

## ADOPTION OF A WASTE TIPPING AWAY POLICY

<b>Cabinet Date</b>	9 October 2019
<b>Environment and Planning</b>	Cllr Nigel Moor
<b>Key Decision</b>	Yes
<b>Background Documents</b>	Consultation on the Development of a Tipping Away Policy – Cabinet report 10 <sup>th</sup> October 2018
<b>Location/Contact for inspection of Background Documents</b>	<a href="http://glostext.gloucestershire.gov.uk/documents/s49124/181001%20Cabine%20Report%20Waste%20Tipping%20Away%20Policy.pdf">http://glostext.gloucestershire.gov.uk/documents/s49124/181001%20Cabine%20Report%20Waste%20Tipping%20Away%20Policy.pdf</a>
<b>Main Consultees</b>	Waste Collection Authorities (WCAs) – the District, Borough and City Councils within Gloucestershire.
<b>Planned Dates</b>	Autumn 2019 adoption of Tipping Away Policy
<b>Divisional Councillor</b>	All
<b>Officer</b>	Wayne Lewis – Head of Gloucestershire Joint Waste Team <a href="mailto:wayne.lewis@gloucestershire.gov.uk">wayne.lewis@gloucestershire.gov.uk</a>
<b>Purpose of Report</b>	To propose the adoption of a Waste Tipping Away Policy to be used in the calculation of Waste Tipping Away payments made by the Council.
<b>Recommendations</b>	That Cabinet approves the adoption of a Waste Tipping Away Policy set out in section 4 of this report.
<b>Reasons for recommendations</b>	The new Waste Tipping Away Policy reflects the requirements of section 52(10) of the Environmental Protection Act 1990 (EPA 1990) and the feedback from consultation with Waste Collection Authorities (WCAs) in Gloucestershire.
<b>Resource Implications</b>	There are no direct resource implications associated with this decision. The adoption of a tipping away policy will provide a framework within which to inform future service options. It provides clarity on our approach to compliance with the statutory duty to compensate WCAs when they are directed to deliver waste for treatment or disposal to a location that is an unreasonable distance beyond their district boundary.

## ADOPTION OF A WASTE TIPPING AWAY POLICY

### 1. Background

- 1.1 The transportation of waste collected by Waste Collection Authorities (WCAs) to a point of disposal is a key component of the waste services operated by the Council as a Waste Disposal Authority (WDA). Under the Environmental Protection Act (EPA) s52(10) a WDA can direct a WCA to deliver waste collected by the WCA to a point of disposal outside of its administrative area. In so doing, the WDA becomes liable to make a reasonable financial contribution to the WCA in respect of costs it reasonably incurs in complying with that direction, where the disposal point is unreasonably far from the administrative area of the WCA; sometimes known as a "Tipping Away" payment. A tipping away payment has, in the past, been made to Stroud District Council, but this was agreed without utilising any form of adopted policy model, and payments have now ceased as a result of changes in tipping location.
- 1.2 A WCA may take responsibility for, and make its own arrangements for disposal of collected waste, such as is the case for materials collected for recycling. Further, liability to make a Tipping Away payment does not apply to trade (commercial and industrial) waste collected by a WCA. In the case of trade waste, the EPA makes a further provision that a Tipping Away payment *may* be made at the discretion of the Council, but this is not a statutory requirement.
- 1.3 In some areas of Gloucestershire, WCAs deliver waste to either a final point of disposal within their areas of operation or to a local waste transfer station where it is bulked and hauled to a final destination elsewhere. Access to waste transfer stations is provided to WCAs by the Council under contracts it has in place with private sector service providers.
- 1.4 Where no local disposal point or transfer station exists within a district, WCAs are required to deliver waste directly to a location outside their area of operation for treatment or disposal. The Council has no policy in place with which to formally calculate and apply Tipping Away payments where it is liable to make them under the EPA. In many two-tier Local Authority areas, policies have been adopted that define both the circumstances in which payments will be made and the method for calculating the payments. Such policies apply a formula which calculates a reasonable compensation to the WCA based upon the additional travel time and

associated operating costs. These policies only apply when a WCA is directed by the WDA to tip waste outside its operating area.

