



Agenda Item:

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Date of Meeting	27 October 2015
Officer	Treasurer to the Dorset Waste Partnership
<b>Subject of Report</b>	<b>Capital Programme 2016/17 – 2020/21</b>
Executive Summary	<p>This report contains an update on the proposed capital programme for the period of the Medium Term Financial Plan (MTFP) i.e. up to and including 2020/21.</p> <p>Estimates of capital expenditure have been updated based on current knowledge and progress of the capital programme to date.</p> <p>For 2016/17 onwards, partner councils should already be aware that <u>all</u> capital costs will be charged to partners through the cost share mechanism. Previously partner councils contributed capital allocations to the Dorset Waste Partnership (DWP) in a variety of ways.</p> <p>The DWP is unable to incur capital expenditure in its own right, and therefore needs Dorset County Council, as host authority, to reflect the DWP expectations of capital expenditure within its own capital programme. The Joint Committee are therefore asked to instruct the Treasurer to take the capital programme back to the County Council for inclusion in their capital programme.</p>
Impact Assessment:	<p>Equalities Impact Assessment: Not Applicable.</p> <p>Use of Evidence: This report is based on data from the County Council's financial system together with information from service</p>

	<p>managers.</p> <p>Budget: Implications for the budget are contained within the report.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with these decisions using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: MEDIUM Residual Risk: MEDIUM</p> <p>Other Implications: None</p>
Recommendation	<p>The DWP Joint Committee is asked to consider the information in this report and:</p> <ul style="list-style-type: none"> <li>i) Comment on the updated capital programme.</li> <li>ii) Instruct the Treasurer to take the latest capital estimates through the County Council's capital programme approval arrangements.</li> </ul>
Reason for Recommendation	<p>The Capital Programme does not require the formal approval of partner councils, but they are invited to comment on the programme.</p> <p>The County Council, as host authority, must incur capital expenditure on the Partnership's behalf by including the expenditure in the County Council's capital programme.</p>
Appendices	<p>Appendices –</p> <ul style="list-style-type: none"> <li>1. Capital Programme 2016/17 to 2020/21.</li> <li>2. Vehicle replacement programme 2016/17 to 2020/21</li> </ul>
Background Papers	<p>Previous financial reports to the Dorset Waste Partnership Joint Committee.</p> <p>The Inter Authority Agreement for the Dorset Waste Partnership Joint Committee.</p>
Report Originator and Contact	<p>Name: Andy Smith, Treasurer to the Dorset Waste Partnership, Tel: 01305 224031 Email: <a href="mailto:a.g.smith@dorsetcc.gov.uk">a.g.smith@dorsetcc.gov.uk</a></p>

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## 1. Background

- 1.1 The original capital budget approved for the Dorset Waste Partnership in January 2012 was for £28.275m, covering the period 2012-13 to 2015-16. This sum was identified in terms of the need to develop infrastructure and provide vehicles and containers for the implementation of the Recycle for Dorset scheme. The Treasurer's report of June 2015 reported that £6.010m had been spent in 2014-15, and this is in addition to spend of £10.765m prior to 2014-15, bringing total capital spend to the end of 2014/15 to £16.775m.
- 1.2 The Treasurers report of 28 October 2014 sought an increase in the overall capital allocation to £30.9m for the period up to the end of 2016/17. £14.125m therefore remains available from the current approved allocation. As shown in Appendix 1, current year capital spend is expected to be in the region of £4.7m, and 2016/17 capital spend anticipated at £5.6m.
- 1.3 The major item of slippage is the proposed construction of a Waste Management Centre at Blandford, estimated at £6m total cost.
- 1.4 It should be noted that certain capital schemes are excluded from this report. Firstly, certain schemes are considered to be "pre DWP" and are therefore reported directly to (and funded by) Dorset County Council on that basis. This includes for example the recently completed Bridport Waste Management Centre, site purchase at Blandford and an annual allowance for minor works on DCC assets. Secondly, budgets in relation to the Strategic Waste Facility / MRF at Bournemouth are accounted for by Bournemouth Borough Council, who are the accountable body for that scheme.

