711,333	(50,762)
Haringey *	317,095	247,172	(69,923)
Islington *	1,759,650	1,872,040	112,390
Waltham Forest	215,555	208,640	(6,915)
<b>Total</b>	<b>9,570,025</b>	<b>9,618,149</b>	<b>48,124</b>

\* Including income from non-household recyclable wastes.



3.16.5 The table indicates that Barnet and Islington may need to make additional payments to the Authority. All other boroughs could be entitled to a refund. The final figures will be determined as part of the 2013/14 final accounts process.

### 3.17 **Dividend Income (LondonWaste Ltd): (- £4.000m)**

3.17.1 The original budget assumed an income of £2.5m from LondonWaste Ltd. An interim dividend of £3.0m was paid in June 2013. Although the Company's business plan was optimistic that a further dividend should eventually be paid this was dependent upon the achievement of the business plan assumptions which would not become more certain until the closing months of 2013. A report elsewhere on this agenda reports that the Company is forecast to exceed its business plan assumptions and that a further dividend payment of £4m will be paid to the Authority in December, i.e. a total of £7.0m for the year. This represents an improvement of £0.5m on the original business plan assumptions and means that the Authority has now received dividend payments of £25m since becoming the 100% owner of the shares in LondonWaste Ltd.

### 3.18 **Overview**

3.18.1 Allowing for the above factors, the total net expenditure in 2013/14 for the Authority is estimated to reduce to £59.541m. This represents a net reduction of £6.624m when compared with the second budget review in September. However, allowing also for a reduction in non-household and household charges since September of £0.111m, the net revenue surplus at 31 March 2014 is currently forecast to increase to £11.798m, i.e. a net increase of £6.513m.

3.18.2 Table 4 below provides a summary of the current financial position:

Table 4

	2013/14 Original Budget	2013/14 Second Review	2013/14 Third Review	Variance between Second and Third Reviews
	£'000	£'000	£'000	£'000
<b>Expenditure</b>				
Main Waste Disposal Contract (ex CA Waste)	25,243	24,410	24,454	44
Civic Amenity Waste	1,360	1,379	1,351	(28)
Landfill Tax	13,131	13,212	12,855	(357)
Composting Services	3,124	3,124	2,838	(286)
MRF Services	4,006	4,880	4,998	118
Transfer Station and Other Sites	2,655	1,739	1,399	(340)
Household Waste Recycling Centres	2,367	2,367	2,174	(193)
Corporate and Other Support Service Costs	2,131	2,131	2,043	(88)
Operations Team	685	735	594	(141)
Waste Reduction Programme – New Initiatives	308	308	308	0
Technical and Planning Team	0	0	108	108
Joint Communications Initiative	290	290	290	0
Recycling Initiatives	267	267	237	(30)
Commingled Income Payment Scheme	1,937	2,359	2,451	92
Procurement Process Costs	3,031	3,031	2,656	(375)
Sites and Planning Process Costs	255	255	413	158
Revenue Funding – Capital Programme	9,178	9,178	7,922	(1,256)
	69,968	69,665	67,091	(2,574)
<b>Less</b>				
<b>Income</b>				
Rents	(101)	(101)	(101)	0
Sale of Recyclates	(2,029)	(2,451)	(2,501)	(50)
Interest on Balances	(250)	(250)	(250)	0
Dividend (LondonWaste Ltd)	(2,500)	(3,000)	(7,000)	(4,000)
	(4,880)	(5,802)	(9,852)	(4,050)
Net Expenditure	65,088	63,863	57,239	(6,624)
Contingency	2,302	2,302	2,302	0
<b>Total Net Expenditure</b>	<b>67,390</b>	<b>66,165</b>	<b>59,541</b>	<b>(6,624)</b>
<b>Financed by:</b>				
Balances b/fwd	(14,253)	(18,032)	(18,032)	0
Charges to Boroughs (non-household waste)	(9,570)	(9,728)	(9,618)	110
Charges to Boroughs (household waste)	(1,738)	(1,861)	(1,860)	1
Levy – Base Element	(39,440)	(39,440)	(39,440)	0
Levy - HWRC Element	(2,389)	(2,389)	(2,389)	0
<b>Total Resources Available</b>	<b>(67,390)</b>	<b>(71,450)</b>	<b>(71,339)</b>	<b>111</b>
<b>Estimated Revenue Balance as at 31 March 2014</b>		<b>(5,285)</b>	<b>(11,798)</b>	<b>(6,513)</b>

