



1. PURPOSE OF REPORT

1.1 To obtain approval of a supplementary budget to fund the dry recycling charges.

2. RECOMMENDATION

2.1 That Executive approve a supplementary expenditure budget of £43,000 to fund the cost of increased dry recycling charges.

2.2 That Executive approve a supplementary income budget of -£43,000 to reflect the higher than expected recycling credit income received.

2.3 That Executive note that the financial impact will be cost neutral in light of the above adjustments.

3. BACKGROUND TO THE REPORT

3.1 Palm Recycling the council's contractor for dry recyclables, has submitted a claim for the increased cost of waste and non-target materials within the dry recycling collections. After negotiations a temporary agreement has been made as to the rate of claim pending a third party review of the costs.

3.2 To reduce the amount of waste material and unsuitable materials being collected the council has introduced the "Recycle Right" project which is already reduced the waste and non target percentage from 12% to 8% with further likely improvements. It is predicted that the additional total cost to the service will be £86,000.

3.3 To fund the increased cost the Recycling Improvement Fund is being utilised and the request is for an additional £43,000 for this budget. Funding for this is available through the anticipated additional income from recycling credits.

4. FINANCIAL IMPLICATIONS [SJE]

4.1 Of the predicted total claim of £86,000 for 2014/15, £43,000 has previously been incurred and funded from the Recycling Improvements budget line. However, there is currently insufficient remaining budget to fund the remaining £43,000 costs.

4.2 Due to higher than originally expected tonnage volumes on recycling collections, a year end surplus is predicted on the income budget line of Recycling Credits of £85,000 (as per September budget monitoring figures).

4.3 The table below summarises the position. A supplementary expenditure budget of £43,000 is requested to fund the outstanding Palm costs and a supplementary income budget of -£43,000 is requested to reflect the higher recycling credit income.

Budget Category	Latest 2014/15 Budget (£)	Predicted Outturn September position (£)	Predicted Outturn Variance (£)	Proposed Supplementary (£)	Revised Outturn Variance (£)
Recycling Improvements	52,000	95,000	43,000	+43,000	0
Recycling Credits	- 943,500	-1,028,500	-85,000	-43,000	-42,000

- 4.4 If the supplementary budgets are approved, the overall impact will be cost neutral on the General Fund because of the income and expenditure budget changes offset one another.
- 4.5 Although there is a possibility that in the remaining months of the financial year, recycling credit income levels may change, and indeed reduce, it is considered that the risk of this occurring is very slim. Detailed tonnage calculations have been performed, looking at both current trends and previous year trends to ensure accurate forecasting of future income. For information, the 2013/14 latest budget was - £973,500 and actual income collected was - £989,000, both of which are higher than the current 2014/15 budget of £943,500.
- 4.6 As per the Financial Regulations, a supplementary of £43,000 would need approval by Executive.

5. LEGAL IMPLICATIONS MR

- 5.1 None arising directly from the report

6. CORPORATE PLAN IMPLICATIONS

None

7. CONSULTATION

- 7.1 Not applicable

8. RISK IMPLICATIONS

- 8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Not applicable

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers:

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