

PAPER NO: WRWA 22-32**WESTERN RIVERSIDE WASTE AUTHORITY**

MEETING	23 rd November 2022
REPORT AUTHOR/ DATE	Treasurer (Chris Buss-Tel 020 871 2788) 9 th November 2022
SUBJECT	The budget forecast for 2022/23 as at the end of September 2022 and the predicted Waste Disposal Costs (AWDC) rates and Levy costs for 2023/24 & future years.
CONTENTS	<p>Page 1 Executive Summary</p> <p>Page 1 Background</p> <p>Page 2 Key Assumptions at Budget Setting Time</p> <p>Page 3 Experience in 2022/23</p> <p>Page 5 Forecast Projections 2023/24</p> <p>Page 13 Recommendation</p> <p>Page 14 Appendix A – Projected AWDC Costs and Income</p> <p>Page 15 Appendix B – Levy Charge</p> <p>Page 16 Appendix C – Actual costs to date</p>
STATUS	Open - circulation of this paper is not restricted.
BACKGROUND PAPERS	None.

This page has been left blank intentionally.

WESTERN RIVERSIDE WASTE AUTHORITY

IN YEAR BUDGET FORECAST- 2022/23 AND FORWARD LOOK INTO 2023/24 AND FUTURE YEARS

EXECUTIVE SUMMARY

1. The in year budget forecast compares the original budget of the Authority for 2022/23 with expenditure to date & forecasted outturn for the year. The Authority set a budget in January 2022 of £56.96m, of that sum £53.5m was to be recovered from the constituent councils and planned income with the balance of £2.7m to be met from reserves. Based upon activity to the end of September 2022 expenditure is forecasted to be £49.64m and income to be £53.11m, giving an estimated surplus of £3.47m. This is particularly due to the impact of higher output energy prices reducing the cost of disposal but also higher than expected income from recycle materials. Due to the uncertainty on energy prices, in particular the potential introduction of a “cost plus revenue limit “ on energy produced by Energy from Waste Facilities, it is too early to determine whether any surplus accrued in the current year should be redistributed to the constituent councils.
2. The cost picture for 2023/24 is highly uncertain due to the volatility of energy prices and the impact of inflation. However, based on current data it is possible that the net impact of these variables will enable charge rates for 2023/24 be able to be held at current rates.

BACKGROUND- Charging Mechanism

3. The majority of the Authority’s costs are driven by the weight and composition of waste collected and delivered by constituent councils. These are recharged to the constituent councils at a specified rate per tonne set when the budget is produced each year which reflects the estimated cost to the Authority under the disposal contract with Cory. The basis of this recharge is set out in an agreement between the constituent councils and the Authority dated 12th February 2009 (see Paper No. WRWA 629). The Authority and constituent councils have agreed to the extension of the current agreement from April 2017 for a period of a further eight years. (i.e. until March 2025).
4. The General Running Costs of the Authority comprises all costs which are not

allocated to the individual waste streams and include the cost of Household Waste and Recycling Centre (“HWRC”) waste and Authority overheads, including business rate costs. These costs are apportioned as a residual Levy among constituent councils on the basis of their council tax-bases. This basis of charge is set out in The Joint Waste Disposal Authorities (Levies) Regulations (England) 2006. Following discussion at the September 2022 meeting the Authority is currently consulting with constituent councils on whether the HWRC site charge out rate should be changed to one based on usage.

KEY ASSUMPTIONS AT BUDGET SETTING TIME

5. The Treasurer in his statutory role under section 73 of the Local Government Act 1985 has to make a number of assumptions when arriving at the final budget. Some of these are still in the assumption stage at the time the budget is set to meet the Statutory deadline for setting the Levy and rates of 15th February:
 - (i) Inflation levels – A complex mix of indices make up each element of contractual disposal rates per waste stream. As per the contract, rates are based upon indices as at December each calendar year. These are not known in time to meet the statutory deadline. The 2022/23 budget was set on an assumed rate of £163.41 for general waste sent to the EfW plant and £54.71 for co-mingled recycle.
 - (ii) Electricity sold at Belvedere EfW plant. Under the contract, electricity prices form part of the General Waste rate. The Authority receives income from the electricity generated if the market price exceeds the ‘threshold’ (uplifted under the terms of the contract, currently £72.12 per MWh in 2022/23). However, below this threshold the Authority incurs a charge (above a floor currently £49.46 per MWh in 2022/23). Electricity rates are variable depending upon the market price achieved for the energy. The energy portfolio is managed via a Power Purchase Agreement with an energy provider who strive to achieve the best value via a mixture of selling in advance at a closed price and achieving an ‘open’ value based upon the day ahead price within the market. The 2022/23 budget was set on an assumed average energy rate of £61.79 per MWh across the year.
 - (iii) Tonnage levels – These are normally based on current trends (see Paper No. WRWA 22-34).
 - (iv) Contamination levels in the recycle.

