

Waste and Recycling Committee

Date: 2 July 2025

Subject: GMCA Waste and Resources Budget Outturn 2024/25

Report of: Steve Wilson, Treasurer

Purpose Of Report

This report sets out the revenue and capital outturn for 2024/25 for the Waste and Resources Service.

Recommendations:

The Committee is requested to:

1. Note and comment on the details in the report.

Contact Officers

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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.

Legal Considerations

Please refer to Risk Management section above.

Financial Consequences – Revenue

This report sets out the revenue outturn for waste disposal in 2024/25.

Financial Consequences – Capital

This report sets out the capital outturn for waste disposal in 2024/25.

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

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

1. Introduction/Background

The levy for the Waste and Resources service was set on 9 February 2024 for a total of £178.3m with a contribution from reserves of £4.0m.

2. Revenue Outturn 2024/25

The revenue outturn for 2024/25 is shown below:

	Budget 2024/25 £m	Actual 2024/25 £m	Variance 2024/25 £m
Operational Costs	116.326	97.491	(18.836)
Operational Financing	55.104	52.186	(2.917)
Office Costs	6.245	5.877	(0.368)
Non-Operational Financing	0.599	0.599	-
Total Budget	178.274	156.153	(22.121)
Levy Adjustment	-	(0.050)	(0.050)
Return of Reserves	-	30.000	30.000
(From)/ To Reserves	(4.000)	(11.829)	(7.829)
Levy	178.274	156.153	22.121

2.1. Key Differences between the Budget and Outturn Figure

The budget was set using forecast levels of waste amounting to 1,053,564 tonnes of waste. The volumes of waste delivered by Districts were as below which includes a forecast figure for February and March 2025. Totals for the year have now been verified but as this happened too late to be included in the Statement of Accounts and Outturn, the forecast figures are shown below.

Districts	Budget 2024/25	Forecast 2024/25	Variance
Residual	375,127	383,026	7,899
Biowaste	198,722	187,982	(10,740)
Commingled	110,954	109,340	(1,614)
Pulpables	75,910	76,449	539
Street Sweepings	27,516	25,908	(1,608)
Trade Waste	44,184	41,361	(2,823)
Total	832,413	824,066	(8,348)

The variation in the total figures demonstrates the difficulty in predicting tonnages for the year ahead that has persisted since Covid. This is due to residents having variable working patterns between home and office which is affecting waste volumes. This has been further compounded by the cost of living affecting spending and the volume of waste that is generated by each household.

HWRCs	Budget 2024/25	Forecast 2024/25	Variance
Dry Recycled	87,057	92,303	5,246
Rubble	34,256	29,727	(4,529)
Thermal Recovery	87,081	65,002	(22,079)
Green	10,839	13,867	3,028
Residual	1,917	2,173	256
Total	221,150	203,162	(17,988)

The Household Waste Recycling Centre (HWRC) tonnages have also continued to be difficult to predict following Covid and economic circumstances but also by the success of the implementation of the van permit policy which has been highly successful in driving illegal trade waste out of the sites.

1. Operational Variances

The main operational variances are:

	Variance £m
Residual Value Contract	(4.1)
Waste and Resources Management Services (WRMS) Contract	(7.5)
Household Waste Recycling Centre Management Services (HWRCMS) Contract	(2.9)
Biowaste Offtake Agreements	(0.8)
Other contract costs	(3.5)
	<hr/> (18.8)

The main variances on Operational costs are:

- a) Residual Value Contract – share of third-party income from sale of electricity is higher than budgeted (£3.8m);
- b) WRMS Contract – increase in income from the sale of recyclates (£3.6m), and savings in expenditure on residual waste treatment and landfill due to lower tonnages of residual waste (£2.5m);

- c) HWRCMS Contract – lower than budgeted residual waste treatment costs due to lower than budgeted tonnages (£2.6m);
- d) Biowaste Contracts – savings resulting from lower than budgeted tonnages (£0.8m); and
- e) Other contract costs – lifecycle underspends moved to reserves (£2.0m).

2. Operational Financing Savings

The main operational financing savings have been derived from lower than anticipated interest costs due to higher overall interest income within the Authority and some savings on Minimum Revenue Provision (MRP) costs due to capital projects being completed later than anticipated.

3. Office Cost Variance

The office cost variance is largely due to reduced premises costs from lower than anticipated repairs and maintenance and employee costs was slightly less than budget due to vacancy gaps between starters and leavers.

4. Provisional Levy Adjustment

The provisional levy adjustment has been included within the outturn for 2024/25 with a forecast for the months of February and March 2025 which reflects the changes in tonnages being delivered by Districts. The sum will be affected during 2025/26 with an adjustment to reflect the actual position for March 2025. The breakdown per District is detailed below:

		Levy Adjustment £m
5. Return of Reserves	Bolton	0.071
	Bury	(0.078)
	Manchester	(0.080)
	Oldham	(0.188)
	Rochdale	0.078
	Salford	(0.031)
	Stockport	(0.046)
	Tameside	0.131
	Trafford	0.186
	TOTAL	0.042

At the February 2024 meeting of the GMCA it was approved to return a total of £20m to Districts. A further return of £10m was approved by GMCA in February 2025 funded from in-year underspends.

3. Capital Outturn 2024/25

The capital outturn is shown below:

	Budget	Outturn
	2024/25	2024/25
	£m	£m
Operational Assets	9.070	2.726
Non-Operational Assets	0.200	0.011
Total	9.270	2.737

3.1. Operational Assets

The variance on operational assets relates the following programmes of work being delayed due to time spent on the HWRC project at Reliance Street, Newton Heath: new welfare unit at Cobden Street, Salford; electrical rewire at Higher Swan Lane, Bolton; solar photovoltaic at various welfare units; and rail wagons. All of these will be reprofiled into 2025/26.

3.2. Non-Operational Assets

The spend on non-operational assets represents the completion of the works at Bredbury former landfill site.