

# **FINANCIAL MONITORING REPORT**

## **Second Quarter 2008/2009**

### **Joint Report of the Treasurer and the Director of the Authority**

#### **1. Purpose of the Report**

- 1.1 To advise Members of the position with regard to the Authority's, Capital and Revenue Expenditure in 2008/2009, as monitored at the end of the second quarter 30<sup>th</sup> September 2008.
- 1.2 To present a revision to the Authority's Prudential Indicators if so required.

#### **2. Background**

- 2.1 The Authority operates a quarterly monitoring cycle as incorporated in its Financial Prudential Rules. This report incorporates both Capital and Revenue Expenditure.

### 3. Capital Expenditure

|                                       | Approved<br>Programme<br>£000 | Actual to<br>30 <sup>th</sup><br>September<br>2008<br>£000 | Projected<br>Outturn<br>£000 |
|---------------------------------------|-------------------------------|--|------------------------------|
| <u>Waste Management Facilities</u>    |                               |  |                              |
| Huyton Transfer Station - Purchase    | 1,600                         | 1,600  | 1,600                        |
| Gillmoss Transfer Station - Purchase  | 3,800                         | 3,800  | 3,800                        |
| Southport Transfer Station - Purchase | 2,080                         | 2,080  | 2,080                        |
| Bidston MRF - Machines                | 355                           | 27   | 135                          |
| Fairport NTDP                         | 1,072                         | 579  | 1,072                        |
| 2 <sup>nd</sup> MRF                   | 313                           | 11   | 313                          |
| Bidston Site Entrance                 | 97                            | 14   | 140                          |
| Sefton Meadows HWRC                   | 469                           | 195  | 469                          |
| Dev. of new HWRC                      | <u>20</u>                     | <u>2</u>   | <u>20</u>                    |
|                                       | 9,806                         | 8,308  | 9,629                        |
| <u>Closed Landfill Sites</u>          |                               |  |                              |
| Billinge LFS                          | 69                            | 14   | 69                           |
| Foul Lane LFS                         | 6                             | -  | 5                            |
| Red Quarry LFS                        | 22                            | -  | 22                           |
| Various LFS                           | <u>22</u>                     | -  | <u>22</u>                    |
|                                       | 119                           | 14   | 118                          |
| <u>New Site Acquisition</u>           |                               |  |                              |
| Gillmoss Land - Purchase              | 2,160                         | 2,160  | 2,160                        |
| Other Sites                           | 10,805                        | 196  | 10,805                       |
|                                       | <u>12,965</u>                 | <u>2,356</u>   | <u>12,965</u>                |
| TOTAL                                 | <u>22,890</u>                 | <u>10,678</u>  | <u>22,712</u>                |

- 3.1 The above table shows expenditure incurred up to 30<sup>th</sup> September 2008 compared with the Capital Programme agreed by the Authority at its meeting on 27<sup>th</sup> June 2008. The projected expenditure for the year is marginally less than the agreed programme. A review of the new Sites Acquisition Programme is underway and will be reported at the third quarter stage presented in the Authority's Budget Report on 6<sup>th</sup> February 2009.

#### **4. Revenue Expenditure**

- 4.1 The detailed Revenue Budget Monitor is attached. The summary page shows an under-spend at 30<sup>th</sup> September 2008 of £5,483,166 (column 4).
- 4.2 The main variations are as follows:-

|  | <b>£000</b> |
|--|-------------|
| W.C.A.Contract (Contract 1)  |             |
| - Savings arising from late implementation of new contract, reduction in level of waste arisings, increased recycling by Districts and consequent reduction in Landfill Tax cost               | -4,334      |
| HWRC Contract (Contract 2)   |             |
| - Increased level of Recycling with reduction in landfill tax and increased level of contract deduction in addition to removal of Ozone Depleting Substance costs through the WEEE Initiative. | -514        |
| Fairport New Technology Demonstrator Plan  |             |
| - Delayed start in the operational phase   | -772        |
| Recycling Credits  |             |
| - Increase in Recycling by District Councils   | +360        |
| Joint Municipal Waste Management Strategy – Saving   | -155        |
| Other net saving   | -68         |

- 4.3 The second half of 2008/2009 is forecast to continue with savings in disposal cost and landfill tax. In addition, there will be savings in operational costs at Fairport. The increase in Recycling by District Councils is also expected to continue.
- 4.4 After considering the contribution into reserves from the predicted budget under-spend in 2008/2009 and the agreed use of these reserves, the Authority is predicted to have £14.0m in balances at the end of 2008/2009. These are identified as:-

|   |       |
|---|-------|
| Sinking Fund (Provision of funding for the future new waste management process procurement) | £9.2m |
| General Reserves (Provision to meet unforeseen circumstances arising for the Authority)     | £4.8m |

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