## **2014/15 Budget Forecast**

- 4.1 At the Authority meeting in February, I provided Members with an early forecast of the budget and resource requirements for 2014/15. This indicated that the net budget requirement for the year ahead was estimated to be in the order of £68.707m. Given the full use of projected revenue balances to assist with the funding of the 2013/14 budget, and assuming no revenue balances at 31 March 2014, the overall cost to constituent councils was forecast to increase by 34.58% in 2014/15. I also advised that if circumstances arose in 2013/14 similar to that experienced in 2012/13 that the Authority may have revenue balances by the time that it needs to take decisions on the levy for 2014/15. Since then revenue balances at 31 March 2013 improved by £3.779m. In addition the first two reviews of the 2013/14 budget revealed the likelihood that revenue balances at 31 March 2014 could rise by a further £1.506m to £5.285m.
- 4.2 Members will appreciate from the detailed third review of the 2013/14 budget discussed earlier in this report that forecast revenue balances at the 31 March 2014 are currently estimated to be £11.798m. The Authority is in a strong financial position. This has been due mainly to the good performance of LondonWaste Ltd leading to the payment of an enhanced dividend, a further reduction in the waste stream, savings in transfer station running costs and in the revenue cost of the capital programme. Offsetting these is an increase in tonnages of dry recyclable material sent by boroughs to the MRFs. The resulting financial improvement is not one that could have been safely contemplated at the time of setting the the 2013/14 original budget. Assuming the assumptions which underpin this forecast remain valid in February, it is envisaged that these balances should be available to assist with the funding of the 2014/15 budget.
- 4.3 In September, however, the Authority decided not to proceed with the procurement project and to develop an alternative strategic route for its longer term service delivery. For the purpose of setting the 2014/15 budget and levy it will be necessary to ensure that Authority has sufficient resources to fund the costs of its new strategic direction. This will include the need for the Authority to renew a number of its current waste services contracts, particularly the LWL main waste disposal contract. For these reasons, and without prejudging the outcome of decisions yet to be made and contractual terms and prices yet to be determined, the 2014/15 budget forecast has been prepared on a business as usual basis, i.e. using current contract terms and prices as uplifted for inflation. It will, however, be necessary to ensure that the Authority has sufficient resources to fund the cost of future decisions and outcomes in the coming year and therefore in determining the 2014/15 levy it is proposed to not fully utilise revenue balances and instead retain balances of £5m which Members can call upon if required as decisions are made and contracts awarded. Any balances not utilised in this way would become available to limit the increase in the 2015/16 levy.
- 4.4 The Authority's net budget is currently estimated to be £66.841m, i.e. a reduction of £0.549m compared with the 2013/14 approved budget and £1.866m lower than the 2014/15 medium term forecast reported to the Authority in February 2013. This reduction has arisen mainly as a result of the further reduction in the waste stream and a reassessment of the Authority's capital programme. It also has the effect of reducing the Authority's resource requirements for 2014/15. The figure of £66.841m is also in the region of £3m to £4m lower than the estimated cost were the Authority to have proceeded with the procurement in 2014/15.

