

WHEELINGHAM DISTRICT COUNCIL

General Background

Wheelingham is a market town in the centre of the County of Binbyshire in the south of Wasteland, an island republic off the north-west coast of Europe. Wheelingham has a population of 94,500 and is well known for its 13th Century abbey, St Parfit's. Most employment is in agriculture, food processing and service industries. Binbyshire is largely rural, including some areas of natural beauty, and in recent years the local economy has benefited from increasing numbers of tourists.

Wasteland is not in the European Union. Its currency is the Wasteland Pound, equal in value to Sterling. It does not have Value Added Tax. All local authorities operate on a financial year basis (1 April to 31 March). Inflation for 2004/05 is forecast to be 3%, expected to rise to 3.5% in 2005/06.

Wheelingham District Council (DC)

Binbyshire has a two-tier local government structure, consisting of a County Council and eight District Councils. The County Council provides the majority of services, including education, social services, police, fire & rescue and transport. District Councils are responsible for housing, leisure, planning and environmental services.

Wheelingham DC has 50 elected members, also known as councillors. It has a Cabinet of senior elected members who take executive decisions for the Council. Each cabinet member has specific responsibility for an area of policy. Cabinet meetings are chaired by the Leader of the Council, who is selected by the members of the majority political group on the Council.

Departmental Structure

Council services are provided by a number of different departments. The Chief Executive's Department provides most support functions except finance, for which there is a separate department. The Community Services Department provides housing and leisure services. Other services, including planning functions, environmental health, domestic waste collection and street cleansing are the responsibility of the Environmental Services Department. The only other department is Wheelingham Direct (WD), a direct service organisation, which acts as the in-house contractor for housing and vehicles.

Finance Department

The Finance Department undertakes most of the financial functions of the Council, including accountancy, budgetary control, Council Tax collection, payroll and internal audit. The Department has recently agreed to relocate some of its accountancy staff to the departments for whose accounts they are responsible. The staff concerned will remain accountable to the Director of Finance, but will also report to the management of the departments in which they are based.

The Director of Finance has an overall responsibility for the financial management of the Council under the Wasteland Local Government Act 2000. This states that each local authority must appoint a Director of Finance with responsibility for ensuring that proper arrangements are in place for the management of its financial affairs. The current Director, Ray Fuse, took up his post on 1 April 2004.

WASTE COLLECTION & DISPOSAL

General Background

The Environmental Services Department is headed by Ben Bag, its Director, and one of the main functions undertaken by this Department is the collection of domestic waste. Both Binbyshire County Council and the District Councils in the County collect waste. The District Councils collect domestic (i.e. household) waste, and the County Council collects non-domestic waste. Waste disposal, by incineration or dumping in landfill sites, is the responsibility of the County Council. District Councils deliver the domestic waste collected to waste disposal sites run by the County Council. The Districts pay the County Council for disposing of their domestic waste.

Waste Collection

Wheelingham DC has a force of refuse collectors and a fleet of vehicles for the weekly collection of domestic waste in its area. The collection service is split into weekly rounds, and a team of refuse collectors and a vehicle is allocated to each round. The proximity of houses to each other, known as housing density, varies and is categorised in Wasteland as high, medium or low. The housing density determines to a large extent the number of houses in the rounds, each of which is currently organised to cover a single density. There are no mixed density rounds. At present, refuse sacks are given to the residents to store their waste prior to collection, although a move to wheeled bins, more commonly known as wheelie bins, is being considered.

Environmental Protection Act

Protecting the environment has become a major priority in Wasteland and the Department for Environmental Affairs (DfEA), a Central Government department, has overall responsibility for this. The DfEA's Environmental Protection Act 2003 (EPA) requires District Councils to ensure that, by 1 April 2008, they are recycling at least 10% of the domestic waste collected. Councils failing to do so will lose Central Government grant calculated using a fixed rate of penalty for every tonne that a Council is under the target. The fixed rate has been provisionally set at £150 per tonne, but will be adjusted for inflation between now and 2008. Councils losing grant will have to cover this either by increasing Council Tax or by cutting spending on services. Wheelingham DC does not currently operate any recycling schemes.

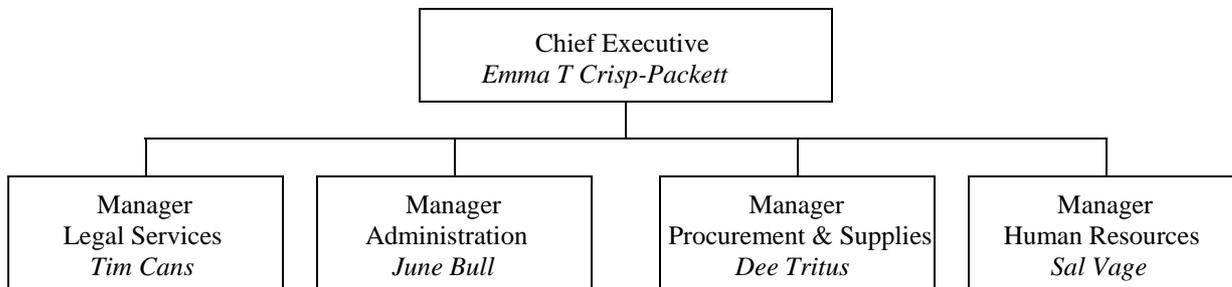
The EPA also contains measures to improve the environment in which people live. It includes provision for the first national standards for street cleansing, specifying levels of cleanliness that must be achieved and the timetable for achieving these. Street cleansing is a District Council responsibility. Wheelingham DC has appointed an Environmental Protection Manager, working in the Environmental Services Department, to ensure that it meets its EPA responsibilities.

