

Project/Item Title	Procurement of DEFRA funded Food waste collection vehicle		Version	
Corporate Head	Helen Clark	Service Area	Environmental Services	
Service Committee to Approve Budget	Environmental Services			
Anticipated Cost of Proposal (Capital)	£175,585	Anticipated Cost Proposal (Revenue)	£16,990	

To be completed for Projects only

Type of Project	Equipment	Project Duration	n/a
Proposed Project Start Date	Feb-25	Proposed Project End Date	n/a

Business Case Context

Background

Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation?

Approval is sought for the release of DEFRA capital new burdens grant funding for the purchase of one 12 tonne Refuse Collection Vehicle (RCV) which will be used to collect food waste from flats, not currently covered by the Council's food waste collection. From April 2026 new legislation mandates local authorities to offer a food waste collection to all households.

Capital release is also sought for the purchase of food caddies and food bins to support the roll out of food waste collection from flats. All purchases will be funded by the DEFRA grant which totals £175,585. The Environment Act 2021 (Commencement No. 9 and Transitional Provisions) Regulations 2024 were adopted on 14 May 2024 and will introduce mandatory separated food waste collections from 31 March 2026 for all households.

Strategic Links - relate this Business Case to RBC Corporate Strategies and Corporate Values

Corporate Strategies	Describe how this Business Case meets / contributes to the Corporate Business Plan through each of the Corporate Strategies. - Delete those not applicable
Climate Change Strategy <i>Reducing Carbon emissions from the Council's operations and the wider Runnymede community.</i>	Climate Change: The vehicle will help RBC meet new statutory duties relating to food waste collection from all households. Increasing the percentage of food waste collected will increase the % of waste recycled.
Organisational Development Strategy <i>Enable Officers and Members to perform their duties to the best of their ability and make Runnymede Borough Council the employer of choice for local people.</i>	
Economic Development Strategy <i>Ensuring that the Borough continues to be a leading economy in Surrey and the wider sub-region.</i>	
Empowering the Community Strategy <i>Evidence Based Decision Making, Listening to residents, Enabling Communities to help themselves and to take control of services or plans for their areas, Working effectively with partner organisations, Dealing with inequalities.</i>	
Health and Wellbeing Strategy <i>Support the delivery of a range of services and functions to improve outcomes for residents and their quality of life.</i>	
Corporate Values	Describe where this Business Case fits in our Corporate Values - Delete those not applicable
People-focussed – we will put people at the heart of what we do and they will be able to deal with us easily.	Performance driven - this is a new statutory function
Passionate – we will empower our staff to be passionate about all we do.	
Performance driven – we will strive for excellence in all we do.	
Innovative – we will aim to creatively improve our services and be open to new ways of providing services.	
Promoting equality and diversity – we believe in fairness as well as maintaining a diverse workforce so we can draw upon a wide range of views and experiences to meet the changing needs of our communities.	
Delivering excellent value for money – we will strive to be as efficient and effective as possible.	

Collaborative – we will work together and with others to deliver positive outcomes for our communities.

Transparent – we will be open and honest to all about what we do.

List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely

The objective will be to offer food waste collections to all residents of flats, both existing and incorporating future new developments. Data from Surrey Environmental Partnership suggests a further 241 locations already in existence are not presently provided with food waste collection provision. Planning colleagues indicate that potentially 1600 new flats will need food waste collection provision if these proposed new developments are built in the next 5 years. The new vehicle will be used to progress this statutory work. The new vehicle is needed as all existing rounds are already close to capacity.

List the Constraints or Parameters in which this Business Case will operate

The vehicle must be procured from the DEFRA funding envelope

List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

Compliance with the Environment Act 2021 (Commencement No. 9 and Transitional Provisions) Regulations 2024 which were adopted on 14 May 2024 and which will introduce mandatory separated food waste collections from 31 March 2026 for all households. Improved recycling of food waste from flats

Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1 (preferred option):

Description

Describe the preferred option and why. Describe the current position and the consequences/reasons that do nothing is not a viable option.

The preferred option is procurement of one new 12 RCV via the councils In-Tend e-tendering process. This will add the additional collection capacity required to deliver the expanded food waste collection round. If the vehicle is not purchased the new burdens funding can only be used to purchase food bins and caddies. Not all the budget could be used for this purpose so a large proportion would remain unspent and have to be returned to DEFRA post the March 2026 deadline.

Description

Five options have been considered. For each option all remaining capital will be used to buy food waste caddies and food waste bins for communal collection points.

Option one which is the preferred option is the procurement of one new DEF LF12 RCV via the councils In-Tend e-tendering process. This will add the additional collection capacity required to deliver the expanded food waste collection round. This is the preferred option as it will deliver the necessary additional food waste collection capacity.

Option two is a 5-year lease/contract hire plan for the same vehicle (DAF LF12 RCV). This option is not recommended as the total price for 5 years is higher than quoted purchase price.

Option three is purchase of one new 7.5 Tonne Isuzu Orus RCV via the councils In-Tend e-tendering process. This will add the additional collection capacity required to deliver the expanded food waste collection round. This option is not recommended as the vehicle is likely to go overweight due to limited capacity.

Option four is 5-year lease/contract hire plan for the same vehicle 7.5 Tonne Isuzu Orus RCV. This option is not recommended as the total price for 5 years is higher than quoted purchase price.

To note It is likely that a procured vehicle will give serviceable life beyond 5 years giving further added value to these options.

Option five is do nothing. This option is not recommended as the DEFRA grant can only be used for capital purchase to support delivery of the extended food collection service. This procurement will deliver an additional vehicle to support the fleet at revenue cost only.

