

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:** FINANCE UPDATE

**REPORT OF:** THE FINANCIAL ADVISER

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 30 SEPTEMBER 2024

**SUMMARY OF REPORT:**

This report provides an update on the Authority's financial position for 2024/25 and an initial indicative budget and levy forecast for 2025/26.

The report includes an update for the final accounts for 2022/23 and the plan for the audit of the statements.

**RECOMMENDATIONS:**

The Authority is recommended to:

- A. Note this review of the 2024/25 financial position; and
- B. Note that a further update of the 2024/25 financial position will be reported to the Authority meeting in December together with an updated assessment of the budget and resource requirements for 2025/26

**SIGNED:** Jon Rowney, Financial Adviser

**DATE:** 18 September 2024

## 1. EXECUTIVE SUMMARY

### Overview

- 1.1. At its meeting on 30 July 2024, the Authority was provided with an up-to-date assessment of its financial position. This included a draft outturn for 2023/24 and the additional balances that were available to offset against the 2025/26 levy.
- 1.2. This paper provides the outcome of an initial review of the 2024/25 forecast outturn, the outlook for the budget and levy for 2025/26 and an update on the progress of the audit of the statutory accounts for 2022/23 and 2023/24.

### 2024/25 Forecast

- 1.3. **Financial Outturn:** The net expenditure outturn forecast for 2024/25 is £92.990m, a projected underspend of £0.885m compared to the original budget. There are a number of variances, of which the main changes are as follows:
  - 1.3.1. The main waste disposal contract with LondonEnergy Ltd (LEL) is based on a contract that came into force in January 2015 and was originally intended to last for ten years. The pricing structure of the contract has only had minor variations over the last nine and a half years. The contract was designed to increase annually in line with the retail price index (RPI). Income from the contract provides the majority of LEL's income. The company has relatively high fixed costs, and as the energy from waste facility has aged, the waste it has treated has reduced. The Authority pays the company a gate fee for each tonne treated, and with the reduced volumes treated there is a gap between LEL's income and costs. High prices from electricity income in recent years temporarily covered this gap. However, prices have reduced, and LEL is liable to pay the Electricity Generator Levy. At this stage, officers have included a provision for an increase in the contract in the forecast of £7m per annum from January 2025. Officers are discussing the actual amount required with LEL and will bring a proposal to the December 2025 Authority meeting for consideration.
  - 1.3.2. To support this increase, the forecast has also been updated to reflect the latest assumption related to interest that is forecast to be received on the Authority's cash balances. It is anticipated that the income will be approximately £7m in 2024/25 (based on forecast cashflows for the North London Heat and Power Project) and an assumption is included in the forecast that £1.75m should be used to support the main waste contract this financial year with the remainder added to the maintenance reserve. In 2025/26, a further £5m would be released

from the reserve to support the addition to the main waste contract costs.

- 1.3.3. The forecast has been updated to reflect the agreed first year running costs for the new Eco Park South (EPS) facilities of £3.790m.
- 1.3.4. Higher forecasts for residual waste tonnages collected and delivered by boroughs for 2024/25 are driving a forecast of £1.497m of additional expenditure. This is largely offset by an increase in charges to boroughs for non-household (commercial) waste of £1.107m as declared tonnages for commercial waste have increased.
- 1.3.5. These cost increases are partially offset by a (£3.404m) saving of revenue funding for the capital programme. The saving relates to reduced minimum revenue provision (MRP) costs relating to EcoPark South (EPS). As was reported to the July Authority meeting, MRP is charged from the year after opening. The budget assumption for the opening of the first EPS asset (the Resource Recovery Facility) was March 2024, but the first waste was delivered to the site in April 2024, meaning that MRP will be recognised from the 2025/26 financial year. Interest on the borrowing for the asset is recognised from the opening date.

1.4. **Waste Tonnage:** The waste tonnage forecasts have been reviewed with borough officers. In 2024/25 the volume of waste the Authority receives is forecast to increase against the budget:

- 1.4.1. Residual waste is forecast to increase by 15,017 tonnes (2.7%). The majority of this increase is from additional commercial waste tonnage, forecast to be delivered by Hackney. Excluding this, household residual waste is forecast to increase by 2,767 tonnes (0.5%).
- 1.4.2. Dry mixed recycling is forecast to increase by 726 tonnes (0.6%).
- 1.4.3. Organic waste is currently forecast to be lower than budget by 8,459 tonnes (13.8%). Within this number, there is a significant movement away from mixed organic waste, which is forecast to be lower than budget by 3,338 tonnes (37.7%) as boroughs change to separate collections of food and green waste. Green waste is expected to be lower than budget by 5,546 tonnes (17.3%). However food waste is expected to be higher than budget by 424 tonnes (2.1%).