Waste Disposal Tax Credits

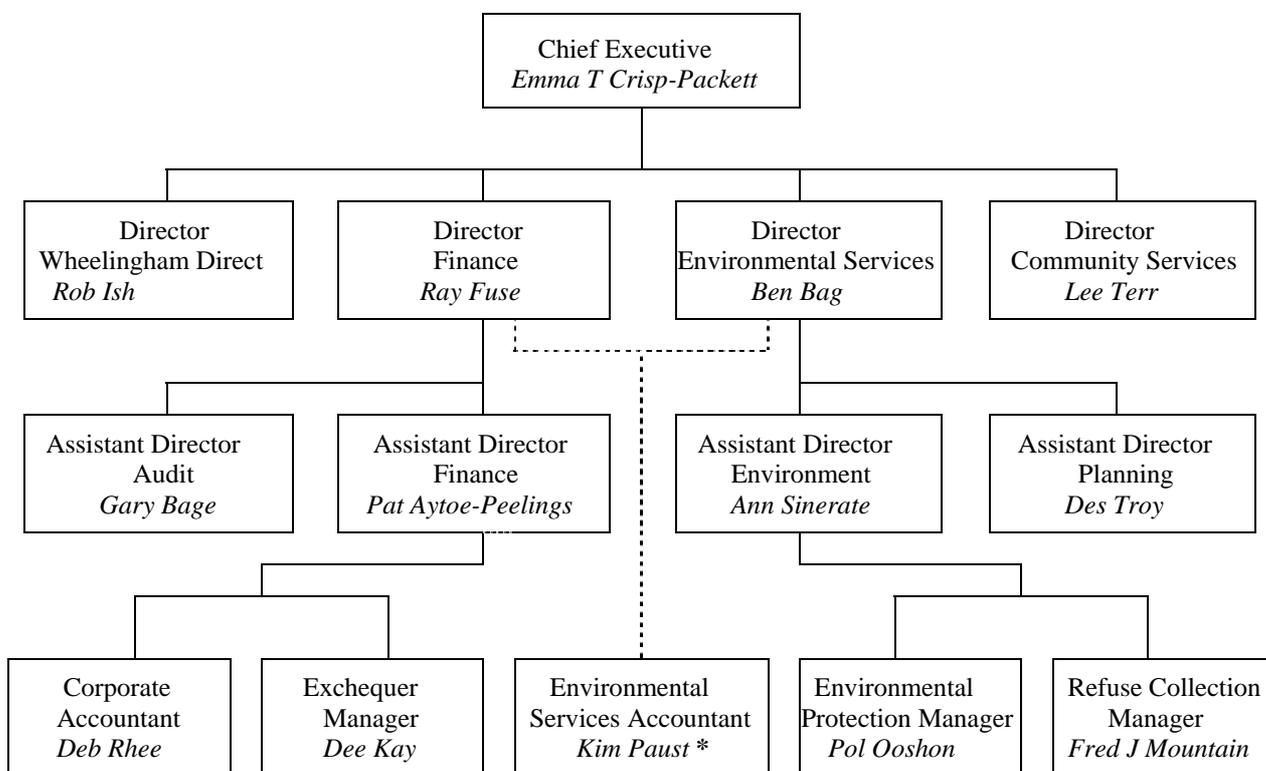
As a further incentive to District Councils to set up recycling schemes, those complying can claim recycling credits from their County Council for every tonne of waste recycled. County Councils are allowed to fund these credits, introduced in 2003, through a reduction in the amount of Waste Disposal Tax (WDT) paid to the DfEA. County Councils currently pay WDT for every tonne of waste dumped in landfill sites or incinerated. The recycling credit and the WDT are set at the same rate per tonne, so the overall cost to County Councils remains the same.

DEPARTMENTAL STRUCTURES

Chief Executive's Department



Other Departments



* You are Kim Paust, Environmental Services Accountant

FINANCIAL ENVIRONMENT

Funding

Council funding comes from a mixture of Central Government grant and income raised locally through Council Tax, a tax levied on all domestic property. Each council sets its own Council Tax after determining how much needs to be raised in total from taxpayers. This amount is the difference between the spending budget for the following year and the amount of Central Government grant to be received. If Council Tax increases are thought to be too high, councils can reduce their spending budgets to restrict increases to a level considered acceptable to their residents.

Council Tax

The amount of Council Tax paid by individual taxpayers varies according to the value of their property. All domestic property is allocated to a valuation band and all properties in the same band pay the same amount of Council Tax. The bands are numbered from 1 to 8, with band 1 having the lowest property values and paying the lowest Council Tax, and band 8 having the highest property values and paying the highest tax. In order to allow comparisons of Council Tax levels between different years and different councils, it is usual to quote the Council Tax for Band 4. All other bands are a proportion of Band 4. Band 1 is $\frac{6}{9}$ of Band 4 and Band 8 is $\frac{18}{9}$.

County and District Councils each set their own Council Tax levels, but only District Councils collect the tax. Each taxpayer receives an annual bill before the start of the financial year, which shows separately the amount of tax to be collected on behalf of the District and County Councils. Taxpayers pay their Council Tax in instalments and District Councils remit to County Councils the amounts collected on their behalf.

Council Tax levels have become very controversial, with many taxpayers complaining about above inflation increases. As a result, all councils are under pressure to control their expenditure and minimise year-on-year increases in the tax. In addition, the Government of Wasteland has powers to stop councils from increasing Council Tax levels by what it sees as excessive amounts. For 2004/05 the Government has stopped councils raising Council Tax levels by more than 10%.

National Insurance and Pension Contributions

In addition to pay, the Council incurs costs in respect of employers' National Insurance Contributions (NICs) set by and paid to the Government to help fund state benefits. These rates were increased from 1 April 2004 as shown below. The Council also contributes to the occupational pension scheme for its employees. As a result of the 31 March 2001 actuarial valuation, stepped increases in employers' rates are being phased in for Wheelingham DC. The final stepped increase occurs on 1 April 2004, producing a rate of 15% for 2004/05 onwards, as shown below.

	Percentage of gross salary	
	To 31 March 2004	From 1 April 2004
NICs	8%	9%
Pension contributions	13%	15%

FINANCIAL ENVIRONMENT

Redundancy

Wasteland's employment law provides for all employees losing their jobs through redundancy to receive a minimum payment from their employer in compensation. No redundancy is due if employees retire early as an alternative to redundancy.

Contracts

Wheelingham's Standing Orders require that before letting a contract with an expected value of more than £50,000, invitations to tender must be invited through advertisements in national and local newspapers. The Council's Procurement & Supplies Manager negotiates most contracts for the supply of materials, and will usually be involved in the letting of contracts for the supply of services. Wheelingham has generally preferred to use in-house services where possible. However, financial pressures and an increased emphasis on service delivery by Central Government have made councillors more willing to look at using private sector contractors in cases where this would provide a better service, or achieve the savings needed to avoid big increases in Council Tax levels.

Capital Charges

Capital charges are charges to the revenue account for the use made of fixed assets. The charges comprise depreciation and interest, and represent the opportunity cost to the Council of the use of these assets. The methods of calculation for depreciation and interest are shown below:

$$\text{Annual Depreciation} = \frac{\text{Current Replacement Cost (CRC)} - \text{Residual Value (RV)}}{\text{Expected Life (EL)}}$$

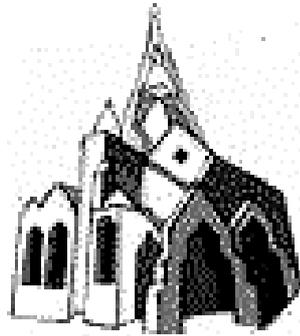
Assets are not subject to further depreciation once they have been written down to their residual value. Interest is charged on the written down value of the asset, including those older than their expected life. The interest rate used is 5% per annum.

$$\text{Written Down Value} = \text{CRC} - \left\{ \frac{(\text{CRC} - \text{RV}) \times \text{Asset Age}}{\text{EL}} \right\}$$

For assets that have exceeded their expected life, the written down value is the residual value of the asset.

Medium-Term Financial Planning

In order to improve its medium-term financial planning, the Finance Department has recently moved to preparing budgets on a rolling three-year basis. The exercise involved preparing budgets for the three years beginning on 1 April 2005, using the service budgets for 2004/05 as their basis. These budgets were adjusted to take account of anticipated rates of inflation and known items of growth and savings.



St Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

FILE NUMBER : *F/ACC/1/04*

HELD BY : *Environmental Services Accountant*

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WHEELINGHAM MEMORANDUM

FROM ~ Director of Finance – Ray Fuse
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 14 April 2004

Environmental Services Accountant

Congratulations on your appointment as Environmental Services Accountant.

This is the first time that a member of the Finance Department has been placed in another department. As you now have dual responsibility and accountability, you will need to be careful how you carry out your duties. Ben Bag, the Director of Environmental Services, is looking for an accountant who can provide him with financial advice and information. You must also ensure that the Department conforms to the highest standards of financial management and report to both Mr Bag and myself if problems arise. Your reports should always be balanced and impartial and you should not attempt to take sides in any dispute.

Two issues are particularly likely to affect you over the coming months:

- The introduction of wheelie bins for refuse collection has now been approved by the Cabinet and will start in one year's time (see attached press release). The report to Cabinet included estimates of the savings that would arise from introducing wheelie bins. The estimates were provided by Mr Bag and were approved by my predecessor, but Mr Bag has been unwilling to provide any breakdown of how these estimates were calculated and seems vague and uncomfortable whenever I raise the subject. Clearly one of your key tasks will be to do some detailed work on how the costs of refuse collection will change when wheelie bins come into use.
- The Council has a statutory duty to recycle at least 10% of the waste that it collects by 1 April 2008, but at present operates no recycling schemes. The Council needs to get something in place soon or this target will not be met and financial penalties will be incurred. Mr Bag has identified a number of possible schemes and ultimately a recommendation needs to be made to Cabinet on which of these schemes should be introduced. The cost of introducing recycling needs to be minimised and this will be one of the criteria by which schemes will be judged.

I wish you well and hope that you enjoy your new role.

Ray Fuse

Director of Finance



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

COUNCIL OFFICES ~ WHEELINGHAM ~ WD39 1HH

Chief Executive ~ Emma T Crisp-Packett

******PRESS RELEASE******

New Bins for Wheelingham

Wheelingham District Council is to modernise its waste collection arrangements.

At a Cabinet meeting last night, approval was given to the phased introduction of wheeled (wheelie) bins, to replace the collection of waste materials in plastic refuse sacks. Cabinet Member for Environmental Services, Councillor Des Carded, explained to the Cabinet that wheelie bins are more convenient than refuse sacks for both residents and refuse collectors.

Councillor Carded stated that many residents find sacks inconvenient to store and that council officers frequently receive complaints about over-filled sacks splitting and spilling rubbish. Wheelie bins are available in several sizes and residents will be allowed to request a size of bin suitable for their weekly volume of waste. A questionnaire on wheelie bins was delivered to a large sample of houses in the District in January this year, and over 70% of respondents supported their introduction.

Refuse collections will continue as normal, on the same day each week, but one change is that householders will have to wheel their bins to the edge of their property (usually the pavement outside their home). Refuse collectors will not normally enter properties to empty bins that have not been left out in this way. This change is intended to reflect the fact that residents are increasingly concerned about having to allow easy access to their properties for refuse collection, as this leaves their properties vulnerable to unauthorised access. It is not considered practical to ask residents to carry heavy sacks to the edge of their property, but most residents can move wheelie bins relatively easily.

The change to wheelie bins will be phased in from 1 April 2005 and all dwellings will be using wheelie bins by 1 April 2007. Residents will not have to pay for bins, but they will be charged for replacements where the Council believes that residents have deliberately damaged bins or allowed them to be removed from their property.

End of release

24 March 2004

Note to editors

For more information, please contact Ed Ittor, on Wheelingham 555 7685

WHEELINGHAM MEMORANDUM

FROM ~ Director of Environmental Services – Ben Bag
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 19 April 2004

Role of Environmental Services Accountant

Welcome to my Department. In the circumstances, I thought that it would be useful to clarify your role and what I expect from you.

Can I begin by reminding you that you are now working for the Environmental Services Department? As a member of my staff, you are expected to devote yourself to working in the interests of the Department. In my experience, there is always a great deal of tension between frontline services and finance departments and I doubt that this will change, even with a new Director of Finance. You should always remember, therefore, for whom you work, and ensure that you do nothing that is in conflict with the policies and decisions of this Department.

One of your first tasks will be to revise the budgets for 2005/06, 2006/07 and 2007/08 to take account of the savings that the introduction of wheelie bins will achieve. I provided estimates of the overall savings when this was discussed by Cabinet but have not had time to do any work on how this will affect detailed budget headings.

In addition, there has not yet been time for serious consultation about wheelie bins with refuse collection employees, but this needs to happen sooner rather than later, despite implementation still being almost a year away. Since I understand that part of your training as an accountant is in general management, I may want you to be involved in dealing with employees and their trade union representatives.

You will also be involved in the selection of a recycling scheme for the Council. Cost is an important factor in the choice of scheme, so you will have an important role in recommending which scheme to introduce. I do not have a strong preference for any one scheme in particular, although Councillor Des Carded, Cabinet Member for Environmental Services, and I met someone at a conference recently who was promoting an attractive kerbside collection scheme, run entirely by a contractor. This could be an advantage compared with other options and something that needs to be borne in mind when assessing alternative schemes. I attach a letter received from our contact. I will also ask Pol Ooshon, the Environmental Protection Manager, to gather some information on other schemes that might be considered.

Ben Bag

Director of Environmental Services



MAGPYE RECYCLING

Mr Ben Bag
Director of Environmental Services
Council Offices
Wheelingham
WD39 1HH

2 April 2004

Dear Mr Bag

Kerbside Collection

It was good to meet you and Councillor Carded at the recycling conference last week. You will recall that Councillor Carded suggested that I write to you, setting out some more information for you to consider.

Magpye specialises in kerbside collection of waste materials suitable for recycling such as empty tins, plastic bottles and paper. We do not collect glass. I am sure that you are aware of this form of recycling, and also of how effective it can be. Normally the only downside is the amount of time, effort and cost needed to set up such a scheme. This is where Magpye can help you.

My company offers a complete kerbside collection service. This includes the provision of collection boxes to households, the collection of the materials from residents' homes, and its subsequent sale to recycling companies. Magpye handles all publicity for the scheme through standard material that only requires the addition of your logo to be ready for use, and also deals with any queries from residents.

In return for this service, Magpye charges an annual fixed fee, subject only to increases for inflation on an annual basis. You indicated to me that there are 27,000 dwellings in Wheelingham and, on this basis, Magpye estimates that 1,400 tonnes of recyclable waste would be collected annually. The annual fee for this service would be £75,000 at current year prices and this cost would not vary according to the amount of material collected. The Council would also receive regular information about amounts that have been recycled, allowing it to claim recycling credits.

I am sure that you will agree that this is an excellent scheme and I look forward to hearing from you.

