

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: 2017/18 REVENUE AND CAPITAL BUDGETS FINAL
OUTTURN AND 2018/19 FIRST BUDGET REVIEW

REPORT OF: THE FINANCIAL ADVISER

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 21 JUNE 2018

SUMMARY OF REPORT:

This report provides details of expenditure and income for 2017/18 and briefly comments on the current financial position for 2018/19. The report indicates that revenue balances at 31 March 2018 were £11.962m, i.e. an increase of £3.943m compared with the February forecast. The improvement arises from lower than forecast waste tonnages delivered to the Authority, increases in wholesale electricity prices, administrative savings and non-use of the contingency.

The first review of the 2018/19 budget discusses a number of variances which taken together have only a small impact on the budget.

Allowing for the improvement in the revenue balances at 31 March 2018 and the 2018/19 budget variances, the 2018/19 first review indicates that the Authority's forecast at 31 March 2019 balances have increased by £3.198m compared with the February report. This improvement strengthens the Authority's ability to manage its services within budget and accommodate potential budget pressures. If this situation is maintained, the Authority will have reserves of £3.198m available to support the 2019/20 budget and therefore reduce the amount that will need to be recovered from boroughs through the levy.

RECOMMENDATIONS:

The Authority is recommended to:

- A. Note the 2017/18 outturn (subject to audit).
- B. Note the over and under payments by boroughs in respect of non-household and chargeable household waste in 2017/18 and the arrangements for repayment to and collection from the boroughs.

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- C. Note the first review of the 2018/19 budget and that a second review will be submitted to the Authority in October.
- D. Note that an update on the budget and resource requirements for 2019/20 and future years will be reported to the Authority in future budget reviews.

SIGNED: Mike O'Donnell, Financial Adviser

DATE: 11 June 2018

1. INTRODUCTION

- 1.1. At its meeting on 8 February 2018 the Authority was provided with an up-to-date assessment of its financial position. This included the fourth review of the 2017/18 budget and provided guidance on the level of surplus resources available to assist with the funding of the 2018/19 budget.
- 1.2. The accounts for 2017/18 are now closed and therefore the main purpose of this report is to provide details of the 2017/18 outturn (subject to audit). This paper also provides details of the 2018/19 first budget review and briefly comments on the outlook for future years.

2. 2017/18 OUTTURN

- 2.1. At its meeting on 9 February 2017, the Authority agreed an original budget of £65.164m to be financed by estimated revenue balances of £7.217m, charges to boroughs for non-household and chargeable household waste of £8.491m and £1.508m respectively and a levy of £47.948m.
- 2.2. At subsequent meetings, members have been updated on the financial standing of the Authority and in February, it was advised that it would be reasonable to assume that forecast revenue balances of £8.019m at 31 March 2018 could be considered when determining its budget and levy requirements for 2018/19.
- 2.3. A summary of the variances that make up the total of £8.019m has been included in the appendix at table 1.
- 2.4. The actual revenue surplus for the year ended 31 March 2018 increased by £3.943m compared to the February forecast making the total balance carried forward £11.962m
- 2.5. Comparison of the revised budget and final outturn is shown in table 2 in the appendix and a commentary on the most significant changes and issues arising are set out in the following paragraphs:
- 2.6. **Residual Waste Disposal and Landfill Tax (-£1.139m)**
 - 2.6.1. In February, Members were advised that tonnage data for the period up to November 2017 indicated that the 2017/18 residual waste stream would be 592,957 tonnes i.e. 1.15% greater than 2016/17. Residual waste actually delivered to the Authority in 2017/18 was 582,797 tonnes, i.e. 10,160 tonnes (1.71%) less than the February forecast and 3,438 (0.59%) less than in 2016/17. Table 3 in the appendix lays out the tonnage delivered by each borough and their variances to February's fourth budget review.

