

# Appendix 1

## Full Business Case

### Domestic Waste Collection Services

Options to support sustainable delivery for the future.



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# Contents

1 Executive Summary	3
2 Introduction	5
3 The Strategic Case	8
4 The Economic Case	14
5 The Commercial Case	19
6 The Financial Case	23
7 The Management Case	27

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# 1. Executive Summary

- 1.1. The Council has a legal duty as the waste collection authority to provide a service for our residents, but has authority to determine how it will provide that service to residents, as well as certain limitations based on the available infrastructure available through Worcestershire County Council as the Waste Disposal Authority.
- 1.2. In addition to this, there are currently discretionary services that can be offered for which a charge can be made – Garden Waste.
- 1.3. In 2015, Environmental Services carried out a transformational review of how it delivers services across the District, although the Waste Service element did not follow a full review process at that time.
- 1.4. This business case outlines the resources currently in use to deliver the service, along with a range of options to support the service in the short-medium term and carry out a full review of the service for consideration at a later date to secure the future sustainability of the service, and factor in the expected changes that the Government have set out in the “Resources and Waste Strategy” which is out to consultation during 2019 and has the potential to make significant changes to how local authorities provide waste collection services to support the environment, with headline aims set out relating to:
  - 1.4.1. Compulsory dedicated food waste collections
  - 1.4.2. Plastic bottle deposit schemes
  - 1.4.3. Removal of discretion to charge for Garden Waste Collections
  - 1.4.4. Increased Enforcement of Duty of Care and Waste Crime regarding waste disposal arrangements.
- 1.5. Sitting alongside Business Cases to similarly review the future delivery of our Commercial Waste Services for the generation of additional income for the Council, and an increase in staffing to support the works of our Place Teams across the District, the three business cases look to support the services to be sustainable and cope with the increasing work load and challenges being

faced by Local Authority Services as a result of new housing and changing behaviour by the public.

- 1.6. Having outlined and assessed options ranging from maintaining the status quo, suspension of services, and further investment at a range of levels, the recommendation put forward as the preferred option is to invest in the service in the short term, through additional staffing and vehicles in order to support a full review of the service, and return in two years with a range of options for future service delivery that reflects changes within our District and the National scene to ensure that the Council has a sustainable and flexible service that can meet the changing demands of our residents.

**1.7. Recommendations:**

- 1.7.1. Approve increased revenue funding to employ 5 additional members of staff to deliver services across the District.
- 1.7.2. Approve Capital Funding to support the purchase of 2 additional vehicles to make full use of the increased staffing across the District. 1 Refuse Freighter, and one Luton Van to replace two currently in use through a hire arrangement.

## 2. Introduction

- 2.1. As the Waste Collection Authority, Bromsgrove District Council is responsible for the collection of household waste, and operates a statutory service across Bromsgrove District.
- 2.2. This is administered by the Environmental Services Team and operated in house as Alternate Weekly Collections (AWC) for both residual waste and dry recycling from all its households.
- 2.3. The Council also operates an optional "Paid for" Garden Waste service that provides a fortnightly collection service over 40 weeks of the year.
- 2.4. Bromsgrove District Council has adopted the Joint Municipal Waste Management Strategy for Herefordshire & Worcestershire, which is a joint strategy across the six Worcestershire district councils, Worcestershire County Council and Herefordshire Council, and reflects the partnership across Worcestershire and Herefordshire in relation to a shared waste disposal service.
- 2.5. All of our collection services are based on the use of a single 240 ltr grey bin for household waste<sup>1</sup>, a green 240 ltr green bin for dry recycling<sup>2</sup>, and Brown 240 ltr bins for garden waste customers<sup>3</sup>.
- 2.6. Over the past 10 years a significant number of physical and behavioural changes have occurred both nationally and locally that have changed the services we provide to our residents, and also how we deliver them.
- 2.7. This has resulted in progressive changes to accommodate them and continue to provide an effective collection service to our residents.
- 2.8. In 2015, Environmental Services went through a Transformational process that made significant changes to the provision of its Street Cleansing and Grounds Maintenance functions, with the creation of the Place Teams.

