

Appendix A2 Ansa Financial Data and Assumptions

Cost of Investment

Revenue Expenditure and Income

(use to reflect the revenue expenditure incurred to realise the project, any funding received and who will incur the net cost)

| Expenditure (List) | 2013-14 Forecast £000 | Cost falls to (CEC/ADSV/ Other) |
|--|-----------------------|---------------------------------|
| Legal Costs: In-house Legal Property Support to Project | 0 | ASDV |
| Legal Costs: Property Costs (Expenses) search and title disbursements, SDLT and Land Registry fees for registering the new 25 year leases | 4,000 | ASDV |
| SDLT - If there is neither a premium nor a rent taken from Ansa (Tessa Leonard assumption) then market value lease premia are assumed and SDLT is payable accordingly. | 0 | ASDV |
| Land Registry fees depend on the quantum of rents/ market values too. Market Values not known at this stage | 2,000 | ASDV |
| Assets Costs: Condition Surveys, Searches, Title Deeds, Certificates. £1,500 per site | 9,000 | ASDV |
| Legal Company / Contract Costs (Consultant) | 20,000 | ASDV |
| Legal Pension Advice (Consultant) | 25,000 | ASDV |
| HR / Staffing / TUPE advice (HR) | 0 | ASDV |
| ICT Cost | 10,000 | ASDV |
| Procurement & Strategy Advisors (2 days per week from Oct 2013) | 0 | ASDV |
| Oracle Development (Centrally funded) | 0 | CEC |
| Actuarial Report £5,000 | 5,000 | ASDV |
| External Audit £5,000 of Business Case (Centrally funded) | 0 | CEC |
| Officers & Directors Insurance | 5,930 | ASDV |
| Transfer of Payroll Benefits (Green Car Scheme/Bike Scheme) £1,000 | 1,000 | ASDV |
| Branding / Comms - Design Costs (Comms) - £2,500 Brand Design & Logo; £3,500 Web Domain | 6,000 | ASDV |
| WOC Focus Group (Comms) | 3,000 | ASDV |
| PPE (Branding) | 7,000 | ASDV |
| Depot Signage | 2,000 | ASDV |
| External Consultant - WOC Support | 10,000 | ASDV |
| | | |
| | | |
| TOTAL Expenditure | 109,930 | 0 |
| Funding (List) | | |
| Project budget - Currently earmarked funding through approved Cost of Investment monies in 2013/2014 budget | 109,930 | |
| External funding | 0 | |
| | | |
| TOTAL Funding | 109,930 | 0 |

Budget Forecast - Detailed Assumptions

General Comments re the format of the Table

Current cost of delivery 2013-14 relates to forecast out-turn position for services in scope for the Environmental Operations WOC (ANSA). This position therefore reflects any in year issues such as contract tonnage shortfalls and other in year pressures that have been proposed for correction/revision through growth in the 2014-15 business planning process. Likewise, any efficiency savings that are being delivered early in 13-14 are equally reflected in this column. The full year effect of these efficiencies, mainly affecting employee and transport costs, have equally been fully reflected in the 2014-15 business planning process. In order to correctly reflect the forecast 2014-15 Year 1 ASDV budget for ANSA, the base budget position for 14-15 has been used, amended for any core service business planning changes (growth & savings) before the proposed ASDV changes as described below have been included. The total savings/growth assumptions in the far right column have equally been presented reflecting the impact of other business planning changes to ensure consistency.

Employees:

- Includes additional costs associated with shortfall in proposed Client budget/structure as yet not stripped out of total budget.
- Includes costs for remuneration of new chairman & vicechair & director @£30k.
- Includes specific company related costs: Companies house, filing accounts, corporate costs re board meetings etc
- Includes costs for proposed Operational Manager/Head of Operations
- Assumes initially that role of company secretary will be undertaken by CEC through buyback arrangement from Legal Services.
- Includes £500k savings, profiled £300k in 14/15 and £200k in 15/16 relating to Service operational reviews

Premises:

- Currently only shows premises running costs and indicative R&M costs for two main depots and smaller depot sites deemed to transfer.
- Does not yet incorporate any inflationary element linked to forecast energy, water & rates increases.

Transport:

- Currently excludes any assumption re Fleet Replacement for Streetscape (currently being worked on) but likely to be a growth requirement

Support Services & Supplies:

£2.458m reflects the indicative support services costs based on the 2012-13 out-turn corporate costs recharged to the services included within the ASDV. The table above assumes 5% saving per annum starting in year 2 £123k, increasing by 5% until year 4, £369k i.e 15% in year 4 and then plateaus, with approx £90k for supplies.

The above position is subject to ongoing refinement/review of support costs model and ongoing discussions with corporate/shared service re buy back of services within the incubation period.

May need to consider removing these reductions until further clarity known and instead denote as subject to future business planning proposal.

Income:

- The income analysis is restated where currently income that is treated as Internal Recharges will in future be treated as external income within the ASDV budget.
- Assumes that corporation tax from growth in trading activity, that will be going through the ASDV trading company, will be offset by costs of main company

New Business - Trading Opportunities:

- Assumes additional efficiency and new business growth assumptions as referred to in the main business case.