

## **Annex B – Financial Framework**

### **Payment of ‘Performance Credit’ for contract waste delivered to the MRF (or via a transfer station)**

1. Co-mingled recyclable material collected by the districts and accepted at Veolia contract MRF either directly or via a transfer station shall be eligible for payment of a ‘Performance Credit’. These materials include those collected from businesses for the purpose of recycling, as well as from domestic properties.
2. Performance Credits will be paid only in respect of co-mingled recyclable waste delivered to the Veolia contract MRF (either directly or via transfer station) and will not apply to source segregated materials bulked at the MRF, Green Waste, or other materials sent to contract or third party facilities for treatment or processing.
3. Where source segregated material is collected and processing is not required, arrangements will be discussed by the Board and separate negotiations will take place by the County on behalf of the District(s) to determine the gate fee.
4. The County will make a ‘Performance Credit’ payment to the districts at a rate of £6.00 per tonne.
5. The £6.00 per tonne payment will be made on co-mingled recyclable materials accepted at the MRF up to 65,000 tonnes. Thereafter the County will make a payment of £8.50 per tonne for every additional tonne accepted at the MRF, up to the MRF capacity of 85,000 tonnes, which is based on a two shift system.
6. Quarterly the County will advise the districts of the amount of materials accepted at the MRF for each district.
7. The County will make payment to a nominated district (as determined by the Board) at the end of each financial year.
8. The districts will separately keep under review the basis of how the Performance Credit will be shared and the nominated district shall distribute accordingly.
9. The levels of payments set out above shall apply from 2 January 2009, or the date of this agreement, whichever is the latter.
10. An annual inflation index, RPIX, will be applied to the rates, with the first revision due on 1<sup>st</sup> April following the anniversary of the agreement.

## Turnaround Times at Veolia Contract facilities

1. Failure by Veolia to accept waste collected by the districts at the Veolia contract facilities within the turnaround times set out in this contract may result in compensation payable to the district.
2. Where districts have dedicated trade waste vehicles i.e. no household waste is collected on the vehicle, these vehicles are not entitled to compensation under this provision.
3. Compensation claims will be paid by the County at a rate of £65 per hour per vehicle calculated in respect of each 15 minute period of delay within guidelines agreed by the Board.
4. An annual inflation index, RPIX, will be applied to the rates, with the first revision due on 1<sup>st</sup> April following the anniversary of the agreement.

## Tipping Away Payments

1. Tipping away payments will be made by the County to the Districts for residual, dry and green waste deliveries if a primary delivery point that is within 5 miles or 15 minutes of the district boundary ceases to be available and the contingency (or new) delivery point is more than 5 miles or 15 minutes from the relevant district's boundary, or, if the primary delivery point is already more than 5 miles or 15 minutes from the relevant district's boundary where the contingency (or new) delivery point is further away or takes longer to reach from the district boundary than the primary delivery point. Tipping away will be paid at the amounts calculated in the most appropriate of clauses 5, 6, 7 or 8 below.
2. Tipping away payments will not be made by the County to the District of Broxtowe in lieu of the County's green waste bulking and transfer provision.
3. The districts will submit claims for tipping away payments for distances travelled in excess of five miles or 15 minutes outside of their administrative boundaries, with details of trips made, distance travelled, pay load and unladen weight of vehicles in groupings of under and over 7.5 tonnes; on a quarterly basis.
4. The districts will be reimbursed at a rate of 30 pence per mile per tonne for vehicles carrying waste that have an unladen weight of under 7.5 tonne, and 60 pence per mile per tonne for vehicles carrying waste that have an unladen weight of 7.5 tonne or more.
5. Where payment is based on a contingency delivery point exceeding the five mile criteria, tipping away payments will be calculated as:

$$\text{Payment} = T * R ( 2 ( D - 5 )$$

Where:

T = Total tonnage to the contingency delivery point  
R = Mileage rate  
D = Distance in miles to the contingency delivery point weighbridge from closest administrative boundary on an appropriate road