- 2.6.2. The lower than forecast tonnage led to the cost of treating residual waste being £0.672m lower than was forecast
- 2.6.3. Included in this budget category are the payments due to LondonEnergy Ltd under the provisions of the Electricity Income Claim. Wholesale electricity prices have increased since the autumn, reducing the value of the estimated claim by £0.311m compared to the forecast.
- 2.6.4. The Authority pays LEL a proportion of the cost of Landfill tax it has incurred, based on the amount of residual waste that the Authority has delivered. An on-account payment is made each month and is settled after the end of the financial year. The landfill tax claim for 2017/18 is estimated to be £0.156m lower than previously forecast
- 2.6.5. The tonnage in table 3 includes material delivered by boroughs to the Authority's MRF providers as mixed dry recyclable but subsequently rejected due to contamination. The MRF provider arranges for the subsequent disposal of this tonnage. The Authority records rejected tonnage as residual waste. The cost of disposal of rejected material in 2017/18 was £0.401m. This was in line with expectations.

2.7. Composting & Materials Recovery Facility (MRF) Services: (- £0.749m)

- 2.7.1. In December 2017, the Authority was advised by the boroughs of their latest forecasts of recycling activity and the amount of recyclate that would be passed to the Authority for bulking and treatment. This helped form the basis of the Authority's 2017/18 fourth budget review assumptions for these services. The actual level of compostable material sent to the Authority was 492 tonnes (0.97%) lower than forecast. In addition, LondonEnergy Ltd let new composting contracts and the price per tonne for food waste in the final months of the year was significantly lower than was forecast. The lower tonnage and the price change combined, generated a saving of £0.303m
- 2.7.2. Dry recyclable waste tonnages processed at the Authority's MRF providers were 4,220 tonnes (3.66%) lower than advised by the boroughs in December 2017. In 2017/18, 3,856 tonnes of delivered material was rejected and had to be processed as residual waste. Only the tonnages accepted by the Authority's MRF providers are shown in the table below. The lower than forecast tonnage has resulted in a cost of £6.270m i.e. £0.446m less than the fourth review.

2.7.3. Table 4 in the appendix includes the tonnages of compostable and dry recyclable materials that each borough delivered to the Authority in 2017/18 and the variances to February's fourth review.

2.8. Transfer Stations and Other Sites: (- £0.037m)

2.8.1. This budget includes the costs of the Hornsey Street and Hendon waste transfer stations. Also included is an allowance for costs in respect of the Pinkham Way site. During 2017/18, only minor property maintenance and insurance costs were incurred at Pinkham Way resulting in a saving of £0.037m.

2.9. Reuse and Recycling Centres (RRCs): (+ £0.148m)

2.9.1. The Authority manages seven RRCs on behalf of its constituent boroughs. An eighth site at Park View Road in Haringey, closed in October 2017. A review of costs incurred at RRCs in conjunction with LondonEnergy has identified additional charges for central overheads relating to service delivery. These costs will continue into future years.

2.10. Corporate and Other Support Service Costs: (- £0.286m)

2.10.1. This heading captures a wide-range of services provided to the Authority by Camden and Haringey and a number of external providers. Savings have arisen principally as a result of lower spend on external support (£0.100m). In addition, savings have been made on staff recruitment and training, technical and planning team costs and Operations support.

2.11. North London Heat & Power Project: (- £0.396m)

2.11.1. Work continues on the project however, the phasing of the work plan has been revised and will continue into 2018/19. Following a review of the work plan, the budget will be carried forward to ensure that the programme is fully funded.

2.12. Contingency: (- £2.258m)

2.12.1. At its February meeting, the Authority continued to adopt a prudent approach and decided to retain a contingency in the 2017/18 revised budget that would be available to accommodate possible unforeseen additional costs in the closing months of the year. There was no call on the contingency.

2.13. Income from the sale of Recyclates: (+ £0.384m)

- 2.13.1. The fourth budget review was based on an average income per tonne of £26.30. Total tonnage processed by the Authority's MRF contractors was 110,997 i.e. 4,220 less than advised by the boroughs. The estimated average income during 2017/18 is £23.85 per tonne (4th quarter income is provisional), i.e. a decrease of £0.384m. Market prices, particularly for paper and card have fallen in the second half of the year and are not yet showing any sign of recovery.
- 2.13.2. Under menu pricing, this income is used by the Authority to reduce the net cost of mixed dry recyclates per tonne to each borough.