## 2. Capital Programme

- 2.1 Details of the refreshed capital programme are attached at Appendix 1. A more detailed version of the vehicle replacement programme is shown at Appendix 2.

### 2.2 Containers -

From 2016/17 onwards, the capital programme will not include sums for the purchase of containers associated with the rollout of the Recycle for Dorset scheme. The capital programme does contain a capital sum estimated to be the 'business as usual' capital requirement for bins and boxes i.e. for replacements and for dealing with new service requirements such as new dwellings, estimated at just over £500k per annum.

### 2.3 Vehicles -

A more detailed vehicle replacement programme is attached at Appendix 2. It should be noted that there is a 'peak' of purchase for 2016/17, after which vehicle replacement is relatively small until the next 'peak' in the year 2020/21. The vehicle replacement programme ignores any potential vehicle replacement requirements arising from any changes to the current service model; it is expected that any such vehicle requirements would be costed as part of a business case.

2.4 Infrastructure -

The current capital programme includes two items under the 'Infrastructure' heading. The first is the proposed construction of the Blandford Waste Management Centre, estimated at £6m total cost. The capital programme as laid out assumes that construction will not begin before the final quarter of 2016/17.

The second infrastructure item is a sum of £50k for the potential purchase of ICT specialist software in relation to developing efficiencies in relation to route planning, and in particular garden waste and/or trade waste.

**3. Capital cost sharing mechanism**

- 3.1 The Joint Committee are reminded that separate partner contributions for capital spend on replacement vehicles cease with effect from 2016/17. All capital spend is cost shared as per the cost sharing percentages for the relevant year, as per the Inter Authority Agreement.

**Andy Smith**  
**Treasurer to the Dorset Waste Partnership**  
October 2015



**Refreshed Capital Programme  
for Joint Committee October 2015**

**Appendix 1**

Existing budget as per Joint Committee approval:

*Budget as agreed by Joint Committee January 2015:*

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Infrastructure	1,437,478	1,522,200	3,700,000				
Containers	1,366,052	777,389	0				
Containers - garden waste (not previously split out separately)	300,950	129,200	0				
Vehicles - non Recycle for Dorset	0	1,870,750	2,040,750				
Vehicles - Recycle For Dorset	3,929,000	1,615,000	1,461,000				
<b>Total capital expenditure:</b>	<b>7,033,480</b>	<b>5,914,539</b>	<b>7,201,750</b>				

*Latest forecast of capital expenditure including 2014/15 final spend:*

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Infrastructure	370,996	432,200	1,550,000	4,225,000	0	0	0
Containers - implementation of r4D	1,623,822	476,543	0	0	0	0	0
Containers - r4D BAU	0	0	504,179	504,179	504,179	504,179	504,179
Containers - garden waste (not previously split out separately)	164,073	129,200	165,000	165,000	165,000	165,000	165,000
Containers - commercial waste (not previously split out separately)	13,488	83,000	68,000	68,000	68,000	68,000	68,000
Vehicles - non Recycle for Dorset	27,422	1,791,541	62,000	57,000	13,000	38,000	0
Vehicles - cleansing			130,000	130,000	35,000	130,000	1,616,000
Vehicles - commercial waste			1,000,000	0	0	0	0
Vehicles - garden waste			720,000	0	0	0	0
Vehicles - Recycle For Dorset	3,810,191	1,789,058	1,415,000	235,000	417,000	150,000	5,305,000
<b>Total capital expenditure:</b>	<b>6,009,991</b>	<b>4,701,542</b>	<b>5,614,179</b>	<b>5,384,179</b>	<b>1,202,179</b>	<b>1,055,179</b>	<b>7,658,179</b>