- 1.5 The adoption of such a policy within Gloucestershire would provide transparency and an improved level of operational certainty to all parties in the case where changes are made to waste delivery points.
- 1.6 Any Tipping Away Policy must reflect the requirements of the EPA in providing a mechanism that can be used to calculate a reasonable contribution towards expenditure reasonably incurred by the WCA in delivering waste to a place which is unreasonably far from the WCAs area. The EPA does not define what is reasonable or unreasonable in terms of both the level of contribution and the distances involved. In response to this, the National Association of Waste Disposal Officers (NAWDO) has developed a formula which aims to provide consistency in the calculation and application of Tipping Away payments. This formula is well established and is used by several Local Authorities across England either in its entirety or with amendments. Whilst this formula has no statutory basis, its application would provide the county council and the WCAs with a clear basis for making and receiving payments.
- 1.7 The adoption of a Waste Tipping Away Policy was discussed at Cabinet 10<sup>th</sup> October 2018, with the resulting decision being that Cabinet:
  - 1.7.1 Authorised the Head of the Joint Waste Management to conduct a consultation exercise with the District, Borough and City Councils within Gloucestershire as to the:
    - (a) adoption of the NAWDO model as the financial mechanism for the calculation of Tipping Away payments under s52(10) Environmental Protection Act 1990 (EPA);
    - (b) operational issues and any other relevant considerations which should be taken into account in the development of a Tipping Away Policy.
  - 1.7.2 Required the Head of the Joint Waste Management to report back to Cabinet with the results of and recommendations arising from the consultation authorised under paragraph 1.7.1 above.
- 1.8 The NAWDO formula for calculating reasonable contributions towards the cost of tipping away is outlined in annex 1 of this report. A Tipping Away Policy based on this model should be applied on a case by case basis and should take into account local circumstances. Where a WCA is

directed to deliver waste to a location outside its operating area, the model should be adapted according to local circumstance, for example by defining a disregarded return journey time of up to 30 minutes within the policy and adjusting average vehicle speeds depending upon the route used. Once the model has been applied for each case, the payment should continue unless and until the disposal location is changed. The model allows payment to be adjusted for annual inflation in line with CPI.

## **2. Consultation approach and feedback**

- 2.1 Consultation on the adoption of a Waste Tipping Away Policy based upon the NAWDO model was undertaken with each Gloucestershire WCA between 22<sup>nd</sup> November 2018 and 16<sup>th</sup> January 2019. The consultation was published on the 'Gloucestershire Consult' portal, enabling respondents to provide their feedback online.
- 2.2 The consultation considered all aspects of the NAWDO model in relation to its local applicability. Eight questions were asked, as detailed in Annex 2 of this report. Responses were received from four of the six WCAs, these being Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and Tewkesbury Borough Council. No responses were received from either Gloucester City or Stroud District Councils.
- 2.3 The points raised by consultees are presented in annex 2 of this report. These have been subsequently considered by GCC, and a response to each point is also provided in annex 2.
- 2.4 In addition, the consultation responses were discussed at the meeting of the Joint Waste Committee on 12<sup>th</sup> February 2019 at which all WCAs were represented with the exception of Stroud. Each WCA raised similar points, which in general can be considered collectively. A summary of feedback was presented to committee members and officers, and the following key issues were reiterated by the WCAs during this meeting;
  - 2.4.1 The model should allow full cost recovery;
  - 2.4.2 It should be flexible to take account of different routes and vehicle types etc.
  - 2.4.3 It should also take account of external factors such as traffic congestion; and