- (v) Legal and consultancy costs in relation to discussions with regard to Cringle development, Riverside Energy Park and the Residual Value Agreement.

EXPERIENCE IN 2022/23

6. When the Authority set its budget in January 2022 it expected to have gross expenditure of £56.96 million. This was broken down as shown in Appendix A between General Waste costs, recyclate costs and other costs recovered via the levy. These costs are recovered from the boroughs via the charge out mechanisms referred to in paragraphs 3 and 4.
7. When setting the budget both the general waste rate and the co-mingled rate for 2022/23 were subsidised for the boroughs with expected required drawing on the Stabilisation Reserve as follows:

	Council charge per tonne £	Expected Subsidy per tonne £	Reserve use £000
General Waste	£160	£3.41	£947
Co-mingled recyclables	£32	£22.71	£1,605
Total Reserve use			£2,587

8. The position for the year is outlined in the Financial Summary at Appendix A which demonstrates the latest forecast for 2022/23 is an improved position, with a total estimated surplus on AWDC rates. The position reflects two key differences:
- reduction of -£14.52 on the General Waste Rate charge by Cory compared to budget with electricity performing much better than expected as outlined in the table overleaf. Electricity prices were predicted to be between the floor and threshold levels for the year at £61.79/MWh (£6.60/ tonne) but the average price is now predicted to be at the level of £82.45/MWh (income of £6.91/tonne) for the year based upon actual energy sales to date.
 - Achievement of £817,000 recyclate income for the first five months of the year, predicted to continue at a lower level for the remainder of the year, generating a total of at least £1.2m income. This is discussed further below.
9. The original budget for AWDC rates income for 2022/23 and the Annual Levy for

each borough is shown below:

	Original Budget			Latest Estimates		
	AWDC Charges £'000	Annual Levy £'000	Total £'000	AWDC Charges £'000	Annual Levy £'000	Total £'000
Hammersmith & Fulham	9,757	861	10,618	8,963	861	9,824
Kensington and Chelsea	9,392	1,023	10,415	9,839	1,023	10,862
Lambeth	15,463	1,164	16,627	14,726	1,164	15,890
Wandsworth	14,389	1,445	15,833	12,971	1,445	14,416
Total	49,001	4,493	53,494	46,499	4,493	50,992

In addition to the better than estimated General Waste rate, borough costs have also fallen due to reductions in tonnage levels below those expected when the budget was set. Further information regarding tonnage levels is elsewhere on this agenda.

10. Commodity income. As Members will be aware, the revised agreement with Cory for co-mingled recyclate also incorporates an improved income arrangement. The Authority receives 50% of the commodity income over a basket price of £25, the gate fee is reduced by £1.50 if commodity income is higher than £65 per tonne and again by a further £1.00 if commodity income exceeds £75 per tonne. As outlined in the January budget setting paper, all income is retained by the Authority whilst a subsidy is in place. Income received to the end of August 2022 totals £817,000. A prudent estimate for the full year of £1.2m has been incorporated in the forecast at this stage and will be reviewed when setting the budget in January.
11. Forecast. Based on the current forecast the Authority is likely to be in an overall Surplus against budget. This includes prudent assumptions for consultancy costs which to date have been fully recharged to Cory and may therefore be a larger underspend. It is recommended that this be kept under review and that if the forecast level of surplus is maintained at budget setting time that the surplus be distributed to the constituent Councils in the current year subject to there being no need to hold reserves to subsidise either the 2023/24 rate or future years in order to maintain stable prices for the constituent Councils. The final decision on this will be made at the 2023/24 budget setting meeting.