2.14. Charges to Boroughs for Non-Household Waste: (+£0.335m)

- 2.14.1. At the budget meeting in February Members were provided with an up-to-date assessment of the estimated cost to boroughs of non-household waste in 2017/18.
- 2.14.2. The meeting was also reminded that the final charges would be calculated as part of the 2017/18 final accounts process and that this would be reported to the Authority in June 2018. Any under or over payment by boroughs would be collected from or repaid to boroughs once the accounts have been audited.
- 2.14.3. Overall, income for the year is lower than the 2017/18 revised budget but since boroughs make on-account payments to the Authority based on the original budget, adjusting payments and refunds are required. Islington will be required to make an additional payment to the Authority. All other boroughs will receive refunds.
- 2.14.4. Compared with the original budget assumption of 101,292 tonnes of residual waste there has been a decrease of 5,259 tonnes to 96,033. The menu price based calculations are sensitive to changes in the Authority's overall costs. The actual charge per tonne in 2017/18 was £74.78, a price decrease of £4.05 compared with the original budget.
- 2.14.5. Five Boroughs (Barnet, Camden, Hackney, Haringey and Islington) have also delivered recyclable non-household waste to the Authority for treatment at a cost of £42.48 for dry-recyclable waste (9,207 tonnes), £58.43 for mixed organic waste (619 tonnes) and £50.75 for food waste (910 tonnes).
- 2.14.6. Table 5 in the appendix includes details of each borough's original, revised and actual costs of non-household waste.

2.15. Charges to Boroughs for Household Waste: (+ £0.076m)

- 2.15.1. The outturn shows little change from the revised budget. The actual charge per tonne for residual waste of £74.78 is the same as for non-household waste.
- 2.15.2. Four boroughs (Camden, Hackney, Haringey and Islington) have also delivered recyclable chargeable household waste to the Authority for treatment at a cost of £42.48 per tonne for dry recyclable waste (2,502 tonnes), £58.43 for mixed organic waste (461 tonnes) and £50.75 for food waste (435 tonnes).
- 2.15.3. Details of the original, revised and actual costs of chargeable household waste are shown in table 6 of the appendix:

2.16. The RRC Levy Balances

The costs of running the RRCs, treating recyclable waste, disposal of residual waste, landfill tax and income from recycling are captured for each site and recharged to boroughs based on the 2014 visitor survey for each site. Table 7 in the appendix shows the recharge for each borough.

- 2.16.1. Table 8 in the appendix provides details of the revenue balances position for each borough at 31 March 2018. The change in balances of £0.136m will be taken into account when determining the 2019/20 levy. As mentioned in previous reports, the Haringey balance arising in year relates primarily to the delay in purchasing the Western Road RRC and the closure of the Park View Road RRC in October 2017.

2.17. The Base Levy Balances

- 2.17.1. The base levy is determined according to the tonnage delivered by each borough to the Authority. The levy is an estimated sum based on the budgeted tonnage and the estimated net cost of running the Authority. At the year-end, the actual levy costs were £36.366m, compared to the fourth review forecast of £40.445m, a reduction of £4.079m. Table 9 in the appendix shows the movement of these balances for each borough and the balance held that could be used to offset the 2019/20 levy.

2.18. Total Levy Balances

- 2.18.1. The overall balance of £11.962m consists of a main levy balance of £11.742m and an RRC balance of £0.219m. The actual year-end balance position compared with the fourth review presented to the Authority in February is shown in Table 10 in the appendix

2.18.2. The balances identified and reported as part of the fourth review were used to adjust each borough's levy as part of the 2017/18 budget process. The increase in balances of £3.943m identified during the closure of the 2017/18 accounts will be held by the Authority and will be available to support the 2019/20 budget and levy.

2.19. Conclusion

2.19.1. The outturn shows that the Authority has a revenue surplus of £11.962m at 31 March 2018, i.e. an additional £3.943m compared with the February forecast of £8.019m.

