

**Waste Service Remodelling – Financial Update**

**Financial Position – November 2021:**

<b>Latest Budget Position – November 2021</b>		
<b>Estimates:</b>	<b>£000</b>	<b>Note</b>
Central Depot	9,649	
Highways Depot	1,100	
Vehicles	2,819	
Containers inc. delivery	3,060	
Communication	250	
Staff/HR/Training/Rollout support	500	
Routing	100	
Project Management	270	
<b>Latest Estimated Scheme Cost</b>	<b>17,748</b>	
<b>Funding: £000</b>		
Welsh Government Grants	9,544	<i>Service Change, AHP, Transfer Station Development, EVCI</i>
DCC Reserve	1,000	
DCC Revenue Contribution	78	<i>2018-19</i>
Highways Depot	1,100	<i>DCC Prudential Borrowing - £63k budget requirement</i>
DCC Prudential Borrowing	6,026	<i>Prudential Borrowing - £343k budget requirement</i>
<b>Total Funding</b>	<b>17,748</b>	

<b>Service Costs - Waste Service Only</b>	<b>DCC</b>	<b>WRAP</b>	<i>DCC Finance calculated; WRAP modelled. Figures checked May 2020</i>
Baseline (current service)	6,243	6,674	<i>Main difference around Fleet costs - approx. half current Fleet not on PB - WRAP have assumed all on PB</i>
New Waste Model	5,316	5,359	
Prudential Borrowing	343	343	<i>Taken from Funding line above</i>
<b>Cost Reduction</b>	<b>584</b>	<b>972</b>	

**NOTES:**

It is anticipated that the UPM gate fee DCC pays for our current baseline comingled recyclable material will continue to increase in price per tonne over coming years. From Nov 2020 it is £76 / tonne - this accounted for above.

DCC Finance calculated baseline service costs, as noted above, include a significant proportion of current waste fleet owned outright (not on Prudential Borrowing terms) therefore reducing the DCC Finance calculated current baseline costs when compared to the baseline costs modelled by WRAP which assumes all waste fleet is funded via Prudential Borrowing. Moving forwards, regardless of the proposed service change, fleet costs will move to a position similar to the WRAP modelled baseline fleet costs therefore the respective difference between the baseline costs of the current service and the projected costs of the new service model and resultant cost reduction differential will more closely reflect the WRAP anticipated figure.

The above budget has a Risk / Contingency sum of c. £2M which will be used to address anticipated cost pressures on new Fleet costs, Depot construction costs and new Container costs as a result of price pressures and inflation in the market which has risen significantly in recent months. The scale of these cost pressures will be firmed up in the first few months of 2022 once the new Fleet Tender and Phase 2 Depot Construction Tender are returned and updates on position provided.