FORECAST PROJECTIONS 2023/24

12. General Waste Rates. The general waste rate is made up of a Disposal Gate Fee, Transport Cost, Handling Fee, Landfill Tax (on residual 'fly ash'), Business Rates, Contract Contingency Rebate and Electricity Cost/ Income as per the contract with Cory. The breakdown of these elements is commercially sensitive and is reported in Paper No. WRWA 22-35 elsewhere on this agenda.
13. Previously to mitigate risk regarding the electricity price, RRRL sold electricity ahead which is advantageous to us in a falling market but will reduce the reward in a rising market. RRRL sold a proportion of its 2022/23 capacity before the recent price rises, however unlike previous years they have sold significantly less of the 2023/24 capacity due to the significant volatility in energy prices and the risks involved in accepting a high price now and then being unable to meet demand due to plant outages. Officers have met with Cory and understand the rationale behind the change in approach but this does make forecasting the impact of energy prices into 2023/24 much more speculative than in previous years. The position is further complicated by the possible introduction of a 'cost plus revenue limit' on certain types of energy production which could include the EfW and would mean that if market rates exceed a yet to be determined cap any income in excess of the cap would be effectively retained by Central Government. The situation should hopefully be clearer by January.
14. The impact of the energy prices on the rates for 2022/23, 2023/24 and potential for 2024/25 is shown in the table below in terms of cost per tonne:

	Budgeted Borough Charge	2022/23	
		Budgeted WRWA cost £/ tonne	Forecast £/ tonne
Operational Costs		156.81	155.80
Electricity		6.60	-6.91
Total	160.00	163.41	148.89
Estimated cost to boroughs:	£000	£000	£000
Hammersmith & Fulham	9,269	9,490	7,971
Kensington and Chelsea	8,815	8,997	8,638
Lambeth	14,675	14,976	12,951
Wandsworth	13,343	13,616	11,258
TOTAL	46,131	47,079	40,818

	2023/24			2024/25	
	Estimate Optimistic £/ tonne	Estimate Pessimistic		Estimate Optimistic £/ tonne	Estimate Pessimistic £/ tonne
		No Govt intervention £/ tonne	*With Govt intervention £/ tonne		
Operational Costs	172.92	175.35	175.35	181.66	181.66
Electricity	-49.89	-43.68	16.28	-42.40	17.22
Total	123.03	131.68	191.64	139.26	198.88
Estimated cost to boroughs:	£000	£000	£000	£000	£000
Hammersmith & Fulham	6,348	6,795	9,889	7,186	10,262
Kensington and Chelsea	6,921	7,408	10,781	7,835	11,189
Lambeth	10,371	11,100	16,155	11,739	16,765
Wandsworth	8,986	9,617	13,997	10,171	14,526
TOTAL	32,627	34,921	50,822	36,931	52,742

*with 'cost plus revenue limit' impact

15. The table above shows that in a pessimistic scenario the impact of income from energy prices would show a further reduction in the rate per tonne in 2023/24 although the increased income from energy could be reduced by the potential income cap which may not offset the inflationary impact on the operating costs if the government were to implement the 'cost plus revenue limit' scheme. For 2024/25 in the optimistic scenario the impact of energy prices does offset the operating costs increases. However, there is no certainty that the energy price level currently being experienced will be maintained into 2023/24 and beyond but operating costs will continue at their currently high levels and are likely to increase further with future inflation. This can be seen in the 2024/25 forecasts where the pessimistic scenario shows energy at the floor level whilst the optimistic position is a continuation of the average £150/MWh potentially possible in 2023/24. The different scenarios producing a £40 per tonne range. The estimated resulting charges for the boroughs has also been outlined in the table.

16. These fluctuations in costs will need to be passed onto the constituent Councils should they occur unless the Authority were to increase its reserves to enable it

to smooth any increases arising. As stated earlier, the Authority is expecting to have a better view of future energy prices by the budget setting report and for the purposes of initial budget planning the Constituent Councils should be advised that at present the Authority will, as a worst case scenario, attempt to keep charges below any referendum limits for Council tax and if possible keep charges for 2023/24 at current 2022/23 rates. This will be reviewed as part of the budget setting process and will be largely dependent upon the introduction of any 'cost plus revenue limit' and the rate at which that limit or cap is introduced.