- 2.4.4 All WCA respondents requested an opportunity to be involved in agreeing the data used when arriving at a payment level.
- 2.5 Subsequent consideration to this consultation feedback has been given by GCC officers, as detailed in annex 2. The following points address each of the four key concerns highlighted in 2.4 above;
- 2.5.1 Full cost recovery is not a requirement under s52(10) of the EPA 1990: which only requires that a ‘reasonable contribution towards expenditure reasonably incurred’ in travelling the additional distance shall be made. The NAWDO model, as detailed within this report, utilises hourly operating costs and a disregarded mileage (beyond which it is unreasonable to travel) in the calculation of a ‘reasonable contribution’ to WCA operating costs. GCC will work with WCAs on a case by case basis to ensure that all reasonable costs are included within the payment calculation.
- 2.5.2 The NAWDO model takes account of different routes, as distances and journey times are included within the calculation. It can also account for different vehicle types within the “average hourly operating costs” part of the equation. The model can be applied on a case by case basis for each agreed route and vehicle type. GCC agrees that model should provide flexibility to account for specific routes and vehicle types.
- 2.5.3 External factors such as traffic congestion are directly linked to journey times and are therefore included within the NAWDO model. However, it is impractical to calculate and validate this for each individual journey, and it is proposed that an agreed average journey time is used in all cases. In response to the point raised in 2.4.3 above, variations to such average could, for a limited duration, be applied in extreme individual circumstances where, for example, significant delays are experienced due to road closures or higher than normal traffic volumes affecting the agreed routes.
- 2.5.4 GCC agrees that it is necessary for all parties to have an input into the base data used in the NAWDO model for each route and vehicle type, however GCC will need to agree the reasonableness of data to be applied for each individual case when determining a reasonable level of contribution to costs.

- 2.6 With regard to all the above points, the NAWDO model can be applied in order to satisfy both the requirements of the EPA s52(10) and most of the concerns of the WCAs. Taking account of all these factors, section 4 of this report contains a draft policy to be applied when determining the 'Waste Tipping Away' payments to be made by GCC to WCAs.

### **3. Options**

#### **3.1 Do nothing.**

3.1.1 The Council could choose to maintain the current position; continuing with no formally adopted policy being in place. There is no statutory requirement to have such a policy in place as long as the requirements of the EPA are met in other ways. Tipping Away payments can be made under the EPA by agreement but in the absence of agreement or in the case of a dispute, the issue would be referred to arbitration under the Act. This approach would not provide any clarity to either party when making operational or budget decisions associated with waste service developments and could lead to differences in approach, as arbitration is determined on a case by case basis.

#### **3.2 Adopt and utilise a Waste Tipping Away Policy based upon the NAWDO model detailed in section 4 below.**

3.2.1 This approach would provide a framework within which to plan future service developments and will inform decisions relating to waste movements where options to either transfer waste or tip away are to be considered. This model is used by several authorities and takes into account the provisions of the EPA, with adaptability to incorporate specific local circumstances.

#### **3.3 Develop and adopt an alternative payment methodology as the basis of developing a Waste Tipping Away Policy.**

3.3.1 This approach could be taken, as a specific policy model is not prescribed in law. An alternative payment methodology to that produced by NAWDO may be desirable if the Council wishes to consider making additional payments based upon anything other than reasonable operating costs. It is not clear at this time how such a payment methodology should differ in practice from the NAWDO model, and further work would be required in order to determine a

suitable alternative on which to consult with the Districts. Such an approach is likely to be more expensive for GCC.

#### 4. Draft Waste Tipping Away Policy for Gloucestershire County Council

- 4.1 This policy [if adopted] defines the approach taken by Gloucestershire County Council in fulfilling the requirements set out in section 52(10) of the Environmental Protection Act (EPA) in respect of the payment of waste ‘tipping away’ contributions to Waste Collection Authorities. This will apply where Gloucestershire County Council directs a Waste Collection Authority to a point of tipping or disposal which is located unreasonably far from the administrative area of the Waste Collection Authority.
- 4.2 This policy presents Gloucestershire County Council’s methodology for determining the level of ‘reasonable contribution’ to be made on a case by case basis. It applies to Household Waste collected by each Waste Collection Authority only.
- 4.3 Gloucestershire County Council will provide a reasonable contribution towards expenditure reasonably incurred by the Waste Collection Authority in delivering waste to a place which is unreasonably far from the Waste Collection Authorities area. Such contribution will be calculated using the following formula;

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

where;

- Payment for a specific period is based upon the number of journeys made in that period.
- D = the distance travelled from the WCAs boundary to the disposal point (doubled to account for a return journey).
- d = the return mileage outside the district boundary beyond which it is considered unreasonable to travel (the model deducts this from the total distance travelled). Mileage regarded as “reasonable” therefore becomes disregarded mileage within the calculation. When deciding upon this disregarded mileage consideration shall be given to local circumstances such as the type of road and route used.

