

Appendix C: Key Assumptions

General Assumptions	
Waste Growth	0.25% per annum
Inflation rate	2.50% per annum
Borrowing loan interest rate	3.69% per annum
Borrowing period	12 years (to 2030)
Increase in residual waste through introducing chargeable green waste service	2% by weight

Option 1 - Baseline	Option 2 – Local Agreement A	Option 2 - Local Agreement B
Annual 3% increase on recycling credit value: 2015/16 - £51.36 2016/17 - £52.90 2017/18 - £54.49 2018/19 - £56.12	2018/19 value is a 20% reduction of 2017/18 value, then static: 2017/18 – £54.49 2018/19 - £43.59 2019/20 - £43.59	2018/19 value is 50% reduction of 2017/18 figure, then rising with RPI (2.50% pa): 2017/18 – £54.49 2018/19 - £27.24 2019/20 - £27.93

Option 4 – LCC procure capacity and direct WCAs	
Contract gate fee: co-mingled with glass	£3.00/t rising by RPI per annum
Contract gate fee: separate (bulking)	£0.00/t
Service start date:	2018
Procurement costs	2017/18: £50,000
Tipping away payments	Based on distance from Leicester to Grantham (35 miles each way)

	Option 6a – LCC build a MRF alone and direct WCAs	Option 6a – LCC build a MRF alone and direct WCAs
Year of Operation	2018	2018
MRF Capacity	60,000tpa	135,000tpa
Capex (2016 cost) inc civils	£7,500,000 rising by RPI per annum (incurred in 2017)	£13,100,000 rising by RPI per annum (incurred in 2017)
Opex £/t indexed	£25.00 rising by RPI per annum	£25.00 rising by RPI per annum
Third party gate fee £/t	£13.00 rising by RPI per annum	£13.00 rising by RPI per annum
Third party throughput	0% of available third party capacity	0% of available third party capacity
Bulking capacity	35,000tpa	LCC only: 35,000 tpa
Capex (2016 cost) inc civils	£1,300,000 rising by RPI per annum (incurred in 2017)	£1,300,000 rising by RPI per annum (incurred in 2017)
Opex £/t indexed	£5/t	£5/t
Income from recyclate £/t average	£35.36 static	£35.36 static
Reject rate	10%	10%
Reject disposal cost	£103/t rising by RPI	£103/t rising by RPI
Procurement costs	£0.5m in each 2016/17, 2018/19	£0.6m in each 2016/17, 2018/19
Loan amount – drawn down in year before operation	£9,020,000 (2017)	£6,480,000 (2017) – based on Leicestershire providing 38% of throughput to MRF and all throughput to bulking
Tipping away payments	Based on distances to Bardon	Based on distances to Bardon