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<sup>1</sup> Based on a household of 6 people, or 5 with two children in nappies

<sup>2</sup> Additional bins available on request in order to support household recycling

<sup>3</sup> Currently £45 for 20 collections (February – November)

- 2.9. This included the creation of a dedicated Pool of staff to support the Waste Collection Services, and Place Teams by providing additional staff to cover annual leave and sickness throughout the year to ensure that services had a greater resilience, and would not require additional expenditure on Agency Staff.
- 2.10. This was calculated based on the staffing and work levels in place at that time, with estimates on how services would develop, and where staff would be needed.
- 2.11. Since 2015, the Pool staff have been used primarily to support front line service across both Domestic and Commercial waste collection services rather than cover sickness and leave as had been intended, and have not supported the Place Teams in any significant way, but due to underspend on other areas of the Environmental Services Budget, and increased income on the Commercial services, the financial impact had been absorbed in the operating budgets.
- 2.12. During 2018 it was identified that new housing development across the District, and rapid growth of our Commercial Services had outgrown our current resources, and the previous estimation of what would be needed to support the wider Environmental Services model had been overly conservative, resulting in higher costs on staffing outside of the planned staffing levels set out in the budget, and the savings expected from the previous changes in 2015 had not been realised.
- 2.13. In late August/early September 2018, whilst reviewing how to evidence this and trial small scale changes to review current productivity, the service experienced significant failure that affected the collection arrangements for approximately 20,000 households.
- 2.14. This was caused by a combination of high short and long term sickness across the service, which was compounded by annual leave commitments and a lack of capacity within the wider service area.

- 2.15. This Business Case is presented in response to this unprecedented failure in service, to identify short term actions to secure the service over the next two years, during which a full Service Review can be carried out to explore all available options for the future delivery of the service and present a wider business case to Members.
- 2.16. This wider Business Case will look to set out a secure business model to give future sustainability of the service and ensure that residents are receiving the highest value service possible, in a sustainable way that makes allowance for future growth of the district and sets out a clear process for ongoing review and evolution of the Service in a controlled way.
- 2.17. The full terms of this Service Review will be set out over the coming months, along with the creation of a review group that will bring together the necessary knowledge and experience from across the combined authority, and pull in best practice from local and national models of service to reflect the local challenges on our service and priorities for the future.
- 2.18. This Business Case is being presented alongside two other Business Cases to review:
- 2.18.1. The future delivery of our Commercial Waste Services for the generation of additional income for the Council
  - 2.18.2. Options to address the changes in demand being generated by new housing and increased littering on our road networks, and how the Place Teams can meet this growing challenge.

### 3. The Strategic Case

3.1. Our Domestic Waste Collection services are the most visible service the Council provides across the District, and benefits all our residents.

3.2. For many, it is the only service they “see” for their Council Tax, and so it is a very visible representation of the Council, making any disruption a significant reputational issue.

3.3. Our current Domestic Waste Service supports two of the Council’s key priorities identified in the Council Plan:

3.3.1. Financial stability for the Council

3.3.2. Quality services for residents, with affordable charges where appropriate

3.4. In addition to supporting these priorities, The Waste service supports the following strategic purpose:

3.4.1. “Keep my place safe and looking good”

#### 3.5. The Case for Change

3.6. Since 2015, our Commercial Waste and Cesspool Services have seen an increase in workload (and income) as a result of our growing reputation, and increased housing stock across the District has generated a greater workload on domestic waste collection services as well as our cleansing and grounds operations.

3.7. This pressure, in concert with standard leave requirements and both short and long term sickness across Environmental Services, has resulted in our “Pool Staff” being fully committed supporting day to day waste operations, and not realised the wider support that was originally envisaged would be available to support Place Team operations.

3.8. The Council started the 2018 financial year with funding for the following resources in our structure (Unchanged from 2017/18 Financial Year):



- 51 Staff.
- 13 full crews            9 Domestic & 4 Garden (39 staff)
- 2 crews of 2            Trade & Rural Domestic Round. (4 staff)
- 1 Tanker            Cesspools (1 staff)

3.9. That is 44 staff needed every day on the books, leaving 7 Spare Staff every day to cover A/L & Sickness (based on that staffing model). As the Waste Services team need 6 staff every day to give holiday cover over the course of the year, this makes it unlikely that there will be any resource to support Place, but does successfully support delivery of the service and low sickness levels.

3.10. However, it was identified that operationally we have also been running the following due to growth of the services, but these had not gone through a formal review process to formalise them in our structure:

- 3.10.1.            1 Crew of 2 - Trade Recycling (2 staff) – New service grown to meet demand, and generating income.
- 3.10.2.            1 Tanker - Cesspools (1 staff) – Continuing growth in customer base
- 3.10.3.            Bin Deliveries (1 staff) – Full time role with new properties and increasing trade waste customer numbers
- 3.10.4.            1 Crew of 3 - Round 11 (3 staff) - Used to accommodate New Builds across the District and share the load on existing rounds.

