

Current Year Forecast as at Period 6 – September 2025

1. A comparison of the current year forecast compared with the budget approved by the Authority on 7th February 25 as well as a comparison to the previously reported forecast at Month 4 is shown in the table below:

	Budget	Estimate Full Year	Variance	Forecast at July	Difference
	£'000	£'000	£'000	£'000	£'000
1. MWDA ESTABLISHMENT	3,277	2,628	(649)	2,654	(26)
2. WASTE MANAGEMENT & RECYCLING CONTRACTS	30,900	30,874	(26)	30,867	7
3. RESOURCE RECOVERY CONTRACT	42,854	43,022	168	42,624	398
4. CONTRACT SUPPORT	450	450	0	350	100
5. PROCUREMENT	1,500	1,050	(450)	1,387	(337)
6. ESTATES	1,506	1,371	(135)	1,354	17
7. RECYCLING CREDITS	4,697	4,468	(229)	4,468	0
8. DATA PROCESSING	283	266	(17)	265	1
9. BEHAVIOURAL CHANGE PROGRAMME	756	739	(17)	595	144
NET COST OF SERVICES	86,224	84,868	(1,356)	84,564	304
10. NET INTEREST	1,400	817	(583)	863	(46)
NET OPERATING EXPENDITURE	87,624	85,685	(1,939)	85,427	258
11. TECHNICAL ACCOUNTING	105	5,100	4,995	5,100	0
12. PPP LIABILITIES REPAYMENTS	0	(6,897)	(6,897)	(6,897)	0
TOTAL COST OF SERVICE	87,729	83,888	(3,841)	83,630	258
12. LEVY INCOME	(83,492)	(83,492)	(0)	(83,492)	0
13. OTHER INCOME	(12,968)	(12,989)	(21)	(12,989)	0
NET (SURPLUS) CONTRIBUTION IN YEAR	(8,730)	(12,593)	(3,863)	(12,851)	258

Explanation of Forecast Movements

This report focuses on the movements between the previous forecasts provided in September.

2. MWDA Establishment Cost

- 2.1. We have reprofiled the recruitment plan for the year to match the revised timescale in respect of onboarding new staff, as well as updating expected recruitment costs.
- 2.2. Additionally, we have updated our expected audit costs to release an unexpected underutilisation of the accrual relating to the catch up on fees for prior periods.

3. Waste Management & Recycling and Resource Recovery Contracts

- 3.1. These figures have been updated to reflect revised tonnage and KPI forecasts.
- 3.2. There is currently some uncertainty around income relating to potential contract rebates; the current forecasts assume that these will be payable in full. This is in review, and we will provide an update later in the financial year following the receipt of legal advice.

4. Contracts Support

- 4.1. The increase of £100k relates to reallocation of costs and budget that was previously allocated to the RRC Contracts.

5. Procurement

- 5.1. The procurement the forecast has reduced significantly, due to the extension of Phase 1, which was due to finish at the end of September has been extended slightly until end of November, which will delay the predicted increase in expenditure for the next phase.
- 5.2. In combination with this, the current expected costs for the next phase for the remainder of this financial year are expected to be lower than previously anticipated, based on current expectations of involvement from our contractors. However, plans for the next phase are currently being reviewed and these costs are likely to be subject to change.
- 5.3. Note that the procurement expenditure includes costs incurred in respect of the potential Anaerobic Digestion plant. As outlined to Members on 24 October 25, this project is now paused pending government clarification as to the level of any future 'green gas' subsidy.

6. Behavioural Change Programme

- 6.1. The position has been updated to reflect the updated plan of programmes s that are currently out to tender and those that are now confirmed.
- 6.2. Officers within the Behavioural Change team have ensured that tenders were sent out earlier this year, providing more certainty in respect of planned expenditure and moreover, more time for completion.

7. Net Interest

- 7.1. The Interest receivable forecast has reduced by some £25k since Period 4, reflecting the current cash balances held by the Authority and updated interest rate forecasts. Further details are contained the Treasury Management report included at Appendix 3 to the main report. Additionally, the interest receivable relating to late adjustments to the Authority's 24/25 cash balances has now been received and accounted for.
- 7.2. The Interest payable has decreased by some £70k due to a revised calculation in respect of IFRS 16 and an updated forecast reflecting the repayments of principal in respect of outstanding loans