

Cabinet Meeting: Monday, 07 October 2024

Question from: Cllr Mrs Carter

Question to: Cllr Dacre

The Medium-Term Financial Plan re-confirms a projected overspend of £8.4 million for the current financial year. This shortfall is partly attributed to 'waste contract cost increases.' It is unclear whether these increased costs refer to the existing waste management contract, or the Council's plans to change the service to in-house management. Please provide these specific details such as the amount of the overspend and the underlying reasons for these increases.

Response

The report presented to Cabinet today provides an update on the assumptions and modelling within the medium-term financial plan and forecasts a likely financial position on funding and costs.

The in-year budget position as reported in Q1 showed a projected overspend of £8.4m at the end of this financial year. The nature of these cost pressures (as outlined in the August report) are not a one-off, in-year issue, therefore this amount has been factored into financial forecast as part of the baseline position.

The next phase of the financial planning process will provide further analysis upon which to base the Cabinet's budget proposal in January.

The cost of services provided by the council (directly or contracted) continue to be affected by the high levels of inflation over the past 18 months. Although the headline inflation rates (CPI) have reduced, inflation rates on different types of the economy vary and these continue to affect prices within the market.

The current waste collection contract has been extended until August 2026, reflecting the current cost of delivery. There have also been price increases in waste disposal contracts and a reduction in the income received from disposal of recyclables. The next budget monitoring position will be reported to Cabinet in November, which will provide an update on this forecast.

The future delivery model for our waste collection service being considered is through a Joint Venture Partnership (not in-house in the traditional sense, but through a local authority trading organisation).