3.11. The additional resources being used required 7 people every day, which means that the Pool is fully committed, and there is no capacity to cover A/L or Sickness without taking staff from other service areas - which then impacts on their work, or requires expenditure on Agency staff that is not built into the budget.

3.12. Until 2015, this level of expenditure was written into the budget, but the restructure of Environmental Services in 2015 did away with this budget as new staff were recruited to act as "pool staff" to support the service where needed, although in practice these staff ended up being used to cover growth of the service.

- 3.13. As part of an ongoing review of the Environmental Services Budgets to support Council Wide savings, budgets have been refined to more accurately reflect our expenditure, which means current expenditure levels are outside of our available funds.
- 3.14. Service failure in August/September 2018 had a significant impact on residents and the Authority, with significant political oversight to determine what had happened, and how disruption could be addressed and normal service resumed.
- 3.15. On-Going long term sickness is also impacting on services and requiring further expenditure on Agency Staff, that are outside current funding and so increasing the overspend on our Domestic Waste Service – although this is being balanced by higher than forecast income on our Commercial Waste Services for 2018/19.
- 3.16. Business Need
- 3.17. Although services resumed fairly quickly as short term sickness ran its course, the service has recognised that the collection operations need to be prioritised to re-build trust in the service, as the nature of waste collection and proximity of Birmingham (which has experienced significant large scale failures in the last two years), means that there is significant public pressure to maintain the service, and if we are to make any future changes to the service, we will need residents to support our efforts – especially if we are to encourage greater take up of our recycling service and reduce waste to landfill.
- 3.18. Staff morale has also suffered as a result of the public backlash over the failure of service, and any future changes to the service need to include the staff in the process to ensure it delivers the required security and efficiencies.
- 3.19. Changes to the service are needed in the short term to reflect increasing workload, and greater expectations of what the crews will achieve as part of their work, but this needs to be a sustainable model for the future, and requires considerable work to consider all of the options for delivering the service into the future.

3.20. To support the short term need for secure service delivery, there is a need to stabilise existing services in the following ways:

3.20.1. To increase staffing levels to support the Operational requirements of the existing Waste Service over the next two years, based on current Planning predictions for House building across the District and current workload using the existing service model.

3.20.2. To carry out housekeeping to reset existing budgets to ensure that Staff Costs are fully linked to the area of work they carry out and ensure that all salary costs are accounted for in preparation for a full Service Review.

3.20.3. To create the Pool of staff originally envisaged to support the Domestic Waste Service, and wider Environmental Services requirements around Annual Leave and Sickness Cover.

3.21. The Long Term Business need is to ensure that the service is fully sustainable for the future and makes best use of the resources available to support our residents to increase recycling, and provide secure disposal of their residual waste as part of a wider drive to reduce waste being sent to landfill/incineration.

3.22. Benefits & Risks

3.23. Disruption to service in 2018 affected approximately half of the District directly, and although relatively short lived, generated considerable concern for residents.

3.24. Approval of this Business Case will support the service in the short term at relatively low cost, and will provide security over the next two years to carry out a thorough review of the service and outline practical options for the provision of the service over the next decade, and explore sustainable options to balance or even reduce the costs whilst continuing to provide the full range of services to our residents.

3.25. It will also provide a potential reserve to support other services within Environmental Services such as our income generating Commercial Services

Team, and our Place Teams that are responsible for the wider appearance of our District for the benefit of our residents, visitors and local businesses.

- 3.26. The Risk of not strengthening the service for 2019 and 2020 is that the service will continue with existing resources and be unable to sustain service delivery should it experience significant sickness, extreme weather, or vehicle breakdowns, and that the Service will either then incur on-going significant over-spends that will affect the Council's financial security, or that residents will experience further disruption and question the ability of the Council to provide one of its most visible services.

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### 3.27. Current Staffing & Resources