#### **Borough Balances at 31 March 2025**

1.5. The revenue balance at the end of the financial year is forecast to be £2.625m. This difference would be available to support the 2025/26 levy.

## 2025/26 Forecast Budget and Levy

- 1.6. The net expenditure forecast for 2025/26 is currently £104.213m, an increase of 11.0% compared to the 2024/25 budget. This figure includes updated revenue funding costs for the capital programme, specifically updated MRP estimates and borrowing assumptions. It also includes updated costs for the running of the EPS facilities and the full year additional budget to support the main waste disposal contract.
- 1.7. When compared to the approved levy for 2024/25, the levy is forecast to increase by 19.3%. Authority officers will continue to work to mitigate any increases. The potential effect on each borough is captured below.

	Forecast Levy before balances			Balances available			Forecast Levy after balances		
	2024/25	2025/26	Increase/ Decrease	2024/25	2025/26	Increase/ Decrease	2024/25	2025/26	Increase/ Decrease
	£000s	£000s		£000s	£000s		£000s	£000s	
Barnet	16,982	18,786	10.6%	(1,964)	(501)	-74.5%	15,018	18,285	21.8%
Camden	8,625	9,598	11.3%	(1,864)	(251)	-86.5%	6,761	9,347	38.2%
Enfield	13,114	14,149	7.9%	(957)	(912)	-4.7%	12,157	13,237	8.9%
Hackney	10,471	11,501	9.8%	(759)	(284)	-62.6%	9,712	11,217	15.5%
Haringey	11,341	12,401	9.3%	(1,243)	(396)	-68.2%	10,098	12,005	18.9%
Islington	8,940	9,915	10.9%	(652)	(55)	-91.6%	8,288	9,860	19.0%
Waltham Forest	12,224	13,184	7.9%	(1,391)	(226)	-83.8%	10,833	12,958	19.6%
	81,697	89,534	9.6%	(8,829)	(2,625)	-70.3%	72,868	86,909	19.3%

- 1.8. The levy increases by 9.6% before balances are factored in. The increase is driven by a full year of operating costs, interest charges and Minimum Revenue Provision relating to the new assets being brought into use in 2024/25. All boroughs are forecast to see an increase in the levy. At this stage in the year the balances identified to reduce the levy are 70.3% lower than have been identified in previous years. As these are lower, the headline levy after balances have been taken into account, of £86.909m is 19.3% higher than in 2024/25.
- 1.9. Borough Directors of Environment will be taken through the forecast in detail in October, reviewing the cost drivers in the budget and the work that is proposed to take place in 2025/26.
- 1.10. A further review will be presented to the December 2024 Authority meeting along with a draft budget for 2025/26 and medium-term forecast. At the Authority meeting in February 2025, the Authority must agree its budget and set the levy for 2025/26, in line with the Inter Authority Agreement agreed in 2016.

### Medium term forecast

- 1.11. These items were previously included in the threats and opportunities in the medium term forecast presented to the July 2024 meeting. See section 5 for a

more detailed discussion of the risks presented in the medium term forecast, and how they have been dealt with in this latest forecast.

### **2022/23 Final Accounts and Audit**

- 1.12. It is anticipated that the Financial Adviser will have signed the unaudited statements of accounts for the year ending March 2023 by the date of this meeting and the public inspection period will have commenced. The audit has begun.
- 1.13. In a statement on 30 July 2024, the Minister of State for Local Government and English Devolution announced that secondary legislation would be introduced to amend the Accounting and Audit regulations 2015. The aim is to introduce a series of 'backstop' dates to clear the backlog of outstanding audits in Local Government. The proposed dates for completion of outstanding financial statements are:  
  
2022/23 financial statements : 13 December 2024  
2023/24 financial statements : 28 February 2025
- 1.14. Given that work on the 2022/23 statements have begun, officers believe that the December date is achievable. Officers will discuss timescales for the 2023/24 financial statements with the auditors to determine what is possible in the time allowed and provide an update.

## **2. 2024/25 FORECAST**

- 2.1. At the meeting on 8 February 2024, the Authority approved a budget for 2024/25 of £93.875m. The current forecast net expenditure for 2024/25 is £92.990m, an decrease in cost of £0.885m.
- 2.2. Paragraph 1.3 above describes the main difference between the latest forecast and budget. The paragraphs below go into more detail on the key variances. A detailed breakdown for the tonnage by type and borough can be found in tables A2-6 in Appendix A.
- 2.3. As part of this forecast, Officers have consulted with counterparts in the boroughs and updated tonnage forecasts. Residual waste forecasts have increased compared to the budget and also compared to the previous financial year, 2023/24. The headline movements mask an increase in the forecast of non-household (commercial waste), particularly in the forecast provided by the London borough of Hackney.
- 2.4. The key variances to the budget are shown below:

- 2.4.1. **Transfer Stations and Other Sites: (+£3.910m)** Updated running costs for the EcoPark South (EPS) facilities have been included. These charges cover the estimated running cost of the new facilities at EPS for the first year. These costs will be reviewed again by officers and counterparts in LEL to agree a fixed cost for running and maintaining the facilities for the next four years in advance of the December Authority meeting.
- 2.4.2. **Revenue Funding – Capital Programme: (-£3.404m)** Cost saving primarily driven by the opening of the new EPS facilities in April 2024, meaning the corresponding charge for the MRP will now be included for the first time in 2025/26, the financial year after opening.
- 2.4.3. **Main Waste Disposal Contract (excluding RRC Waste): (+£1.497m)** Cost increase driven by higher residual waste tonnage forecasts. Total residual waste is forecast to increase by 15,017 tonnes (3%) from the budgeted figure. This increase is in line with the current year to date spend (April – July 2024) that has already been incurred.
- 2.4.4. **LEL Additional Support: (+£1.750m)** The main waste disposal contract is nearly 10 years old. The pricing structure of the contract has only had minor variations over this time. Over the years, LondonEnergy's (LEL) cost base has changed to reflect the changing requirements of waste and other legislation and these have not necessarily been reflected in contractual increases that are linked to RPI. In addition, the existing plant has aged and has become more expensive to maintain. To reflect these challenges, Officers have included a provision for an increase in the contract prices. Officers are discussing the actual amount required with LEL and will bring a proposal to the December 2025 Authority meeting for approval. This increase would be supported by recognising a similar amount of interest receivable on cash balances that would otherwise go to the maintenance reserve.
- 2.4.5. **Corporate and Other Support Services costs (-£0.454m):** The main driver of the variance is a reduction in staff costs of (£0.672m). This is broken down by (£0.253m) due to delayed recruitment for vacant posts and (£0.419m) reduction due to increased staff costs now charged to the NLHPP following an internal review of the staff capitalisation policy. These savings are partially offset by £0.200m for Environmental Stakeholder Management work.
- 2.4.6. **RRC Residual Waste Disposal: (+£0.086m)** Residual tonnage is up by an average of 15% compared to the budget, which was based on the prior year's actual tonnage. This increase has led to higher costs for landfill, shredding, haulage, and disposal. The tonnage increase varies by site,

with Western Road and Hornsey Street RRC experiencing the most significant rises—50% for Western Road and 41% for Hornsey Street.

- 2.4.7. **RRC Operating Costs: (+£0.408m)** Operating cost include net recycling, site operations and reuse shop costs. Net recycling costs have increased by £0.511m against the budget. Overall chargeable tonnage has risen by 21%, driven by a 24% increase in wood tonnage and a 19% increase in green waste. The largest rise in green waste occurred at Hornsey Street, with a 73% surge compared to the budget. Wood tonnage saw the most significant increases at Western Road (46%) and South Access Road (34%). Income from recyclables is forecasted to be £29k lower than budgeted. Site operating costs show a decrease of £71k compared to the budget, driven by fewer improvement works than in the previous year.
- 2.4.8. The forecast includes the full year cost of waste disposal, recycling and operating costs at the Gateway Road RRC. The impacts of decisions relating to the site which are included in the Reuse and Recycling Network paper on this agenda, will be included in the report to the Authority in December 2024.
- 2.4.9. **Composting Waste Services: (-£0.462m)** Driven by a 38% reduction in mixed food and green tonnage forecasts as boroughs move away from collecting this type of waste and instead collect food and green waste separately. Mixed food and green waste is more expensive to process so there are cost savings generated by switching collection methods.
- 2.4.10. **Carbon Capture & Storage: (-0.317m)** The Strategic Assessment phase was completed in May 2024, and the project moved into Phase 1. The budget initially allocated £1.152m for the first year of Phase 1, but this has been reduced to £835k as per the Q2 2024/25 forecast.
- 2.4.11. **Sale of Recyclates: (-£0.651m)** Additional income is based on a higher than budgeted average basket income, leading to the additional income. This is explained in further detail in the Services Update paper also on this agenda.
- 2.4.12. **MRF Services: (+£0.121m)** Additional costs is driven by a higher than budgeted price of disposal.
- 2.4.13. **Charges for Household & Non-Household Waste: (-£0.998m)** Updated forecasts of tonnages from boroughs for chargeable household wastes (from healthcare and schools, for example) and non-household wastes (commercial) indicate that additional waste will be collected across the financial year. The majority of this increase arises from the London borough of Hackney and would result in an additional charge to

Hackney payable after the end of the financial year. Tables A7 and A8 in Appendix A reflect the forecast expectation for non-household and chargeable waste for each borough.