17. Co-mingled Recycling Rates. Based upon the latest inflation estimates, the contract rate for 2023/24 is likely to be £62.20 per tonne. This is higher than the expected 2023/24 rate when the budget was set in January 2022. At that time, it was proposed to smooth the rate, resulting in a charge of £42.00/tonne in 2023/24 or £14.63/tonne subsidy. Maintaining the rate at the current rate of £32.00 will require a subsidy of £30.20 equivalent to £1.87m drawing from reserves. A final decision on the subsidisation of this rate will be made when further information is available when the 2023/24 budget is set.
18. Commodity Income. The revised arrangements for commodity income are outlined above. No assumptions have been made within the pessimistic budget for any income to be generated but £1m has been reflected in the optimistic position, increasing the contribution to reserves by that amount.
19. Summary of all AWDC rates. The constituent borough rates for 2022/23 and predictions for 2023/24 are detailed below. The contract uses RPI for an element of the inflationary increase which has been estimated at around 13% with any indices which are linked to current energy markets expected to be higher. Current Predictions for 2024/25 will be available in the January budget paper.

Predicted Rates per Tonne

Waste Type	Current contract cost 2022/23	Variable #	Current council charge 2022/23	Predicted Contract cost 2023/24	Predicted 2023/24 as at Feb 2022
	£	£	£	£	£
General waste	148.89		160.00	See above	169.13
Co-mingled recyclables	53.73		32.00	62.20	56.63
Green waste	69.17	45.00	116.50	82.13	73.55
Batteries	62.92		64.00	74.65	66.09
Clinical	792.04		783.50	935.45	810.50
Detritus	73.99		74.50	100.53	92.15
Electricals	55.14		57.00	65.47	58.63
Fridges	52.97		53.00	56.41	54.82
Gas Bottles	141.96		142.00	151.17	146.93
Glass	32.89	0.00	34.00	39.05	34.98
Inert	32.51		33.50	38.35	34.43
Oil/Paint	136.33		138.50	161.75	143.19
Paper	29.02	-70.00	-40.00	34.46	30.86
Scrap Metal	55.14	-85.00	-28.00	65.47	58.63
Textiles	21.28	-160.00	-138.00	25.27	22.63
Tyres	318.32		315.50	367.83	326.27
Wood	52.24	65.00	119.00	62.03	55.55

The variable element relates to the income or cost derived from market fluctuations in the price of commodities as they are sold on the market.

20. The variable element can be subject to significant market volatility and constituent councils are recommended to make their own assumptions regarding the future likelihood of these costs. Constituent councils need to be cautious before introducing any new recycling initiatives based on an assessment of the potential income from what are in fact volatile market prices. The Authority attempts to secure fixed prices for the year January to December, or longer if possible, but due to the volatility in market prices the General Manager is authorised to adjust these prices during the year, in consultation with the Treasurer.
21. The table provides for all waste streams currently handled by constituent councils or directly by the Authority. Should other waste streams be introduced in future, authority has been delegated to the General Manager in consultation with the Treasurer to set rates for the new waste streams.

22. Levy Costs. Appendix B details the Authority costs which are funded by the Levy payments from constituent councils. The Administration & General costs include for the additional costs of the agreed new staffing structure and continue to include consultancy and legal advice costs in relation to both Residual Value Agreement discussions and potentially additional costs regarding the Cringle redevelopment. Current forecasts predict either a slight reduction in the Levy requirement for 2022/23 or a 6% increase due to additional consultancy and legal advice in relation to Cringle. The full cost of the waste delivered to the HWRC site has been included without using any reserves to subsidise this element. The overall position will be considered further before setting a final levy in February. The Levy for 2023/24 will be agreed by the Authority at its meeting in January 2023, with delegated authority to amend as and when the respective Tax Bases of the constituent Boroughs are known. The indicative Levy requirement due in April 2023 for 2023/24 is between £3.8m and £4.3m charged to constituent councils (using 2022/23 council tax base apportionments as a guide) as follows:

	2022/23	2023/24	2023/24
	Actual	Optimistic	Pessimistic
	£'000	£'000	£'000
Hammersmith & Fulham	861	726	833
Kensington and Chelsea	1,023	859	985
Lambeth	1,164	981	1,125
Wandsworth	1,445	1,218	1,397
TOTAL	4,493	3,785	4,340

23. This compares to the 2020/21 Levy requirement of £4.478m which had reduced from £6.910m in 2016/17, already a reduction of 35% over 5 years. However, it should be noted that when setting the 2013/14 Levy, I suggested that as far as practicable, the Levy would be held stable rather than having year on year fluctuations so as to minimise the impact on boroughs' council tax and reduce the risk of triggering a council tax referendum. This will be kept under review and a final Levy recommended for approval in January.