- 4.5 As a consequence, the projected year-on-year change in the cost to boroughs may be summarised as follows:

<b>Table 5</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>Variance £'000</b>	<b>Variance %</b>
Charges – non-household	9,570	10,311	741	7.74
Charges – household	1,738	2,008	270	15.54
Levy	41,829	46,724	4,895	11.70
<b>Total</b>	<b>53,137</b>	<b>59,043</b>	<b>5,906</b>	<b>11.11</b>

- 4.6 Details of each borough's estimated charge for non-household waste can be found at paragraph 5.21.3 and chargeable household waste at paragraph 5.22.3, whilst each borough's share of the estimated levy, using the alternative levy apportionment arrangements agreed by constituent councils can be found at paragraph 6.8.
- 4.7 Further information on the 2014/15 budget forecast assumptions can be found at section 5.
- 4.8 Table 6 below provides a summary of the 2014/15 budget forecast:-

<b>Table 6</b>	<b>2013/14 Original Budget £'000</b>	<b>2014/15 Budget Forecast £'000</b>	<b>Year on year change £'000</b>
<b>Expenditure</b>			
Main Waste Disposal Contract (ex CA Waste)	25,243	25,619	376
Civic Amenity Waste	1,360	1,386	26
Landfill Tax	13,131	14,107	976
Composting Services	3,124	2,958	(166)
MRF Services	4,006	6,049	2,043
Transfer Stations and Other Sites	2,655	1,588	(1,067)
Household Waste Recycling Centres	2,367	2,457	90
Corporate and other Support Service Costs	2,131	2,843	712
Operations Team	685	766	81
Waste Reduction Programme – New Initiatives	308	316	8
Technical and Planning Team	0	259	259
Joint Communications Initiative	290	298	8
Recycling Initiatives	267	242	(25)
Commingled Income Payment Scheme	1,937	2,874	937
Waste Contract – Procurement Costs	3,031	0	(3,031)
Sites and Planning Process Costs	255	1,000	745
Revenue Funding – Capital Programme	9,178	8,397	(781)
	<b>69,968</b>	<b>71,159</b>	<b>1,191</b>
<b>Less</b>			
<b>Income</b>			
Rents	(101)	(104)	(3)
Sale of Recyclates	(2,029)	(2,874)	(845)
Interest on Balances	(250)	(150)	100
Estimated Dividend Stream	(2,500)	(2,500)	0
	<b>(4,880)</b>	<b>(5,628)</b>	<b>(748)</b>
Net Expenditure	65,088	65,531	443
Contingency	2,302	1,310	(992)
<b>Total Net Expenditure</b>	<b>67,390</b>	<b>66,841</b>	<b>(549)</b>
<b>Financed By</b>			
Use of Balances	(14,253)	(6,798)	7,455
Return of Earmarked Reserve to Revenue	0	(1,000)	(1,000)
Charges to Boroughs (Non-household waste)	(9,570)	(10,311)	(741)
Charges to Boroughs (Chargeable household waste)	(1,738)	(2,008)	(270)
Estimated Levy – Base Element	(39,440)	(44,492)	(5,052)
Estimated Levy – HWRC Element	(2,389)	(2,232)	157
Total Estimated Levy	(41,829)	(46,724)	(4,895)
<b>Total Estimated Resource Requirement</b>	<b>(67,390)</b>	<b>(66,841)</b>	<b>549</b>
<b>Retained Balances</b>	<b>0</b>	<b>(5,000)</b>	<b>(5,000)</b>

4.10.2 The figures in the above table indicate that by retaining balances of £5m it would be possible to agree a total levy of £46.724m (comprising a base levy element of £44.207m and an HWRC levy element of £2.517m), i.e. an increase of £4.895m (11.70%). In

additional boroughs would be required to pay charges for non-household and household waste of £10.311m and £2.008m respectively.

## 5. **2014/15 Budget Forecast Assumptions**

5.1 The following factors have been taken into account:-

### 5.2 **Inflation**

5.2.1 The majority of the Authority's contracts are linked to changes in the Retail Price Index (RPI) with the most significant of these linked to changes in the December Index. As the annual increase for the year to October 2013 is 2.6% the 2014/15 budget forecast currently reflects this level of increase in the Authority's base costs from April 2014 plus a further 2.6% in December 2014. An allowance of 1% has been allowed for a possible pay award. Other categories of expenditure have also been increased by 2.5%. Inflation assumptions will be reviewed and updated at the February budget and levy meeting.