Yours sincerely

Ray Clamaition

Ray Clamaition
Managing Director

WHEELINGHAM MEMORANDUM

FROM ~ Procurement & Supplies Manager – Dee Tritus
TO ~ Director of Environmental Services – Ben Bag
DATE ~ 21 April 2004

Refuse Sacks Contract

The new contract for the supply of refuse sacks has been awarded to Binbyshire Plastics Limited.

The contract is for four years from 1 April 2004 and the prices are shown below.

Order Quantity	Price per Sack			
	2004/05	2005/06	2006/07	2007/08
	pence	pence	pence	pence
1,000,000 and over	5.00	5.25	5.50	5.75
Under 1,000,000	6.00	6.25	6.50	6.75

Dee Tritus

Procurement & Supplies Manager

Copy : Environmental Services Accountant – Kim Paust

WHEELINGHAM DISTRICT COUNCIL

NOTICE TO ALL ACCOUNTANTS

Council Tax Levels - 2004/05

Council Tax demands for 2004/05 were issued last month and, as you may be aware, they provoked a considerable response from taxpayers due to the size of the increase. The County Council's Council Tax has increased by 7.5% for 2004/05, and Wheelingham's has increased by 6.5%. Besides inflation, the main reasons for the rise include increased rates of employers' National Insurance and pension contributions. The former is a result of a Government policy, whilst the latter largely reflects the fact that pensioners are living longer. This in turn impacts upon pension fund liabilities and thus employers' contribution rates.

In addition to general complaints about the size of the increase, we are starting to see a growing number of taxpayers who are also complaining about specific services and suggesting that the increases are a result of mismanagement by the Council. You should all be prepared to draft responses at short notice where the complaint refers to a service for which you are the accountant.

For your information, I set out below details of Council Tax levels for 2004/05.

WHEELINGHAM DISTRICT COUNCIL							
Council Tax Levels for the Year Ending 31 March 2005							
Band	Proportion of Band 4	Total Council Tax £	No. of Dwellings	Wheelingham DC		Binbyshire CC	
				Council Tax £	Yield £	Council Tax £	Yield £
1	⁶ / ₉ ths	698.62	11,500	111.02	1,276,730	587.60	6,757,400
2	⁷ / ₉ ths	815.05	8,300	129.52	1,075,016	685.53	5,689,899
3	⁸ / ₉ ths	931.49	5,000	148.02	740,100	783.47	3,917,350
4	-	1,047.93	1,000	166.53	166,530	881.40	881,400
5	¹¹ / ₉ ths	1,280.81	600	203.54	122,124	1,077.27	646,362
6	¹³ / ₉ ths	1,513.67	200	240.54	48,108	1,273.13	254,626
7	¹⁵ / ₉ ths	1,746.55	200	277.55	55,510	1,469.00	293,800
8	¹⁸ / ₉ ths	2,095.86	200	333.06	66,612	1,762.80	352,560
			27,000		3,550,730		18,793,397

Ray Fuse
Director of Finance

22 April 2004

WHEELINGHAM MEMORANDUM

FROM ~ Assistant Director of Finance – Pat Aytoe-Peelings
TO ~ Director of Environmental Services – Ben Bag
DATE ~ 13 May 2004

Medium Term Financial Plan – 2005/06, 2006/07 & 2007/08 Budgets

The Medium Term Financial Plan (MTFP) has now been finalised for all services and I attach a copy of the Refuse Collection Budgets for the three years concerned, together with the current 2004/05 outturn budget for convenience.

The budgets attached are based on the 2004/05 budget, adjusted for inflation using projected inflation rates (3.5% for 2005/06 and 3% for the following two years). The only exception to this relates to the figures for capital charges, which are based on estimates for each asset currently used by the service (15 vehicles).

You are free to make adjustments to the subjective analysis of these budgets, but there must be no change to the net expenditure total. Cabinet must approve any necessary adjustments that change the net expenditure totals.

These MTFP budgets do not take into account any changes in policy approved by Cabinet after 27 February 2004, including the introduction of wheelie bins. I will notify you of the net expenditure adjustments for this policy change in due course.

Pat Aytoe-Peelings

Assistant Director of Finance

Copy : Environmental Services Accountant – Kim Paust

WHEELINGHAM DISTRICT COUNCIL**SERVICE BUDGETS ~ 2004/05 TO 2007/08****REFUSE COLLECTION**

	2004/05	2005/06	2006/07	2007/08
	£	£	£	£
<u>EXPENDITURE</u>				
Employees				
Direct ¹				
Refuse Collection Teams	770,322	797,283	821,201	845,837
Supervisors	109,120	112,939	116,327	119,817
Management & Clerical	122,760	127,057	130,869	134,795
Indirect				
Recruitment & Training	700	725	747	769
Employees Insurance	20,000	20,700	21,321	21,961
	<u>1,022,902</u>	<u>1,058,704</u>	<u>1,090,465</u>	<u>1,123,179</u>
Premises				
Rental – Depot	31,900	33,017	34,008	35,028
Rental – Office	33,350	34,517	35,553	36,620
	<u>65,250</u>	<u>67,534</u>	<u>69,561</u>	<u>71,648</u>
Transport				
Refuse Vehicles – Running Costs	<u>217,500</u>	<u>225,113</u>	<u>231,866</u>	<u>238,822</u>
Supplies & Services				
Refuse Sacks	105,300	108,986	112,256	115,624
Protective Clothing	36,250	37,519	38,645	39,804
Computer Costs	3,625	3,752	3,865	3,981
Insurances	43,500	45,023	46,374	47,765
Waste Disposal Charges	400,000	414,000	426,420	439,213
	<u>588,675</u>	<u>609,280</u>	<u>627,560</u>	<u>646,387</u>
Central Support Costs	<u>174,000</u>	<u>180,090</u>	<u>185,493</u>	<u>191,058</u>
Capital Charges				
Depreciation – Refuse Vehicles	146,250	146,250	157,500	157,500
Interest – Refuse Vehicles	24,566	24,003	22,879	21,753
	<u>170,816</u>	<u>170,253</u>	<u>180,379</u>	<u>179,253</u>
TOTAL EXPENDITURE	<u>2,239,143</u>	<u>2,310,974</u>	<u>2,385,324</u>	<u>2,450,347</u>
<u>INCOME</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET EXPENDITURE	<u>2,239,143</u>	<u>2,310,974</u>	<u>2,385,324</u>	<u>2,450,347</u>

¹ Pay, NICs and pension costs

WHEELINGHAM MEMORANDUM

FROM ~ Environmental Protection Manager – Pol Ooshon
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 26 May 2004

Home Composting

The Director of Environmental Services asked me to supply you with information on potential recycling initiatives. The one about which I have the most details to hand is home composting. This involves providing a composter, essentially a large plastic barrel for organic waste such as grass cuttings or kitchen waste. The waste materials decompose in the composter and turn into compost suitable for garden use. Home composting is entirely the responsibility of the householder. The only requirement on the Department is to supply the composters.

