

Report to: EXECUTIVE CABINET

Date: 27 March 2024

Executive Member: Councillor Denise Ward- Executive Member (Climate Emergency and Environmental Services)

Reporting Officer: Jo Oliver, Head of Waste Management and Fleet Services

Subject: **REVISED WASTE MANAGEMENT LEVY ALLOCATION METHODOLOGY AGREEMENT (LAMA)**

Report Summary: To consider matters relating to the Waste Levy Allocation Methodology Agreement (LAMA).

Recommendations: That Executive Cabinet be recommended to agree:

1. That the new Levy Allocation Methodology Agreement (LAMA) is approved.
2. Authority is delegated to the Director of Resources and Director of Place in consultation with the First Deputy (Finance, Resources and Transformation) and the Executive Member (Climate Emergency and Environmental Services) to approve any changes to the LAMA which are not considered material.

Corporate Plan: Modern infrastructure and a sustainable environment that works for all generations and future generations.

Policy Implications: To help meet Tameside's aim of promoting environmental sustainability.

Financial Implications: (Authorised by the statutory Section 151 Officer)

The Council currently pays a £15.520m contribution to Greater Manchester Combined Authority for the Greater Manchester Waste Levy. This is calculated on the basis of waste disposal tonnages in 2017/18 per the previous LAMA agreement as approved by Executive Cabinet on 27 November 2019.

The key change from the previous agreement is that, from April 2024 actual data from 2022/23 will be used as the baseline year to calculate costs. The change in year will mean estimated costs are calculated using more realistic tonnage data. All costs are adjusted at the end of the financial year when full tonnage data for the year is available. Census data from 2021 will be used for car ownership per Waste Collection Authority for cost allocation for the Household Waste Recycling Centres (HWRCs)

The change in methodology will lead to cost increases for Tameside, the proposed costs are summarised below.

	Annual cost (£m)	Annual increase (£m)	% Increase
2023/24	15.520		
2024/25	16.226	0.706	4.5%
2025/26	16.800	0.574	3.5%
2026/27	17.576	0.776	4.6%

By 2026/27 it is estimated that costs will increase by £2.056m per year compared to the current year cost, which would create significant pressures on the Council's financial position. Targeted work will be undertaken to encourage behavioural changes to further increase recycling rates, where possible, in order to mitigate the proposed cost increases.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

The report seeks the approval of the revised Levy Allocation Methodology Agreement (LAMA), the previous Agreement having been approved by Executive Cabinet on 27th November 2019. The LAMA provides the basis of the calculation and apportionment of the cost of disposal of waste between the nine Greater Manchester Waste Collection Authorities. As indicated in the report the most significant change from the previous LAMA is that, from April 2024 actual data from 2022/23 will be used as the baseline year to calculate costs and thus mean estimated costs are calculated using more realistic tonnage data.

The recommendations are lawful and the proposed delegation at recommendation 2 to enable minor amendments that are not material is reasonable and appropriate.

Risk Management:

The Levy Allocation Methodology Agreement (LAMA) comprises the nine Greater Manchester Waste Collection Authorities (excluding Wigan MBC) and the Greater Manchester Combined Authority (GMCA), the waste disposal authority and is intended to incentivise an increase in recycling performance and diversion from disposal. Failure to do so will have negative environmental and financial impacts so it is essential we continue to encourage residents to recycle, reduce contamination rates and the amount of waste sent for disposal.

Background Information:

The background papers relating to this report can be inspected by contacting Jo Oliver, Head of Waste Management and Fleet Services



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1. INTRODUCTION

- 1.1 The Waste Management Levy Allocation Methodology Agreement (LAMA) is the method by which the costs for the operating contract for the acceptance, processing and disposal of residual waste, recyclables and food and garden waste amongst others is allocated amongst the nine waste collection authorities who are signatories. The agreement is until 31 March 2029.

2. LEVY ALLOCATION METHODOLOGY AGREEMENT (LAMA) CHANGES FROM 2024/25

- 2.1 The LAMA allocates the fixed and variable costs of the budget by waste stream, trade waste, Household Waste Recycling Centres (HWRCs) and GMCA (waste and resources own costs). The agreement was last revised in 2019 and the revision approved at Executive Cabinet on 27 November 2019.
- 2.2 The most significant change from the previous agreement is that actual data from 2022/23 will be used as the baseline year to calculate costs. Previously data from 2017/18 was used. The change in year will mean estimated costs are calculated using more realistic tonnage data. All costs are adjusted at the end of the financial year when full tonnage data for the year is available. Census data from 2021 will be used for car ownership per Waste Collection Authority for cost allocation for the Household Waste Recycling Centres (HWRCs). In the 2019 revision of the agreement data from the 2011 census was used.
- 2.3 Details of the changes have been discussed at Greater Manchester Treasurers meeting in October 2023 and the proposed changes were agreed. A copy of the revised agreement is provided as **Appendix 1**.

3. CONCLUSION

- 3.1 The LAMA is the unanimously agreed method for allocating the Waste and Resources budget between the constituent Waste Collection Authorities.
- 3.2 The key changes are in in section 2.2 of this report and Greater Manchester Treasurers have discussed the changes and agreed them.

4. RECOMMENDATIONS

- 4.1 As set out at the front of the report.