### 5.3 **Employee Resource Budget**

5.3.1 Compared with 2013/14 the employee resource budget has reduced from 30 posts to 26.6 posts. This represents a budget saving of £0.294m. The budget also includes a provision for maternity cover.

### 5.4 **Transport and disposal**

5.4.1 On the basis of information provided by boroughs the 2014/15 residual tonnage forecast allows for a reduction of 14,983 tonnes to reflect the boroughs' planned increase in recycling and composting over the coming year. This reduction, however, is offset by the need to allow for a prudent assessment of the likely growth in the household waste stream (before recycling is taken into account) of 2.0% (14,143 tonnes) less an adjustment for an expected reduction in non-household waste (959 tonnes). The 2014/15 transport and disposal budget has been based therefore upon a residual waste stream of 578,605 tonnes, i.e. a net reduction of 1,799 tonnes over the 2013/14 projected outturn. These forecasts will be reviewed afresh in the light of the actual tonnage data to December 2013 that will become available in the early weeks of January 2014.

### 5.5 **Landfill Tax**

5.5.1 The standard rate of landfill tax is due to rise from £72 to £80 per tonne on 1 April 2014. The budget forecast allows for this increase.

5.5.2 The forecast also makes reasonable assumptions about the incineration capacity of the Edmonton Energy-from-Waste facility in the year ahead and the amount of the Authority's waste that will be sent to landfill.

## 5.6 Composting and MRF Services

- 5.6.1 The budget forecast reflects the intention of the constituent boroughs to continue to deliver a significant amount of organic waste to the Authority in 2014/15, i.e. a total of 55,829 tonnes. Compared with the 2013/14 third budget review this represents an increase of 5,591 tonnes. The overall cost of the service in 2014/15 is estimated to be £2.958m.
- 5.6.2 As a result of Barnet's decision to use the Authority's services and changes made by Camden to its collection service, the budget forecast allows for a significant growth in the amount of dry recyclable waste to be sent to the Authority for treatment. The constituent boroughs have indicated that they will need treatment capacity for up to 114,979 tonnes of dry recyclable material in 2014/15 (an increase of 19,289 tonnes over the projected tonnage requirement for 2013/14). The overall cost of the service in 2014/15 is estimated to be £6.049m.

## 5.7 Household Waste Recycling Centres

- 5.7.1 The budget forecast has been prepared in the light of the Authority's experience of managing the seven sites that transferred in 2012/13. In addition to the in-year operating costs of £2.521m and capital financing costs of £0.273m, the amounts charged to the relevant boroughs through the 2014/15 levy will also allow for the additional balances that arose from the closure of the 2012/13 accounts and forecast additional balances from 2013/14 (see paragraph 3.7.4 above).
- 5.7.2 It is expected that by the start of 2014/15 the HWRC at Hornsey High Street will have closed and a new facility developed at Western Road. The revenue costs arising from the capital investment in acquiring the site and developing the facility will be recovered through from boroughs over future years through the levy using the amended apportionment arrangements (currently being agreed by boroughs).

	<b>2014/15 Estimated Operating Costs</b>	<b>Capital Charges re. Western Road</b>	<b>Total Estimated Operating Costs (Inc. Capital Charges) 2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	0	1,676	1,676
Camden	354,518	104	354,622
Enfield	0	1,047	1,047
Hackney	0	522	522
Haringey	612,016	267,697	879,713
Islington	609,978	2,199	612,177
W. Forest	944,436	211	944,647
<b>Total</b>	<b>2,520,948</b>	<b>273,456</b>	<b>2,794,404</b>

5.7.3 The forecast HWRC levy for 2014/15 is shown in the following table:

<b>Table 8</b>	<b>HWRC Balances at 1 April 2014</b>	<b>Total Estimated Operating Costs 2014/15</b>	<b>Net HWRC Balances and 2014/15 Levy</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Barnet	0	1,676	1,676
Camden	(226,289)	354,621	128,332
Enfield	0	1,047	1,047
Hackney	0	522	522
Haringey	80,251	879,713	959,964
Islington	3,293	612,175	615,468
W. Forest	(419,161)	944,648	525,487
<b>Total</b>	<b>(561,906)</b>	<b>2,794,402</b>	<b>2,232,496</b>