Putritown District Council has negotiated a bulk discount with the main supplier of composters and the supplier is willing to let other District Councils in Binbyshire have composters for the same discounted price of £27.50 each, plus £5 delivery. The Department would merely take orders from residents and then, once a month, place a single bulk order with the supplier, who would deliver the composters direct to the residents. In order to maximise the take-up of composters, I have agreed with the Director that composters should be offered to residents at cost price. My office can handle the administration involved in taking orders and sending a bulk order without the need for any additional employees or costs. The scheme would need to be publicised, but this can be incorporated into the existing programme of publicity for environmental protection without additional cost.

On the basis of surveys and experience in other District Councils, it is estimated that on average 15% of households take up the offer of a composter. However, figures do vary and, based upon information from waste colleagues in other councils, the actual take up may be as low as 10% (worst case) or as high as 20% (best case).

Once the composters have been delivered, the Department has no further involvement. However, it has been confirmed by Binbyshire County Council that such a scheme is valid and that Wheelingham can claim recycling credits for home composting. The amount that we can claim in recycling credits is fixed by the County Council on the basis of a periodic countywide survey exercise and should remain constant until the next sampling exercise in 2007. With the amount of publicity being given to environmental protection and the amount of public concern about the environment, there is every expectation that the amount of waste being composted will be found to have increased when this exercise takes place.

Pol Ooshon

Environmental Protection Manager

Copy : Director of Finance – Ray Fuse



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Assistant Director of Finance
To: Director of Environmental Services
Cc: Environmental Services Accountant
Date: 27 May 2004
Subject: MTFP Adjustments – 2005/06, 2006/07 & 2007/08

Ben

As promised, I am now writing to confirm the net expenditure adjustments approved by Cabinet on 23 March 2004 in respect of savings in the costs of the refuse collection service arising from the introduction of wheelie bins.

The agreed adjustment is an annual saving of £100,000, but it is to be phased in over three years, on the assumption that the savings will only be realised gradually as the number of dwellings using wheelie bins increases. By 2007/08 the base budget of the service will be £100,000 lower than originally projected. Details of the phased adjustments are shown below:

Service: Refuse collection

	Budget Adjustments		
	2005/06 £	2006/07 £	2007/08 £
Current Budget	2,310,974	2,385,324	2,450,347
Adjustment for wheelie bins	(50,000)	(80,000)	(100,000)
	2,260,974	2,305,324	2,350,347

You should adjust your detailed budgets for this service and let me have revised detailed budgets in due course.

Pat Aytoe-Peelings



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Refuse Collection Manager
To: Environmental Services Accountant
Date: 28 May 2004
Subject: Wheelie Bins

Kim

As you know, wheelie bins are being introduced over the next three years. Bins will bring advantages for refuse collectors, who frequently suffer bad backs from having to lift heavy sacks and sometimes suffer injuries as a result of sharp objects piercing sacks. As a result, the Council has faced a number of expensive insurance claims. However, it will also mean quite a degree of reorganisation and additional work.

Refuse collectors work in teams, each team covering a group of dwellings known as a round, which takes each team one week to complete. Changing to wheelie bins will mean reducing the size of rounds, because emptying the bins takes more time than collecting sacks. Balanced against this, wheelie bin teams are smaller. Teams for sack rounds consist of a driver plus three collectors, compared with a driver plus two collectors for bin rounds. There are 27,000 dwellings in Wheelingham and the number of dwellings able to be serviced on a round depends upon the density of housing, as set out below.

Category	No. of Dwellings	Maximum No. per Round	
		Sacks	Bins
High Density	13,000	2,200	2,100
Medium Density	9,000	1,900	1,800
Low Density	5,000	1,700	1,600
	27,000		

The rate at which wheelie bins will be introduced was agreed by Cabinet and cannot be changed. 50% of dwellings will have bins from 1 April 2005, a further 30% from 1 April 2006 and the remaining dwellings from 1 April 2007. Rounds will be reorganised to ensure that the phased introduction applies equally to all three housing density categories, so that, at 1 April 2005, for example, there will be 50% of dwellings in each housing density category using wheelie bins.

In terms of equipment, each team requires its own refuse collection vehicle, plus there needs to be one spare vehicle for the whole service. The existing vehicles used for sacks can also be used for bins, but they require a Humpa unit fitted on the back for lifting the bins. From 2005/06 the spare vehicle will need to be fitted with a Humpa unit, but will still be able to be used on sack rounds. The Humpa units only empty two bins at a time, explaining why bin teams need just two collectors.

The change to wheelie bins will not affect employee costs (except for refuse collection teams), premises costs, supplies and services (except for refuse sacks) and central support costs.

Fred J Mountain

WHEELINGHAM MEMORANDUM

FROM ~ Director of Finance – Ray Fuse
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 31 May 2004

MTFP - 2005/06, 2006/07, 2007/08 Budgets

You received a copy of the e-mail from Pat Aytoe-Peelings setting out the Cabinet-agreed adjustments to the refuse collection budgets. As you know, I have my concerns about the estimated savings reported to Cabinet, and this seems like a good opportunity to test the validity of these figures.

I have spoken to Mr Bag about this on a number of occasions now, and he still refuses to provide any details of how he arrived at his estimates, or how the total savings are broken down over detailed budget headings. In addition, I have heard on the grapevine (and this is strictly between the two of us, not to be repeated to Mr Bag) that Fred J. Mountain, his Refuse Collection Manager, has concerns about whether there will be any savings at all. In the light of this, I have insisted on the preparation of a confidential report, addressed to both Mr Bag and myself, aimed at establishing the true effects of the change on the refuse collection budgets. Mr Bag and I have agreed that you will prepare the report.

Although Mr Bag continues to insist that the savings he reported to Cabinet are achievable, he did say that additional savings could probably be achieved by rationalising the refuse collection teams using mixed density rounds. Mr Bag and Mr Mountain will provide you with all the details on this, but I would suggest that, on this specific issue only, you should ignore the transitional period and look at what could be saved by rationalisation in 2007/08.

Your report should therefore cover the following issues:

- Introduction and background to the MTFP exercise and the provisional budgets set.
- For each of the years 2005/06, 2006/07 and 2007/08, calculation of the changes arising from the introduction of wheelie bins on a single density team basis in respect of –
 - The number of refuse collection teams and hence the number of employees required;
 - Employee costs;
 - The number of vehicles/Humpa units required and their resultant running costs;
 - Refuse sacks;
 - Capital charges (depreciation and interest) for the additional vehicles/Humpa units.
- A statement summarising all the additional costs and savings arising as a result of the introduction of wheelie bins for each of the years 2005/06, 2006/07 and 2007/08 and a comparison of this with the target savings agreed by Cabinet for these years.
- A critical appraisal of the results achieved.
- An explanation of the current single density team organisation and a note of the potential savings achievable in 2007/08 if mixed density rounds were started from 1 April 2007.
- Your conclusions and recommendations for further action.

Ray Fuse

Director of Finance



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Environmental Protection Manager
To: Environmental Services Accountant
Cc: Director of Finance
Date: 1 June 2004
Subject: Glass Recycling

Kim

I have now gathered together some information on glass recycling.

