

**OXFORDSHIRE WASTE PARTNERSHIP – 26 JANUARY 2007****DRAFT BUDGET FOR 2007/8****Introduction**

1. The OWP need to set a budget for 2007-08 in accordance with the provisions of the new Partnership Agreement. Good progress is being made towards agreeing the new Partnership Agreement and from 1 April 2007 it is expected that the OWP will become a formal joint committee.

**Partnership Agreement**

2. The Partnership agreement provides for the budget to be split between 'core' and 'development' funding. Added together these constitute the OWP's gross budget. The net budget is this total, net of grant or other third party income. OCC are required to fund 50% of the net budget and each district 10%.
3. Normally the budget would be set by the joint committee each October, for three years ahead. The second and third year would be subject to revision in subsequent budget setting. For 2007-08, the Agreement has a transitional clause whereby the budget will be set by the existing Informal OWP.

**Draft Budget**

4. The core funding section of the budget would pay for the Partnership Officer and admin and accounting support. These costs are likely to be in the region of £74,000 per year.
5. The development budget would pay for appropriate projects undertaken by the OWP. In the past this has included waste reduction packs, composting promotions and the wild waste show. Currently some of these projects are funded by invoicing individual authorities. It is proposed that all projects are paid via the OWP projects budget. Current agreed projects total approximately £188,500 and therefore this is the proposed figure for 2007-08 figure.
6. There are other projects which could also be placed within the OWP budget, rather than separately funded. Examples include the joint collection contract project (£80,000) and waste enforcement (£10,000). It is proposed that these are discussed at the meeting.
7. A draft budget for 2007/8 is attached as Annex A.



## **Waste Performance and Efficiency Grant (WPEG)**

8. Government agreed a 2 year funding programme for local authorities called the WPEG. This started in 2006/7 and continues for 2007/8. Each local authority received its own share of this grant in 2006/7 and agreed that this money should be ring fenced for waste management and partnership working. The Waste Authorities in Oxfordshire rely on the WPEG grant to fund the OWP core funding and project.
9. Government has announced that for 2007/8 the WPEG money will be paid to OCC and only released on a basis agreed by the Public Service Board. OCC is proposing to ask the PSB that they should delegate this task to OWP so that the WPEG funding can be seen to support implementation of the 'No Time To Waste' action plans. It would then be for OWP to agree how the funding is used.
10. The value of the WPEG grant for 2007/8 will be approximately £1.5M, well in excess of the direct funding required for OWP's own budget. The bulk of the funding will need to support activity by OCC and the districts in support of the strategy, and in the first place will need to allow reasonable continuity with projects already in hand - some authorities will already have budgeted on this basis.
11. It is therefore suggested that:
  - (a) the first tranche of WPEG funding should be paid towards OWP's direct costs, with the consequence that the OWP will have a nil net budget and no separate funding requirement from partner authorities;
  - (b) the remainder should be paid to partner authorities on a basis to be agreed by OWP, but in the case of 2007-08 with a distribution broadly equivalent to what would have applied if the grant had been paid direct to those authorities;
  - (c) for later years the OWP may want to consider a different approach, dependant on development of the Partnership.

## **New Initiatives Fund**

12. The new partnership agreement for the OWP makes provision for a New initiatives Fund 'to help meet the capital and one-off costs of waste management initiatives.' This would be funded by reward grant, in the first place from PSA1. (total £1,075,543) this stands separate from OWP's own budget, but the OWP will need to agree ground rules for the release of this funding It is proposed that the Officer Steering Group should be asked to prepare proposed ground rules for the next OWP meeting, so that bids can be invited..

## RECOMMENDATION

**13. The OWP is recommended to:**

- (a)** *Agree, with any amendments required, the Draft budget for 2007/8;*
- (b)** *Agree that the PSB should be asked to delegate to OWP the release of WPEG funding for 2007/8;*
- (c)** *Agree that the first tranche of WPEG funding should be used to meet the direct costs of the OWP budget, and that remaining amounts should be released to partner authorities on a basis which supports OWP objectives but is broadly proportionate to previous WPEG direct funding;*
- (d)** *Agree that proposals should be made to the next OWP meeting for use of the 'New Initiatives Fund'.*

Background papers: Annex A – Draft budget for 2007/8

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