	Vehicle	ESO 3	ESO 1	Combined	Staffing Cost	Vehicle Cost
<b>Domestic Round 1</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 2</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 3</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 4</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 5</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 6</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 7</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 8</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 9</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Round 10</b>	1	1	2	3	£75,674	£180,000
<b>Domestic Rural Round</b>	1	1	1	2	£52,384	£140,000
<b>Total Required</b>	11	11	21	32	£809,124	£1,940,000
<b>Current Total</b>	11	11	21	32	£809,124	£1,940,000
<b>Current Shortfall</b>	0	0	0	0	£0	£0
<b>Brown 1</b>	1	1	2	3	£75,674	£180,000
<b>Brown 2</b>	1	1	2	3	£75,674	£180,000
<b>Brown 3</b>	1	1	2	3	£75,674	£180,000
<b>Brown 4</b>	1	1	2	3	£75,674	£180,000
<b>Total Required</b>	4	4	8	12	£302,696	£720,000
<b>Current Total</b>	4	5	7	12	£308,500	£720,000
<b>Current Shortfall</b>	0	1	-1	0	£5,804	£0
<b>Bin Deliveries &amp; Collections</b>	1	0	1	1	£23,290	£45,000
<b>Total Required</b>	1	0	1	1	£23,290	£45,000
<b>Current Total</b>	0	0	0	0	£0	£0
<b>Current Shortfall</b>	-1	0	-1	-1	-£23,290	-£45,000
<b>Pool Resources (Leave/Breakdown)</b>				0	£0	
<b>Total Required</b>	2	2	9	11	£267,798	£340,000
<b>Current Total</b>	2	6	0	6	£174,564	£300,000
<b>Current Shortfall</b>	0	4	-9	-5	-£93,234	-£40,000
<b>Total Variance in current model</b>	-1	5	-11	-6 <sup>4</sup>	-£110,720	-£85,000

3.28. The ESO 3 role is a combined HGV Driver/Loader role, so is qualified to do both. As such, although they are on a higher pay scale, they provide greater flexibility to cover services and ensure vehicles are able to be used at all times, as a surplus of ESO 1's could still result in service failure if no one is available to drive a collection vehicle.

<sup>4</sup> The shortfall was being covered by Agency and staff from other areas of Environmental Services for the first half of 2018, but this was formally addressed through the creation of 6 temporary posts in August 2018 as fixed term contracts to give clarity to what was being used to run the service.

## 4. The Economic Case

### 4.1. Long List Options

<b>Option One</b>	Do Nothing
<b>Option Two</b>	Increase Agency Budget to support higher staffing levels.
<b>Option Three</b>	Increase Staffing Expenditure to provide 5 additional staff to cover sickness and annual leave, and cover additional services beyond current resource levels where possible.
<b>Option Four</b>	Increase Staffing & Vehicle Expenditure to provide 5 additional staff to support delivery of an additional collection round, a dedicated bin delivery/collection role, and provide increased resilience for annual leave/sickness.
<b>Option Five</b>	Reduce Garden Waste Service to free up resources for Domestic Waste collection.
<b>Option Six</b>	Cancel Garden Waste Service

4.2. These Options are considered the most practical options to support the service, and deliver the improved standards required to deliver our Strategic Purpose.

4.3. In order to support the decision making process and identify a preferred option for the Council, these options are subject to a review process to scrutinise their ability to deliver the outcomes required, and provide a short list of the options warranting more detailed assessment.

4.4. The key outcomes that have been identified are detailed below, and each one has a maximum score that reflects the importance of that criteria in delivering our Strategic Purpose:

- **Spending Objective** – 10 - This relates to the Council’s financial pressures, and whether the proposed option is factored in to the financial planning of the Local Authority.

- **Strategic Fit** – 20 - This quantifies how well the proposed option supports the Council Plan and our Strategic Purpose
- **Meets Business Needs** – 15 - This score reflects if the proposed option will support the Council in delivering the service required by residents with the lowest risk of failure.
- **Maintain Standards** – 30 - This score reflects whether the proposed option meets the minimum requirement to maintain provision of the service at a viable level, with a low risk of significant failure.
- **Support Improved Standards** - 5 – This scores the potential of each option to improve the overall standard of service.
- **Capacity to support Increased Income Generation** – 5 - This recognises flexibility to support chargeable works to generate income in addition to the core work required maintaining the District.
- **Affordability** – 15 -This gives each option a score based on its variance from current funding.

#### 4.5. Evaluation Criteria for Appraisal and Analysis for Long List Options

Evaluation Criteria		Spending Objective	Strategic Fit	Meets Business Needs	Maintain standards	Support improved standards	Capacity to support Increased Income Generation	Affordability	
	<b>Weighting for Scoring</b>	10	20	15	30	5	5	15	<b>100</b>
Do Nothing	<b>Option One</b>	Yes 10	Part 10	No 0	No 0	No 0	No 0	Yes 15	<b>35</b>
Increase Agency Budget to support higher staffing levels.	<b>Option Two</b>	No 0	Yes 20	Part 7.5	Yes 30	No 0	No 0	Part 7.5	<b>65</b>
Increase Staffing Expenditure	<b>Option Three</b>	No 0	Yes 20	Part 7.5	Yes 30	No 0	No 0	Yes 15	<b>72.5</b>
Increase Staffing & Vehicle Expenditure	<b>Option Four</b>	No 0	Yes 20	Yes 15	Yes 30	No 0	No 0	Part 7.5	<b>72.5</b>
Reduce Garden Waste Service to free up resources for Domestic Waste collection.	<b>Option Five</b>	Yes 10	Part 10	Part 7.5	No 0	No 0	No 0	No 0	<b>27.5</b>
Cancel Garden Waste Service	<b>Option Six</b>	Yes 10	Part 10	Part 7.5	No 0	No 0	No 0	No 0	<b>27.5</b>