This scheme would involve the use of bottle banks located at various points around the District, where residents could bring empty bottles. The bottle banks used would only be suitable for use by residents. They would not be suitable for non-domestic users. The banks would need to be emptied and the glass taken to be stored, probably at the County's waste transfer station at Skiptown. The glass would then be sold on the open market and the glass transported to the buyer.

There would be six banks and the estimate is that a total of 200 tonnes would be collected annually at each bank, producing a grand total of 1,200 tonnes. Investigations indicate that this estimate is subject to a possible variation of plus or minus 5% in terms of the best and worst case scenarios.

The current market price per tonne is £42. The demand for glass for recycling has remained steady for some years now, but the supply is less stable, a fact reflected in its highly volatile market price. The figures below, based upon industry research, predict the likelihood of changes in the price of glass to the end of March 2005.

Change in price	Probability
-50%	5%
-25%	25%
-10%	40%
0%	15%
10%	10%
20%	5%

It has been agreed that, should we choose to implement a glass recycling scheme, it would be operated by the refuse collection service and I have asked Fred J Mountain to let you have some details of the estimated costs involved.

Pol Ooshon

WHEELINGHAM MEMORANDUM

FROM ~ Director of Environmental Services – Ben Bag
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 2 June 2004

Waste Collection

You are no doubt aware that the Director of Finance has insisted on a report on the savings that wheelie bins will make to the cost of refuse collection. I am not happy about having my figures questioned in this way, but there seems to be little that I can do. Fred J Mountain, my Refuse Collection Manager, will provide you with most of the information that you need for this exercise and I understand that he is already liaising directly with you on this. In addition, I set out below some information that you may find useful.

Based upon past experience and current projections, a total of 17,000 tonnes of domestic waste will be collected in Wheelingham during 2004/05, equivalent to 0.63 tonnes per dwelling. The amount of waste generated by residents has been increasing for some time and this trend is likely to continue for the foreseeable future. However, it is anticipated that the introduction of recycling schemes for domestic waste will offset this and, as a result, I foresee little impact upon the workload of the refuse collection service. It will still be necessary to collect refuse once a week and the above trends will not affect the time and manpower needed to do this.

I also mentioned to the Director of Finance the potential savings from the introduction of mixed density rounds for refuse collection instead of the current single density arrangements. Housing density affects the time taken to collect waste from a given number of dwellings and this in turn determines the number of dwellings that can be included in a round. As you are aware, there is a maximum number of dwellings per round set for each density category and these figures have been agreed nationally by the trade union, W.A.S.T.E. (Waste Amalgamated Service & Technical Employees). If the workforce and its Union could be persuaded to accept mixed density rounds, arrangements could be rationalised and the amount of spare capacity reduced. Fred J Mountain will provide you with more information about this.

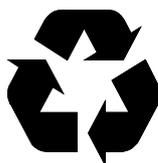
Clearly most of the savings from wheelie bins will come from the employees budget. For your current exercise, you should assume that there are no additional early retirement or redundancy costs. This is based upon the expectation that employees no longer required by the refuse collection service will be redeployed to the street cleansing service in order to meet new EPA performance standards. The Cabinet has made a clear commitment to meeting these standards and the current workforce in this area is not of a sufficient size to meet the new requirements. However, until details of the new performance standards for street cleansing are received in the autumn, it is not possible to estimate the numbers of additional employees required.

Ben Bag

Director of Environmental Services

Waste Disposal Manager

Leonard de Phil
Tel ~ 244 5735



Cutting Down on Waste

Waste Disposal Service
County Hall
Binby
B12 4WD

BINBYSHIRE COUNTY COUNCIL

**The Director of Finance,
All District Councils in the County of Binbyshire**

3 June 2004

Dear Colleagues

Recycling Credits

I write to confirm the level of recycling credits for 2004/05 and the arrangements for calculating the amounts due.

Credits will be paid at a rate of £29 per tonne of material recycled.

Where amounts cannot be measured, credits will be paid on the basis of an estimate of the amount of material that would normally be recycled. At present the only recycling initiatives in the County where this applies are the home composting schemes operated by Putritown and Festerham District Councils. The best estimate at present is that each household issued with a composter will recycle 18% by weight of its household waste in this way.

The estimate for home composting was calculated using data collected from a sample of households using composters. It is planned to repeat this exercise in 2007 across all District Councils claiming credits for home composting at that time. This will involve a sample of households weighing the material recycled in this way. The households involved are all volunteers. There is no question of anyone being forced to do this. This sample will then be used to check the assumption about the amount of waste recycled and may alter the percentage used in future calculations of credits for recycling. It will also determine the amount of waste that can be counted as recycled for the purposes of calculating performance against the EPA recycling target. Please note that you can only claim credit for composters that you have given or sold to residents.

Yours sincerely,

LEN DE PHIL

**Len de Phil,
Waste Disposal Manager**

WHEELINGHAM MEMORANDUM

FROM ~ Environmental Protection Manager – Pol Ooshon
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 4 June 2004

Kerbside Collection

Kerbside collection involves giving residents a plastic box that they retain and fill with recyclable materials. These materials are collected periodically from their home, in the same way that refuse is collected, sorted into the various types of waste products, and then sold for recycling.

You should already have a copy of the letter from Ray Clamaiton of Magpye Recycling, dated 2 April 2004, setting out proposals for a kerbside collection scheme. I have agreed with Ben Bag to use this proposal at this stage as indicative of kerbside collection schemes generally, although I would query one of his assumptions.

Mr. Clamaiton appears to have based his estimate of the weight of material collected on the number of dwellings in the District. I suppose that this could be a way of predicting the weight of material, but I would have thought that the amount of waste collected in this way would be more likely to vary with the overall size of the population than with the number of dwellings. To try to clarify this point, I have written to the Wasteland Association of District Councils to ascertain whether it has any relevant data on the subject. I know that it carried out an environmental services survey a few months ago.

I have also spoken to Binbyshire County Council who have confirmed that material recycled in this way would qualify for recycling credits and that, as the District Council would be paying for the operation of the service, it would be eligible to claim the credits.

Pol Ooshon

Environmental Protection Manager

Copy : Director of Finance – Ray Fuse



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Director – Wheelingham Direct
To: Environmental Services Accountant
Date: 8 June 2004
Subject: Vehicle Running Costs

Kim

You asked for estimates of running costs for the next three years for vehicles used by the refuse collection service. I have done this by taking the actual charges set for 2004/05 and adding inflation, applying the same rates used in setting the MTFP budgets. In case you are unfamiliar with this, I should explain that annual charges are set in advance each year. You will also be aware that, for wheelie bins, the Council needs to acquire Humpa units for the refuse collection vehicles and I have calculated maintenance charges for these using the same inflation indices.

The charges for vehicles and Humpa units, which include fuel and spares as well as maintenance, will be as follows.

	Running Costs per Vehicle/Unit			
	Actual 2004/05 £	Estimate 2005/06 £	Estimate 2006/07 £	Estimate 2007/08 £
Refuse Collection Vehicles	14,500	15,008	15,458	15,922
Humpa Units	-	1,035	1,066	1,098

If you require any further information, please contact me.