24. Reserve Levels. As outlined above, the Authority was expecting to use £2.587m from reserves to subsidise the rate charged to the constituent boroughs in 2022/23. Current expectations suggest this level will be nil. Current estimates for 2023/24 may use £1.8m in respect of mixed recyclate. In addition, each year, 'Triad payments' may be awarded under the WMSA if RRRL meet the specific test of energy generation on three particular days of the year set by the National Grid. The amount awarded in 2021/22 was estimated in the 2021/22 final accounts at

£684,000 and the sum actually received was £726,000. Triad payments are never assumed within the budget setting process as they are uncertain.

25. The level of reserves as at the 1st April 2022 are set out below:

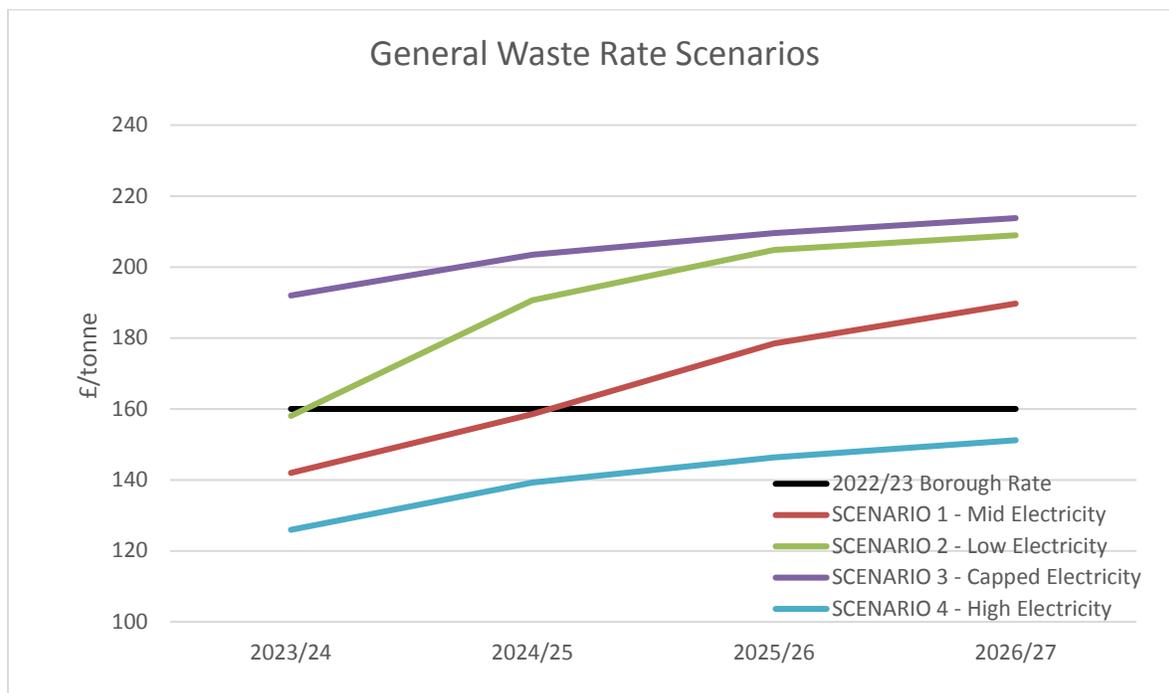
	£000
General Fund Reserve	£3,803
Stabilisation Reserve	£9,575
Capital Reserve	£2,210
Loan Repayment Reserve	£1,000
Recycling Reserve	£250
Pension Liability Reserve	£1,800
Total Usable Reserves	£18,636

This includes a new Capital Reserve which includes the transfer of the 2021/22 underspend as outlined in the January 2022 and outturn June 2022 papers. The need for these reserves and future use will be determined in the budget setting paper in January. Significant factors that the Authority will need to consider at that time are the need to maintain reserves to enable the continued subsidisation of recycle rates, the need to stabilize rates going forward due to energy price uncertainty and the Authority's own needs in terms of future Capital expenditure arising from either Cringle Dock or works arising under statutory obligations under the Environment Act 2021. These issues are discussed in the future year projections below.