- The average speed of vehicles shall depend upon the route and vehicle type.
- The average hourly rate of vehicle operating costs (including, if agreed, idle labour) shall be calculated per vehicle type.

Calculation of all variables and associated payments will be made per vehicle type. Gloucestershire County Council's contribution to expenditure reasonably incurred will be the aggregate sum of each calculated payment per vehicle type.

#### 4.4 Application of each variable within the calculation;

##### 4.4.1 Number of journeys by vehicles

This shall be verified as actual journeys made during an agreed period in arrears. Unless agreed otherwise in each case, this shall be calculated quarterly and payment made accordingly.

##### 4.4.2 "D", the return distance travelled from the WCA boundary to the disposal point and Average Speed.

Actual data will be used where this can be supplied by a WCA in an agreed format. In the absence of such data this variable shall be calculated for each vehicle type using actual mileage and average speed data gathered from trial runs prior to deliveries being made. Trial runs will be conducted using the actual operational route of the waste collection vehicles, and be measured between the nearest WCA boundary point and the entrance gate of the disposal location. This measurement shall exclude the time spent tipping at the disposal location. Where it is not possible to measure actual distances and speeds, these shall be calculated using mapping or journey time software.

"D" and Average Speed shall be subject to periodic review on an annual basis and when any significant variation to such averages occurs as a consequence of occurrences such as long term road closures.

##### 4.4.3 "d", the return mileage outside the district boundary beyond which it is considered unreasonable to travel.

This shall be calculated as the return distance which can be travelled in 30 minutes using the actual route and average vehicle speeds.



This shall be determined during the trial runs (see above) and shall be deducted from D in accordance with the formula set out herein.

Gloucestershire County Council may, at its discretion, reduce or eliminate “d” from the calculation. This would be considered in instances where the distance travelled by waste collection vehicles within the waste collection area prior to reaching the boundary is already significant. As a guide, this would be considered when this distance results in a one-way in-district journey time of 30 minutes or more.

“d” shall be subject to periodic review on an annual basis and when any significant variation to “d” occurs as a consequence of occurrences such as long term road closures.

#### 4.4.4 The average hourly rate of vehicle operating costs.

This shall be the actual reasonable average hourly operating costs as presented by the Waste Collection Authority. This shall include all regular operating costs relating to vehicles, fuel and staff, but shall exclude capital expenditure and one-off costs. The figures used shall be generated using reliable actual costs (verifiable through open book accounting) in order to enable Gloucestershire County Council to make a reasonable contribution by way of Tipping Away payments. Where these costs cannot be obtained and verified, or where they vary significantly from industry averages, Gloucestershire County Council will apply an average operating cost based upon industry benchmarks. Gloucestershire County Council may at its discretion seek third party validation of costs presented.

Costs shall be subject to annual review and verification.

## **5. Officer Advice**

5.1 That Cabinet approve the recommendation set out on page 2 of this report.

## **6. Equalities considerations**

6.1 There are no equalities considerations associated with the recommendation.

## **7. Consultation feedback**

7.1 Consultation with the WCAs is summarised in section 2 above and in annex 2 of this report.

## **8. Performance Management/Follow-up**

8.1 The Waste Tipping Away policy would be applied in any case where GCC directs a WCA to tip household waste an unreasonable distance from the waste collection area. The policy will be applicable in line with the current requirements of the EPA 1990 and would be subject to review in the event of changes in this legislation. Periodic review of payment levels will take place as defined within the policy, with budget impacts being considered as part of the annual council budget setting process.