### **3. BOROUGH BALANCES AT 31 MARCH 2025**

- 3.1. The menu price-based levy requires the Authority to apportion all 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.
- 3.2. Tables A9 and A10 in Appendix A show how in-year levy balances might be apportioned (based on the current forecast) between the boroughs and used to reduce the levy when the Authority determines its 2025/26 levy in February.
- 3.3. A table detailing the forecast outturn and how it has changed compared to the budget is included in Appendix A as table A1.

#### **2024/25 Summary**

- 3.4. Allowing for the factors outlined above, the total net expenditure in 2024/25 for the Authority is estimated to be £92.990m. This represents a decrease of £0.885m compared with the budget. After taking balances carried forward from last financial year that were reported in July into account, the net revenue surplus on 31 March 2025 is forecast to be £2.625m.

### **4. 2025/26 BUDGET FORECAST**

- 4.1. The following paragraphs set out the underlying assumptions and discuss significant issues and variances for the coming year. Forecasts will be refined significantly over the coming months as more information is available about waste volumes and costs in the current year. The early emerging forecast 2025/26 levy and charges for each borough are included in section 1.7 in the introduction to the report.
- 4.2. The budget forecast is based on data early in the current financial year and fuller data will be used to present a further review to the December 2024 Authority meeting. At the Authority meeting in February 2025, the Authority must agree its budget and set the levy for 2025/26, in line with the Inter Authority Agreement agreed in 2016.



### **Opening position**

- 4.3. The revenue balance at 31 March 2025 and the variations reported in this review indicate that the Authority will have balances available to reduce the levy in 2025/26 of £2.625m.
- 4.4. The Authority's net expenditure is forecast to be £104.213m. This is 11.0% higher than the budget for 2024/25. The following paragraphs set out the underlying assumptions and discuss significant issues and variances. The budget for 2025/26 compared with 2024/25 is laid out in table B1 in the appendix.

### **Inflation**

- 4.5. Most of the prices in the Authority's contract with LEL are reviewed annually in line with the December Retail Price Index (RPI). For financial planning purposes the Authority has used the HM Treasury's digest of forecasts published by banks and other institutions and has assumed an increase in December 2025 RPI at 2.8%. Inflation assumptions will be reviewed and updated for the December and February budget and levy meetings.

### **Transport and Disposal**

- 4.6. The 2025/26 transport and disposal budget has been based on forecast residual waste stream of 563,793 tonnes (excluding RRC tonnages), i.e. a decrease of 5,448 tonnes (1%) compared with current forecast tonnage for 2024/25. These tonnages have been reviewed with borough officers and the impacts are therefore tailored to each borough's circumstances.

### **LEL Support**

- 4.7. As mentioned in section 1.3.1 a full year of provision has been included to support LEL operations. This would be supported by a release of £5m from the maintenance reserve.

### **Landfill Tax**

- 4.8. In recent years, Government policy regarding landfill tax has been to increase the tax in line with inflation, rounded to the nearest five pence. The rate of landfill tax for 2024/25 is £103.70 per tonne. In his budget statement in March 2024, the then Chancellor of the Exchequer announced a rise in the rate of landfill tax from April 2025 in excess of £21% to £126.15. The latest forecast reflects the increased tax.

### **Organic Waste and Materials Recovery Facility Services**

- 4.9. The budget forecast for 2025/26 reflects the latest estimates received from the boroughs for organic waste. These will be reviewed again in forthcoming forecasts.

### **Reuse and Recycling Centres**

- 4.10. The costs of running the Reuse and Recycling Centres have been updated to reflect any known costs and estimated income from recyclates. The operating costs for the new Edmonton RRC are captured under the Transfer Stations & Other sites. As mentioned in paragraph 2.4.6 and 2.4.7, the tonnages and costs of waste at recycling centres have increased compared to the 2024/25 budget. It is assumed that this increase will continue and tonnages used to inform the forecast for 2025/26 are similar to 2024/25.
- 4.11. The costs currently include the running of the Gateway Road RRC. This will be updated in December 2024, based on decisions that are taken in the Reuse and Recycling Network paper, also on this agenda.

### **Transfer stations**

- 4.12. The budget includes the estimated cost of running the new assets created by the EcoPark South project for the entire year. Actual costs incurred to date will be reviewed with officers at LEL in the coming months to establish a fixed costs for operating the facilities over coming years and the outcome will be reported to a future meeting.

### **Carbon Capture and Storage**

- 4.13. The budget and medium plan includes the approved cost of preparing the outline business case for a carbon capture and storage solution at the new energy recovery facility.