## 5.8 **Commingled Income Payment Scheme/Income from the sale of Recyclates**

5.8.1 The value of payments made under this scheme is in practice limited to the value of income received by the Authority from the sale of recyclates, i.e. there is no net cost to the Authority. In view of recent reductions in the sale value of recyclates the 2014/15 budget forecast assumes that this trend will continue. When deciding the level of its contributions towards the relevant boroughs additional costs of collection, the Authority will continue to have regard to the income it receives from the MRF service contractors from the sale of recyclates. Given that payment levels are by no means certain, and could be less than forecast, boroughs may also wish to take a more cautious approach when finalising their budgets for both 2013/14 and 2014/15. The budget forecast assumes a payment of £25 per tonne.

## 5.9 **Transfer Stations and Other Sites**

5.9.1 The 2014/15 budget forecast allows for the estimated costs of operating the Hendon and Hornsey Street waste transfer stations. An allowance has been made for the costs of maintaining other sites.

## 5.10 **Recycling Initiatives**

5.10.1 The Authority has the power to pay third party re-use and recycling credits. The budget forecast includes a provision of £0.180m for these payments.

5.10.2 The 2014/15 budget forecast allows a sum of £0.062m to provide support for the Real Nappy Campaign.

## 5.11 **Operations Team**

5.11.1 In addition to staffing costs and associated operating costs, the budget forecast also includes provisions of £200,000 for a waste composition survey and £45,000 for an HWRC visitor survey.



## **5.12 Waste Reduction Programme – New Initiatives**

5.12.1 The budget forecast allows for a continuation of this initiative at current levels, i.e. £0.316m.

## **5.13 Joint Communications Initiative**

5.13.1 The budget forecast of £0.298m allows for a continuation of the initiative to promote joint communications working across the Authority area with a view to securing greater consistency and coverage, better value for money and to cost efficiencies.

## **5.14 Corporate and Other Support Services**

5.14.1 This budget reflects the core cost of operating the Authority. Included in this budget are the staff who have transferred from the former procurement project at a cost of £0.437m. The latter is not an additional cost to the Authority as the staff involved would have been members of the procurement project implementation team and had been allowed for in the Authority's 2014/15 medium-term budget forecast (£0.850m) reported to the Authority in February 2013. The budget also allows for an increase of £0.070m in the cost of communications activity in the coming year.

## **5.15 Technical and Planning Team**

5.15.1 As indicated above (paragraph 3.12 above) staff have either transferred from the former procurement project and would have been members of the project implementation team or have transferred from the Waste Strategy and Contracts Team. There is no additional cost to the Authority.

## **5.16 Procurement Process**

5.16.1 In 2013/14 the Authority approved a procurement process budget of £3.031m. This comprised the cost of the in-house team of £1.179m and a sum of £1.852m for the cost of support by external advisers. The in-house team comprised a core team of employees supported by a number of seconded personnel from consultancy firms. Following the decision to terminate the procurement, core team employee numbers have reduced by 2 and the seconded personnel have left the Authority's employment. The remaining members of the core team at a cost of £0.588m have been reassigned to work on the Authority's new long-term waste service plans and now appear elsewhere in the budget. The use of external advisers on the procurement process has also ceased. The procurement process budget has therefore been reduced to zero in the 2014/15 budget forecast.

## **5.17 Sites and Planning Process Costs**

5.17.1 The budget forecast includes a provision of £1m to enable the Authority to progress alternative plans for its long-term service delivery.

## **5.18 Revenue Funding – Capital Programme**

5.18.1 The budget forecast provides for the ongoing financing costs of the Authority's investment in LondonWaste Ltd, acquisition and development of an HWRC site at Western Road, the

development of existing sites and the possible acquisition and development of additional sites.

