

Waste Project Budget

Key Expenditure	Details	Individual Cost	Budget Required	Further Info
External communications	<p>Letters to all households advising of initial service change and larger bin purchase in May 2024.</p> <p>A further letter for bin collection day change notification.</p> <p>(All data and letter merging completed by OWBC to reduce costs).</p> <p>Budget for smaller physical communications item – likely to be a calendar or bin hanger.</p>	<p>Each letter is quoted at £16,000.</p> <p>24000 physical communication items quoted at £5,000.</p>	£37,000	<i>With only other Comms free: Social media, Govdelivery, etc</i>
Purchasing 240 litre bins	<p>Price per 240L bin is £22 with delivery to the Depot in bulk.</p> <p>Assumption of 30% take up @ 7,200 households.</p>	£22 per bin	£158,400	<i>There will be no purchasing of additional stock due to high purchasing cost</i>
Delivering new bin & collecting old & disposal	<p>Delivery is £6 per bin.</p> <p>Admin Fee: £5.</p> <p>Disposal Cost £5 per bin</p> <p>Assumption @ 7,200 households.</p>	Totals £16 per bin	<p>£115,200</p> <p>(Grand total for bins only: £273,600)</p>	
Route optimisation	'Integrated Skills' to be awarded work due to most cost effective	One time fee	£14,850	<i>May be minor costs to amend incab technology but unlikely.</i>
Customer Service Staff	2 x Customer services/project support staff to deal with the additional customer demand throughout such a significant waste change to residents. Temporary roles for duration of project only	£15,975 per employee	£31,950	<i>Formal recruitment rather than high costs of agency staff. Roles will go through Job evaluation and likely to be Band 3 or 4.</i>
Misc - Contingency	+ 5% contingency for matters of low value that may be required throughout project that are outside of the control of the Council		£17,870	<i>This would cover any additional purchasing that is required due to elements outside of the control of OWBC – ie increase in bin costs due to supply chain issue, etc.</i>
	<u>GRAND TOTAL OF PROJECT COST:</u>		£375,270 expenditure	
Capitalisation of Salaries	Staff time, whereby they are supporting the implementation of the project, will be paid for through the Capital program (and not the revenue budget)	8 staff @ 1 day per week for the duration of the project – approximated:	£65,000	<i>This is 2 Senior Officers, 4 x Corporate management team, 2 x officer level.</i>

	Overall Project Expenditure:		£440,270	
INCOME – Option A	Assumption of 30% take up @ 7,200 households @ £38 each	£38 charge	£273,600 income	Covers the cost of purchasing the bins and swapping them only.
INCOME – Option B	Assumption of 30% take up @ 7,200 households @ £50 each	£50 charge	£360,000 income	Operating in more commercial mindset and supporting the long-term sustainability of the Council
Net Project Costs – Option A (£38 charge):	Gross cost of project: £440,270 Expenditure – Option A = <u>440,270 – 273,600 =</u>	<i>£38 charge</i>	£166,670 – Capital budget required	<i>To be taken from Capital receipts</i>
Net Project Costs – Option B (£50 charge):	Gross cost of project: £440,270 Expenditure – Option B = <u>440,270 – 360,000 =</u>	<i>£50 charge</i>	£80,270 – Capital budget required	<i>To be taken from Capital receipts</i>

Overview of options:

A: If the Council charges £38 for the larger bins per household, the project would need an estimated capital budget of **£166,670** – this is dependent on the take up of the larger bin scheme, but this assumption is on a 30% take up (approx. 7200 households).

B: If the Council charges £50 for the larger bins per household, the project would need an estimated capital budget of **£80,270** – this is dependent on the take up of the larger bin scheme, but this assumption is on a 30% take up (approx. 7200 households). The charge being £50 post project implementation, would also support the long-term sustainability of the Council.

Yearly Revenue Saving				
Revenue Budget Savings – year on year	From route optimisation, Depot staffing changes, reduction in mileage/fuel, vehicles and maintenance	<i>Yearly</i>	Circa £250,000+	<i>To be reduced on the revenue budget</i>

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