### **Revenue Cost of Capital Programme**

- 4.14. The cost of funding the capital programme includes both the interest on loans taken to fund the purchase and construction of assets that have been brought into use. In addition, it includes the charge made for the Minimum Revenue Provision, an amount set aside each year to ensure the repayment of debt when it falls due.

### **Sale of Recyclates**

- 4.15. The price used for income from recyclates assumes a similar unit rate to that currently used in the latest forecast for 2024/25. The average rate incurred this year is higher than previously forecast, so we will continue to monitor these rates, and ensure the latest picture is included in all forthcoming forecasts.

### **Non-Household Waste Charges**

- 4.16. The Authority anticipates that boroughs will deliver 85,361 tonnes of residual waste and 14,649 tonnes of recyclable and organic waste to the Authority in 2025/26.

#### **Chargeable Household Waste**

- 4.17. The Authority forecasts that it expects to receive 13,638 tonnes of residual waste and 2,476 tonnes of organic waste and dry mixed recycling in 2025/26.

#### **Contingency**

- 4.18. The budget forecast in this report reflects the approach taken in recent budgets, i.e. £1m plus 2% of the operational base provision.

#### **Levy**

- 4.19. The table in paragraph 1.7 sets out the current estimate of the potential 2025/26 levy for each borough. It reflects the forecast balances at 31 March 2025 and the Authority's expenditure and income expectations. Residual waste and recycling tonnage forecasts will be reviewed in conjunction with borough counterparts to inform the December update.

#### **Next Steps**

- 4.20. A meeting with borough Directors of Environment is planned in October to review contract costs and the drivers that underpin the authority's costs. Outputs from this review will be presented to the Member Finance Working Group in November.

#### **Conclusion**

- 4.21. Subject to future Member decisions and the variations included in this review, the Authority's balances at the end of March 2025 are forecast to be £2.610m. This is significantly lower than the balances available at this stage in 2023 which were £5.442m. A further review of the Authority's financial performance in 2023/24 and forecast for 2024/25 will be presented to the December meeting.

## **5. MEDIUM TERM FORECAST**

- 5.1. As reported to the Authority in July 2024, there are a number of uncertainties in the wider operating outlook including inflation, legislative reform, ensuring business continuity, particularly with the age of the existing Energy from Waste plant operated by LEL, operating costs and the future revenue impact of the current capital investment.

## **Inflation**

- 5.1.1. The forecast includes assumptions for inflation however the further into the future, the more uncertain these forecasts become. Therefore, after December 2025, it is assumed that inflation lies within the government targets (2.5% for the RPI and 2.0% for the Consumer Price Index. For every 1% difference from this the equivalent cost would be movement of £1m to the Authority.

## **Legislative reform**

- 5.1.2. Since the July meeting, there has been no significant announcements from the Government and uncertainties surrounding potential new central government waste reforms remain. Initiatives such as the Deposit Return Schemes, Extended Producer Responsibility (EPR), Emissions Trading Scheme (ETS), and Simpler Recycling are expected to introduce further cost and financial burden onto the authority with ETS and EPR likely to have the most impact.
- 5.1.3. Authority officers continue to work in collaboration with external stakeholders to lobby on the side of affordability and practicality on these changes. However, at this stage, the uncertainty means that nothing has been included in the forecast for these items.

## **Business Continuity**

- 5.1.4. The 2025/26 budget forecast includes a provision of £7m to support LEL in the period until the new Energy Recovery Facility is operational and a new operating contract is in place. This will support the Authority's objectives.

## **Operating Costs**

- 5.1.5. As reported in July officers are working with LEL counterparts to explore strategies for future insurance of facilities as costs for waste facilities have increased by 500% for some authorities. In addition, The Authority's contract for Materials Recycling is up for renewal in December 2025. A strategy for this is being prepared. Proposals for both will be brought to a future meeting.

## **Revenue Impact of Capital Investment**

- 5.1.6. The current forecast includes an estimate of the interest cost and Minimum Revenue Provision (MRP) for EcoPark South facilities. These estimates may change slightly as the final costs are agreed. The MRP

for the Energy Recovery Facility is included from the financial year after it opens.

### **Approach**

- 5.2. A detailed draft budget for 2025/26 is included in appendix B and as reported in July, the net expenditure for future years was reported in July as follows:

2026/27 £129m

2027/28 £127m

- 5.3. Officers will review tonnages for these years with officers in advance of the next Authority meeting in December to refine these forecasts and provide indicative levies and charges by borough for these years. These will be shared with the Members Finance Working Group and borough Directors in advance of this meeting.