<b>Report Title</b>	Adoption of a Waste Tipping Away Policy
<b>Statutory Authority</b>	Environmental Protection Act 1990; s48, s51 and s52
<b>Relevant County Council policy</b>	Joint Municipal Waste Management Strategy 2007-2020
<b>Resource Implications</b>	There are no direct resource implications associated with this decision. The adoption of a tipping away policy will provide a framework within which to inform future service options. It provides clarity on our approach to compliance with the statutory duty to compensate WCAs when they are directed to deliver waste for treatment or disposal to a location that is an unreasonable distance beyond their district boundary.
<b>Sustainability checklist:</b>	
Partnerships	Gloucestershire Joint Waste Committee
Decision Making and Involvement	District, Borough and City Councils within Gloucestershire
Economy and Employment	N/A
Caring for people	N/A
Social Value	N/A
Built Environment	N/A
Natural Environment' including Ecology (Biodiversity)	N/A
Education and Information	N/A

<b>Tackling Climate Change</b>	Carbon Emissions Implications? Neutral Vulnerable to climate change? No
<b>Due Regard Statement</b>	Has a Due Regard Statement been completed? No The provisions do not apply to this matter
<b>Human rights Implications</b>	N/A
<b>Consultation Arrangements</b>	All WCAs have been consulted on this issue. See section 2 and annex 2 of this report for more detail.

## Annex 1; The NAWDO Tipping Away payment formula

The NAWDO model sets out a formula that incorporates the following variables in order to calculate a total annual Tipping Away payment:

- The number of journeys made in a year.
- The distance “(D)” travelled from the relevant WCA’s boundary to the disposal point (doubled to account for a return journey).
- The mileage “(d)” outside the district boundary beyond which it is considered unreasonable to travel (the model deducts this from the total distance travelled). Mileage regarded as “reasonable” therefore becomes disregarded mileage within the calculation. When deciding upon this disregarded mileage consideration should be given to local circumstances such as the type of road and route used.
- The average speed of vehicles.
- The average hourly rate of vehicle operating costs (including, if agreed, idle labour).

These variables are applied within the following formula:

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

Payment is made by the WDA to the WCA. No payments are made by the WCA to the WDA.

Most variables within this formula use **actual** data. The number of journeys made, the average speed and the hourly operating costs can all be determined from real operational data. Where different vehicle types are used, the formula can be applied separately to each type and the results added together to produce an annual budget figure. Thereby any errors or disagreement arising from the use of an overall average approach are eliminated.

Distance D (the distance from the district boundary to the disposal location) can be determined using maps, mapping software or by driving the route itself. For consistency, D should be determined prior to the use of the formula in each case. By dividing D by the average speed the total journey time will be derived. Multiplying this by the hourly operating cost will produce the level of payment for that journey. Time spent on depositing loads is excluded from this calculation, as this is not related to the location of the disposal location.

Also of importance is the need to determine the distance (d) beyond which it is deemed unreasonable to travel. This is an important factor as it will have a significant bearing on the level of Tipping Away payment made. The NAWDO model provides some guidance in suggesting that the total return time to drive the disregarded mileage should be that distance for which it takes up to 30 minutes to travel. At average speeds of 25, 30, 40 and 50mph this equates to a maximum of 6.25 miles, 7.5 miles, 10 miles and 12.5 miles respectively each way. This disregarded mileage can be deducted from the payment calculation in order to determine a 'reasonable contribution'. Local conditions will influence how this is calculated. Faster motorway conditions may result in a higher disregarded mileage compared with a journey undertaken on busy suburban routes. The application of a disregarded mileage should also take account of other local circumstances. In the case where a district is large and significant distances are travelled within the district before the boundary is reached, it may be deemed unreasonable by GCC to apply a disregarded mileage to what might already be a lengthy journey.

## Annex 2; Consultation feedback and GCC response

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?	
Waste Collection Authorities' (each a "WCA") Responses	Waste Disposal Authority's (the "WDA") reply
<p>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.</p>	<p>The NAWDO model, on which GCC could base Gloucestershire's Tipping Away Calculation Mechanism (the "<b>TAC Mechanism</b>"), sets out the top level methodology to be used rather than a detailed costing of any particular scenario. You will not, therefore, see each variable at this level.</p> <p>Each WCA will have their own operating costs which will vary, hence Gloucestershire County Council ("GCC"), in its capacity as the WDA, intends to agree reasonable operating costs in each case. Where these are not obtainable, or are excessively high, GCC may use an industry average rate where available. This would be in order to determine what constitutes a "reasonable contribution" by the WDA towards expenditure reasonably incurred by WCAs in delivering waste to places which are "unreasonably far" from their respective waste collection areas (in accordance with the WDA's obligations under Section 52(10) of the Environmental Protection Act 1990 ("EPA 1990")).</p> <p>For the avoidance of doubt, EPA 1990 does not provide WCAs with a right to receive full cost recovery from the WDA.</p>
<p>Are capital and other one-off costs of change included? Will the model include all real operating costs?</p>	<p>As stated above, GCC intends to agree reasonable operating costs in each case. Where these are not obtainable, or are excessively high, GCC may use an industry average rate where available.</p> <p>GCC cannot contribute towards one-off costs. The full extent of GCC's obligations in respect of s52(10) EPA 1990 are restricted</p>