FUTURE YEAR PROJECTIONS

26. The Authority has a long standing policy of trying to minimize future year increases in the general waste rate, co-mingled recycle and the levy. The general waste rate has two main factors that can often pull in opposite directions: the first is the operating costs (including disposal & transport costs) and the second is the electricity income/charge. The first of these is largely predictable as the rate is based on the contractual rates from the original tender increasing annually by inflation indexation, however the second is much more variable. To indicate the impact of these two variables modelling has been undertaken which is shown in the restricted paper showing the impact of using the current Bank of England assumptions on inflation over the next five years and then various impacts on energy prices. This modelling is summarized in the table below which shows the potential range of general waste contract rates for the period 2023/24 to 2027/28.

	2023/24	2024/25	2025/26	2027/28
	£/tonne	£/tonne	£/tonne	£/tonne
High Electricity	123.03	139.26	146.33	151.18
Mid Electricity	141.98	158.52	178.43	189.70
Low Electricity	158.03	190.62	204.85	208.94
Capped Electricity	191.64	198.88	204.85	208.94



27. The substantial variation in rates due to the energy price uncertainty shows that the Authority can have no certainty going forward until energy costs stabilise and any decision on whether to reduce rates in a particular year in line with the current high level of energy prices needs to be balanced against the Authority’s current policy to try to stabilize rates and the need to fund future potential capital expenditure.

28. Since 2021 the Authority has agreed to subsidise the co-mingled recycling rate, prior to this date the Authority had benefited from a separately agreed off contract lower rate. Since the reversion to the contract rate the Authority has budgeted in both 2021/22 and 2022/23 to reduce the charge rate by utilizing either recycle income or reserves. The current policy is to continue to do that by stepped increases until converging with the contractual rate in 2025/26. The table below illustrates how that policy will work based on the latest estimates:

	Estimated contract rate £	Borough Charge £	Subsidy £	Reserve use £000
2022/23	53.73	32.00	21.73	1,345
2023/24	62.20	32.00	30.20	1,869
2024/25	66.56	51.61	14.95	925
2025/26	71.22	71.22	0.00	0
Total Reserve use				4,138

29. The recycle income which accrued in 2021/22 and likely income for 2022/23 has meant that reserves were not used in the former year and are also unlikely to be used as expected this year. In the light of this the phasing into the contract rate could be extended a further year as shown below with rates for 2023/24 being held at the current rate and then updated as the subsidy is phased out.

	Estimated contract rate £	Borough Charge £	Subsidy £	Reserve use £000
2022/23	53.73	32.00	21.73	1,345
2023/24	62.20	32.00	30.20	1,869
2024/25	66.56	46.73	19.83	1,227
2025/26	71.22	61.47	9.75	603
2026/27	76.20	76.20	0	0
Total Reserve use				5,043

30. With regard to the levy the undertaking with regard to cost control is to try to keep increases below the referendum limits on Council tax. Since 2014/15, the Authority has in fact reduced the levy by 36%. In the near future the Authority will need to undertake additional capital expenditure on either renewing or replacing Cringle Dock or enhancing facilities to meet the requirements of the Environment Act 2021. The revenue costs of these would fall on the levy and be passed onto the constituent councils. The cost of these are as yet unknown but could be as much as £50 million over the next seven years. If this was to be fully met from borrowing at October 2022 borrowing costs this would add £2.45m to annual revenue costs by 2030, equivalent to a 55% increase on the current levy. The retention of some of the potential additional income from energy prices in a reserve would reduce this risk by either directly meeting capital costs from reserves or using the reserve to reduce revenue contributions.

CONSULTATION WITH CONSTITUENT COUNCILS

31. The proposed forecast outlined here has been discussed with the Section 151 Finance Officers (or their representatives) of all of the constituent boroughs at a virtual meeting on 3rd November 2022. The meeting also requested views as to whether the boroughs preferred to have reserve balances returned to them or held by the Authority to use for future subsidization of rates. The Treasurer requested notification in writing before early January and if no response is received, it was assumed that boroughs were content for the Authority to retain for future use. To date no indication has been received.

