

	Tipping Away Consultation
Committee	Gloucestershire Joint Waste Committee
Committee Date	12 February 2019
Significant Decision	No
Responsible Officers	Andy Pritchard, Strategy & Development Manager 01452 427014; andy.pritchard@gloucestershire.gov.uk
Main Consultees	District Councils
Purpose of Report	To update members on responses received and on the next steps.
Recommendations	It is recommended that the Committee notes the report.
Resource Implications	None

1. Background

Between 22nd November 2018 and 16th January 2019 Gloucestershire County Council (GCC) undertook a consultation with the district councils regarding the future adoption of a policy for the tipping away of waste outside district collection areas. This was in response to a cabinet decision in October 2018 to consult upon a policy in advance of a decision to define and adopt such a policy.

The consultation considered an application of the requirements of the Environmental Protection Act 1990 to pay a ‘reasonable contribution’ to waste collection authorities for delivery of waste to a disposal point beyond what might be considered to be a ‘reasonable distance’ outside a waste collection area. A formula developed by the National Association of Waste Disposal Officers was presented as a possible model for these payments. It offers potential flexibility in their calculation dependent upon a number of variables. This model would arrive at a payment of a ‘reasonable contribution’ as follows:

$$\text{Payment} = \frac{\text{No. of journeys}}{\text{by vehicles}} \times \frac{2(D-d)}{\text{Ave. speed}} \times \text{Average hourly rate of vehicle operating costs}$$

where D is the total distance travelled outside the waste collection area and d is the mileage within which it is considered reasonable to travel.

The purpose of the consultation was to test the application of this model and identify any approaches and potential concerns in determining the value of each variable.

The results of this consultation have been received and are currently being considered. It is expected that a paper will be prepared for consideration by Cabinet in March or April this year.

2. Summary of Responses

Comprehensive responses to each consultation question were received from Cheltenham Borough Council, Tewkesbury Borough Council, Cotswold District Council and Forest of Dean District Council. All respondents highlighted similar issues and reflected a general consensus on the approach which GCC should take in the development of a tipping away policy.

No responses were received from either Gloucester City Council or Stroud District Council.

A summary of responses in relation to each question are presented here:

Q1) Does this model consider all appropriate variables? What additional variables, if any, would you want to see included, and why? Do you have any further comments in relation to how the requirements of the EPA are captured within this model?

- The model either does not consider all the variables, or is not clear in what is included within each variable and how they are calculated. Until it is decided what is included in each variable it is difficult to comment further.
- Are capital and other one-off costs of change included? Will the model include all real operating costs?
- It is important to know how negotiations will be undertaken when arriving at the cost variable. This should be undertaken in partnership between both parties, using technical expertise when necessary.
- It would be preferable to use actual vehicle movement data rather than a tonnage based average.
- If a multi-purpose vehicle is used, consideration should be given to the tipping point for other materials and the impact this has on total journey time and the length of the working day. Linked to this, it may be necessary to purchase one or more new vehicles (with subsequent crews) in order to complete the rounds, adding to the total real cost of change.
- There is a carbon impact of additional vehicles.
- The cost of change should be the difference between the current costs at the current tipping point (or population midpoint) and the new costs of tipping away, not just a calculation made from the closest boundary point.

Q2) The district boundary nearest to the disposal point is used as the starting point for calculations of when tipping waste outside the waste collection area (D). Do you think there may be any circumstances where it might be justifiable to alter this approach? If so, what alternative starting point could be considered in each of those circumstances?

- It may be more reasonable to use a depot location where vehicles park and operate from. District boundaries can be a long way from the depot.
- In large districts/boroughs, the boundary point will not reflect the full length of journeys made.
- In order to reach a boundary, there are other factors to consider such as weight and height restrictions on some routes. The nearest boundary point may be on one of these unsuitable routes and would therefore not be a suitable point to use in calculations. If the boundary point was to be used, the reference point at which calculations commence should be mutually agreed with operational and technical input.
- An annual review and indexation of costs would be needed.
- If new vehicles were needed, how would this be funded and what time frame would be given for implementation?

Q3) The NAWDO model suggests a return journey of between 0 and 30 minutes (not including tipping time) beyond a WCA boundary could be considered to be a reasonable distance for a disposal point. This means that some flexibility is built into the NAWDO model, allowing for this distance to vary depending on the type of route used (e.g. motorway journeys would have a higher disregarded mileage compared to slower routes). Should any other considerations be applied in determining any disregarded mileage (d)?