	to contributing towards expenditure reasonably incurred in respect of 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.	As stated above, actual operating costs will be used to determine a reasonable contribution, and these could be subject to third party validation or cross reference to industry benchmarks if there is uncertainty over these.
It would be preferable to use actual vehicle movement data rather than a tonnage based average.	GCC would be happy to use actual ongoing "real time" vehicle movement data where this can be provided by WCAs in an agreed format. Where this is not available, GCC will work with the WCAs to agree average journey times that will be based on real vehicle movements recorded as part of a programme of planned route measurement exercises (eg using trial runs). These can be reviewed from time to time to accommodate any changes to routes or journey times.
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.	The TAC Mechanism will cover only waste material that GCC directs WCAs to deliver pursuant to s51(4) EPA 1990. Accordingly, the TAC Mechanism would not make provision for any other materials that might be transported using WCA vehicles.  On this basis, the TAC Mechanism will not cover the purchase of additional vehicles.
There is a carbon impact of additional vehicles.	Agreed, there is a carbon impact of each vehicle movement, as there would be if bulk haulage and transfer were to be undertaken. The net carbon impact of service provision options is important, but the scope of this policy is restricted to defining the financial mechanism for making tipping away payments subsequent to service delivery decisions being made.
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.	The EPA 1990 s52(10), upon which a tipping away policy would be based, is clear that a reasonable contribution should be made towards costs incurred when tipping waste an unreasonable distance from the waste collection area. The statutory requirements of the EPA 1990 do not extend to providing for the net costs of change.
<b>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</b>	



<b>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?</b>	
<b>WCA Response</b>	<b>GCC reply</b>
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.	Section 52(10) EPA 1990, provides that a “reasonable contribution” should be made “towards” costs incurred when tipping waste at a place that is unreasonably far from the relevant WCA’s waste collection area. This is the statutory requirement beyond which any additional financial contribution is made at the WDA’s absolute discretion.  However, GCC accepts that there may be an argument for applying an additional contribution where certain collection points (specific collection rounds) within the relevant WCAs area are some distance from the boundary nearest to the disposal point. GCC may incorporate an adjustment for this within the TAC Mechanism at its discretion on a case by case basis.
In large districts/boroughs, the boundary point will not reflect the full length of journeys made.	Please see previous reply above.
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.	It should be born in mind that the issue of height and weight restrictions on vehicle routings could apply in certain specific circumstance, irrespective of whether WCAs are tipping inside or outside their respective waste collection area. However, where this occurs directly as a result of a direction given by the WDA, pursuant to s51(4) EPA 1990, to tip at a place that is unreasonably far from the waste collection area, GCC will take into account such weight and height restrictions in the TAC Mechanism.
An annual review and indexation of costs would be needed.	GCC acknowledges this request and, subject to member approval, would support it.
If new vehicles were needed, how would this be funded and what time frame would be given for implementation?	Funding of new vehicles will remain the responsibility of the WCA. GCC will provide as much notice as possible for planned changes to waste delivery points, but timescales in each case will depend upon project timelines. All impacted WCAs will have advance notice of upcoming projects which may result in changes to delivery points. Note that the scope of this consultation paper is to create a TAC Mechanism that will be applied subsequent

