

# **Management Committee**

## **12 December 2017**

### **Dorset Waste Partnership Draft Revenue Estimates 2018-19**

#### **For Decision**

#### **Briefholder**

Councillor Ray Nowak – Environment & Sustainability

#### **Senior Leadership Team Contact:**

S Hill, Strategic Director

#### **Report Author:**

Graham Duggan, Head of Community Protection

#### **Statutory Authority**

Environmental Protection Act 1990

Dorset Waste Partnership Inter-Authority Agreement

#### **Purpose of Report**

- 1 For your committee to consider and respond to the Dorset Waste Partnership (DWP) draft revenue estimates for 2018-19.

#### **Officer Recommendations**

- 2 To consider the approval in principle of the Dorset Waste Partnership draft revenue estimates for 2018-19 including the council's contribution.

#### **Reason for Decision**

- 3 The DWP Inter-Authority Agreement (IAA) requires all partner councils to formally consider and approve the draft revenue estimates so that the budget can be set. DWP Joint Committee will consider partner responses at their meeting on 15 January 2018. Your consideration also allows the councils contribution to be built into the council's 2018-19 budget.

#### **Background and Reason Decision Needed**

- 4 The draft revenue estimates, revised Medium Term Financial Plan (MTFP) and capital programme were considered by DWP Joint Committee at their meeting on 6 November 2017. The Joint Committee recommended the draft revenue estimates to partner councils for approval.
- 5 The proposed revenue budget for 2018-19 is £33,100,000 which is the same amount as the 2017-18 revenue budget, so a standstill budget.

Through the cost sharing agreement this would give a contribution by the council for 2018-19 at 7.31% of the total budget and after agreed variations in partner funding, equals £2,423,106. This may alter slightly due to updated household figures to be reported to DWP Joint Committee at their next meeting.

- 6 The DWP Joint Committee report is attached as Appendix 1 to this report and provides information and assumptions upon which the estimates are based. The appendices to the report are available at;  
<http://dorset.moderngov.co.uk/ieListDocuments.aspx?CId=260&MId=1023&Ver=4>
- 7 DWP has made significant savings over recent years but volatility in the waste and recycles market, inflation and housing growth act to increase service costs. The originally proposed budget for 2018-19 was £33.8M taking account of inflation; household growth and market fluctuations. However, partner councils of the Joint Committee gave a clear message at budget workshops that an increase in the revenue budget for 2018-19 would be unlikely to be approved. As a result, DWP has produced a draft savings plan and revised some budget assumptions to achieve the standstill position. The additional savings required amount to £0.7M and work is progressing to secure this.
- 8 Partner councils have established a Budget Equalisation Reserve which can be drawn upon to offset overspend and protect against additional payments from partners. However, good budget management and a robust approach to achieving savings will be adopted with the budget position reported regularly to Joint Committee. Performance within the current budget to the end of September 2017, is a predicted underspend of £1.347M. This is in a large part due to favourable movement in the cost/value of recycles and the position may change in the remainder of the year.
- 9 Your officers consider the draft revenue estimates for 2018-19 to be realistic given the assumptions outlined in the DWP Joint Committee report.

## **Implications**

### **Corporate Plan**

- 10 Contributes to 'enhancing the quality of life of people living and working in the district'.

### **Financial**

- 11 The contribution to Dorset Waste Partnership for 2018-19 is proposed to be £2,423,106.

## **Environmental**

- 12 The contribution pays for household waste and recycle collection and disposal and street cleansing.

## **Risk Management (including Health & Safety)**

- 13 Due to the assumptions upon which the draft revenue estimates are based, there is a risk to the council that the budget will be overspent. Officers will work with DWP to minimise this risk and reports will be made through the business review process and directly to your committee as appropriate. DWP maintains a risk register which is reported to the DWP Commissioning Group where your officers are present.

## **Consultation and Engagement**

- 14 In accordance with the DWP Inter Authority Agreement, partner councils are being consulted on the draft revenue estimates for 2018-19.

## **Appendices**

Appendix 1 – DWP Joint Committee report, 6 November 2017 ‘Draft Revenue Estimates 2018-19’.

## **Background Papers**

Available via the link in paragraph 6 of this report

## **Footnote**

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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