

Appendix 2: Start-up costs by financial model

Cost	Concession contract (current model)	In House	CIC or other vehicle	Concession contract ((operator owns assets)
Recruitment/ HR	N/A	Posts needed: Finance officer, Legal support PR & Marketing officer General Manager; Admin support Further service and redistribution crew Battery Swap crew x 5	Posts: Finance officer, Legal support PR & Marketing officer, General Manager, Admin support. Further service and redistribution crew. Battery Swap crew x 5 Set up of infrastructure necessary for recruiting and employing staff, establishing policies and processes etc. Likely to be pressure to reflect council pay and conditions which would increase the potential costs; council may be drawn into any industrial disputes.	.N/A
TUPE (Transfer of existing support staff costs).	Legal Liabilities and process for TUPE transfer would sit between the current and new operators. The Council would facilitate the provision of information required for TUPE including ensuring the TUPE	5 Redis crew 2 service engineers Foreman General Manager Business manager. Costs likely to increase due to move to Council grade structure. LGPS entitlement leading to higher pensions costs.	5 Redis crew 2 service engineers Foreman General Manager Business manager	N/A TUPE transfer of the staff from the current operators to the new operators. Liabilities and process for TUPE transfer would sit between the current and new operators. The Council would facilitate the provision of information

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	liabilities are clearly set out so potential new operators are able to understand the costs when preparing their bids.	If staff opt out of TUPE, recruitments of specialist staff may be required.		required for TUPE including ensuring the TUPE liabilities are clearly set out so potential new operators are able to understand the costs when preparing their bids.
Cost	Concession contract	In House	CIC	Concession Light touch
Procurement Potential complications which could prolong the process: Brexit; lack of stakeholder engagement/ focus due to Covid19 pressures.	Operator only procurement – market test and two stage process (12 months approx.) Orbis costs: Officers - 0.5 FTE during 6 month development phase/ 2 month bidder info day prep and 1.0 during 4 months actual procurement.	Various Side procurements: Operating system software and training; Customer Services outsourced New Fleet; New Hubs. Orbis costs: Officers - 0.5 FTE during 6 month development phase/ 1.0 during 6 months actual procurement.	Side Procurements: Operating system software and training; Customer Services outsourced; New Fleet New Hubs Corporate support services (HR, Finance, Payroll); Pension & Insurance Providers. Orbis costs: Officers - 2.0 FTE during 6 month development phase/ 2.0 during 6 months actual procurement.	Operator only procurement – market test and two stage process (12 months) Orbis costs: One officer, 0.5 FTE during 6 month development phase/ 2 month bidder info day prep and 1.0 during 4 months actual procurement
IT	N/A	Office set up Remote working hardware and software Firewall Ongoing support	Outsourced: Office set up Remote working hardware and software Firewall	N/A

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			Ongoing support	
Cost	Concession Contract	In House	CIC	Concession (light touch)
Legal	No additional cost.	No additional cost.	0.5 FTE equivalent internal lawyers for approximately one year. The Council would need to fund the CICs legal fees. Minimum total cost £200K	No additional cost.
Finance	N/A	Potential extra posts in BHCC finance	Cost of contracted out Accountancy services; Payroll	N/A
Premises on BHCC estate	Rent, Service Charge, Business rates ⁱ .	Rent, Service Charge, Business rates: £76,690 ⁱⁱ	Rent, Service Charge, Business rates.	Rent, Service Charge, Business rates.

ⁱ Current premises costs £23K

ⁱⁱ Only suitable space currently available: 3976 sq. ft.;

