

APPENDIX 2 – EXAMPLES OF OPTIONS APPRAISALS

OPTION: TO CONSIDER THE POTENTIAL OF USING RE-USEABLE GREEN WASTE SACKS AS OPPOSED TO THE CURRENT DISPOSABLE SACKS

Recommendation

The Council has used disposable waste sacks since the phased introduction of the green waste collection service in 2005. It is proposed that consideration is given to purchasing a supply of re-useable green waste sacks whereby one would be issued to all households within the scheme (approx 65000 households with a garden) and replacements / multiple bags would be charged at cost price only (as is the case with extra rolls of 26 x waste disposable waste sacks)

Details of Efficiency Savings or Business Opportunity

There are three options:

- Retain current supplies of disposable sacks which cost the Council around £59k per year
- Purchased disposable sacks of 90,000 supply (to account for bags for initial sale and failed deliveries) for a large capacity re-useable bag with a full closing Velcro flap on the top to contain the contents.
- Another option is a weighted bottom sack (similar to the current plastic and cardboard sack)

After the initial purchase is made, only limited supplies will be required to provide bags to new properties as well as for sale.

Issues to consider i.e. costs and consequences etc.

Significant costs year on year associated with the use of plastic disposable sacks.

Problems with disposal of sacks – not bio-degradable and although we can dispose of them in an environmentally friendly manner, this does cause operational difficulties in terms of collecting them. Potential public concerns over the shift to re-useable bags (capacity, smell etc) – consideration to be given as to whether we use a weighted bottom bag in view of the weight of an empty bag and the risk that it blows away in windy conditions.

Financial Estimates

Current Expenditure	£79k	
Current income	£20k	
Total Costs	£59k	(current service using disposable bags)

Future Costs	£30k	
Income	£5k	
Total costs	£25k	

Projected savings of £34k per year

OPTION: REVIEW CURRENT INTERNAL DEPARTMENTS WHO ARE USING EXTERNAL PROVIDERS FOR COMMERCIAL WASTE FUNCTIONS

Recommendation

Across all areas of the Council, a total of £84,612.98 across 30 sites, pre-dominantly Schools, is spent on 3 external providers of commercial waste collections. Each site will be contacted to identify the reasons why external providers were used as opposed to accessing internal services. Within the current structure of this service, there is capacity to take on these additional sites and this offer will be made at the point of contact.

Details of Efficiency Savings or Business Opportunity

It is likely that a proportion of the sites are on contract with an external provider in view of a specific service which cannot be provided internally e.g. front loading containers which offer larger capacity and a lower unit cost overall, or a combined refuse and recycling service. This information will become apparent when all sites are contacted, although it is likely that we will be able to provide a like for like service in the majority of cases.

Where existing contracts exist and are subject to a termination date, contact will be made in the weeks prior to the contract end date in order to discuss individual requirements.

There is also a need to market the service to potential external clients which can be managed within the current provision os 2 round.

Financial Estimates

Maximum income potential of £84,612.98 if all internal departments used internal waste collection services. Target of £35k additional income may be achievable if expansion to other private sector companies and organisations.

OPTION: INCREASE THE CURRENT CHARGES FOR THE BULKY HOUSEHOLD WASTE COLLECTION SERVICE FROM £10 TO £15 FOR UP TO SIX ITEMS.

Recommendation

The Council provides a chargeable collection service for the removal of large items of bulky household waste. The charge is £10 for the removal of up to 6 items and the service receives around 10,000 requests annually which generates income of £90,000 annually (taking account of admin and credit charges). The cost to the service is £89,000 which includes the use of a dedicated refuse collection vehicle (with associated maintenance, testing and downtime issues), 2 members of staff and fuel. Disposal costs are reported as part of domestic tonnages although charges for the bulky waste service amounted to £36,920.22 in 2008/9 and £39,238.87 – on this basis the bulky waste collection service costs the Council nearly £130,000 annually. Note that legislation states that disposal associated with bulky waste removal is the responsibility of the Council.

The current income does not cover all expenditure, therefore one option to consider is increasing the total charge for the collection of 6 items from £10 to £15.