- It is necessary to consider congestion on any route and what this will do to journey times, irrespective of mileage.
- Higher mileage may have a detrimental impact on some vehicles.
- Consideration should be given to the whole journey time, and not just that part outside the boundary.
- How would the distance/speed/time calculation be applied when speeds may vary due to conditions? Will this use a midpoint calculation?
- Disregarded mileage considered reasonable to travel will in some way be relative to the journeys the operator currently travels.
- It would be unreasonable to calculate a reasonable contribution to the WCA costs if the boundary point is used as a starting point for the calculation.
- Disregarded mileage is a major concern. This could result in a significant amount of disregarded mileage for which an additional vehicle may be required. This may also impact the collection of other materials, potentially requiring more than one additional vehicle.
- There is a very real risk that GCC procure disposal contracts which are competitive and reduce disposal costs but increase the net burden on the tax payer by significantly increasing the costs for the collection authorities. There should be a contractual requirement on tipping locations to facilitate rapid tipping to reduce time.

Q4) Different types of vehicle will operate at different costs and speeds. Therefore it would seem reasonable to calculate tipping away payments separately for each vehicle type rather than using a fleet average. Is this a sensible approach, and if not, what would be the alternative approach?

- All agreed

Q5) The average vehicle speed can be determined as an actual figure in one of two ways; i) using online mapping and known vehicle specs, ii) by using actuals determined from trial runs or vehicle tracker information. What would be your preferred approach and why?

- Actual data should be used, which should be variable depending upon the time of day the journey is made.
- Neither is ideal, average speed should be real and should depend on the routes used and these routes may be different from that used in the calculation. Online mapping may not reflect actual journeys, and trial runs would only show what is happening at the time. Routes change, so routes may also change. As such it would make more sense to agree an average that could be used.

Q6) There is a requirement to include hourly vehicle operating costs within the model. We would envisage that these costs would be supplied by each WCA and verified prior to being applied within the model. Do you have any further comments in respect of how this process would work?

- Verification by a neutral party to ensure fairness and consistency would seem reasonable.

- To prevent any avoidable time consuming and costly disputes, agreement on what is included should be sought and appended to the policy for future changes and auditing.
- Verification of costs should be in partnership.
- The average per vehicle type should be used, not the average of the whole fleet.
- If contracts or operations change the hourly rate could change – how will this work in practice? Will the payment be flexible in order to adapt to change?
- There should be agreed costs which are included so that costs are transparent and equitable.
- We note that depreciation is not included, however the increased wear and tear on vehicles will reduce the period over which vehicles are depreciated so this needs to be incorporated into the net service costs.
- Costs would have to come from the contractor, which could be time consuming for all parties.
- Agreement is needed within the policy on what is included in the hourly rate.

Q7) The number of journeys undertaken in any period will determine the payment due for that period. What would be the preferred period upon which payments should be made (monthly, quarterly or annually)?

- Two authorities stated that monthly payments would be preferred, and two stated that quarterly is fine too.
- Two authorities stated in the narrative that either quarterly or annually would be fine but should be accurately forecasted for budgeting purposes.

(note that these two responses appear to contradict each other, additional clarification can be requested on this)

Q8) Are there any other matters that you consider should be included in the development of a tipping away payment policy?

- Fairness and consistency to ensure that all costs are included.
- How are the variable going to be agreed? Will it be equitable, will it be reviewed periodically and on a case by case basis? Can additional costs be reimbursed?
- Provide the WCA with sufficient time to prepare for change.
- Actual data should be used, rather than tonnage based averages.
- Clarity and consultation is requested when calculating distances used for payments.
- Full cost recovery is proposed, and agreement on how this is achieved should be sought, using either an independent consultant or open book accounting.

3. Next Steps

Overall, there is concern that the model should provide full cost recovery associated with tipping away, and where tipping away will require new investment in vehicles and crews, this should be included in the calculation. In addition, the model should be flexible to allow for differences in routes, vehicle types, wear and tear and unforeseen circumstances (eg traffic congestion) and should be reviewed periodically (such as annually) to accommodate changes in costs. All respondents are requesting involvement in agreeing the data used when arriving at a payment level.

Gloucestershire County Council will review all consultation submissions before reaching a decision on the adoption of a tipping away policy.