

MTRP Proposal - 18/19 and Beyond - Business Case

Service Area	Streetscene and City Services
Unique Reference Number	SS181907
Proposal Title	Savings from fuel efficiencies
Version	20/12/2017
Proposal Summary Description	Reduced payments for waste services Reduced fuel costs linked to Wastesavers contract and cessation of contributions to South Wales Waste Management Group
Impact on Performance	Proposal will not impact on performance as it will not affect current waste services being delivered
Impact on FTE Count	No impact as proposal does not involve operational changes on staff
Impact on other Service Areas	The proposal only impacts internally to Highways and Waste departments within Streetscene
Impact on Citizens	As changes will only apply to internal processes and they will not affect services delivered to residents, no impact on citizens is expected
Delegated Decision (Head of Service/Cabinet Member/ Cabinet)	HoS
Activity Code	STR11 Sustainable Waste

Net Savings (£000's)	2018/19	2019/20	2020/21	2021/22
	16			

Implementation Costs (- £000's)	2018/19	2019/20	2020/21	2021/22
Revenue – Redundancy/Pension				
Revenue – External consultants				
Revenue - Other				
Capital – Building related				
Capital - Other				
Implementation Cost - Total	0			

Current Position
Regarding the refuelling system, under the current contract (kerbside recycling collections), fuel costs for the Wastesavers fleet form part of the operational costs used to calculate the rate per tonne paid to Wastesavers from Newport City Council (NCC). The current system involves Wastesavers refuelling at local petrol stations at normal market rates. By contrast, NCC purchases fuel through a consortium so NCC vehicles are able to refuel in pumps located either at

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Telford or Docksway depot.

As for the South Wales Waste Management Group (SWWVG) membership, Resource Efficiency Wales Ltd (who are an organisation that has been working together with waste authorities in Wales to achieve environmental and economic efficiency savings for a number of years) introduced a Wastes Partnership Initiative to examine the potential for benefits arising from a collaborative and co-operative liaison, and SWWVG was created as a result. Currently NCC is a member of this group, together with 12 other Local Authorities, and the main aim of the group is to work collaboratively and share resources and work in regional contracts. This group is led by a regional coordinator and funded by its members' contributions. There are quarterly meetings and one annual conference NCC officers attend.

Key Objectives and Scope

Key objectives of this proposal are:

- Improved efficiency in recycling collections: proposal involves allowing Wastesavers access to the NCC pumps for refuelling, which means NCC would be in control of the recycling fleet fuel's consumption plus there would be added benefits linked to discounted fuel rates due to all the fuel being bought by NCC through a consortium, which would result in savings in the Streetscene budget.
- Avoidance of duplications by taking part in different groups who deal with the same waste issues and are in contact with all key players. As NCC already collaborates with neighbouring local authorities through different regional projects and is also a member of the CSS Waste group and keeps a close relationship with Welsh Government and other organisations as WLGA or WRAP, ceasing SWWVG membership would avoid this duplication plus would save NCC the corresponding fee payments from 2018/2019.

Options considered

1. Option 1: To implement the proposals

By implementing this proposal NCC would be saving £16,000 on an ongoing basis, with no effect on current services or resources.

A. Changes to Wastesavers refuelling system:

By implementing this proposal, forecast is a saving of approximately

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£9k/year.

The proposal is based on removing fuel costs from Wastesavers budget, so NCC will be charged a reduced rate per tonne and the reduced fuel cost will be added to the Transport Unit budget to allow for the additional fuel expenditure, with a saving of approximately £9k/year.

By implementing this proposal NCC would benefit from a tighter fuel consumption control and reduced fuel rates that bring in savings. As a negative impact the changes would require traffic management on site to ensure Wastesavers' vehicles have access to NCC depots without interfering in day to day operations.

B. Cease SWWVG membership:

By implementing this proposal NCC would be saving £7,000 on an ongoing basis, with no effect on current services or resources. Negative impacts may arise from losing access to regional projects arranged through this partnership, but NCC already take part in similar groups or is in contact with other LAs etc. so this can be counteracted. On the positive side, NCC would be saving the membership fees.

2. Option 2: keep Status Quo

No changes would be implemented, there would not be any operational impact to current services but NCC would not achieve the key objectives detailed above or achieve the proposed savings

Recommended Proposal/Option

The recommended option is to implement the proposal:

A. Changes to Wastesavers refuelling system:

By implementing this proposal, forecast is a saving of approximately £9k, as detailed below:

	Annual consumption	WS price Q1	NCC price Q1	Cost/Saving
Fuel	137,820.00	0.9987	0.9322	9,165.04

Calculations are based on the estimated annual consumption of fuel and the average prices paid for fuel by Wastesavers and NCC, respectively, for Q1 this year.

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Wastesavers vehicles would operate in a similar way to NCC owned vehicles: they would be issued a key and pin numbers so the drivers can operate the pumps, and regular monitoring on fuel consumption etc. could be done as part of the monitoring system currently in place.

Hence a small initial outlay for purchasing keys for refuelling needs to be added:

Additional costs	Price	Number	Total
Keys	6	19	114

The proposal is based on removing fuel costs from Wastesavers budget (coded to NN02 46170 3409), so NCC will be charged a reduced rate per tonne (£138k deducted from total operational costs) and an extra £129k will be added to the Transport Unit budget to allow for the additional fuel expenditure, with a saving of approximately £9k/year.

The proposal does not have any impact on staffing levels.

- B. By implementing this proposal NCC would be saving £7,000 on an ongoing basis, with no effect on current services or resources.

Fee gets paid on an annual basis in April at the beginning of the financial year; implementation would imply a saving of £7,000 from NN02 46170 3812

Required Investment

There are no implementation costs involved:

- Regarding SWWMG the only action needed is to cease membership
- As for refuelling, NCC already has a fuelling system in operation, Wastesavers drivers would just need to be set up in the system and new fuelling keys distributed. This would have a one-off cost of £114 that has been netted off the savings.

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High Level Milestones and Timescales

Activity	Action	Implementation date	Comments
Changes to refuelling system	Budget realignment	February 2017	Agree 2018/2019 draft budget with Wastesavers-fuel costs excluded Agree changes to NCC budgets with Finance
	Drivers training	March 2017	Keys ordered and distributed Training to drivers provided
SWWMG	Cease payments	April 2018	

Key Risks/issues

Risk Description	Risk Score (as per matrix below)	Mitigation Measures
Congestion at fuel pumps	9	Traffic management and imposition of time restrictions for Wastesavers to access pumps
Missed out information or exclusion from consultation processes etc.	3	NCC already takes part in all collaborative arrangements in the region and has arrangements in place to share information with neighbouring Local Authorities, Welsh Government and relevant organisations in the sector

Risks have been scored using the following matrix and scoring mechanism

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5

Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

Probability	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5
	Impact				

Specific linkage with Future generation act requirements

Integration – This proposal contributes to the Greener city objective.

Long Term – The proposal allows for a better management of the recycling collections contract.

Prevention – This proposal allows for a more efficient use of resources and more streamlined operations.

Collaboration – By reviewing SWWMG partnership the service area has assessed current collaboration arrangements in place and it has been

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determined that current situation is very strong in terms of partnerships, group memberships etc..

Involvement – The proposal contributes to further integration of the council activities with Wastesavers, a third sector organisation, and adds resilience to the partnership, allowing them to continue their work with the community.

Fairness and Equality Impact Assessment

Not required