3. CAPITAL BUDGET 2017/18

3.1. During 2017/18, the Authority spent £1.821m relating to the North London Heat and Power Project. This spend was to purchase land and the pumping station to the north of the EcoPark and to obtain a new connection to the National Grid at the Tottenham sub-station.

3.2. At 1 April 2017, the Authority held usable capital receipts of £1.439m. No receipts of a capital nature were received in 2017/18 and none were used. Capital receipts can only be used to fund capital expenditure or to repay debt.

4. FINAL ACCOUNTS PREPARATION AND AUDIT

4.1. The 2017/18 outturn discussed in the preceding paragraphs forms the basis of the Authority's statutory statement of accounts. The Accounts and Audit Regulations 2015 required all local government bodies to complete their 2017/18 draft annual accounts by 31 May 2018 i.e. one month earlier than previously required. The Financial Adviser is required to certify that the accounts present a true and fair view of the financial position of the Authority at the end of the year and of the Authority's income and expenditure for the year.

4.2. The Financial Adviser certified the draft 2017/18 statement of accounts on the 30 May. In line with the 2015 Regulations, these have been sent to the Authority's auditors, KPMG, for audit and were published on the Authority's website by 31 May. The web address is below:

<http://www.nlwa.gov.uk/governance-and-accountability/financial-statements>

4.3. The draft statement audited by KPMG will be presented to the Authority at its July meeting so that the Authority may consider and approve it and duly authorise the statement to be signed and dated by the Chair of the Authority. The Authority must then publish the final audited statement of accounts by 31 July 2018. With this in mind it is recommended that the Members'

Finance Working Group reviews the draft statement of accounts at its early July meeting, ahead of submission to the July meeting of the Authority. KPMG will report the findings of its audit to the Authority at its July meeting.

5. FIRST REVIEW OF THE 2018/19 REVENUE BUDGET

5.1. At its meeting on 8 February 2018 the Authority agreed the 2018/19 budget at £66.752m, to be financed by estimated balances of £8.019m, charges to boroughs for non-household and chargeable household waste of £8.510m and £1.712m respectively, and a levy of £48.511m.

5.2. General

5.2.1. At this stage of the financial year, it is too early to draw any firm indications about the waste stream for the full year. This applies equally to other areas of the budget that are influenced by changes in tonnage data. A greater appreciation of any trends that may be developing should become apparent when data is available for the four-month period to the end of July which will be reported to the October meeting of the Authority. A number of other issues that emerged during the closure of the 2017/18 accounts will affect 2018/19 and these are discussed below:

5.3. Biodegradable Waste Services (£-0.618m)

5.3.1. As explained in 2.7.1, LondonEnergy Ltd has let new contracts for biodegradable waste. This has resulted in a slightly higher gate fee per tonne for mixed organic waste and green waste, but a reduction in the gate fee for food waste. Based on the budgeted tonnage, the change in price is anticipated to deliver a saving of £0.618m in 2018/19.

5.4. North London Heat & Power Project (+0.396m)

5.4.1. The work plan has been reprofiled reflecting the timetable for ongoing activities and £0.396m has been carried forward to match this cost.

5.5. RRC Operations (+ £0.150m)

5.5.1. As mentioned in paragraph 2.9.1, additional overheads related to RRC operations will be incurred that were not identified in the budget.

5.6. Sale of Recyclates (+£0.887m)

5.6.1. The budget for recycling income was set on the assumption that the average price achievable in the market was decreasing and an average price per tonne of £20.90 was included. The assumption

applied for the fourth quarter of 2017/18 in the year-end accounts has reduced to £13.59 per tonne. If this lower rate continues, and there is no evidence to suggest that prices will improve in the short term, income is likely to reduce by £0.887m to £1.650m

5.7. Overview

5.7.1. Members will recall that the Authority agreed an increase to the levy for 2018/19. Subject to further budgetary pressures that may emerge during the year, the first review of the 2018/19 suggests that a further £3.198m of balances could be available. Table 11 in the appendix lays out the budget, the first review and the variances arising by budget heading.