## **6. 2022/23 FINAL ACCOUNTS AND AUDIT**

- 6.1. It is anticipated that by the meeting date the 2022/23 draft financial statements will have been published.
- 6.2. The public inspection period will begin immediately and will run for a six-week period. The audit is already under way.
- 6.3. As mentioned in paragraph 1.13, the Government intend to introduce a series of 'backstop' dates to clear the backlog of outstanding audits in Local Government. The proposed dates for completion of outstanding and future financial statements are:

2022/23 financial statements : 13 December 2024

2023/24 financial statements : 28 February 2025

2024/25 financial statements : 27 February 2026

2025/26 financial statements : 31 January 2027

2026/27 financial statements : 30 November 2027

2027/28 financial statements : 30 November 2028

- 6.4. Officers consider the dates to be achievable, however the most challenging date is the completion of the 23/24 audit by 28 February 2025. Discussions will be held with the Authority's auditors, Forvis Mazars to plan the completion of the audit by this date and feedback will be provided to Members.

## **7. CONCLUSION**

- 7.1. Allowing for the improvement in the revenue balances at 31 March 2024 and the 2024/25 variations, this review indicates that the Authority's balances at 31 March 2025 will have increased and it is anticipated that there might be £2.625m available to be offset against the 2025/26 levy.

## **8. EQUALITIES IMPLICATIONS**

- 8.1. 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.

## **9. COMMENTS OF THE LEGAL ADVISER**

- 9.1. 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 08 February 2024 – Budget and Levy 2024/25  
2024/25 budgetary control working papers

### **Contact officer:**

Paul Gulliford - Head of Finance  
North London Waste Authority  
Unit 1b Berol House  
25 Ashley Road  
London N17 9LJ  
[paul.gulliford@nlwa.gov.uk](mailto:paul.gulliford@nlwa.gov.uk)

## APPENDIX A: FY24/25 FORECAST VS BUDGET

Table A1 2024/25 Forecast Outturn

	2024/25 Budget	2024/25 Forecast	Variance
	£'000	£'000	£'000
<b>Expenditure</b>			
Main Waste Disposal Contract (ex RRC Waste)	45,919	47,416	1,497
Composting Waste Services	2,205	1,743	(462)
MRF Services	12,755	12,876	121
Transfer Station and Other Sites	5,009	8,918	3,910
Corporate and Other Support Service Costs	6,097	5,643	(454)
Waste Prevention and Communications Programme	816	804	(12)
Recycling Initiatives	206	206	0
Carbon Capture	1,152	835	(317)
North London Heat and Power Project	633	640	6
Revenue Funding – Capital Programme	14,834	11,429	(3,404)
	89,626	90,510	884
<b>Additional LEL Support</b>			
LEL Support	0	1,750	1,750
Release of Maintenance Provision	0	(1,750)	(1,750)
	0	0	0
<b>Reuse and Recycling Centres Expenditure</b>			
Residual Waste Disposal	1,336	1,421	86
Operating Costs	4,908	5,317	408
	6,244	6,738	494
<b>Income</b>			
Rents	(141)	(155)	(14)
Sale of Recyclates	(4,477)	(5,128)	(651)
Interest on Balances	(198)	(786)	(587)
Miscellaneous Income	0	(12)	(12)
Additional Charges to Boroughs	0	(998)	(998)
	(4,816)	(7,079)	(2,263)
<b>Net Expenditure</b>	<b>91,054</b>	<b>90,169</b>	<b>(885)</b>
Contingency	2,821	2,821	0
<b>Total Net Expenditure</b>	<b>93,875</b>	<b>92,990</b>	<b>(885)</b>
<b>Financed By</b>			
Use of Balances	(8,829)	(10,570)	(1,741)
Charges to Boroughs (Non-household waste)	(10,253)	(10,253)	0
Charges to Boroughs (Chargeable Household Waste)	(1,925)	(1,925)	0
2024/25 Levy - Base Element	(66,383)	(66,383)	0
- RRC Element	(6,484)	(6,484)	0
Total Levy	(72,867)	(72,867)	0
<b>Total Resources Available</b>	<b>(93,875)</b>	<b>(95,615)</b>	<b>(1,741)</b>
<b>Estimated Additional Revenue Balances at 31 March</b>	<b>(0)</b>	<b>(2,625)</b>	<b>(2,625)</b>

**Table A2 – 2024/25 residual waste tonnage forecast**

	<b>2023/24 Actual Tonnes</b>	<b>2024/25 Budget Tonnes</b>	<b>2024/25 Forecast Tonnes</b>	<b>Change Tonnes</b>	<b>Change %</b>
Barnet	105,215	106,269	108,042	1,773	1.7%
Camden	69,091	69,937	69,375	(562)	(0.8%)
Enfield	91,417	91,079	90,938	(142)	(0.2%)
Hackney	85,211	85,013	97,687	12,674	14.9%
Haringey	69,987	70,264	70,153	(110)	(0.2%)
Islington	68,496	68,279	69,114	835	1.2%
Waltham Forest	66,719	64,460	65,009	549	0.9%
	<b>556,136</b>	<b>555,302</b>	<b>570,318</b>	<b>15,017</b>	<b>2.7%</b>

