



The Waste & Resources Action Programme

The Old Academy  
21 Horse Fair  
Banbury  
OX16 0AH

Tel: 01295 819900  
Fax: 01295 819911  
website: [www.wrap.org.uk](http://www.wrap.org.uk)

While steps have been taken to ensure its accuracy, WRAP cannot accept responsibility or be held liable to any person for any loss or damage arising out of or in connection with this information being inaccurate, incomplete or misleading. For more detail, please refer to our Terms and Conditions on our website [www.wrap.org.uk](http://www.wrap.org.uk)



**When you have finished with  
this document please recycle it**

Printed on Revive Uncoated, with minimum 80% recycled content

# what's the right waste contract for you?



# 3

guidance on waste management and recycling contracts



## What's in this fact file?

- **Choosing the right contract terms for your business.**
- **Who collects waste?**
- **Recycling contracts.**
- **How you can save money.**

In 2004, just **58%** of hospitality businesses **knew how much they were paying** for their **waste collection service**<sup>1</sup>. The businesses said that, despite the fact that waste was one of the smallest cost items for their business, **waste disposal caused more hassle** than any other day-to-day issue.

<sup>1</sup>survey undertaken by WRAP and Oxford Brookes University

So it's vital to get the contract absolutely right – for more than just financial reasons.

When negotiating a waste contract for a group of units or even a national contract, always push for a deal which is tailor-made for your business, and don't be afraid to haggle over the terms.

This fact file deals with contracts – because the type of waste collection contract you have determines just how much money your business can save.

So before you embark on a waste minimisation programme, it's essential to understand how much you can save **now** within your current contract, and what changes to the contract will deliver greater savings in the future.



# the main types of contract

Whether negotiated at a group or unit level, waste collection contracts for UK businesses (including hospitality) fall into four broad categories.

The information below shows the level of possible cost savings with a £ icon.

## i. Contracts charging a fee each time a container (bin or skip) is emptied (or 'lifted')

This type of contract can only offer potential cost savings if your business has **two or more waste disposal containers**, and if you are able to reduce your total waste volume by more than one container per collection. Under these contracts, you are charged each time a waste contractor comes to empty your bins. There is usually a nominal rental fee for the bin as well.

£ You can make **immediate savings** if you can remove surplus waste containers and ensure that staff **fill bins sequentially**, i.e. completely filling one before starting the next. You can also save more by minimising waste volumes (through waste minimisation or compaction) or recycling bulky items such as cardboard.



## case study

Waste compactors reduce the volume of your waste but have no effect on weight. Using one will enable you to fill your bins or skips to their full capacity (subject to weight limits), with the potential to save money if you are charged for emptying each one.

The **Le Meridien Waldorf** was able to reduce costs for bin rental by compacting paper and kitchen waste into three 660 litre bins, from six 1100 litre bins<sup>2</sup>.

Bear in mind that there are various constraints on the use of compactors (see section below) and if you are currently charged by weight for waste collection, or are able to change to this arrangement in conjunction with a waste minimisation programme, you will not benefit from the use of a compactor.

<sup>2</sup> [www.tonyteam.co.uk/cstudy/html](http://www.tonyteam.co.uk/cstudy/html)

## ii. Contracts charging a fee based on the weight of waste collected

These offer the **best potential for cost reduction**. At the moment, not many waste collection agents offer them – but with increases in landfill tax over the next few years they will become more common.

As of April 2006 your collector will be charged £21 in landfill tax for each tonne of waste they take to landfill, rising to £24 in April 2007. Materials sent for recycling are not charged the landfill tax.

£££ You will save the most by minimising or recycling heavy waste materials, including **focusing recycling efforts on glass waste** (18% of the waste stream for many hospitality businesses) or using a contractor with competitive pricing. A 1100

litre waste bin, commonly used in the hospitality sector, containing mostly glass and food waste will typically weigh around 265kg<sup>3</sup> – but the same bin filled mostly with glass waste, from a nightclub for example, can weigh up to 500kg.

The next two types of contract are uncommon and are usually **negotiated by groups** such as pub companies.

## iii. Contracts offering a reduced fee for general waste disposal to businesses that recycle specific materials

These contracts offer good potential cost savings for businesses that have **easy access to recycling services**. However, such contracts are not common and are usually negotiated by groups who can offer a national contract to a waste collector.

Where these contracts are available, they will depend on your ability to find an agent to collect your recyclables – they're more common in urban areas.

££ You will save money if a recycling contractor operates in your area and **charges you less for collecting the recyclable portions** of your waste than the fee charged by your general waste collector.



<sup>3</sup> WRAP and Oxford Brookes University, 2003

iv. Contracts based on the provision of waste disposal containers (usually bins, skips or compactors) by the collection agent, and an annual flat fee for rental of the skips and emptying the bins

This type of contract is uncommon and offers very limited potential for cost savings through a waste minimisation strategy.

You can only expect to make immediate savings if you change this type of contract for one of the other three types listed here.

So if you have this type of contract, **renegotiate it** as soon as possible so you can benefit from any waste reduction and/or recycling that you implement.



How you are charged for your waste collection – and the potential savings from waste minimisation – is only one part of the contractual equation.

You also need to make sure that your contract provides good service and meets your legal obligations.

