

Waste and Recycling Committee

Date: 13 October 2021
Subject: Budget and Levy Setting Process for 2022/23
Report of: Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT:

To update Waste and Recycling Committee Members on the timeline for setting the budget and levy for 2022/23.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note and comment on the report.

CONTACT OFFICERS:

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Equalities Implications:

There are no equalities impacts arising from this report.

Climate Change Impact Assessment and Mitigation Measures –

A fundamental principle of the WRMS and HWRCMS contracts is the sustainable management of waste in order to reduce carbon emissions from landfill disposal. The carbon impacts of the contracts are monitored and provided annually by the contractor.

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Risk Management:

Under Section 25 of the Local Government Act 2003, the Authority's Chief Financial Officer (the Treasurer) is required to report on the robustness of the estimates made for the purposes of the budget and levy calculations and the adequacy of the proposed reserves. This information enables a longer term view of the overall financial position to be taken.

In accordance with these requirements a review has been undertaken of the risks that the GMCA may face from Waste & Resources activities which would require the allocation of resources over and above those already included in the MTFP budgets. That review broadly supports the proposed Revenue and Balances Strategy.

Legal Considerations:

Please refer to Risk Management section above.

Financial Consequences – Revenue:

Considered in the body of the report

Financial Consequences – Capital:

Considered in the body of the report

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

No comments

BACKGROUND PAPERS:

- 12 February 2021 Greater Manchester Combined Authority Waste Budget Report

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution
~~Yes~~/ No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? No
Please state the reason the report is exempt from call-in

GMCA

N/A

Overview and Scrutiny Committee

N/A

1. INTRODUCTION/BACKGROUND

- 1.1 The budget and levy for the Waste & Resources service for the 2021/22 financial year was set on 12 February 2021 for a net total of £162.4m after £0.3m use of reserves, and was in line with the Medium Term Financial Plan.
- 1.2 The 2021/22 budget included costs associated with a number of risks which included:
- a) Outstanding works on Mechanical and Biological Treatment (MBT) facilities;
 - b) Facility performance and additional costs during the modification process; and
 - c) Price uncertainty from Brexit.

2. MEDIUM TERM FINANCIAL PLAN TO 2024/25

- 2.1 The MTFP projections from February 2021 have assumed that:
- a) Districts will be able to deliver on their expected waste declarations;
 - b) No change from England's Resources and Waste Strategy;
 - c) Landfill tax will continue to rise annually by RPI; and
 - d) CPI inflation will be at 2% per annum.

- 2.2 The estimated budget and levy for 2022/23 onwards was:

	Budget and Levy £m
2022/23	163.1
2023/24	164.8
2024/25	167.6

- 2.3 A full review of tonnages will conclude in October 2021 which may have an impact on the above numbers.

3. BUDGET CONSULTATION AND TIMELINE

- 3.1 As usual the Waste & Resources proposals are being worked through with District Waste Chief Officers and Treasurers. Proposals incorporate, as far as possible, their suggestions and comments.

- 3.2 A formal process of budget scrutiny is also being put in place which involves:

December 2021	Consultation with District Waste Chief Officers, Leaders and Treasurers;
January 2022	Final proposals to Waste & Recycling Committee and Scrutiny Committee; and
February 2022	Final proposals to GMCA and approval of budget and levy.