6. REVIEW OF THE OUTLOOK FOR 2019/20

6.1. The first review of the 2018/19 budget identifies a revenue balance of £3.198m that might be available to be used to support the 2019/20 budget and therefore, reduce the amount that will need to be recovered from the boroughs through the levy.

6.2. The net expenditure requirement for the 2019/20 budget reported in February of £69.212m remains unchanged. The £3.198m balance would reduce the levy requirement from £58.639m to £55.440m. This would represent a 14.28% overall increase in the levy compared to a 20.88% increase reported in February. The increase would be different for each borough based on individual circumstances. Table 12 of the report contains the forecast levy increase for each borough.

7. CONCLUSION

7.1. Allowing for the improvement in the revenue balances at 31 March 2018 and the 2018/19 variations, the first review indicates that the Authority's reserves at 31 March 2019 will have increased by £3.199m. This improvement strengthens the Authority's ability to manage its services within budget and accommodate potential budget pressures.

8. COMMENTS OF THE LEGAL ADVISER

8.1. The Authority may in accordance with Regulation 3(1) of the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, issue levies on its constituent councils to meet all liabilities falling to be discharged by it for which no provision is otherwise made.

8.2. The amount to be levied by the Authority in respect of any financial year from each of its constituent councils is determined in accordance with Regulation 4 by apportioning the total amount to be levied either in such proportions as

all the constituent councils may agree or in absence of such agreement, by a combination of:

- 8.2.1. apportioning costs in proportion to the tonnage of household waste delivered by each of council; and
 - 8.2.2. for non-household waste and other costs, apportioning costs on the basis of the council tax base.
- 8.3. All the constituent councils have agreed through the Inter Authority Agreement entered into in 2015 that alternative levy apportionment arrangements will apply from 2015/16 and the menu pricing arrangements referred to above are set out in that Inter Authority Agreement. This meets the requirements of the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006.

List of documents used:

Report to the Authority 8 February 2018 – Revenue Budget and Levy 2018/19

2017/18 final accounts Working Papers

2018/19 budgetary control working papers

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APPENDIX A:

FINANCIAL TABLES TO SUPPORT THE REPORT

Table 1 - Variances arising since the budget was set in February 2017

	£m
Higher level of balances brought forward from 2016/17	(4.857)
Residual waste tonnage - forecast variations	0.425
Landfill Tax	(0.250)
Electricity Income Claim	(0.641)
Reuse and Recycling Centres (incl. Landfill Tax)	(0.035)
Park View Road RRC closure	(0.117)
Reduced tonnage of recyclable material	(0.978)
Transfer stations and other sites maintenance	(0.050)
Rephasing of NLHPP costs between financial years	(0.445)
Rephasing of Communications projects into 2017/18	0.052
Corporate support costs	(0.579)
Savings in capital financing costs	(0.841)
Decreased income from sale of recyclates	0.111
Reduced chargeable & non-household waste income	0.409
Other income	(0.191)
Other minor variances	(0.032)
Total	<u>(8.019)</u>