RECOMMENDATION

32. The Authority is recommended to note this report for information.

Western Riverside Transfer Station
Smugglers Way
Wandsworth
London SW18 1JS

CHRIS BUSS
Treasurer

9th November 2022

Projected AWDC Costs and Income

<u>Direct Tonnage costs (AWDC)</u> (tonnage assumed to remain constant)	2022/23		2023/24	
	Budget	Forecast	Predicted - PESSIMISTIC	Predicted - OPTIMISTIC
	£000	£000	£000	£000
<u>Operating Expenditure</u>				
General Waste	47,081	40,818	36,100	33,729
Co-mingled Recyclate	3,865	3,325	3,849	3,748
Other	607	647	795	778
Recyclate Income		-1,234	-	-1,000
	49,491	43,556	40,744	37,255
<u>Direct Tonnage Income (AWDC)</u>				
General Waste				
Hammersmith & Fulham	-8,972	-8,256	-8,256	-8,256
Kensington and Chelsea	-8,566	-9,001	-9,001	-9,001
Lambeth	-14,100	-13,488	-13,488	-13,488
Wandsworth	-12,819	-11,686	-11,686	-11,686
Co-mingled Recyclate				
Hammersmith & Fulham	-397	-349	-349	-349
Kensington and Chelsea	-450	-460	-460	-460
Lambeth	-691	-559	-559	-559
Wandsworth	-724	-612	-612	-612
Contamination*				
Hammersmith & Fulham	-327	-309	-309	-309
Kensington and Chelsea	-249	-281	-281	-281
Lambeth	-575	-430	-430	-430
Wandsworth	-524	-413	-413	-413
Other				
Hammersmith & Fulham	-62	-48	-60	-59
Kensington and Chelsea	-128	-96	-117	-114
Lambeth	-97	-250	-284	-278
Wandsworth	-322	-260	-336	-328
	-49,001	-46,499	-46,642	-46,624
AWDC (surplus)/ deficit	2,551	-2,943	-5,898	-9,369

Tonnage assumptions in the above :

	2022/23	
	Budget	Forecast
General Waste (excl contaminated)		
Hammersmith & Fulham	56,074	51,600
Kensington and Chelsea	53,537	56,259
Lambeth	88,125	84,297
Wandsworth	80,119	73,037
HWRC	8,517	6,734
Total	286,372	271,927
Co-mingled Recyclate		
Hammersmith & Fulham	12,394	10,915
Kensington and Chelsea	14,049	14,371
Lambeth	21,588	17,467
Wandsworth	22,618	19,127
HWRC	529	363
Total	71,178	62,242

APPENDIX B**LEVY CHARGE**

LEVY cost	2022/23	2022/23	2023/24	
	Budget	Forecast	Predicted - PESSIMISTIC	Predicted - PESSIMISTIC
	£000	£000	£000	£000
Employees	732	628	792	773
LPFA Levy	4	-	-	-
Business Rates	525	519	571	519
Administration & General -Legal/ Consultancy costs	900	900	900	500
Administration & General - Other direct costs	214	214	214	214
WBC Financial support*	69	69	70	70
LBC Admin support	29	29	29	29
HWRC site Tonnage and running costs	2,900	2,456	2,480	2,397
Capital Financing	37	37	37	37
Total Cost	5,409	4,852	5,093	4,538
Miscellaneous Income	-470	-567	-478	- 478
Triad Income 2021/22	-	-42	-	-
Deferred Income	-250	-250	-250	-250
Transfer from Reserves	-25	-25	-25	-25
Levy Income	-4,493	-4,493	-4,340	-3,785
Total Income				
Levy (surplus)/ deficit	172	-525	0	0

* Breakdown of Borough support:

<u>Financial Support - Wandsworth</u>	<u>£'000</u>
Accounting & Budgeting	41
Financial Advice/Support	18
Internal Audit	6
Pensions/Payroll	2
Debt Management	2
	<hr/>
	69
<u>Admin Support - Lambeth</u>	<u>£'000</u>
Deputy Clerk & Admin Support	29
	<hr/>
	29

APPENDIX C

Actual costs up to end September 2022 with payments 1 month in arrears	2022/23 Mth 6 actual £000	2022/23 Original Budget £000
All Waste Tonnage costs, including HWRC site and running costs	19,800	54,453
Employees	305	732
LPFA Levy	0	4
Business Rates	311	525
Administration & General -Legal/ Consultancy costs	107	900
Administration & General - Other direct costs	96	214
WBC Financial support	34	69
WBC Admin support	14	29
Capital Financing	16	37
Total Cost	20,683	56,962
Income from Boroughs	-19,553	-49,001
Recyclate Income	-817	
Miscellaneous Income	-412	-470
Recharges to Cory	-45	-
Deferred income	-125	-250
Transfer from Reserves	-	-25
Total Income	-20,952	-49,746
Net cost	-269	7,216
Full annual Levy	-4,493	-4,493