Rob Ish

WHEELINGHAM MEMORANDUM

FROM ~ Director of Finance – Ray Fuse
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 9 June 2004

Recycling Initiatives

Further to my memorandum of 14 April, the Cabinet discussed the need to introduce recycling at a meeting on 2 June 2004. They agreed that we should start some form of recycling in 2004, and asked Ben Bag and I to report back with a recommendation as to which of the schemes identified at this stage should be implemented.

The Cabinet's preference is to start just one scheme in 2004 and review its progress before committing itself to implementing other schemes. However, there was also an indication that members would consider more than one scheme if there is a strong case for doing so. Some limited monies have been provisionally earmarked within the central budget to finance such initiatives, but Cabinet have stated that whatever is recommended must not cost more than £50,000 in the first full year of operation.

Recommendations, therefore, need to be based on an evaluation of the three alternative schemes identified - home composting, glass recycling and kerbside collection. The criteria for evaluating these schemes should be –

- ❑ The weight of waste that will be recycled;
- ❑ The overall affordability (net cost/saving), and
- ❑ The net cost per tonne of material recycled, after taking account of the value of recycling credits.

All estimates of expenditure and income should be on a full year basis and based on 2004/05 price levels.

On kerbside collection, I remain concerned by Pol Ooshon's comments about the basis on which Mr Clamaiton is forecasting the weight of recyclable material collected. I agree with her that the amount of this material collected is probably more closely correlated to population size than numbers of dwellings. I understand that Pol Ooshon has now tracked down some relevant data from the Wasteland Association of District Councils and this will allow an objective assessment of which variable constitutes the better predictor of the weight of recyclable material collected.

I should be grateful, therefore, if you would draft a joint report for the Director of Environmental Services and myself to take to Cabinet, covering all these issues and recommending a way forward. My requirements for this report are set out on the attached sheet.

Please note that there is no need for you to include a description of each scheme in your draft as Ms Ooshon is writing a section that will be inserted into the report at a later stage.

Ray Fuse

Director of Finance

REPORT REQUIREMENTS

- Introduction and background, including the recycling target and a note of the decision criteria to be used in evaluating the three schemes identified.
- On home composting, calculation of the estimated annual weight of material to be composted and the resultant recycling credit income, on the basis of the best, worst and mid case scenarios for take-up.
- On glass recycling, calculation of the probability weighted sales price per tonne, together with estimates of income from glass sales and recycling credits offset by the calculated costs of collection, with a note of the net cost per tonne of material recycled, all on the basis of the best, worst and mid-case scenarios for the weight of glass collected.
- On kerbside collection –
 - Using the data requested by Ms Ooshon, a testing of the assumption made by Magpye Recycling by establishing whether number of dwellings or population size is better correlated with the weight of recyclable materials collected;
 - An explanation of the how much of the change in the weight of recyclable materials collected can be explained by the independent variable;
 - The use of the better correlated predictor as an independent variable to estimate the amount of waste likely to be collected through kerbside collection in Wheelingham;
 - Calculation of the resultant recycling credits, offset by the cost of the indicative contract price to produce a net result and the net cost per tonne.
- A summary of the results achieved on the basis of the best, worst and mid-case scenarios for each of the three alternatives, where applicable, and an appraisal of the relative risks of these schemes.
- Summary conclusions and recommendation as to which scheme(s) should be implemented in 2004/05.



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Refuse Collection Manager
To: Environmental Services Accountant
Date: 10 June 2004
Subject: Glass Recycling

Kim

Pol Ooshon asked me to let you have an estimate of the costs involved in setting up a glass recycling scheme.

It would be necessary to employ two members of staff to operate this scheme. The cost of each employee at current pay levels would be £10,611 per year, plus employers' National Insurance and pension contributions. These employees would collect glass from the bottle banks using trucks hired from Wheelingham Direct. I estimate that the annual cost of using these vehicles for collecting glass from bottle banks would be £12,000 on the basis of 2004/05 charges.

The bottle banks themselves would be located in six locations around the District. As a result of discussions with local businesses, it is anticipated that the costs of the bottle banks will be met by these businesses on the basis that they will receive favourable publicity from the scheme and their involvement.

The only other financial implication would be the cost of storing the glass prior to sale, estimated at £10,000 per annum, and its transport to the purchaser, at a cost of £30 per tonne (both at 2004/05 price levels).

Finally, in response to your telephone enquiry on wheelie bins, I can confirm that where residents are not capable of wheeling their bins to the kerbside, special arrangements will be made for refuse collectors to continue to enter properties to collect the bins. The financial implications of this are immaterial.

Fred J Mountain



W.A.S.T.E.

Because sometimes refuse workers want to say no!

Regional Office
10, Collective Street
Binby
BI2 3JW

Director of Environmental Services
Council Offices
Wheelingham
WD39 1HH

11 June 2004

Dear Mr Bag

Refuse Collection & Street Cleansing Service

I write to raise a number of concerns with you concerning your refuse collection and street cleansing operations and particularly the total lack of consultation in these areas when major changes are apparently being planned.

On street cleansing my sources tell me that Wheelingham is to introduce its own new higher standards. Whilst as a resident I applaud this, it is no doubt tourist-driven aimed at making Wheelingham more attractive for visitors to St Parfit's. My concern is clearly the implication for my street cleansing members employed by you. Higher standards mean additional work and such an initiative requires additional staffing, but there are no indications at present that your Council is willing to accept this. My members are clear that they are not willing to work any harder and, if the Council insists upon higher standards of street cleansing, it will have to be prepared to pay for this.

My refuse collection employees have even greater worries. Many already feel that they are over-stretched and operating above capacity and I regularly receive complaints about this from Wes Tipp in your Team 9. However, my members have a much greater concern at present. Your press release on the Council's decision to move from refuse sacks to wheelie bins was only recently brought to my attention and my members are becoming increasingly worried. My sources tell me that you are boasting of making massive savings from the change and the main source of these savings must be staffing – my members. My understanding is that the size of collection teams is to be cut from 4 to 3 operatives, so we appear to be looking at a reduction in the workforce of 25%! This means that around 20 of my members can expect to lose their jobs and, whilst there might be scope for early retirement in one or two cases, the majority seem to be facing redundancy. However, is this just the tip of the iceberg? My members have also heard that you are also looking at collecting recyclable materials through a private contractor. Is this the start of a plan to outsource all operations in the search for savings? My Union and its members are opposed to the outsourcing of services and it is our policy not to cooperate in such circumstances.

The greatest concern in all this is the lack of information and consultation. Whatever your intentions, and clearly some changes are in hand, it is essential that you acknowledge the concerns and needs of your workforce and set in place an action plan to deal with these appropriately. I demand an early explanation of your proposals in this respect, together with responses on the other points raised.

Rhys Ikeling

Rhys Ikeling
Regional Secretary

WA**S**T**E** **A**M**A**L**G**A**M**A**T**E**D** **S**E**R**V**I**C**E** & **T**E**C**H**N**I**C**A**L** **E**M**P**L**O**Y**E**E**S**

WHEELINGHAM MEMORANDUM

FROM ~ Director of Environmental Services – Ben Bag
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 15 June 2004

Letter from W.A.S.T.E.