#### 4.6. Short List Options

4.7. Following the initial Evaluation and Appraisal process to determine which options best meet the criteria set out by the Business Case, Options 2, 3 and 4 present as the highest scoring options, and are summarised below for further consideration.

4.8.

<b>Option Two</b>	Increase Agency Budget to support higher staffing levels.
<b>Option Three</b>	Increase Staffing Expenditure
<b>Option Four</b>	Increase Staffing & Vehicle Expenditure

4.9. A full cost benefit analysis identifying relevant benefits and costs for each of the short listed options is shown below:

	<b>Increase Agency Budget to support higher staffing levels.</b>	<b>Increase Staffing Expenditure</b>	<b>Increase Staffing &amp; Vehicle Expenditure</b>
	<b>2</b>	<b>3</b>	<b>4</b>
<b>Change to staff levels</b>	0	5	5
<b>Changes to Vehicles Numbers</b>	0	0	2
<b>On-Going Costs</b>			
Staffing Costs (yearly)	£108,110	£111,646	£111,646
Hire Costs	£10,000	£10,000	-£18,000
Vehicle Cost (Yearly - Running Costs)	£56,250	£56,250	£45,000
Capital Cost	£0	£0	£192,000
Capital Depreciation Costs	£0	£0	£30,571
<b>Total Revenue Cost</b>	<b>£174,360</b>	<b>£177,896</b>	<b>£169,217</b>
<b>Total Capital Cost</b>	<b>£0</b>	<b>£0</b>	<b>£192,000</b>

4.10. Risk Assessment

4.11. Scored on a scale of 1 – 3, the chart below identifies the level of risk to the authority arising from each option:

Individual Scores: 1 - Low. 2 - Med. 3 - High	Option Two	Option Three	Option Four
Fails to deliver security of service	2	2	1
Financial Risk of failing to achieve aims	2	2	1
Resources	1	1	1
Decrease in Public Satisfaction	2	1	1
Reputational Harm	2	1	1
<b>Total Score:</b>	<b>9</b>	<b>7</b>	<b>5</b>
	<b>Medium</b>	<b>Medium</b>	<b>Low</b>

(1-6 Low Risk, 7 - 12 Medium Risk, 13 - 18 High Risk)

4.12. After assessing the quantitative and qualitative costs and benefits of the two options, Option four is considered the preferred option, and is put forward as the proposal to secure the domestic waste collection service over the next two years to support our Strategic Purpose of “Keep our Place Safe and Looking Good”.

4.13. Recommendation:

<b>Option Four</b>	Increase Staffing & Vehicle Expenditure to provide 5 additional staff to support delivery of an additional collection round, a dedicated bin delivery/collection role, and provide increased resilience for annual leave/sickness.
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## 5. The Commercial Case

5.1. In the Bromsgrove Community Panel Survey (2017), the questions relating to waste management show that public involvement and understanding of our services is high, and that they are supportive of our in-house services, with nearly 90% of respondents identifying that waste and recycling should be given priority by the District Council in the delivery of services, alongside high concern regarding litter and fly tipping across the District.

Q no.	Question	Responses	#	%
Q11a (268)	<b>I understand what I can place in my green recycling bin</b>	I agree strongly	105	39.2%
		I agree	130	48.5%
		I neither agree nor disagree	16	6.0%
		I disagree	14	5.2%
		I disagree strongly	3	1.1%
Q11b (265)	<b>I can recycle waste easily</b>	I agree strongly	104	39.2%
		I agree	136	51.3%
		I neither agree nor disagree	19	7.2%
		I disagree	4	1.5%
		I disagree strongly	2	0.8%
Q31	<b>To what extent do you agree or disagree that the following should be given priority by Bromsgrove District Council?</b> <i>We are keen to understand where your priorities lie for the District. In answering the following question, please consider each point, saving your 'I agree strongly' responses for those which you feel are of the utmost importance to the District.</i>			
Q31g (246)	<b>Waste and recycling</b>	I agree strongly	92	37.4%
		I agree	129	52.4%
		I neither agree nor disagree	23	9.3%
		I disagree	2	0.8%
		I disagree strongly	0	0.0%
Q32f (243)	<b>Public services would be better managed and delivered by an outside organisation</b>	I agree strongly	9	3.7%
		I agree	26	10.7%
		I neither agree nor disagree	91	37.4%
		I disagree	86	35.4%
		I disagree strongly	31	12.8%
Q32g (249)	<b>Public services should continue to be managed and delivered by Bromsgrove District Council</b>	I agree strongly	52	20.9%
		I agree	112	45.0%
		I neither agree nor disagree	72	28.9%
		I disagree	8	3.2%
		I disagree strongly	5	2.0%

