



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET - 4TH NOVEMBER 2019
Report Number	AGENDA ITEM (07)
Subject	ENVIRONMENTAL SERVICES IN-CAB TECHNOLOGY SYSTEM
Wards affected	ALL
Accountable member	Cllr. Andrew Doherty - Cabinet Member for Waste, Flooding and Environmental Health Email: andrew.doherty@cotswold.gov.uk
Accountable officer	Claire Locke - Group Manager for Commissioning Strategy Tel: 01285 623000 Email: claire.locke@publicagroup.uk
Summary/Purpose	This report presents Cabinet with a business case on the costs, benefits and risks of procuring an Environmental Services In-Cab Technology system and seeks approval to proceed in presenting to Council for approval of the required budget.
Annexes	Annex A - In-Cab Technology Business Case
Recommendation/s	That Cabinet:- <i>a) Approves the Business Case;</i> <i>b) Makes a recommendation to Council for the allocation of up to £142,000 from the invest to save fund, to procure the Environmental Services In-Cab Technology system from Yotta;</i> <i>c) Includes revenue growth for software licences and maintenance of £26,000 per annum to be offset by savings in the Ubico contract costs of at least £42,000.</i>
Corporate priorities	If approved, this proposal will positively contribute to the priority in the emerging Corporate Plan to reduce Carbon and the environmental impact of the Councils operations, and after payback, provide a cost saving to go towards the savings identified in the Medium Term Financial Strategy (MTFS).
Key Decision	YES
Exempt	NO
Consultees/ Consultation	None required

1. BACKGROUND

Ubico Ltd which performs the environmental services (waste, recycling and street cleansing) on behalf of the Council uses mainly manual processes to support them in undertaking their duties. These manual processes are resource intensive and there is the opportunity for mistakes to happen which affect the service received by our customers and add to the costs being paid for by the Council – such as missed collections.

There are a number of Environmental Services with In-Cab Technology Systems available on the market and officers have completed a procurement process to identify the benefits, costs and risks of implementing such a system.

2. MAIN POINTS

- 2.1. As detailed in the business case attached at Annex A, Cotswold District Council has an opportunity to procure and implement an Environmental Services Management System with In-Cab Technology system with a four year life cycle cost of £220,000.
- 2.2. The revenue savings from this investment are estimated to range between £42,000 and £82,000 per annum.
- 2.3. The implementation of this system would offer a number of financial, service related and carbon reduction benefits to the Council and Residents.
- 2.4. To achieve the financial and non-financial benefits of In-Cab technology the Council will need to adopt a policy of not returning to collect missed bins/recycling containers due to lack of presentation by the householder. Whilst the current Environmental Services Policy does put the onus on residents to present their waste and recycling containers by 7 a.m. on their correct scheduled collection day, it does not explicitly state that collection crews will not return to properties where they have not been presented on time. In support of the forthcoming waste and recycling service redesign implementation, this stipulation will be added as part of updating the Environmental Services Policy.
- 2.5. The Joint Management Team (JMT) has reviewed the proposal and their questions/comments have been answered and the relevant information updated within the business case and this report.
- 2.6. The Technical Design Authority (TDA) has also reviewed the proposal and concluded that 'the Yotta In-cab solution has good APIs (application programming interfaces) for integration. Whilst there would be the requirement of integration investment to link the solution to Salesforce, from a technical perspective they are happy with this solution'.

3. FINANCIAL IMPLICATIONS

- 3.1. A full EU compliant procurement process has been completed and Yotta has scored highest following the evaluation with a lifecycle cost of **£197,316** over the four year contract period.

- 3.2. This cost is made up of a one-off capital cost of **£118,602** in year 1 for the hardware and software needed to set the system up and then **£26,238** revenue for each of the following three years to operate the system.
- 3.3. To ensure that there is the necessary contingency it is proposed to allocate up to **£220,000** for this project.
- 3.4. Using this whole-life system cost including contingency (£220,000) and offsetting the anticipated saving of predominantly eradicating missed collections (£82,890), the estimated payback period of procuring the Yotta system would be approximately **two to three years**. If only 50% of missed bins were eradicated the comparison anticipated saving is £41,445 producing an estimated payback period would be **five to six years**.
- 3.5. However, it's likely that additional savings could be made by realising process efficiencies and potentially reducing FTE's which would benefit in accelerating the payback period or providing additional savings in time/resources. For the purposes of presenting a conservative cost/benefit analysis within the business case, these potential savings have not been taken into account. However, following implementation of the In-Cab system, a systems and process review will be completed by officers to identify the secondary benefits/opportunities available.

4. LEGAL IMPLICATIONS

- 4.1. Any legal implications associated with this proposal are covered in the Council's finance and procurement regulations.

5. RISK ASSESSMENT

- 5.1. The risks and proportionate actions identified to manage them within this proposal are shown at Annex A of the Business Case.

6. CLIMATE CHANGE IMPLICATIONS

- 6.1. The introduction of an In-Cab system would reduce the mileage required to be completed by Ubico, because it would guide the crew around their collection route and would largely eliminate mistakes. This would have a direct benefit in reducing the fuel used and associated carbon usage. In addition, it's likely that the Council would see missed collections reduce meaning that return journeys to collection areas would not need to be made, which would again contribute in lowering the fuel and carbon usage.

7. ALTERNATIVE OPTIONS

- 7.1. The alternative to procuring an Environmental Service In-Cab Technology system would be to continue with the current method of service delivery.

8. BACKGROUND PAPERS

8.1. None.

(END)