**Table A3 – 2024/25 mixed organic waste tonnage forecast**

	<b>2023/24 Actual Tonnes</b>	<b>2024/25 Budget Tonnes</b>	<b>2024/25 Forecast Tonnes</b>	<b>Change Tonnes</b>	<b>Change %</b>
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	200	246	47	(199)	(80.8%)
Islington	3,989	4,232	17	(4,215)	(99.6%)
Waltham Forest	8,204	4,377	5,453	1,076	24.6%
	<b>12,394</b>	<b>8,855</b>	<b>5,517</b>	<b>(3,338)</b>	<b>(37.7%)</b>

**Table A4 – 2024/25 Food waste tonnage forecast**

	<b>2023/24 Actual Tonnes</b>	<b>2024/25 Budget Tonnes</b>	<b>2024/25 Forecast Tonnes</b>	<b>Change Tonnes</b>	<b>Change %</b>
Barnet	2	0	0	0	N/A
Camden	3,217	3,111	2,899	(213)	(6.8%)
Enfield	6,846	6,951	6,667	(284)	(4.1%)
Hackney	4,840	4,777	4,548	(230)	(4.8%)
Haringey	3,470	3,546	3,502	(44)	(1.2%)
Islington	0	0	1,734	1,734	N/A
Waltham Forest	405	1,905	1,364	(541)	(28.4%)
	<b>18,781</b>	<b>20,290</b>	<b>20,714</b>	<b>424</b>	<b>2.1%</b>



**Table A5 – 2024/25 Garden waste tonnage forecast**

	<b>2023/24 Actual Tonnes</b>	<b>2024/25 Budget Tonnes</b>	<b>2024/25 Forecast Tonnes</b>	<b>Change Tonnes</b>	<b>Change %</b>
Barnet	11,630	12,618	11,018	(1,599)	(12.7%)
Camden	1,801	2,090	1,848	(242)	(11.6%)
Enfield	6,786	6,743	6,643	(100)	(1.5%)
Hackney	2,617	2,599	1,554	(1,045)	(40.2%)
Haringey	2,643	2,732	2,735	3	0.1%
Islington	390	706	982	276	39.1%
Waltham Forest	419	4,569	1,730	(2,839)	(62.1%)
	<b>26,286</b>	<b>32,056</b>	<b>26,510</b>	<b>(5,546)</b>	<b>(17.3%)</b>

**Table A6 – 2024/25 MDR tonnage forecast**

	<b>2023/24 Actual Tonnes</b>	<b>2024/25 Budget Tonnes</b>	<b>2024/25 Forecast Tonnes</b>	<b>Change Tonnes</b>	<b>Change %</b>
Barnet	24,748	25,759	24,960	(798)	(3.1%)
Camden	16,467	15,362	17,670	2,308	15.0%
Enfield	17,565	17,411	17,014	(397)	(2.3%)
Hackney	17,191	17,337	16,655	(682)	(3.9%)
Haringey	16,495	16,985	16,575	(409)	(2.4%)
Islington	14,547	14,245	14,378	133	0.9%
Waltham Forest	17,401	16,266	16,837	571	3.5%
	<b>124,414</b>	<b>123,364</b>	<b>124,090</b>	<b>726</b>	<b>0.6%</b>

**Table A7 – Non-household waste Charges by Borough**

	<b>2024/25 Budget Estimate £'000</b>	<b>2024/25 Current Forecast £'000</b>	<b>Repayment due (to) / from borough £'000</b>
Barnet	1,243	1,272	29
Camden*	2,807	2,749	(57)
Enfield	1,098	1,310	212
Hackney*	2,192	3,642	1,450
Haringey *	379	389	10
Islington *	2,351	1,997	(354)
Waltham Forest	182	0	(182)
<b>Total</b>	<b>10,253</b>	<b>11,360</b>	<b>1,107</b>

\* Including income from non-household recyclable wastes.

**Table A8 – Chargeable household waste charges by borough**

	<b>2024/25 Budget Estimate £'000</b>	<b>2024/25 Current Forecast £'000</b>	<b>Repayment due (to) / from borough £'000</b>
Barnet	253	270	18
Camden*	88	110	22
Enfield	174	174	0
Hackney*	700	696	(4)
Haringey *	323	315	(8)
Islington *	388	250	(138)
Waltham Forest	0	0	0
<b>Total</b>	<b>1,925</b>	<b>1,816</b>	<b>(109)</b>

\* Including income from non-household recyclable wastes.

