

Bromsgrove District Council

APPENDIX 1

Green Waste Cost Recovery - existing service excluding agreement with Redditch Borough Council

	£'000	
Direct Expenditure	-387	
Bins replaced before useful life expired	-13	
Management and Administrative Support	-11.24%	-45
Direct Costs		-445

Management and Administrative Support	
BDC cost of employees involved in service	276,194
Proportion of time spend on service (average)	16.28%
Cost of Management and Administrative Support	44,969
Percentage of expenditure	11.24%

Prudential Borrowing		
Bins	-77	
Vehicles	-119	
		-196
Operating Costs		-641

Prudential Borrowing			
Bins		Vehicles	
Loan Required	481,000	Loan Required	740,000
Future Value	0	Future Value	0
Period	7	Period	7
Interest Rate	3%	Interest Rate	3%
Repayments	£77,203.56	Repayments	£118,774.70

Income - gross	800	
less bad debts/cancelled contracts (5%)	-40	760
Contribution towards overheads		119
Council Overheads		-191
Under recovery		-72

Impact of agreement with Redditch Borough Council

Bromsgrove District Council will recover £11 overheads per bin from the agreement with Redditch. Based on 3,000 bins the Council will recover £33k reducing the under recovery from £72k to £39k.

Redditch Borough Council

APPENDIX 2

Green Waste Cost Recovery (3,000 bins)

	£'000	
Direct Expenditure to BDC	-76	
Direct Expenditure RBC	-13	
Bins replaced before useful life expired	-1	
Management and Administrative Support	-11.24%	-10
Direct Costs		-100
Prudential Borrowing		
Bins	-10	
Vehicles - vehicle cost within BDC contract	0	
		-10
Operating Costs		-110
Income	135	
less bad debts/cancelled contracts (5%)	-7	128
Contribution towards overheads		18
Council Overheads		-30
Under recovery		-12

Agreement with Bromsgrove District Council		
First 1000	27.52	27,520.00
1001 to 2000	24.78	24,780.00
2001 to 3000	23.75	23,750.00
		<u>76,050.00</u>

Direct Expenditure RBC	
Delivery (1,075 bins)	7,740
Stores overheads (25% oncost)	4,166
Recollection on cancelled contracts	1,080
	<u>12,986</u>

Prudential Borrowing	
Bins	
Loan Required	62,000
Future Value	0
Period	7
Interest Rate	3%
Repayments	£9,951.39