Table 2 - 2017/18 Outturn compared to the Fourth Review in February 2018

	2017/18 Original Budget	2017/18 Fourth Review	2017/18 Year End Outturn	Variance (Fourth Review to Outturn) £'000
Expenditure				
Main Waste Disposal Contract (ex CA Waste)	33,526	33,311	32,354	(957)
Civic Amenity (RRC) Residual Waste	1,131	1,106	1,080	(26)
Landfill Tax	1,937	1,682	1,526	(156)
Composting Services	2,614	2,432	2,129	(303)
MRF Services	7,512	6,716	6,270	(446)
Transfer Stations and Other Sites	1,562	1,511	1,474	(37)
Re-use and Recycling Centre Operations	3,541	3,419	3,567	148
Corporate and Other Support Service Costs	2,507	1,993	1,849	(144)
Operations Team	491	478	419	(59)
Waste Prevention Programme – New Initiatives	340	340	323	(17)
Technical and Planning Team	433	433	350	(83)
Joint Communications Initiative	305	294	294	0
Recycling Initiatives	267	246	230	(16)
North London Heat & Power Project	2,463	2,018	1,622	(396)
Revenue Funding - Capital Programme	7,590	6,749	6,749	0
	66,219	62,728	60,236	(2,492)
Less				
Income				
Rents	(111)	(111)	(111)	0
Sale of Recyclates	(3,142)	(3,031)	(2,647)	384
Interest on Balances	(60)	(60)	(70)	(10)
Other Income	0	(191)	(169)	22
	(3,313)	(3,393)	(2,997)	396
Net Expenditure	62,906	59,335	57,239	(2,096)
Contingency	2,258	2,258	0	(2,258)
Total Net Expenditure	65,164	61,593	57,239	(4,354)
Financed by:				
Balances b/fwd	(7,217)	(12,074)	(12,074)	0
Charges to Boroughs (non-household waste)	(8,491)	(7,990)	(7,655)	335
Charges to Boroughs (household waste)	(1,508)	(1,600)	(1,524)	76
Levy – Base Element	(43,240)	(43,240)	(43,240)	0
Levy – RRC Element	(4,708)	(4,708)	(4,708)	0
Total Levy	(47,948)	(47,948)	(47,948)	0
Total Resources Available	(65,164)	(69,612)	(69,201)	411
Revenue Balance as at 31 March 2017	0	(8,019)	(11,962)	(3,943)

Table 3 - 2017/18 residual waste tonnage and variance to the fourth budget review

	2016/17 Actual	2017/18 Fourth Review	2017/18 Actual	Change to Fourth Review	Change %
	Tonnes	Tonnes	Tonnes	Tonnes	
Barnet	102,436	104,275	101,059	-3,216	-3.08
Camden	82,872	78,158	77,514	-644	-0.82
Enfield	85,885	88,548	87,279	-1,269	-1.43
Hackney	91,798	92,489	91,155	-1,334	-1.44
Haringey	73,729	74,498	73,441	-1,057	-1.42
Islington	78,769	82,315	80,670	-1,645	-2.00
Waltham Forest	70,746	72,674	71,679	-995	-1.37
Total	586,235	592,957	582,797	-10,160	-1.71

Table 4 - Recycling tonnages and variance to the fourth budget review

	Composting Services			MRF Services		
	2017/18 Fourth Review Tonnes	2017/18 Actual Tonnes	Variance Tonnes	2017/18 Fourth Review Tonnes	2017/18 Actual Tonnes	Variance Tonnes
Barnet	19,666	19,374	(292)	27,100	27,096	(4)
Camden	3,814	3,943	129	22,546	18,754	(3,792)
Enfield	0	0	0	0	0	0
Hackney	6,930	6,869	(61)	17,271	17,310	39
Haringey	7,000	6,820	(180)	16,829	16,581	(248)
Islington	4,348	4,091	(257)	14,536	14,070	(466)
Waltham Forest	8,834	9,003	169	16,935	17,186	251
Total	50,592	50,100	(492)	115,217	110,997	(4,220)

Table 5 - Non-Household waste charges by borough

	2017/18 Original Budget	2017/18 Fourth Review	2017/18 Actual Cost	Repayment due (to)/from Borough (Column 3 - 1)
	1	2	3	
Cost per Tonne #	£78.83	£77.91	£74.78	
	£	£	£	£
Barnet *	1,065,556	877,990	829,338	(236,218)
Camden *	2,533,558	2,132,582	2,023,496	(510,062)
Enfield	761,376	725,786	698,300	(63,076)
Hackney *	1,622,690	1,650,209	1,583,849	(38,841)
Haringey *	301,797	291,486	274,516	(27,281)
Islington *	2,094,039	2,202,738	2,143,442	49,403
Waltham Forest	112,011	108,525	101,424	(10,587)
Total	8,491,027	7,989,316	7,654,365	(836,662)