#### 5.19 Dividend Income (LondonWaste Ltd)

5.19.1 Members will be aware that the level of the LondonWaste Ltd dividend payment is dependent upon its in-year performance and that this will not become certain until the closing months of its financial year. The Company is currently reviewing its business plan assumptions and therefore it is appropriate that the Authority should continue to budget prudently in the year ahead. The 2014/15 budget forecast therefore allows for an income of £2.5m.

#### 5.20 Interest on Balances

5.20.1 The budget forecast continues to allow for an income from the temporary investment of monies held by the Authority.

#### 5.21 Non-household Waste Charges

5.21.1 Based upon estimated non-household residual tonnages of 89,047 tonnes and a forecast cost per tonne of £114.95 the cost to boroughs in 2014/15 is estimated to be £10.236m.

5.21.2 In addition to the non-household residual waste stream, two boroughs deliver non-household recyclable wastes to the Authority for treatment. This will result in an estimated additional income of £0.073m (1,426 tonnes).

5.21.3 The cost for individual boroughs is estimated to be:-

<b>Table 9</b>	<b>2014/15 Estimated Tonnes</b>	<b>2014/15 Estimated Cost (£)</b>
Barnet	13,234	1,521,248
Camden	29,914	3,438,614
Enfield	8,401	965,695
Hackney	16,153	1,856,787
Haringey *	2,384 *	230,360 *
Islington *	18,429 *	2,018,169 *
Waltham Forest	1,948	280,438
<b>Total</b>	<b>90,473</b>	<b>10,311,311</b>

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

#### 5.22 Chargeable Household Waste

5.22.1 Constituent boroughs have advised the Authority that they collect 18,588 tonnes of chargeable household waste comprising 16,512 tonnes of residual waste and 2,076 tonnes of recyclable and compostable waste.

5.22.2 The Authority has calculated the estimated charges for the treatment of such waste to be £114.95 for residual waste, £52.61 for dry-recyclable waste and £55.36 for food waste.

5.22.3 The cost to individual boroughs in 2014/15 is estimated to be:

<b>Table 10</b>	<b>2014/15 Estimated Tonnes</b>	<b>2014/15 Estimated Cost (£)</b>
Barnet	2,280	262,086
Camden	4,328	497,504
Enfield	1,431	164,493
Hackney	5,635	596,689
Haringey	2,784	276,323
Islington	2,130	210,423
Waltham Forest *	0	0
<b>Total</b>	<b>18,588</b>	<b>2,007,518</b>

\* Waltham Forest has indicated that it no longer collects such waste

5.22.4 As in the case of non-household waste the final charges will be calculated as part of the 2014/15 final accounts process and reported to the Authority in June 2014. Any under or over payment by boroughs will be collected from or repaid to boroughs at the conclusion of the final accounts process.

### 5.23 Efficiency Savings and Other Cost Reductions

5.23.1 Members will be aware that given the demand-led nature of the service provided by the Authority to the constituent councils 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 take every opportunity to reduce costs or to improve value for money where possible. This includes good housekeeping and ensuring that day-to-day operational costs are kept to a minimum.

### 5.24 Contingency

5.24.1 There is a high degree of uncertainty about the scale of a number of budget pressures in the coming year. Nevertheless, it is proposed to include a base contingency provision of 2% (£1.310m) which is consistent with previous years.

### 5.25 Return of Earmarked Reserve

5.25.1 The Authority has retained a reserve of £1m earmarked for funding future recycling initiatives for some years. Officers' intention was to bring forward at an appropriate time a recommendation that the reserve be used to assist with the implementation of recycling aspects of the procurement project. In the light of the decision to cancel the project however and the uncertainty of some cost pressures in 2014/15 this report recommends that the reserve be returned to the revenue account to assist in meeting these pressures.

