

Merton Council

South London Waste Partnership

Joint Committee

15 September 2015

Supplementary agenda

8a Urgent Business - Draft Partnership Budget 2016-17

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The Partnership is required to produce a draft budget for consideration by the Joint Waste Committee by 31st October each year. In accordance with the Inter Authority Agreement (IAA) the agreed draft budget is then subjected to consideration by the individual boroughs before a finalised budget is taken to the Joint Waste Committee for approval. The IAA sets out that the final budget must be approved by 31st December each year.

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Agenda item
Urgent Business



Report to: South London Waste Partnership (SLWP)
Joint Waste Committee
Date: Tuesday 15 September 2015

Report of: South London Waste Partnership Management Group

Author(s):
Michael Mackie, Finance Lead

Chair of the Meeting:
Cllr Stuart Collins, Deputy Leader - Cabinet Member for Clean Green Croydon

<p>Report title: SOUTH LONDON WASTE PARTNERSHIP DRAFT BUDGET FOR 2016/17</p>
<p>Summary This paper provides the proposed budget for the Partnership for 2016/17 for its core activities.</p>
<p>Recommendations</p> <ol style="list-style-type: none"> 1. To agree the proposed draft budget for the core activities of the Partnership as set out in 2.1 and request individual boroughs to consider and agree the resources required in consultation with borough Finance Directors.
<p>Background Documents and Previous Decisions Previous budget reports.</p>

1. Background

1.1. The Partnership is required to produce a draft budget for consideration by the Joint Waste Committee by 31st October each year. In accordance with the Inter Authority Agreement (IAA) the agreed draft budget is then subjected to consideration by the individual boroughs before a finalised budget is taken to the Joint Waste Committee for approval. The IAA sets out that the final budget must be approved by 31st December each year.

2. Issues

2.1. The table below gives an early indication of the draft budget requirement of the Partnership for 2016/17 together with the approved 2015/16 budget for comparison.

Core Activities

Item	2015/16 Approved Budget £
<i>External Advisors</i>	50,000
<i>Project & Contract Management</i>	300,000
<i>Internal Advisors and Accounting</i>	75,000
<i>Document and Data Management</i>	20,000
<i>Audit Fee</i>	2,500
<i>Communications</i>	50,000
TOTAL	497,500
COST PER BOROUGH	124,375

Item	2016/17 Proposed Budget £
<i>Internal & External Advisors and Accounting</i>	125,000
<i>SLWP Staff Resources</i>	300,000
<i>Document and Data Management</i>	20,000
<i>Audit Fee</i>	2,500
<i>Communications</i>	50,000
TOTAL	497,500
COST PER BOROUGH	124,375

Residual Waste Procurement

Item	Estimate £
<i>Advisor Consortium</i>	55,000
<i>Internal Legal Advice</i>	4,500
TOTAL	59,500
COST PER BOROUGH	14,875

- 2.2. Inflation has been contained within the above budgets, resulting in an estimated saving of approximately £6k for 2016/17.
- 2.3. The Internal & External Advisors and Accounting budget allows the Partnership to engage external and internal (legal) advisors to provide expert legal, financial and technical advice in respect of both Phase A and Phase B contracts. This also includes costs from Kingston for providing finance activities for managing Phase A transactions (£25k), costs from Croydon for providing finance activities for Phase B transactions (£25k).
- 2.4. The SLWP Staff Resources budget contains provision for five posts, the Strategic Partnership Manager, a Contract Manager, a Project Support Officer, a Contract Data Officer, and a £25k contribution for a communications officer post that is to be recruited shortly on a fixed term contract. The Contract Data Officer post is currently being held vacant and the need for this post will be reviewed by the Strategic Partnership Manager during the second half of the 2015/16 financial year. The SLWP Staff Resources budget also contains a small provision for staff training.
- 2.5. Document and Data Management provides data storage for the Partnership's data room to allow the sharing of documents across the Partnership and for the storage of project documentation in an online library which is available on-line to authorised stakeholders.
- 2.6. The communications budget includes a £25k budget for officer time for providing communication expertise and advice throughout the year, and £25k for communications resources in respect of planning and delivering communications activities.
- 2.7. The Residual Waste Procurement budget provides resources for a project to procure short term provision for residual waste disposal prior to the Energy Recovery Facility reaching operational completion. This capacity is required in the short term due to a two year delay in the ERF project associated with the Judicial Review of the planning decision. This delay has created a gap in residual waste disposal capacity of about 12 months duration, however is dependent upon the ERF construction programme, where additional provision is needed. The current disposal contractor Viridor are contractually obliged to receive this waste, however the procurement would aim to secure an improved price.

3. Recommendations

- 3.1. To agree the proposed draft budget for the core activities of the Partnership as set out in 2.1 and request individual boroughs to consider and agree the resources required in consultation with borough Finance Directors.

4. Impacts and Implications:

Finance

- 4.1 Contained within report.

Legal

4.2 Section 9 of the Inter Authority Agreement sets out the budget setting process for the Joint Waste Committee. This is referred to within the body of the report.

5 Appendices

5.1 None