6. Where payment is based on a contingency delivery point exceeding the fifteen minute criteria, tipping away payments will be calculated as:

$$\text{Payment} = T * R ( 2 (M - 15) D / M)$$

Where:

T = Total tonnage to the contingency delivery point  
R = Mileage rate  
M = Average time in minutes for completing the distance to the contingency delivery point weighbridge from administrative boundary in the appropriate vehicle type/size  
D = Distance in miles to the contingency delivery point weighbridge from closest administrative boundary on an appropriate road

7. Where payment is based on extra mileage from a primary delivery point to a contingency delivery point where the primary delivery point is already more than 5 miles from the relevant district's boundary tipping away payments will be calculated as follows:

$$\text{Payment} = T * R ( 2 ( DC-DP))$$

Where:

T = Total tonnage to the contingency delivery point  
R = Mileage rate  
DC = Distance in miles to contingency delivery point weighbridge from closest administrative boundary on an appropriate road  
DP = Distance in miles to primary delivery point weighbridge from closest administrative boundary on an appropriate road

8. Where payment is based on extra time from a primary delivery point to a contingency delivery point where the primary delivery point is already more than 15 minutes from the relevant district's boundary tipping away payments will be calculated as follows:

$$\text{Payment} = T * R ((2 (MC - MP ) DC/ MC))$$

Where:

T = Total tonnage to the contingency delivery point  
R = Mileage rate  
MC = Time in minutes to contingency delivery point weighbridge from closest administrative boundary on an appropriate road  
MP = Time in minutes to primary delivery point weighbridge from closest administrative boundary on an appropriate road  
DC = Distance in miles to contingency delivery point weighbridge from closest administrative boundary on an appropriate road

9. Where districts have dedicated trade waste vehicles i.e. no household waste is collected on the vehicle, these vehicles are not entitled to tipping away payments.
10. In unforeseen circumstances, where the County requires a district to travel longer distances (above 25 miles), a rate will be agreed through the Board.
11. Payments in respect of extra transport costs will be made by the County quarterly in arrears.
12. An annual inflation index, RPIX, will be applied to the rates, with the first revision due on 1<sup>st</sup> April following the anniversary of the agreement.

### **Landfill Allowance Trading Scheme Income (LATS)**

1. Where LATS income exceeds that assumed by the County in their PFI Contract the County will pay to the relevant district(s) a proportionate share of the LATS benefits attributable to the district's contribution in respect of the MRF operations as may be agreed by the Board.
2. LATS surpluses generated through any other waste treatment processes procured by the County will not be shared with the districts

### **Recouping of County's costs**

1. Where under the appendix the County is entitled to recover costs from a district, those costs will be recovered by means of an invoice raised by the County, identifying the event and the costs involved.
2. Where a district fails to meet the WasteDataFlow reporting timescales, which leads to the County incurring a fine from Defra, the relevant district would be invoiced for any fine incurred.
3. Where a district implements non-statutory changes to collection methodologies which result in direct costs to the County under the contract with Veolia, the County is entitled to reimbursement of these costs from the relevant district.
4. Where a district fails to meet the waste acceptance criteria using the load acceptance/rejection procedure in Annex D section 2.6, the districts will incur costs for:
  - a load which is removed by Veolia for disposal to the energy recovery facility, landfill or other disposal at a transfer rate of £20.59 per tonne (section 2.6.3)
  - controlled processing where it determines that a load fails to meet the input specification at the agreed third parties processing rate (section 2.6.4)
  - processing premiums, where additional processing is carried out at the request of a district at a rate to be agreed by the County on behalf of the relevant district (section 2.6.5)

5. Where a contaminated load is removed that contains the waste of more than one district, the County will endeavour to apportion the costs between the relevant districts. Where this is not possible the costs incurred will be deducted from the annual Performance Credit payment.
6. An annual inflation index, RPIX, will be applied to the above transfer rate, with the first revision due on 1<sup>st</sup> April following the anniversary of the agreement.
7. Invoices will be issued by the County quarterly in arrears.