

NORTH LONDON WASTE AUTHORITY ANNUAL REPORT 2013/14

1. INTRODUCTION TO THE AUTHORITY

1.1 The North London Waste Authority (NLWA) was established in 1986 as a joint statutory waste disposal authority after the abolition of the Greater London Council (GLC). The Authority's prime function is for arranging the disposal of waste collected by its seven constituent boroughs:-

- The London Borough of Barnet
- The London Borough of Camden
- The London Borough of Enfield
- The London Borough of Hackney
- The London Borough of Haringey
- The London Borough of Islington
- The London Borough of Waltham Forest

1.2 The Authority has a membership of 14 councillors, with each constituent borough appointing two councillors. The Authority normally meets 5 times a year, with provision for extraordinary meetings as required.

1.3 In 2013/14, the Chair of the Authority was Cllr Clyde Loakes (LB Waltham Forest) and the Vice Chairs were Cllr George Meehan (LB Haringey) and Cllr Dean Cohen (LB Barnet).

1.4 Arising from the requirements of the Environmental Protection Act 1990, the Authority in 1992 entered into a process leading to the formation of a Local Authority Waste Disposal Company (LAWDC) and subsequently a Joint Venture. The Authority selected SITA (GB) Ltd (now called SITA (UK) Ltd) as its preferred partner, and a joint venture company, called LondonWaste Ltd was set up. The Authority subjected its waste disposal needs for twenty years to competitive tender with LondonWaste Ltd being one of the bidders.

1.5 After 18 months of negotiations the arrangements for the Joint Venture were finalised and received the Secretary of State for the Environment's approval in December 1994. The divestment of the Authority's operational arm to LondonWaste Limited took place on 15th December 1994. At the same time, a twenty-year contract for the incineration and disposal of the Authority's waste was awarded to LondonWaste Ltd.

- 1.6 The requirement for local authorities to contract out waste disposal functions was repealed by section 47 of the Clean Neighbourhoods and Environment Act 2005. This meant that the Authority could again own and operate waste disposal facilities, and in December 2009 the Authority acquired Sita's shares in LondonWaste and became the sole owner as part of its wider approach to procuring the next generation of waste services for north London (as set out further in section 5).
- 1.7 The Authority does not employ any staff directly, but makes cross-borough arrangements for support services, involving the boroughs of Camden, Enfield, Haringey and Waltham Forest. The principal officer support and managers in post as at 31st March 2014 are set out below. Structure charts for each of the officer teams are given in Appendix 1.

Clerk – Mike Cooke (part-time NLWA)
Financial Adviser – Mike O'Donnell (part-time NLWA)
Legal Adviser – Andrew Maughan (part-time NLWA)
Environment Adviser – Ian Davis (part-time NLWA)
Planning Adviser – Shifa Mustafa (part-time NLWA)
Managing Director and Deputy Clerk – David Beadle
Head of Operations – Andrew Lappage
Head of Finance – Bob Bench
Head of Legal and Governance – Ursula Taylor

2. JOINT MUNICIPAL WASTES MANAGEMENT STRATEGY AND WASTE PREVENTION

Highlights

- Preliminary figures indicate that in 2013/14, residual waste per household was down 1.1% to 579kg; the household waste re-use, recycling and composting rate was up 1% to 33%; and the amount of municipal waste sent to landfill remained at 25%.
- Extensive outreach programme delivered to promote the waste prevention message through:
 - direct engagement with nearly 10,000 north London residents with participation in 132 public facing events and in-depth workshops with over 500 residents and 1,600 students in total;
 - seven Big Free Lunch events serving over 7,000 free portions of food that would otherwise have become waste, and 45 residents participating in an online food waste challenge;
 - delivery of 21 Give & Take events with housing associations and nine clothing exchange events where over 1,000 items of clothing avoided becoming waste;
 - delivery of a campaign to reduce unwanted mail which resulted in 10,000 registrations with the Mailing Preference Service (MPS);
- Participation in the national Compost Awareness Week and the European Week for Waste Reduction in November 2013 focusing on promotion of the food waste reduction and composting messages at outreach events and promotion of re-use activities via community exchange events.