Residual only

* Includes the cost of treating recyclable wastes

Table 6 - Chargeable Household waste by borough

	2017/18 Original Budget	2017/18 Fourth Review	2017/18 Actual Cost	Repayment due (to)/from Borough (Column 3 - 1)
	1	2	3	
Cost per Tonne #	£78.83	£77.91	£74.78	
	£	£	£	£
Barnet	179,723	177,629	170,487	(9,236)
Camden *	326,634	357,211	358,772	32,138
Enfield	112,799	111,486	107,003	(5,796)
Hackney *	425,422	479,773	455,395	29,973
Haringey *	202,944	216,369	194,994	(7,950)
Islington *	260,298	257,748	237,303	(22,995)
Waltham Forest	0	0	0	0
Total	1,507,820	1,600,216	1,523,954	16,134

Residual only

* Includes the cost of treating recyclable wastes

Table 7 - RRC operating costs compared to the fourth review

	2017/18 Original Budget	2017/18 Fourth Review	2017/18 Outturn	2017/18 Variance to Fourth Review
	£	£	£	£
Barnet	1,068,439	1,098,124	1,173,246	75,122
Camden	482,483	504,894	473,741	(31,153)
Enfield *	84,521	66,247	70,117	3,870
Hackney	270,653	265,832	274,701	8,869
Haringey	1,219,266	812,540	812,056	(484)
Islington	667,104	705,910	724,850	18,940
Waltham Forest	1,099,044	1,071,269	1,132,079	60,810
Total	4,891,510	4,524,816	4,660,790	135,974

* 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.

Table 8 - RRC Balances available at year end

Balances with brackets at 31 March 2018 indicate a balance owed to the borough by the Authority and balances without brackets are a balance owed by the borough to the Authority

	Additional Balances b/fwd from 2016/17	In-year Change in Balances (Original Budget to Fourth Review)	Total Forecast Balances as at 31 March 2018	Additional Balances 2017/18 from table 7	Total Balances at 31 March 2018
	£	£	£	£	£
Barnet	16,285	29,685	45,970	75,122	121,092
Camden	8,741	22,411	31,152	(31,153)	(1)
Enfield	180	(18,274)	(18,094)	3,870	(14,224)
Hackney	1,180	(4,821)	(3,641)	8,869	5,228
Haringey	(14,095)	(406,726)	(420,821)	(484)	(421,305)
Islington	12,575	38,806	51,381	18,940	70,321
Waltham Forest	(13,844)	(27,775)	(41,619)	60,810	19,191
Total	11,022	(366,694)	(355,672)	135,974	(219,698)

Table 9 - Base levy balances by borough

Balances with brackets at 31 March 2018 indicate a balance owed to the borough by the Authority

	Additional Balances b/fwd from 2016/17	In-year Change in Balances (Budget to Fourth Review)	Fourth Review Estimated Levy Costs	Year End Actual Levy Costs	Additional Balance at 31 March 2018 (4-3)	Total Balances at 31 March 2018 (1+2+5)
	1	2	3	4	5	
	£	£	£	£		£
Barnet	(679,807)	(165,260)	7,991,267	7,090,232	(901,035)	(1,746,102)
Camden	(629,449)	(570,833)	4,216,402	3,592,980	(623,422)	(1,823,704)
Enfield	(462,897)	(152,510)	5,444,250	4,955,869	(488,381)	(1,103,788)
Hackney	(701,825)	(385,672)	6,188,037	5,555,950	(632,087)	(1,719,584)
Haringey	(1,011,323)	(794,579)	6,083,376	5,620,253	(463,123)	(2,269,025)
Islington	(588,821)	(198,892)	4,352,973	3,821,146	(531,827)	(1,319,540)
Waltham Forest	(794,366)	(526,940)	6,168,948	5,729,641	(439,307)	(1,760,613)
Total	(4,868,488)	(2,794,686)	40,445,253	36,366,071	(4,079,182)	(11,742,356)

Table 10 - Total balances available by borough (from tables 8 and 9)

