Summary Business Case - Recycling boxes to bins

	Year 1 £	20 year Lifecycle £	Note
Initial Investment (capital)			
134,000 bins	2,800,000		1
Total Capital Cost	**2,800,000**	2,800,000	
Revenue Costs			
Borrowing costs			
Minimum Revenue Provision (MRP)	140,000	2,800,000	2
Interest	140,000	2,800,000	3
Annual cost	**280,000**	5,600,000	
Cashable Savings			
Reduction in size of crew	- 224,458	- 5,656,854	4
Reduction in replacement containers	- 71,000	- 1,898,880	5
Replacement of damaged bins	10,500	1,444,390	6
Annual cashable savings	**- 284,958**	- 6,111,344	
Net revenue saving	**- 4,958**	**- 511,344**	
Other savings not assumed in business case			
Reduction in sick days (*non cashable)*	39,487	995,362	7
Reduction in sick day cover - WWY *(non cashable)*	24,792	617,394	8
Reduction in Public Realm street cleansing *(non-cashable)*	20,000	400,000	9
Reduction in capital spend for new vehicles	48,000	960,000	10
Additional recycling rates	*not quantified*		11

Notes

1 Assumes cost of purchase, delivery, storage and project management
2 Assumes asset life of 20 years - MRP charge is 5%
3 Assumes interest rate of 5%
4 Assumes 7 fewer loaders across workforce. 20 year life assumes 3% pay award. This will be delivered through a reduced agency staff
5 Saving arising from requirement to purchase recycling boxes
6 Requirement for replacement damaged bins
7 Assumes a 25% reduction in muscular-skeletal related absences
8 Assumes 50% of absences are covered by WWY
9 Reduced ad hoc clearance - storms etc
10 Assumes £480k reduction, saving is associated 10% revenue cost of borrowing
11 Increase in volume and quality of recyclate