5.2. This is the only qualitative data we have available aside from specific customer queries regarding individual issues, and so this provides our only view on how

well we are meeting our strategic purpose to Keep our Place Safe and Looking Good.

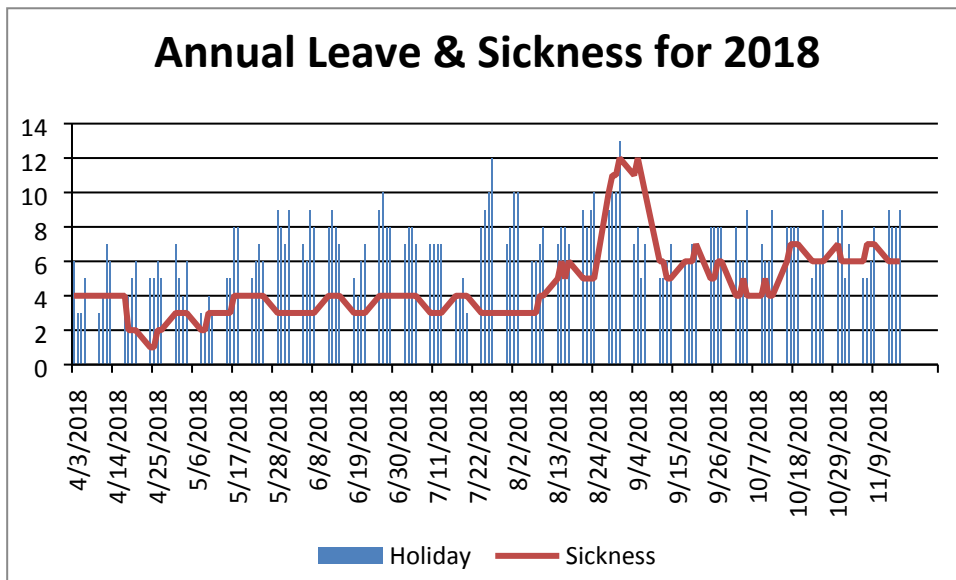
5.3. As outlined in the Strategic case, current resources are insufficient to support waste collection services when annual leave and sickness levels are taken into account, and other service areas within the Council are not trained to support the service and have limits on their capacity to be able to support the service without creating cumulative failure in other areas of the Council’s service.

5.4. Staffing Calculation to cover Annual Leave & Sickness:

			Days of Annual Leave	Pool to cover A/L
Daily Staff Needed:	45.0		1215.0	5.8
Annual Leave Cover	6.6	Based on 1215 Days Annual Leave to be covered each year.	157.7	0.8
Sickness Cover	3.2	Based on current Sickness Rate of Waste Service 7%		
Have	50.0	Current Staffing		
Need	4.8	Additional Staff Required		

5.5. These are detailed in separate business cases that are being put forward in concert with this one, for our Place Teams, and Commercial Services.

5.6. The chart below illustrates the sickness and annual leave levels for the service in 2018 to illustrate how the two combined can have a significant impact on service delivery.



5.7. In concert with the business cases being put forward for our Commercial Services, and Place Teams, the preferred option will increase the staffing levels to an extent that will ensure all three services have a consistent level of staff available to carry out their duties throughout the year.

5.8. Aside from the practical considerations of having an increased presence across the district, this will also support morale within the team as there will be less individual pressure on the team members throughout the year, and will support greater ownership of the service.

5.9. To implement the preferred option identified in the Economic Case, the Council has a standard recruitment process for advertising the roles, and interviews will be carried out using the same model used on previous recruitment processes in the last 12 months, with a combination of Practical Exercises and a formal interview to ensure we are taking on the right staff to support the business moving forwards.

5.10. New staff will be subject to a 6 month probation period, and will be given training to carry out all elements of the role in stages that allow us to develop their skills to support the team, and support operations to the standard required.

5.11. Existing staff will also receive refresher training and mentoring alongside the new staff in order to help integrate the teams and support consistent standards.