### Here are some terms to check when renegotiating your contract:

- whoever collects your waste must be registered for waste disposal (especially if carrying hazardous wastes) and dispose of it responsibly. See the box on the following page for how to check this;
- that the waste collector will issue a Duty of Care Agreement and – if relevant – a Hazardous Waste Agreement. These agreements must be renewed annually by drawing up a new Waste/Hazardous

Waste Transfer Note (see Annexes 1 and 2 for examples of these). Waste Transfer Notes usually cost in the region of £50 to £100 as a one-off annual fee, but the fee is sometimes waived in the case of group agreements;

- the day (and if necessary time) on which the bins will be collected and emptied;
- who cleans up any waste spilled during the collection process and how quickly;
- the cost of collecting waste that is crushed or compacted. Some waste companies charge more to dispose of this type of waste (or have specific weight limits for each bin) so if you use or plan to install a compactor or crusher, ensure you have the right type of bins and that any changes in waste disposal costs will justify the use of the technology;
- any penalties in the contract for removing unused bins (and how long it would take),

so that you do not have to pay for empty bins to be lifted;

- cancellation notices and break clauses – it's up to you to negotiate them;
- the length of notice required to terminate the contract. Some contracts continue to be renewed for twelve months unless you cancel at a specific time before the contract expires; other contracts roll on indefinitely until you give notice to cease waste collections;
- a contact number and agreed timescale within which non-routine pick-ups can be made;
- any incentives or partnerships that can be offered for recycling;
- any added value services available, for example the provision of waste data, free advice, flexibility in respect of review of contract.

## Is your waste carrier registered?

You are responsible for your waste, so you should ask for proof that your waste carrier is authorised to handle or transport it.

A registered carrier should be able to produce a **certificate of registration** (see Annex 4 for an example) or a certified copy when you request it. This certificate will show the date on which his or her registration expires. **A photocopy does not provide evidence** of registration – you should **ask to see the original** or a duplicate. You can take a photocopy for your records, date it and write on it that you have seen the original.

Here is a list of relevant categories of businesses that have the authority to take your waste.

- **Council waste collectors** – you will have to complete some paperwork.
- **Registered waste carriers** – who have a certificate of registration.
- **Exempt waste carriers** – such as charities and voluntary organisations.
- **Holders of waste management licences** – check that the licence covers your type of waste.
- **Registered waste brokers** – anyone who arranges the recycling or disposal of waste must be registered with the Environment Agency and you can check this with the Environment Agency.

- **Exempt waste brokers** – mainly charities and voluntary organisations, registered as exempt with the Environment Agency.

To find registered carriers in your area, or to check whether a business is registered, go to [www2.environment-agency.gov.uk/epr/index.asp](http://www2.environment-agency.gov.uk/epr/index.asp) or ring the Environment Agency on 08708 506506 and ask for an instant Waste Carrier Validation Check.

### One last thing

Your responsibility for the waste does not end when the Waste Carrier removes it from the site - it extends until the waste has either been finally and properly disposed of, or fully recovered. You must ensure – by asking the carrier – that the waste is disposed of at a suitably licensed or exempt facility.

# contracts just for recycling

Contracts for recycling differ little from the general waste collection contracts covered so far in this fact file. But if you have agreed or are looking to negotiate a contract for recycling you should also check the following terms.

- The frequency of collections, time of collections (especially for glass, where bin emptying can give rise to noise complaints) and arrangements for additional collections during peak periods.
- Whether materials for recycling will be collected separately (so it's up to you to separate cardboard, cans, plastics, paper etc into different bins) or "co-mingled" (all together in one bin). It is relatively rare to find co-mingled recycling schemes that include glass.
- The process for disposing of waste that is contaminated. As a general rule, your business will be responsible for paying to dispose of any recyclable materials that are contaminated with other types of waste (even if your business is not responsible for the contamination). The recycling service may cease until contaminated bins are emptied and cleaned.
- That Duty of Care Agreements – and, if relevant, Hazardous Waste Agreements – are issued and renewed as appropriate for wastes sent for recycling.
- Whether the recycling agent will provide a certificate illustrating the weight of materials sent for recycling, which you can display for staff and clients to see. This can be good for staff motivation and make good PR.
- What happens to the materials collected for recycling, where they are taken and to whom they are sold, so that you can be sure that they are being recycled.



# beware – contamination

Recycling collection agents will tell you what they will accept – and what they will not. Food waste is one of the worst and most common contaminants and all **glass, aluminium or steel containers should be washed out before placing in the recycling containers.**

Other common contaminants for glass collections are crockery, milk bottles, Pyrex items and flat glass.

Recycling containers should be secured and/or kept away from public areas so that you are not left with the responsibility of paying for disposing of bins contaminated with waste deposited by the general public.

**CONTAINERS NOT UPLIFTED TODAY**

**GLASS COLLECTION SERVICE**  
Your glass recycling containers have not been uplifted today

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Time of Visit

The reason they have not been collected is because:

Containers had material in other than glass

This material was:

No access was available to collect them

Containers were damaged and require to be replaced

Containers were not at the correct point of collection

Other:

To speak to someone regarding the uplift of these containers please contact:

**Glass Collection Company**  
Freephone  
0800 000 000

**CONTAINERS NOT UPLIFTED TODAY**

# how much could your business save?

Obviously you're in business to make a profit – and the less you pay to dispose of your waste the greater your profit will be.

Different waste management solutions will suit different hospitality businesses – so only you can decide the best way of managing your waste and improving the bottom line. How much your business saves will depend on how much you currently pay to dispose of, and how carefully you manage, your waste.