Details of Efficiency Savings or Business Opportunity

Based upon 10,000 requests for this service annually, income would increase to £135,000 per year and expenditure would remain the same. This would result in a surplus of around £6k per year from a deficit of £40,000.

Issues to consider i.e. costs and consequences etc.

It is likely that the level of requests for this service will drop if the charge is increased. This may result in increases in fly-tipping, therefore increased costs in other areas of the service or residents choosing to use other providers for this service, even if these companies do not hold the required carrier and waste transfer licences. These considerations are difficult to quantify at this stage. In accordance with the previous policy decision taken to adopt a chargeable policy as part of the environment select review, consideration would need to be given as to whether the same policy process would apply.

Financial Estimates

Current Expenditure	£130k
Current income	£90k
Total Costs	£40k

Future Costs	£130k
Income	£125k
Total Costs	£5k

Projected savings of £35k per year

OPTION: IMPROVED PARTNERSHIP WORKING WITH TECHNICAL SERVICES ON HIGHWAYS IMPROVEMENT SCHEMES

Recommendation

CFYA are currently allocated capital improvement works in relation to footway improvements schemes, and works associated with the Local Transport Plan where the completion of the scheme will be £100k and below. It is proposed that this arrangement be reviewed and the current threshold increased in line with the increase in plant, labour and material costs since the agreement was made.

This option is being discussed at the EIT Review of Highways, Lighting and Network Management.

Details of Efficiency Savings or Business Opportunity

We currently receive income of approx £1.8m from internal capital improvement works ; £1M relating to highway maintenance revenue schemes – no threshold although works tend to be under £100k which therefore come to CFYA as a matter of course. The remaining £800k comes from LTP capital improvement schemes - £100k threshold at which point a tender is established. Currently Tech Services manage the budget, design the schemes, procure the works and manage the works on site, although for CFYA schemes the management of the scheme for preparation and delivery sits within CFYA and therefore a duplication of responsibilities exists. A potential improvement, resulting in some efficiency savings, would be for the work to be passed to CFYA at the point of design at which point we can then deliver the scheme and undertake all project management activities, which may include retaining works in house or procuring the services of an external provider, depending on the type of works involved.

Issues to consider i.e. costs and consequences etc.

Duplication of work involved at the moment involving supervision and project management elements of schemes: - CFYA have trained supervisors, managers and workforce although similar functions are being undertaken by Engineers in Technical Services – they are duplicating the functions of a CFYA supervisor which offers no benefit to the Council.

Engineers currently do not have time to spend on design functions, hence the reason to employ the services of external companies such as Arups. If supervisory / project management functions were delegated to CFYA then engineers would have more time to spend on design activities, therefore reducing the need for external design functions.

If budgets were devolved then the cost of invoicing and financial management would also be reduced and resolve the duplication of accounting and budgetary control.

OPTION: WITHDRAWAL OF THE TEA TROLLEY SERVICE CURRENTLY PROVIDED AT SEVERAL ADMINISTRATIVE BUILDINGS

Recommendation

The Catering Service currently employs tea ladies in Municipal Buildings, Kingsway House, Church Road and Stratford House, to supply hot beverages to employees in these buildings. Cease delivery of this service in all buildings.

Details of Efficiency Savings or Business Opportunity

There are currently the following staffing hours in each buildings:

Municipal Buildings – 57 hours per week

Church Road – 20 hours per week

Stratford House – 5 hours per week

Kingsway House – 19 hours per week

The collection of monies collected from employees for this service varies across the service. Some monies are collected via payroll from salaries and the others have nominated employees to collect cash monthly.

The total income is £10K, total cost for commodities is £5K and a total labour cost of £40K, therefore a deficit of £35K is apparent. This would be the saving if the service was to cease.

Issues to consider i.e. costs and consequences etc.

The first consequences would be the redeployment of staff. These are high hours which would be difficult to slot into school kitchen roles.

Previous discussions regarding stopping this service resulted in unhappy staff as it was stated productivity would reduce due to staff having to leave desks to make their own refreshments. This also includes Council Members.

Financial Estimates

Current Expenditure	£45k
Current income	£10k
Total Costs	£35k

Future Costs	£0k
Income	£0k
Total costs	£0k

Projected savings of £35k per year