	2017/18 Fourth Review		Movement in Balances		2017/18 Year End Balance	
	Base Levy	RRC Levy	Base Levy	RRC Levy	Base Levy	RRC Levy
	£	£	£	£	£	£
Barnet	(845,067)	45,970	(901,035)	75,122	(1,746,102)	121,092
Camden	(1,200,282)	31,152	(623,422)	(31,153)	(1,823,704)	(1)
Enfield	(615,407)	(18,093)	(488,381)	3,869	(1,103,788)	(14,224)
Hackney	(1,087,497)	(3,642)	(632,087)	8,870	(1,719,584)	5,228
Haringey	(1,805,902)	(420,821)	(463,123)	(484)	(2,269,025)	(421,305)
Islington	(787,713)	51,382	(531,827)	18,939	(1,319,540)	70,321
Waltham Forest	(1,321,306)	(41,620)	(439,307)	60,811	(1,760,613)	19,191
Total	(7,663,174)	(355,672)	(4,079,182)	135,974	(11,742,356)	(219,698)
	(8,018,846)		(3,943,208)		(11,962,054)	

Table 11 - First review of the 2018/19 budget

	2018/19 Budget	2018/19 First Review	Variance
	£'000	£'000	£'000
Expenditure			
Main Waste Disposal Contract (ex RRC Waste)	35,457	35,457	0
Landfill Tax	1,822	1,822	0
Biodegradable Waste Services	2,546	1,928	(618)
MRF Services	7,310	7,310	0
Transfer Station and Other Sites	1,520	1,520	0
Corporate and Other Support Service Costs	2,836	2,836	0
Operations Team	522	522	0
Waste Prevention Programme	480	480	0
Joint Communications Initiative	305	305	0
Recycling Initiatives	235	235	0
North London Heat and Power Project	2,500	2,896	396
Revenue Funding – Capital Programme	7,026	7,026	0
	62,559	62,337	(222)
Reuse and Recycling Centre Expenditure			
RRC Residual Waste	1,102	1,102	0
RRC Landfill Tax	162	162	0
RRC Operations	3,332	3,482	150
	4,596	4,746	150
Less			
Income			
Rents	(115)	(115)	0
Sale of Recyclates	(2,537)	(1,650)	887
Interest on Balances	(40)	(40)	0
	(2,692)	(1,805)	887
Net Expenditure	64,463	65,278	815
Contingency	2,289	2,289	0
Total Net Expenditure	66,752	67,567	815
Financed by:			
Use of Balances	(8,019)	(11,962)	(3,943)
Charges to Boroughs (Non-household waste)	(8,510)	(8,604)	(94)
Charges to Boroughs (Chargeable household waste)	(1,712)	(1,688)	24
Estimated Levy – Base Element	(44,414)	(44,414)	0
Estimated Levy – RRC Element	(4,097)	(4,097)	0
Total Estimated Levy	(48,511)	(48,511)	0
Total Resources Available	(66,752)	(70,765)	(4,013)
Estimated Revenue Balance at 31 March 2019	0	(3,198)	(3,198)

Table 12 - Possible 2019/20 levy based on the year-end and first review variances

	2018/19 Actual Levy	2019/20 Budget Forecast Levy	Forecast Levy Increase	2017/18 Additional Year End Balances	2018/19 First Review Balances	Additional Balance to reduce the 2018/19 Levy	2019/20 Revised Forecast Levy	Revised Forecast Levy Increase
	£'000	£'000 a	%	£'000 b	£'000 c	£'000 d (b+c)	£'000 (a+d)	%
Barnet	11,039	11,916	7.94%	(826)	113	(713)	11,203	1.49%
Camden	5,162	6,464	25.22%	(654)	(53)	(707)	5,757	11.53%
Enfield	6,517	7,478	14.75%	(485)	56	(429)	7,049	8.17%
Hackney	6,765	8,144	20.38%	(623)	3	(620)	7,524	11.22%
Haringey	5,755	8,639	50.11%	(464)	190	(274)	8,366	45.36%
Islington	5,794	6,819	17.69%	(513)	154	(359)	6,460	11.50%
Waltham Forest	7,479	9,179	22.73%	(378)	282	(96)	9,083	21.45%
Total	48,511	58,639	20.88%	(3,943)	745	(3,198)	55,443	14.29%

REPORT ENDS