## 5.26 Use of Balances

- 5.26.1 The Authority's practice for many years has been to return any revenue surpluses to constituent boroughs as soon as reasonably practicable. For reasons set out earlier in this report, however, it is recommended that the Authority retains balances of £5m which Members can call upon if required in 2014/15 as decisions are made and contracts awarded. Any balances not utilised in this way would become available to limit the increase in the 2015/16 levy. It is customary that the borough Directors of Finance are consulted regarding the application of balances and their views on this proposal will help inform the recommendation to the levy setting meeting in February.

## 6. Levy Apportionment Arrangements

- 6.1 The decision on the apportionment of the levy is a matter for the Authority's constituent boroughs. Unless all seven councils can agree unanimously on the way the levy is to be apportioned, the levy will be calculated in accordance with the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006. These regulations provide for the household element of the levy to be apportioned on a tonnage basis and the other costs element of the levy on a council tax basis. The Authority's constituent boroughs have agreed that alternative levy apportionment arrangements will apply for 2012/13 onwards until replaced by arrangements set out in the Inter Authority Agreement.
- 6.2 For 2012/13 onwards constituent boroughs agreed that the 'household' element of the levy will continue to be apportioned on a tonnage basis whilst the 'other costs' element will continue to be apportioned on a council tax basis. The HWRC element of the levy will be calculated to ensure that councils only incur costs associated with the running of the Household Waste Recycling Centres (HWRCs) that are situated within their borough boundary and which have been transferred to the Authority.
- 6.3 To provide an equitable arrangement for apportioning costs incurred by the Authority in the purchase and development of the Western Road HWRC, a further amendment to the levy arrangements for HWRCs is currently being approved by the NLWA constituent boroughs. Whilst 97.894% of such costs will be borne by LB Haringey the remaining 2.106% will be charged to the other six constituent boroughs. The 2014/15 budget includes provision for these costs.
- 6.4. The alternative levy apportionment arrangements require constituent boroughs to formally notify the Authority of both their council tax base for 2014/15 and also their household waste tonnages for 2012/13 by 31 January 2014. Members will be aware that the Authority already holds details of the 2012/13 household waste tonnages as this data originates from the Authority's records of tonnages delivered to the Authority by the boroughs for treatment. As a consequence, constituent councils have been asked to confirm the household tonnage data held by the Authority (attached at Appendix A).
- 6.5 As the levy arrangements stood, the decision of LB Barnet to send dry recyclable waste to the Authority from October 2013 would have led to a situation where the additional treatment costs in 2014/15 and 2015/16 would have fallen largely on the other constituent boroughs. This is because there is a two-year lag in the tonnage data used in the levy apportionment calculation. LB Barnet has proposed a levy change which will ensure that Barnet pays an equitable share of the increased costs in 2014/15 and 2015/16. This levy change is also currently being agreed by all constituent boroughs.

- 6.6 At the time of writing it is understood that five of the Authority's constituent boroughs have so far agreed to the levy changes referred to in this section. As agreement by the remaining boroughs is expected shortly, these levy amendments have been taken into account in apportioning the estimated 2014/15 levy.
- 6.7 Revenue balances continue to be ring-fenced to each element of the levy.
- 6.8 Allowing for the level of revenue balances projected to be available at 31 March 2014 and the Authority's current forecast of its 2014/15 budget requirements, Table 9 below provides an indication of the relative share of the levy that could be borne by each constituent borough based upon the proposed alternative levy apportionment arrangements being agreed by constituent boroughs. It is important to bear in mind that this illustration uses 2013/14 council tax data that will need to be updated when constituent boroughs have completed their calculations of their 2014/15 council tax base and duly notified this to the Authority. The 2012/13 household waste tonnage data as used in the levy apportionment will not change (subject to borough confirmation and agreement to the levy changes described above).
- 6.9 Table 11 summarises the estimated levy impact for each council (further details of the calculation can be found at Appendix B)::