If the vehicle is not purchased the new burdens funding can only be used to purchase food bins and caddies. Not all the budget could be used for this purpose so a large proportion would remain unspent and have to be returned to DEFRA post the March 2026 deadline.

Benefits (comparison to other options considered)

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council

The new vehicle will offer additional capacity to collect food waste from flats which do not have this service at present and from flats which will be built in the next 5 years. The vehicle will allow us to meet the new statutory duties. The vehicle must be used to increase food waste collection capacity but can also be used for alternative duties as long as it is not used to collect commercial food waste.

Advantages to Service Area (preferred option)	Disadvantages to Service Area (preferred option)
New vehicle and increased capacity for food waste collection round. Given there are two small RCV vehicles in the fleet beyond their expected serviceable life it is possible that a replacement vehicle may be required at short notice due to catastrophic failure. This vehicle would become a back up which could enable service delivery to continue in these circumstances.	Additional revenue cost to maintain the vehicle
Costs to Organisation (preferred option)	Benefits to Organisation (preferred option)
Additional revenue costs such as tax and insurance. Additional fuel will be required to cover the additional collections whether or not the vehicle is purchased.	Ability to deliver the expanded food waste collection service for residents living in flats.

Environmental Sustainability Benefits (direct and indirect benefits to support Climate Change Strategy)

Outline any direct and indirect benefits of the Preferred Option that aims to minimise negative and promote positive environmental impacts and/or reduce carbon emissions, where possible

Direct Environmental Sustainability Benefits (preferred option)	Indirect Environmental Sustainability Benefits (preferred option)
capability of running on HVO fuel	Increased recycling rates

Negative Environmental Impacts

Resource Requirements**Staffing Appraisal (preferred option):**

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
2-3 depending upon the round	none - it is not anticipated that there will be enough additional food waste to require provision of one full time collection round	Potentially additional agency staff depending upon the number of flats built in the next 5 years.

Add any costs into the financial appraisal table.

FINANCIAL APPRAISAL**Finance Appraisal (preferred option) - To be completed with the Finance Department:**

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible benefits –

Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.

Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc:	cost examples are based on January 2025 quotes from approved suppliers for leasing and purchasing vehicles.
Please explain how you have considered the VAT implications of the project/item:	Normal standard VAT will be applicable on the purchase of the equipment
What external funding sources and opportunities have been explored for this initiative? Contact Howard Collins, Bid Writer and Grants Officer and provide details.	This is external funding
Does this proposal require new or impact existing ICT hardware or software? How will this be progressed? Contact Linda Norman, Corporate Head of Customer, Digital & Collection Services and provide details.	None
Does this proposal require building modification or refurbishment work of a corporate asset? How will this be progressed? Contact Alex Williams, Corporate Head of Assets and Regeneration and provide details.	No

CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Vehicle	155,820					
Bins	19,765					
Total Capital Expenditure	175,585	-	-	-	-	-
Net Capital Outlay	175,585	-	-	-	-	-

Estimated Useful Life of the Asset: Where the expected lives of each significant component of the asset are different (i.e. buying a house with a flat roof) you must estimate both the useful live and cost of replacing each component part. Please only include components greater than £20,000 in cost or more than 20% of the total value of the asset.

	(basis of estimation)	Estimated Value (£)	Estimated Life (yrs)
Overall asset			
RCV vehicle	maximum vehicle life	155,820	10
Bins		19,765	10
Component 3 (specify):			

REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)

maintenance including repair and service	6,400	6,400	6,400	6,400	6,400
road tax	290	290	290	290	290
insurance	1,800	1,800	1,800	1,800	1,800
- this would be required if the additional food waste were to be collected by the existing fleet	8,500	8,500	8,500	8,500	8,500
Less: Savings to existing budget (Please specify)					
It is anticipated that additional revenue costs will cease after year one due to					
fleet rationalisation post route optimisation		- 16,990	- 16,990	- 16,990	- 16,990
Total Revenue Expenditure	16,990	-	-	-	-

Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc.) to RBC if delivering the preferred option. A risk summary only is required here.

Risk Description	Mitigation / Help needed
delay in purchase means that we don't meet the grant timeframe	ensure procurement starts soon after the procurement is approved
risks already linked to the service, accidents, health and safety, breakdowns,	manage the vehicle according to established procedures for safety
Given there are two small RCV vehicles in the fleet beyond their expected serviceable life it is possible that a replacement vehicle may be required at short notice due to catastrophic failure. This vehicle would become a back up which could enable service delivery to continue in these circumstances.	

Impact

Consider the impact of the Business Case on the Organisation / Environment / Technology / Commercialisation / Cultural / HR

Option 3 (rejected option)

Description

What else have you considered and rejected? Why were they rejected?

Disadvantage to Organisation (rejected option)	Disadvantages to Service Area (rejected option)
additional cost over 10 year predicted lifetime of vehicle 7.5 Tonne too small	scarcity of small 12T RCVs means that leasing companies may fail to provide replacements when vehicle is not operational
Costs to Organisation (rejected option)	Benefits to Organisation (rejected option)
	Replacement may be found to cover long period when vehicle is not in service due to accident or mechanical failure. This is questionable due to scarcity of smaller vehicles.

Authorisation

Approved by Corporate Head of Finance		Date	
Approved by Corporate Leadership Team		Date	Priority Score
Corporate Leadership Team Feedback			
Taken to Corporate Property & Acquisitions Member Working Group / Services and Digital Transformation Working Party (Where applicable)		Date	
Committee Report to be presented to:		Date	