	to any directions given by the WDA, pursuant to s51(4) EPA 1990 regarding service delivery and treatment locations.
<b>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)?</b>	
<b>WCA Response</b>	<b>GCC reply</b>
It is necessary to consider congestion on any route and what this will do to journey times, irrespective of mileage.	Agreed. The NAWDO model uses average speed to calculate journey times. This will include the impact of congestion upon the speed. However, as stated earlier, it may be impractical to calculate a payment based upon speed for every individual journey. Accordingly, GCC will work with WCAs to agree average journey times that will be based on real vehicle movements recorded as part of a programme of planned route measurement exercises. This average will be tested as part of an annual review process.
Higher mileage may have a detrimental impact on some vehicles.	Acknowledged. Maintenance costs would be expected to be included within the operating costs.
Consideration should be given to the whole journey time, and not just that part outside the boundary.	As stated above, section 52(10) EPA 1990, provides that a “reasonable contribution” should be made “towards” costs incurred when tipping waste at a place that is unreasonably far from the relevant WCA’s waste collection area. This is the statutory requirement beyond which any additional financial contribution is made at the WDA’s absolute discretion.  However, GCC accepts that there may be an argument for applying an additional contribution where certain collection points (specific collection rounds) within the relevant WCAs area are some distance from the boundary nearest to the disposal point. GCC may at its discretion incorporate an adjustment for this within the TAC Mechanism.
How would the distance/speed/time calculation be applied when speeds may vary due to conditions? Will this use a midpoint calculation?	The NAWDO model uses average speed in its calculation of expenditure contribution. The mean average would account for variations within the range of conditions.

Disregarded mileage considered reasonable to travel will in some way be relative to the journeys the operator currently travels.	The EPA 1990 does not provide a definition for reasonable/unreasonable distance, hence it does not make provision for pre-existing operations.
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.	The basis for the said view is unclear given that the NAWDO model has been produced independently to reflect the requirements of EPA 1990, that is, to determine whether a tipping away point is unreasonably far from the relevant WCA's collection area.
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.	Disregarded mileage exists in the NAWDO model as a way of determining a limit beyond which it would be unreasonable to direct a WCA to travel to without receiving a reasonable contribution from the WCA towards the WCA's costs in respect thereof. It is considered, subject to agreement by GCC members, that this would be applied to a distance involving a return journey time of 30 minutes. Without a "disregarded mileage" adjustment there would be no consideration of what is reasonable. GCC may at its discretion, reduce the disregarded mileage in instances where a high mileages are already driven within a WCA boundary. Such instances will be considered on a case by case basis.
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.	GCC will consider waste bulking, haulage or direct delivery as part of a full system cost when procuring disposal contracts. Maximum turnaround times at tipping locations are a standard part of our terms and conditions within disposal contracts.
<b>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?</b>	
<b>WCA Response</b>	<b>GCC reply</b>
All respondents agreed with this.	Acknowledged that all respondents would like separate calculations for different vehicle types due to variations in their performance.
<b>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?</b>	

WCA Response	GCC reply
Actual data should be used, which should be variable depending upon the time of day the journey is made.	As highlighted in Q1 GCC is prepared to use real time data where this can be provided by WCAs in an agreed format. Alternatively, real vehicle movements recorded as part of a programme of planned route measurement exercises will be used for the purposes of the TAC Mechanism to reflect that some days a WCA vehicles could take longer than average and other days it will take less time than average.
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. Rounds change, so routes may also change. As such it would make more sense to agree an average that could be used.	GCC would be willing to work with the WCA to come up with an average, however the final average speed applied would be at the WDA's discretion.
<b>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?</b>	
WCA Response	GCC reply
Verification by a neutral party to ensure fairness and consistency would seem reasonable.	GCC agree that fairness and consistency is required and for this reason it intends to agree reasonable operating costs in each case. Where these are not obtainable, or are excessively high, GCC may use an industry average rate where available or seek the view of a third party, independent expert.
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.	Agreed, this would form part of TAC Mechanism.
Verification of costs should be in partnership.	GCC would be willing to work with the WCA to agree an average hourly operating cost and if necessary compare it against an industry average (where available) to come up with a contribution rate the level of which it is set is at the WDA's discretion.
The average per vehicle type should be used, not the average of the whole fleet.	Acknowledged.
If contracts or operations change the hourly rate could change – how will this work in	This would form part of an annual review. However, noting that GCC responsibilities