*Breakdown of capital expenditure forecast:*

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<b>Infrastructure</b>							
Hybris	0	34,000	0	0	0	0	0
Hurn	0	0	0	0	0	0	0
Blandford	0	200,000	1,500,000	4,225,000	0	0	0
Sherborne Waste Management Centre	355,484	0	0	0	0	0	0
Sites - Misc / equipment	15,512	198,200	0	0	0	0	0
ICT	0	0	50,000	0	0	0	0
<b>Infrastructure subtotal</b>	<b>370,996</b>	<b>432,200</b>	<b>1,550,000</b>	<b>4,225,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>check:</i>	0	0	0	0	0	0	0
<b>Containers</b>							
Containers - rollout of r4d	1,623,822	476,543	0	0	0	0	0
Containers - r4D BAU	0	0	504,179	504,179	504,179	504,179	504,179
Containers - commercial waste (not previously split out separately)	13,488	83,000	68,000	68,000	68,000	68,000	68,000
Containers - garden waste (not previously split out separately)	164,073	129,200	165,000	165,000	165,000	165,000	165,000
<b>Containers subtotal</b>	<b>1,801,382</b>	<b>688,743</b>	<b>737,179</b>	<b>737,179</b>	<b>737,179</b>	<b>737,179</b>	<b>737,179</b>
<i>check:</i>	0	0	0	0	0	0	0
<b>Vehicles</b>							
Vehicles - non collection (non r4d)	27,422	1,791,541	62,000	57,000	13,000	38,000	0
Vehicles - cleansing			130,000	130,000	35,000	130,000	1,616,000
Vehicles - collection (r4d)	3,810,191	1,789,058	1,415,000	235,000	417,000	150,000	5,305,000
Vehicles - garden waste service			720,000	0	0	0	0
Vehicles - commercial waste service			1,000,000	0	0	0	0
<b>Vehicles subtotal</b>	<b>3,837,613</b>	<b>3,580,599</b>	<b>3,327,000</b>	<b>422,000</b>	<b>465,000</b>	<b>318,000</b>	<b>6,921,000</b>
<b>Total capital expenditure:</b>	<b>6,009,991</b>	<b>4,701,542</b>	<b>5,614,179</b>	<b>5,384,179</b>	<b>1,202,179</b>	<b>1,055,179</b>	<b>7,658,179</b>
<i>check</i>	0	0	0	0	0	0	0



Vehicle replacement programme  
for Joint Committee October 2015

Appendix 2

DWP Fleet Profile	Cost / Year
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Recycle for Dorset vehicle fleet

GVW	Description	Service	Est Cost	2016/17		2017/18		2018/19		2019/20		2020/21	
				Quantity	£	Quantity	£	Quantity	£	Quantity	£	Quantity	£
26t	70/30 Split body	R4D	£191,000	0	£0	0	£0	0	£0	0	£0	11	£2,101,000
26t	RCV	R4D	£150,000	7	£1,050,000	1	£150,000	2	£300,000	1	£150,000	12	£1,800,000
18t	70/30 Split body	R4D	£140,000	0	£0	0	£0	0	£0	0	£0	0	£0
18t	RCV	R4D	£140,000	2	£280,000	0	£0	0	£0	0	£0	0	£0
15t	70/30 Split body	R4D	£121,000	0	£0	0	£0	0	£0	0	£0	0	£0
15t	RCV	R4D	£117,000	0	£0	0	£0	1	£117,000	0	£0	2	£234,000
7.5t	RCV	R4D Food Waste	£65,000	0	£0	0	£0	0	£0	0	£0	18	£1,170,000
7.5t	RCV	R4D	£85,000	1	£85,000	1	£85,000	0	£0	0	£0	0	£0
15t	L/M Sweeper	Cleansing	£130,000	0	£0	0	£0	0	£0	1	£130,000	10	£1,300,000
12T	L/M Sweeper	Cleansing	£115,000	0	£0	0	£0	0	£0	0	£0	2	£230,000
4t	S/M Sweeper	Cleansing	£70,000	0	£0	0	£0	0	£0	0	£0	0	£0
7.5t	Cage Tipper Tail-lift	Cleansing	£46,000	0	£0	0	£0	0	£0	0	£0	1	£46,000
7.5t	Cage Tipper Side-lift	Cleansing	£46,000	0	£0	0	£0	0	£0	0	£0	0	£0
3.5t	Cage Tipper	Cleansing	£35,000	3	£105,000	3	£105,000	1	£35,000	0	£0	0	£0
<3.5t	Med Panel Van	Cleansing	£25,000	1	£25,000	1	£25,000	0	£0	0	£0	0	£0
<3.5t	Small Van	Cleansing	£20,000	0	£0	0	£0	0	£0	0	£0	2	£40,000
12t	Large Cage Tail-lift	R4D	£75,000	0	£0	0	£0	0	£0	0	£0	0	£0
<3.5t	Small Van	Promotions	£18,000	0	£0	1	£18,000	0	£0	0	£0	0	£0
3.5t	Workshop van	V- Maintenance	£25,000	0	£0	0	£0	0	£0	1	£25,000	0	£0
<3.5t	Car derived van	General	£13,000	2	£26,000	3	£39,000	1	£13,000	1	£13,000	0	£0
<3.5t	Pool car	General	£12,000	3	£36,000	0	£0	0	£0	0	£0	0	£0
				19	£1,607,000	10	£422,000	5	£465,000	4	£318,000	58	£6,921,000