- 5.12. Additional Vehicles will be ordered through a procurement framework to achieve best value, but as they are made to order there will be approximately a 6 – 9 month delay on receipt of the necessary vehicles.
- 5.13. We have recently received new vehicles to replace existing vehicles as part of our capital replacement program, and the best of these can be held to support the service in the short term.
- 5.14. Existing hire arrangements will need to continue for one of the two hire vehicles currently used to support bin deliveries, but some savings can be made as part of formalising the bin delivery role by letting the second vehicle go immediately.

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## 6. The Financial Case

- 6.1. The preferred option addresses a shortfall in current capacity to carry out all of our work across the district, and supports improved standards by making services more robust to accommodate sickness and other pressures on Environmental Services.
- 6.2. This Business Case is being presented alongside similar Business Cases to support growth of the Domestic Waste Collection Service, and our Commercial Services Team.
- 6.3. As detailed in the Introduction, our Waste Collection Service is a Statutory Service, and so has limited capacity to generate additional income to offset their costs. However, the business case for expansion of our Commercial Services team sets out the current level of income above our forecast targets for 2018/19, and the expected growth in business that even with additional expenditure on Revenue and Capital during 2019/20 will continue to generate a positive surplus for the Council that offsets the additional expense set out in this Business Case.
- 6.4. In addition to the expected rate of return from expansion of our Commercial Services, when compared with the increase in properties across the district and the associated Council Tax income, the costs highlighted for growth of the Waste Team are proportionate to how the District has evolved over the last ten years, and the future housing projections for the District also highlight the increased volume of work likely to be generated over the next 10 years alongside additional revenue through Council Tax.

6.5. Table of Pro- Rata Staffing Levels linked to Housing Growth

	<b>No. of Households</b> (Planned Housing of 6,500 used to estimate numbers beyond 2018/19.) <sup>5</sup>	<b>BDC C.Tax Income</b> (Increase estimated using average price per household in 2018/19 rate multiplied by increase in properties.)	<b>Expenditure on Domestic Waste Staffing based on current levels</b> (including Agency) (2% Pay increase confirmed for 2019/20. Yearly 1% Increase forecast for 2020+ as per Finance Team projections)	<b>Yearly Cost per Household</b>	<b>Average Staff Member Cost (including Agency)</b>	<b>Pro Rata Staffing to maintain current levels in use</b> (Based on 827 Households to fund 1 staff in 2018/19).
2018/19	41340	£7,674,000	£1,394,188	£34	£25,348.87	55.0
2019/20	41710	£7,742,684	£1,422,072	£34	£28,441	55.5
2020/21	42080	£7,811,367	£1,436,292	£34	£28,726	56.0
2021/22	42450	£7,880,051	£1,450,655	£34	£29,013	56.5
2022/23	42820	£7,948,734	£1,465,162	£34	£29,303	57.0
2023/24	43190	£8,017,418	£1,479,814	£34	£29,596	57.5
2024/25	43560	£8,086,102	£1,494,612	£34	£29,892	58.0
2025/26	43930	£8,154,785	£1,509,558	£34	£30,191	58.4
2026/27	44300	£8,223,469	£1,524,653	£34	£30,493	58.9
2027/28	44670	£8,292,152	£1,539,900	£34	£30,798	59.4

<sup>5</sup> **Figures used sourced from:** BDC Plan Review – Consultation Document September 2018 – Section 4.20: “By using the standard methodology, we will need to plan for about the following number of dwellings purely to meet Bromsgrove District’s local housing needs (excluding any cross boundary growth and any housing associated with higher economic growth): 1) 2018 - 2036 = about 6,500 dwellings 2) 2018 - 2041 = about 8,350 dwellings 3) 2018 - 2046 = about 10,200 dwellings Land for about 2,500 dwellings is already allocated in the current District Plan and will count towards the above figures.”



## 6.6. Revenue & Capital Summary

### Revenue Requirements

	No of Staff	BDC Cost per assett (with on-costs)	Total Cost
<b>ESO 1</b>	6	£23,290	£139,740
<b>ESO 3</b>	-1	£29,094	-£29,094
<b>Vehicle Maintenance &amp; Operating Costs</b>			
		£45,000	£45,000
<b>Materials &amp; Training</b>			
		£200	£1,000
<b>Hire Costs</b>			
		-£9,000	-£18,000
<b>Depreciation on Capital Costs</b>	<b>RCV</b>	£24,285.71	£27,429
	<b>Luton Van</b>	£3,142.86	£3,143
<b>Total Additional Cost (Excluding Depreciation on Capital Costs)</b>		£156,646	
<b>Total Additional Cost (Including Depreciation on Capital Costs)</b>		£169,217	

### Capital Requirements

	Number	Individual Cost	Capital Investment
26 Ton RCV	1	£170,000	£170,000
3.5 Ton Luton Van	1	£22,000	£22,000

6.7. The reduction in ESO 3's is not expected to result in any loss of post, as the Business Case for our Commercial Services Team includes an increase in the number of ESO 3's to support future service delivery and income generation.