Please let me have a draft letter in reply to Rhys Ikeling's letter of 11 June, covering all the points raised.

Whilst I am extremely annoyed about his final paragraph and do not like being dictated to, especially by Union officers, it is probably fair to say that consultation with staff on the various changes in the pipeline has been extremely limited. It was always intended to address these matters once Cabinet had agreed a clear way forward and I suppose that now is as good a time as any to start.

In that context, I should be grateful if you would include as an attachment to the draft letter some thoughts on what actions might be appropriate in dealing with those changes already agreed and those likely to affect Environmental Services operatives in the near future. There are some major changes involved and I have no doubt that the Chief Executive would want the Department to appear to display a consultative and sympathetic attitude towards its workforce. Try to be as comprehensive and practical as possible, but make the points specific to the current situation.

Ben Bag

Director of Environmental Services



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Refuse Collection Manager
To: Environmental Services Accountant
Date: 16 June 2004
Subject: Refuse Collection Teams

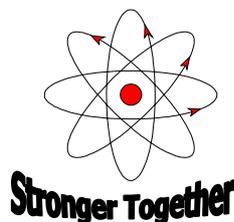
Kim

For information, I set out below a list of the current refuse collection teams.

Team number	No of dwellings	Type of round
1	1,700	Medium Density
2	2,160	High Density
3	1,800	Medium Density
4	1,670	Low Density
5	2,160	High Density
6	1,850	Medium Density
7	2,160	High Density
8	1,660	Low Density
9	2,200	High Density
10	1,860	Medium Density
11	2,160	High Density
12	1,790	Medium Density
13	2,160	High Density
14	1,670	Low Density
Total	27,000	

The teams will have to be reorganised as we introduce wheelie bins. For your budget exercise, you should calculate the number of teams required by dividing the total number of dwellings using sacks or bins in each density category by the maximum number of dwellings in a round for that category and rounding up the answer for that category to the nearest whole number.

Fred J Mountain



ASSOCIATION OF WASTELAND DISTRICT COUNCILS

Pol Ooshon
Environmental Protection Manager
Council Offices
Wheelingham
WD39 1HH

17 June 2004

Dear Pol,

Kerbside Collection

Further to your enquiry, I set out below a table of survey data collected from those Districts in Wasteland already operating kerbside collection and prepared by the Association's statistician as part of her own analysis. All the Districts are broadly similar to Wheelingham.

Dist- rict	Dwellings No. 000's	Population No. 000's	Collected Tonnes 000's					
	xd	xp	y	xd ²	xp ²	y ²	xdy	xpy
1	28	126.00	1.35	784	15,876.00	1.8225	37.80	170.10
2	25	115.50	1.27	625	13,340.25	1.6129	31.75	146.68
3	22	112.00	1.27	484	12,544.00	1.6129	27.94	142.24
4	23	108.50	1.24	529	11,772.25	1.5376	28.52	134.54
5	26	101.50	1.16	676	10,302.25	1.3456	30.16	117.74
6	24	99.75	1.05	576	9,950.06	1.1025	25.20	104.74
7	22	92.75	1.09	484	8,602.56	1.1881	23.98	101.10
8	18	87.50	1.20	324	7,656.25	1.4400	21.60	105.00
9	21	85.75	1.05	441	7,353.06	1.1025	22.05	90.04
10	23	84.00	1.09	529	7,056.00	1.1881	25.07	91.56
11	22	77.00	0.98	484	5,929.00	0.9604	21.56	75.46
12	17	73.50	0.90	289	5,402.25	0.8100	15.30	66.15
13	21	68.25	0.86	441	4,658.07	0.7396	18.06	58.69
14	15	63.00	0.75	225	3,969.00	0.5625	11.25	47.25
Σ	307	1295.00	15.26	6,891	124,411.00	17.0252	340.24	1,451.29

Finally, I hear that Wheelingham is about to change to wheelie bins. Your colleagues might be interested in the results of a recent survey amongst 12 Districts that have been using wheelie bins for some time. This showed a much higher satisfaction rate than expected, with just over 85% of residents expressing a preference for wheelie bins over refuse sacks.

Yours sincerely

Dee Composition

Association Secretary

WHEELINGHAM MEMORANDUM

FROM ~ Corporate Accountant – Deborah Rhee
TO ~ Environmental Services Accountant – Kim Paust
DATE ~ 18 June 2004

Capital Charges

You asked me to let you have details of capital charges for refuse collection vehicles. The charges for the existing capital assets can be found in the detailed budget for the service. Information for new assets is shown below.

Refuse collection vehicles

There is no indication at present of how many extra vehicles will be required, but capital charges per vehicle for a new vehicle are shown below. These are based on the current cost of purchase, which is not expected to change in the next three years.

Charge per vehicle	Year 1 £	Year 2 £	Year 3 £
Depreciation	11,250	11,250	11,250
Interest	3,063	2,500	1,938

Humpa Units

The cost of these units is still to be established, so you will have to do your own calculations. You should assume, however, that current replacement costs will not change over the next three years.

Wheelie bins

Fred was able to give me the purchase cost and numbers of wheelie bins, and the years in which they would be purchased. I had to guess at the expected life of the bins, and erred on the low side to be prudent. Capital charges for all the wheelie bins for 2005/06 through to 2007/08 are shown below.

Charge	2005/06 £	2006/07 £	2007/08 £
Depreciation	35,100	56,160	70,200
Interest	24,570	37,557	44,577

Deb Rhee

Corporate Accountant



St. Parfit's Birthplace

WHEELINGHAM DISTRICT COUNCIL

Internal e-mail

From: Refuse Collection Manager
To: Environmental Services Accountant
Date: 21 June 2004
Subject: Refuse Collection Information

Kim

Here are the final items of information for your budget exercise.

Employee costs of refuse collection teams

The cost per team for teams on rounds using sacks is £55,023 for 2004/05. This cost includes employers' National Insurance and pension contributions as well as pay. At 2004/05 pay levels, the equivalent cost of a wheelie bin refuse collection team would be £41,865. For future years you should allow for inflation at the rates used in the MTFP calculations.

Humpa units

I have now received some information about Humpa units. These will cost £15,950 and are expected to last ten years each, with a residual value of £2,000.

Refuse sacks

You will also need to consider the demand for refuse sacks. These are purchased annually. Budgets are currently based upon an average demand of 1.5 sacks per dwelling per week, 52 weeks each year.

Transitional costs

It seems probable that for at least part of the transition period to wheelie bins, there will be a temporary increase in the number of refuse collection teams. The additional employees will be employed on a temporary basis at the same rates as the permanent employees. Additional vehicles will be hired each year as necessary, at a cost of £72,000 per vehicle per year, including all fuel and maintenance costs etc. You should assume that this annual rental cost per vehicle will not change over the three years of this exercise.

Fred J Mountain