Capital charges for write down of vehicles over 7 years:

Purchases 2016/17	£229,571	£229,571	£229,571	£229,571	£229,571
Purchases 2017/18	£0	£60,286	£60,286	£60,286	£60,286
Purchases 2018/19	£0	£0	£66,429	£66,429	£66,429
Purchases 2019/20	£0	£0	£0	£45,429	£45,429
Purchases 2020/21	£0	£0	£0	£0	£988,714
	£229,571	£289,857	£356,286	£401,714	£1,390,429
Estimate of interest at 2.5%:	£5,739	£7,246	£8,907	£10,043	£34,761
	£235,311	£297,104	£365,193	£411,757	£1,425,189

Dedicated Commercial Waste vehicles

GVW	Description	Service	Est Cost	2016/17		2017/18		2018/19		2019/20		2020/21	
				Quantity	£	Quantity	£	Quantity	£	Quantity	£	Quantity	£
26t	RCV	Trade	£180,000	4	£720,000	0	£0	0	£0	0	£0	0	£0
				4	£720,000	0	£0	0	£0	0	£0	0	£0

Capital charges for write down of vehicles over 7 years:

Purchases 2016/17	£102,857.14	£102,857	£102,857	£102,857	£102,857
Purchases 2017/18	£0	£0	£0	£0	£0
Purchases 2018/19	£0	£0	£0	£0	£0
Purchases 2019/20	£0	£0	£0	£0	£0
Purchases 2020/21	£0	£0	£0	£0	£0
	£102,857	£102,857	£102,857	£102,857	£102,857
Estimate of interest at 2.5%:	£2,571	£2,571	£2,571	£2,571	£2,571
	£105,429	£105,429	£105,429	£105,429	£105,429

Dedicated Garden Waste vehicles

GVW	Description	Service	Est Cost	2016/17		2017/18		2018/19		2019/20		2020/21	
				Quantity	£	Quantity	£	Quantity	£	Quantity	£	Quantity	£
15t	RCV	Garden Waste	£142,857	7	£1,000,000	0	£0	0	£0	0	£0	0	£0
				7	£1,000,000	0	£0	0	£0	0	£0	0	£0

Capital charges for write down of vehicles over 7 years:

Purchases 2016/17	£142,857.14	£142,857	£142,857	£142,857	£142,857
Purchases 2017/18	£0	£0	£0	£0	£0
Purchases 2018/19	£0	£0	£0	£0	£0
Purchases 2019/20	£0	£0	£0	£0	£0
Purchases 2020/21	£0	£0	£0	£0	£0
	£142,857	£142,857	£142,857	£142,857	£142,857
Estimate of interest at 2.5%:	£3,571	£3,571	£3,571	£3,571	£3,571
	£146,429	£146,429	£146,429	£146,429	£146,429

Total effect on the revenue budget:

£487,168	£548,961	£617,050	£663,614	£1,677,046
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