6.8. Current staffing levels detailed in sections 3.27 and 5.6 show how unplanned absences can have a significant impact on achieving the work required across the District, and long term sickness requires Agency cover to support the teams, which in 2018/19 is expected to total £40,000.

6.9. The increased staffing detailed by the preferred option will give a greater margin to accommodate these absences within existing resources, and reduce the risk of unexpected expenditure on Agency or significant fall in standards across the District.

6.10. Overview of these costs alongside the Business Cases for Place Staffing and Commercial Services:

<b>Overall Operational Costs</b>	
<b>Combined</b>	£131,321
<b>Place</b>	£166,697
<b>Domestic Waste</b>	£156,646
<b>Commercial Services</b>	£184,558
<b>Additional Income</b>	-£376,580

<b>Capital Borrowing Cost (with Interest)</b>	
<b>Combined</b>	£531,898
<b>Place</b>	£0
<b>Domestic Waste</b>	£152,767
<b>Commercial Services</b>	£379,130

<b>Annual Borrowing Costs</b>	
<b>Combined</b>	£75,985
<b>Place</b>	£0
<b>Domestic Waste</b>	£21,823
<b>Commercial Services</b>	£54,162

6.11. When considered as a suite of Business Cases, and considering the forecast growth of our Commercial Services in the first three years, the overall impact of the preferred options on current finances are positive, with all of the increased costs expected to be balanced in 2022/23.

## 7. The Management Case

- 7.1. Should this business case be agreed for funding, a recruitment process will be followed to attract people with the balance of skills and ability to support the Council in delivering its strategic purpose to keep my place safe and looking good.
- 7.2. As these staff will be a key part to the future delivery of the service, they will receive both practical training in the use of equipment and more specific support to develop the right approach to apply the Place thinking approach to everything they do. The precise format of this training would depend on the individuals, and would be tailored by our Coordinators in a mentoring approach to develop them and continue to support this approach with our existing staff with an emphasis on proactive maintenance using the additional resources.
- 7.3. New starters will be subject to a 6 month probation period, and clear targets will be set regarding performance as part of the Place Team, alongside the mentoring approach by Coordinators that will be used to support their integration into Environmental Services.
- 7.4. This will be managed informally on a daily basis, and formally through monthly 1:1's in line with existing policies and practices – albeit on a greater frequency to ensure that the staff are able to support our work going forwards and start developing people with the right skills and mind-set to develop through the organisation as succession planning.
- 7.5. The additional resources will be used to strengthen the existing team, but is intended primarily to strengthen the existing structure over the next two years, and allow for a full service review to be carried out supporting the service moving forwards.
- 7.6. Greater stability within the service will remove the existing reliance on regular Agency staff, and will ensure that service delivery is delivered consistently across the District so that accurate data can be used to support consideration of different models of service.

7.7. This will be measured through both qualitative and quantitative data including the following measures and any others that may be identified once the review has started:

1	Missed Residual Collections
2	Missed Recycling Collections
3	Number of Collections
4	Missed Assisted Collections
5	Number of Wheeled Bins in use
6	Residual Waste Tonnage
7	Recycling Tonnages
8	Garden Waste Tonnages
9	Missed Garden Waste Collections
10	Non-Renewals on Garden Waste
11	New Renewals on Garden Waste
12	Lost Grey Wheelie Bins
13	Lost Green Wheelie Bins
14	Lost Brown Wheelie Bins
15	Mileage
16	Working Time
17	Travelling Time
18	Sickness Rates
19	Staff Welfare - Physical Health
20	Staff Welfare - Mental Health
21	Succession Planning

7.8. A project brief will need to be drawn up to set the parameters of the service review, and a detailed project plan will be created to support this project using staff from across Environmental Services, unions and councillors as appropriate to ensure that the practical knowledge and experience of the crews are a key part of the process, and conclusions put forward are based on solid information in a transparent way.

7.9. This approach supports the results from the latest staff survey and will ensure that all interested parties in the future shape of the service can buy into the process and influence the final business case setting out options for a sustainable service.