
MEETING: AUDIT COMMITTEE

DATE: 29 JANUARY 2013

**TITLE: 2012/13 BUDGET REVIEW – ACTION ON
RECOMMENDATIONS REGARDING WASTE**

**PURPOSE: TO SUBMIT ADDITIONAL INFORMATION FOR
SCRUTINY BY THE AUDIT COMMITTEE REGARDING
RISKS WITH THE BUDGET OF THE COUNCIL AND ITS
DEPARTMENTS, AND RELEVANT DECISIONS BY THE
CABINET**

**ACTION: TO SCRUTINISE THE ADDITIONAL INFORMATION
FURTHER TO ACTION BY THE DEPARTMENT, THE
CABINET AND THE RELEVANT CABINET MEMBER**

**CONTACT OFFICERS: DAFYDD L EDWARDS, HEAD OF FINANCE AND
GWYN MORRIS JONES, HEAD OF HIGHWAYS AND
MUNICIPAL**

**CABINET MEMBERS: COUNCILLOR PEREDUR JENKINS AND
COUNCILLOR GARETH ROBERTS**

1. The Second Quarter Review of the Council's revenue budget for 2012/13 was submitted to the Audit Committee on 22 November 2012, this being the most thorough budget review during 2012/13.
2. Amongst the budgets which caused concern were Waste, Parking and the Consultancy Unit.
3. In relation to the Highways & Municipal Department's budget for waste collection and disposal, it was reported as noted on the pages to follow.
4. The 22/11/12 Audit Committee resolved to invite the Cabinet Member for Environment and the Head of the Highways and Municipal Department to the next Audit Committee in order to scrutinise the report that the Cabinet Member for the Environment submitted to the Cabinet on 22/01/13 and the decisions of that meeting, on the waste position.
5. It is the Cabinet's responsibility, delegated incidentally to the relevant Cabinet Member, to take action, as necessary, in order to secure appropriate control over the Council's budgets (e.g. ensure accountability of officers responsible for managing budgets, approval of significant virements or supplementary budgets).

The following report is submitted by the relevant Cabinet Member, Councillor Gareth W Roberts, who will be present at the meeting of the Audit Committee on 29 January in order to explain relevant action and respond to members' questions, along with the Head of Highways and Municipal, Mr Gwyn Morris Jones.

- 6.** With its role as a key part of the corporate governance system, the Audit Committee is independent of the Council's executive body.

The Audit Committee should seek to ensure that the Council's financial management is adequate and support the statutory finance officer by scrutinizing and challenging the Cabinet's decisions and their leadership in respect of the departments' financial arrangements.

REVENUE BUDGET 2012/13 - SECOND QUARTER REVIEW

Summary Position Highways and Municipal Service (including Trunk Road Agency)	Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommend ed Changes and Adjustments	Net Overspend / (Underspend)
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Waste Disposal	3,857	3,869	4,034	165	0	165
Disposal Sites	1,840	1,879	2,102	223	0	223
Transfer and Treatment Sites	951	929	788	(141)	0	(141)
Civic Amenities Sites	890	864	764	(100)	0	(100)
Waste Collection and Recycling	3,949	3,994	3,960	(34)	0	(34)
Trade Waste Collection	207	223	375	152	0	152
Total Relating to Waste	11,694	11,758	12,023	265	0	265
Open Spaces	825	805	753	(52)	0	(52)
Crematorium	(85)	(87)	(120)	(33)	0	(33)
Other	15,245	14,907	14,882	(25)	0	(25)
Highways and Municipal Total	27,679	27,383	27,538	155	0	155

Recommendation:- The Cabinet Member for Environment has been requested to report to the Cabinet on the waste position as a whole along with the relevant financial implications.

REVENUE BUDGET 2012/13 - SECOND QUARTER REVIEW

DEPARTMENT: HIGHWAYS AND MUNICIPAL

Relating to Waste

Area:- Waste Disposal

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
3,857	3,869	4,034	165	0	165

Explanation:- Higher costs of £121k as a result of depositing a higher amount of tonnage at landfill than the original target, together with higher costs of £44k in disposing timber and green waste.

Area:- Disposal Sites

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
1,840	1,879	2,102	223	0	223

Explanation:- Overspend of £223k is foreseen, which is an increase of £168k in the overspend position since the first quarter review, which includes employment costs and higher fleet costs of £123k to deal with the increase in waste at Ffridd Rasus, but also an underspend of (£29k) on property costs and supplies and services and an increase in trade waste income of (£61k). At Llwyn Isaf site, there is an overspend of £80k on leachate as a result of wet weather during the summer, together with an overspend of £28k on numerous headings, including extra way-leave and transport costs. In addition, there was a decrease in income of £77k from gas royalties in relation to the Cilgwyn site.

REVENUE BUDGET 2012/13 - SECOND QUARTER REVIEW

DEPARTMENT: HIGHWAYS AND MUNICIPAL

**Relating to
Waste**

**Area:- Transfer and
Treatment Sites**

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
951	929	788	(141)	0	(141)

Explanation:- An underspend position mainly as a consequence to the delay in opening of GwyrriAD, which is the food treatment site at Llwyn Isaf (£173k), but higher costs of £44k to Antur Waunfawr. Also, there is an underspend of (£38k) in operational costs at the Caerylchu centre, savings of (£11k) in costs following the delay in opening Coed Ffridd Aron transfer site on time, but extra costs of £37k as a result of insufficient capacity at Ffridd Rasus site for a period, which meant that waste had to be transferred out of the area.

**Area:- Civic Amenities
Sites**

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
890	864	764	(100)	0	(100)

Explanation:- An underspend is forecast on this heading for the year, because of the savings as a result of a two month delay in opening Blaenau Ffestiniog amenities site, together with one-off staff turnover savings in the service.

REVENUE BUDGET 2012/13 - SECOND QUARTER REVIEW

DEPARTMENT: HIGHWAYS AND MUNICIPAL

**Relating to
Waste**

**Area:- Waste Collection
and Recycling**

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
3,949	3,994	3,960	(34)	0	(34)

Explanation:- Improvement of (£78k) from the overspend position of £44k that was anticipated in the first quarter review, which reflects an underspend of (£163k) on recycling collection as a result of the delay in introducing part of the service, but also higher net expenditure of £129k on various headings including higher operational costs and a reduction in grant income revenue.

**Area:- Trade Waste
Collection**

Opening Budget 2012/13	Revised Budget 2012/13	Forecasted Position 2012/13	Estimated Gross Overspend / (Underspend)	Recommended Changes and Adjustments	Net Overspend / (Underspend)
£'000	£'000	£'000	£'000	£'000	£'000
207	223	375	152	0	152

Explanation:- An overspend is forecasted on this service, which includes higher costs of £76k on disposal and landfill, and reduction in income of £110k from traders. The Department continues to seek ways to reduce operational costs, through route rationalisation, and attracting new contracts.