

Waste and Recycling Committee

Date: 12 October 2022
Subject: Budget and Levy Setting Process for 2023/24 – Part A
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:

Members of the Committee are recommended to:

1. Note and comment on the report.

CONTACT OFFICERS:

Lindsey Keech
Head of Capital and Treasury Management
Lindsey.keech@greatermanchester-ca.gov.uk

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Impact, Carbon and Sustainability Assessment:

There are no equalities impacts arising from this report. 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.

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:

None

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

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

GM Transport Committee

N/A

Overview and Scrutiny Committee

January 2023 - Final proposals to Waste & Recycling Committee and Scrutiny Committee

1. Introduction/Background

The budget and levy for the Waste & Resources service for the 2022/23 financial year was set on 11 February 2022 for a net total of £164.8m after £0.5m use of reserves and was in line with the Medium Term Financial Plan.

The 2022/23 budget included costs/ income associated with risks which included:

- a) Outstanding works on Mechanical and Treatment and Reception (MTR) facilities;
- b) Facility performance and additional costs during the modification process; and
- c) Income from recyclates and share of third-party income at TPSCo.

2. Medium Term Financial Plan (MTFP) TO 2024/25

2.1 MTFP Projections

The MTFP projections from February 2022 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 Estimated Budget and Levy

The estimated budget and levy for 2023/24 onwards was:

	Budget and Levy £m
2023/24	170.5
2024/25	174.7

2.3 Inflation

The biggest influence on the Waste & Resources levy for 2023/24 is inflation. Work is under way to seek ways to minimise and smooth the impacts on Districts. A full review of tonnages will conclude in October 2022 which may also have an impact on the above numbers. The Contract Update report included elsewhere on the agenda sets out the key risks for the 23/24 Budget and Levy.

3. Budget Consultation And Timeline

3.1 Proposals

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 Formal Process

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

December 2022	Consultation with District Waste Chief Officers, Leaders and Treasurers
January 2023	Final proposals to Waste & Recycling Committee and Scrutiny Committee
February 2023	Final proposals to GMCA and approval of budget and levy