

GREEN WASTE COLLECTION CHARGING: REVISED INCOME PROJECTIONS



ASSUMPTIONS:

START DATE

Original Start Date 01 August 2016

Revised Start Date 01 January 2017

Assumes systems will be in place to take payments from 01 November 2016 prior to a live date of 01 January 2017.

PRICING

Original Price £30

Revised Pricing £30 for 2016/17 for 15 Months, if paid prior to 01 April 2017

£37.50 for 2017/18 for 12 months, if paid after 01 April 2017

£40 for 2018/19 for 12 months. Future years pricing still to be determined.

Assumes an initial charge of £30 for 15 months as an incentive to sign-up before 01 April 2017, after that the price will increase to £37.50 for the duration of 2017/18, and then up to £40 for 2018/19. Pricing thereafter is still to be determined.

TAKE-UP

No. of properties in district 58,000 (with a green bin)

Original Estimated Take-up 50%

Revised Take-up as illustrated below - it is estimated that 70% of subscribers will join prior to 1st April 2017 therefore paying the initial discounted rate of £30

BUDGET FORECASTS (INCLUDED IN APPROVED REVENUE BUDGET)

2016/17 -£580,000

2017/18 -£870,000

2018/19 -£887,400

FINANCIAL SUMMARY

	2016/17		2017/18		2018/19	
	Revised Income Projection	Variance to Budget -FAV/ADV	Revised Income Projection	Variance to Budget -FAV/ADV	Revised Income Projection	Variance to Budget -FAV/ADV
40% take-up	-£97,400	£482,600	-£650,800	£219,200	-£928,000	-£40,600
45% take-up	-£109,600	£470,400	-£732,100	£137,900	-£1,044,000	-£156,600
50% take-up	-£121,800	£458,200	-£813,500	£56,500	-£1,160,000	-£272,600
53.5% take-up	-£130,300	£449,700	-£870,400	-£400	-£1,241,200	-£353,800
55% take-up	-£134,000	£446,000	-£894,800	-£24,800	-£1,276,000	-£388,600
60% take-up	-£146,200	£433,800	-£976,100	-£106,100	-£1,392,000	-£504,600

The above shows the various financial projections given an array of take-up rates which are estimated to be in the region of 40% to 60%. However, there will be a shortfall in income in 2016/17 as a result of the delayed start to the scheme. Based on the assumptions included above, a 53.5% take-up rate would achieve the required income to meet the 2017/18 budget.