practice?	are to provide a reasonable contribution rather than full real-time cost recovery, it is not envisaged that each change incurred by WCAs throughout the year would necessarily trigger a change to the payments made. This could present an unworkable volume of debate and verification. From the time at which a WCA is notified of a direction by the WDA, pursuant to s51(4) EPA 1990, to tip an unreasonable distance outside the collection area, this, together with the application of the TAC Mechanism, should be considered by the WCA when making subsequent decisions about operational change. The requirements of EPA 1990 in relation to tipping away payments do not extend to WCA responsibilities within the collection area.
Will the payment be flexible in order to adapt to change?	An annual review would take place in order to identify reasonable changes in operating costs and/or journey times.
There should be agreed costs which are included so that costs are transparent and equitable.	Agreed, however GCC will approach this in line with the EPA 1990 requirements to make a reasonable contribution towards these costs, which would include operating costs associated with vehicles, fuel and staff.
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.	The NAWDO model neither includes nor excludes depreciation. Where depreciation forms part of the revenue cost arising from WCAs delivering waste to places which are “unreasonably far” from their respective waste collection areas, it is reasonable, subject to a suitable period of depreciation being applied, to include this within the average operating cost. WCAs should be minded, however, that they will need to evidence the fact that such costs arise from such additional miles.
Costs would have to come from the contractor, which could be time consuming for all parties.	Acknowledged. However, costs will need to be presented clearly and be verifiable, from whichever source is best placed to provide these. However, since contributions will be made to each WCA, it is expected that such WCAs would have ownership of presenting these costs to GCC as a basis for calculation of a tipping away payment.
Agreement is needed within the policy on what is included in the hourly rate.	Acknowledged.
<b>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</b>	

<b>should be made (monthly, quarterly or annually)?</b>	
<b>WCA Response</b>	<b>GCC reply</b>
Two authorities stated that monthly payments would be preferred, and two stated that quarterly is fine too. Some authorities stated in the narrative that either quarterly or annually would be fine but should be accurately forecasted for budgeting purposes.	GCC would be happy to mutually agree this with each WCA, but would look at making payments no more frequently than quarterly in order to minimise administrative costs and burdens, and would wish to apply the same approach to all WCAs for the same reasons.
<b>Q8) Are there any other matters that you consider should be included in the development of a tipping away payment policy?</b>	
<b>WCA Response</b>	<b>GCC reply</b>
Fairness and consistency to ensure that all costs are included.	<p>The NAWDO model has been developed independently to assist WDAs and WCAs in calculating a reasonable contribution towards WCAs' additional reasonable costs. The model does not provide that all WCAs' relevant costs shall be reimbursed by the WDA.</p> <p>GCC agrees that it is necessary to ensure that a fair and consistent approach is adopted in producing the TAC Mechanism.</p>
How are the variables 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?	Please see previous response to the replies in respect of these questions.
Provide the WCA with sufficient time to prepare for change.	<p>GCC will provide as much notice as possible for any planned directions it may give under s51(4) EPA 1990 which will result in changes to waste delivery points. However, timescales in each case will depend upon specific project timelines. All WCAs will have advance notice of upcoming projects which may result in changes to delivery points.</p> <p>There may be instances where unplanned changes to delivery points are needed (due to the unavailability of the existing waste delivery points for unforeseen reasons). In such instances GCC will provide as much notice as possible and liaise with WCAs regarding these contingency sites and delivery arrangements.</p> <p>Note that the scope of this consultation</p>

	paper is to produce a TAC Mechanism that will be applied subsequent to any directions given by the WDA, pursuant to s51(4) EPA 1990, regarding service delivery and treatment locations.
Number of vehicle journeys made should be based upon actual number of vehicle movements rather than back-calculating from tonnages hauled.	Acknowledged.
Clarity and consultation is requested when calculating distances used for payments.	GCC will work with the WCA and share the logic applied which will enable the TAC Mechanism to be implemented.
Full cost recovery is proposed, and agreement on how this is achieved should be sought, using either an independent consultant or open book accounting.	The NAWDO model does not provide for full cost recovery by WCAs, but rather it has been developed to reflect the requirements of s52(10) EPA 1990 which requires that a reasonable contribution shall be made by the WDA towards expenditure reasonably incurred by WCAs in delivering waste to places which are “unreasonably far” from their respective waste collection areas.