**Table A9 - RRC Balances available at year end**

Balances with brackets at 31 March 2024 indicate an estimate of balances owed to the borough by the Authority and balances without brackets are a balance owed by the borough to the Authority.

	<b>Revised RRC Balances at 1 April 2024</b>	<b>Total Operating Costs – 2024/25 Original Budget</b>	<b>Total Operating Costs - 2024/25 Current Forecast</b>	<b>Change in 2024/25 Total Operating Costs</b>	<b>Estimated RRC Balances at 31 March 2025 (Column 1 plus 4)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barnet	21	1,523	1,644	121	142
Camden	12	775	864	89	101
Enfield*	(14)	132	130	(1)	(15)
Hackney	(8)	376	400	24	16
Haringey	(30)	1,151	1,274	124	94
Islington	5	908	933	25	30
Waltham Forest	(9)	1,619	1,765	146	137
<b>Total</b>	<b>(22)</b>	<b>6,484</b>	<b>7,010</b>	<b>526</b>	<b>504</b>

**Table A10 - Base levy balances by borough**

Balances with brackets at 31 March 2024 indicate an estimate of balances owed to the borough by the Authority.

	<b>Revised balance at 1 April 2024</b>	<b>2024/25 Budget Levy Costs</b>	<b>2024/25 Levy Costs Current Forecast</b>	<b>Forecast Change in 2024/25 Levy Costs</b>	<b>Estimated Balance at 31 March 2025 (Column 1 plus 4)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Barnet	(396)	13,495	13,248	(247)	(643)
Camden	(273)	5,986	5,906	(79)	(352)
Enfield	(412)	12,025	11,540	(485)	(897)
Hackney	(122)	9,336	9,159	(178)	(300)
Haringey	(187)	8,947	8,644	(303)	(489)
Islington	(67)	7,380	7,362	(18)	(85)
Waltham Forest	(261)	9,214	9,113	(101)	(363)
<b>Total</b>	<b>(1,718)</b>	<b>66,383</b>	<b>64,972</b>	<b>(1,411)</b>	<b>(3,129)</b>

**APPENDIX B: TABLE B1 – 2024/25 & 2025/26 COMPARISON**

	<b>2024/25 Budget £'000</b>	<b>2025/26 Draft Budget £'000</b>	<b>Variance £'000</b>
<b>Expenditure</b>			
Main Waste Disposal Contract (ex RRC Waste)	45,919	48,549	2,630
Composting Waste Services	2,205	1,464	(741)
MRF Services	12,755	14,003	1,248
Transfer Station and Other Sites	5,009	10,218	5,209
Corporate and Other Support Service Costs	6,097	5,260	(836)
Waste Prevention and Communications Programme	816	837	20
Recycling Initiatives	206	211	5
Carbon Capture	1,152	899	(253)
North London Heat and Power Project	633	652	19
Revenue Funding – Capital Programme	14,834	15,187	353
	<b>89,626</b>	<b>97,281</b>	<b>7,655</b>
<b>Additional LEL Support</b>			
LEL Support	0	7,000	7,000
Release of Maintenance Provision	0	(5,000)	(5,000)
	<b>0</b>	<b>2,000</b>	<b>2,000</b>
<b>Reuse and Recycling Centres Expenditure</b>			
Residual Waste Disposal	1,336	1,462	127
Operating Costs	4,908	5,518	610
	<b>6,244</b>	<b>6,980</b>	<b>736</b>
<b>Income</b>			
Rents	(141)	(159)	(18)
Sale of Recyclates	(4,477)	(4,596)	(119)
Interest on Balances	(198)	(203)	(5)
Miscellaneous Income	0	0	0
	<b>(4,816)</b>	<b>(4,959)</b>	<b>(143)</b>
<b>Net Expenditure</b>	<b>91,054</b>	<b>101,302</b>	<b>10,249</b>
Contingency	2,821	2,910	89
<b>Total Net Expenditure</b>	<b>93,875</b>	<b>104,213</b>	<b>10,338</b>
<b>Financed By</b>			
Use of Balances	(8,829)	(2,625)	6,204
Charges to Boroughs (Non-household waste)	(10,253)	(12,654)	(2,401)
Charges to Boroughs (Chargeable Household Waste)	(1,925)	(2,024)	(98)
2024/25 Levy - Base Element	(66,383)	(79,426)	(13,043)
- RRC Element	(6,484)	(7,484)	(999)
Total Levy	(72,867)	(86,909)	(14,042)
<b>Total Resources Available</b>	<b>(93,875)</b>	<b>(104,213)</b>	<b>(10,338)</b>
<b>Estimated Additional Revenue Balances at 31 March</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

**Report Ends**