Table 11	2013/14 Actual Levy			2014/15 Forecast Levy			Total Estimated Levy Change (Column 6 minus Column 3)	
	Base	HWRC	Total	Base	HWRC	Total		
	(1)	(2)	(3)	(4)	(5)	(6)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Barnet	7,503	0	7,503	9,675	2	9,677	2,174	28.98
Camden	4,625	352	4,977	5,012	128	5,140	163	3.28
Enfield	5,161	0	5,161	5,199	1	5,200	39	0.76
Hackney	5,109	0	5,109	6,042	1	6,043	934	18.28
Haringey	6,014	438	6,452	6,574	960	7,534	1,082	16.77
Islington	4,461	579	5,040	5,189	615	5,804	764	15.16
Waltham Forest	6,567	1,020	7,587	6,801	525	7,326	(261)	(3.44)
<b>Total</b>	<b>39,440</b>	<b>2,389</b>	<b>41,829</b>	<b>44,492</b>	<b>2,232</b>	<b>46,724</b>	<b>4,895</b>	<b>11.70</b>

## 7. Medium Term Budget Forecast for 2015/16

- 7.1 This section provides an early indication of the levy prospects for 2015/16. It assumes that there are no balances available to support the 2015/16 budget. On this basis the Authority's 2015/16 forecast net budget is £69.160m.

- 7.2 The following table provides an early indication of the potential change in the levy contributions for each borough in 2015/16.

Table 12	2014/15	2015/16	Variance	
	Budget Forecast Levy £'000	Budget Forecast Levy £'000	£'000	%
Barnet	9,677	11,983	2,306	23.82
Camden	5,140	6,847	1,707	33.23
Enfield	5,200	6,272	1,072	20.60
Hackney	6,043	7,215	1,172	19.40
Haringey	7,534	8,417	883	11.73
Islington	5,804	6,586	782	13.47
Waltham Forest	7,326	9,052	1,726	23.55
<b>Total</b>	<b>46,724</b>	<b>56,372</b>	<b>9,648</b>	<b>20.65</b>

It should be noted that the levy apportionment in Table 10 is based upon forecast household waste tonnages for each borough. In particular, it allows for the boroughs' own forecasts of their 2015/16 recycling activity and the amount of recyclate that they plan to send to the Authority for treatment. The levy apportionment also uses borough 2013/14 council tax base figures (will be 2015/16). The table therefore provides a guide based upon current information.

## 8. Conclusion

- 8.1 On the basis of current information the third review indicates that the 2013/14 budget remains sufficiently robust to meet the cost of the Authority's waste disposal obligations in the current year. The opportunity has also been taken to provide Members with an up-to-date assessment of the 2014/15 budget which has been prepared using the latest waste stream data and an assessment of the operational needs of the Authority in the coming year. The Authority is in relatively good financial health and therefore should be well placed when it comes to finalise the 2014/15 budget and take decisions on the levels of the budget and levy in February.
- 8.2 With this in mind, and given that the Authority faces a number of uncertainties in the coming year the 2014/15 budget forecast assumes that the Authority does not make full use of forecast revenue balances in determining the 2014/15 levy but instead retains £5m in balances.
- 8.2 In February it will be necessary for Members to take decisions to ensure that the 2014/15 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 be meeting on 9 January 2014 to review the assumptions which underpin the 2014/15 budget forecast. It is also proposed to liaise with borough Directors of Finance. The outcome from these reviews together with up-to-date advice on the Authority's budget and resource requirements for 2014/15 will be reported to the budget and levy setting meeting in February.

9. **Comments of the Legal Adviser**

- 9.1 The Legal Adviser has been consulted in the preparation of this report and has no comments to add.

**Local Government Act 1972 - Section 100 as amended**

Documents used in the preparation of this report:-

Reports to the Authority dated 12 February, 27 June and 26 September 2013.

2013/14 budgetary control and 2013/14 budget working papers

Contact Officers: R A Bench - Head of Finance  
N Harris – Deputy Head of Finance  
North London Waste Authority  
Unit 161  
Lee Valley Technopark  
London  
N17 9LN

Tel: 020 8489 5867  
Email robert.bench@nlwa.gov.uk

rb/nlwa/201314 3<sup>rd</sup> budget review - final