Overview

2.1 The North London Joint Waste Strategy (NLJWS) sets the strategic framework for the Partner Authorities (the Authority and the seven constituent borough councils). The strategy includes a number of implementation actions and targets including:

- To achieve a 35% recycling and composting target for household waste by 2010, 45% by 2015, and 50% by 2020.
- Reduce municipal waste sent to landfill to 15% of arisings.
- To provide door-to-door recycling services to 95% of relevant households
- To provide all residents in multiple occupancy housing with either door-to-door collection services or a minimum of one 'near-entry' recycling site per 500 households as soon as possible
- To achieve 60% recycling and composting diversion rates at all North London Reuse and Recycling Centres by 2015.

- 2.2 During 2013/14 the Authority produced the fifth Annual Monitoring Report of progress made with implementing the Strategy and accompanying Strategic Environmental Assessment; the report presented data up to 2012/13. A copy of the Annual Monitoring Report is available at: <http://www.nlwa.gov.uk/governance/annual-monitoring-reports>.
- 2.3 The Authority used to have a duty to publish three 'National Indicators' (NIs) by 30th June each year in relation to the previous year's performance. Despite the duty no longer existing, the Authority finds it useful to prepare an Annual Report for its Annual General Meeting in June each year, and to have preliminary data on these matters, even though the numbers will be subsequently adjusted as they are finalised with the constituent borough councils for reporting to WasteDataFlow by 30th June each year, and are then validated by WasteDataFlow up to three months later.
- 2.4 Current data and reports from constituent borough councils indicate that the provisional performance in 2013/14 (with 2012/13 for comparison) was as follows:
- 579 kg (586 kg) residual waste per household was collected (NI 191).
 - 33% (32%) of household waste was re-used, recycled or composted (NI 192).
 - 25% (25%) of municipal waste was sent to landfill (NI 193).
 - 100% (100%) of residents continued to receive a door-to-door or communal recycling service.
- 2.5 The Partners' current performance remains below the 2010 recycling and composting target contained within the NLJWS, however work continues to address this shortfall. On a positive note, the lower levels of landfill rates seen in 2011/12 have broadly continued for the Authority through 2012/13 and 2013/14. Section 3 outlines some of the other service improvements that were made during the year by the Authority, principally at the Household Waste Recycling Centres, which will result in improved recycling performance going forward.
- 2.6 In relation to biodegradable wastes the Authority continued to arrange the composting of six boroughs' mixed food and green waste and four boroughs' pure green waste. LondonWaste processed most of this at their in-vessel composting facility at Edmonton or they took it to other suitable facilities outside of London.
- 2.7 In relation to commingled dry recyclables the Authority arranged the sorting of five boroughs' materials at Materials Recycling Facilities at the beginning of the year and a sixth borough's from October 2013, benefiting from low reject rates and from income sharing arrangements.

- 2.8 The longer-term implementation of the NLJWS is set out later in this document at Section 5.

Waste Prevention

- 2.9 During 2013/14, the Authority worked in partnership with the seven constituent boroughs to reduce waste arisings in north London. Three priority waste streams were identified, namely food waste, furniture and packaging complemented by other activities promoting textile reuse, reduction of unwanted mail and promotion of home and community composting.
- 2.10 The report at Appendix 3 presents the results of the year's extensive activity and progress towards implementing north London's Waste Prevention Plan 2012-14, so it is not repeated here.

Working in Partnership

- 2.11 The Authority continues its support for recycling and sustainable waste management practices by working with both the constituent borough councils and by supporting and engaging in active dialogue with a number of other national and regional organisations, including the Greater London Authority, the Chartered Institution of Wastes Management and the Waste and Resources Action Programme.
- 2.12 The Authority is also a member of a number of organisations as follows:
- Association of Cities and Regions for Recycling and Resource Management (ACR+)
 - Local Authority Recycling Advisory Committee (LARAC)
 - Waste Watch
 - London Environmental Education Forum (LEEF)
- 2.13 Additionally, individual officers are members or attend the meetings of a number of other officer based groups.
- 2.14 The Authority also actively engages with the work of London Councils, although for technical reasons cannot be a formal member with voting rights.

Influencing European, National, Regional and Borough policy frameworks

- 2.15 The Authority has also worked towards securing as favourable a long-term policy framework as possible, and in this regard reviewed 46 consultation documents in the year formally responding to 17 public consultations in 2013/14.

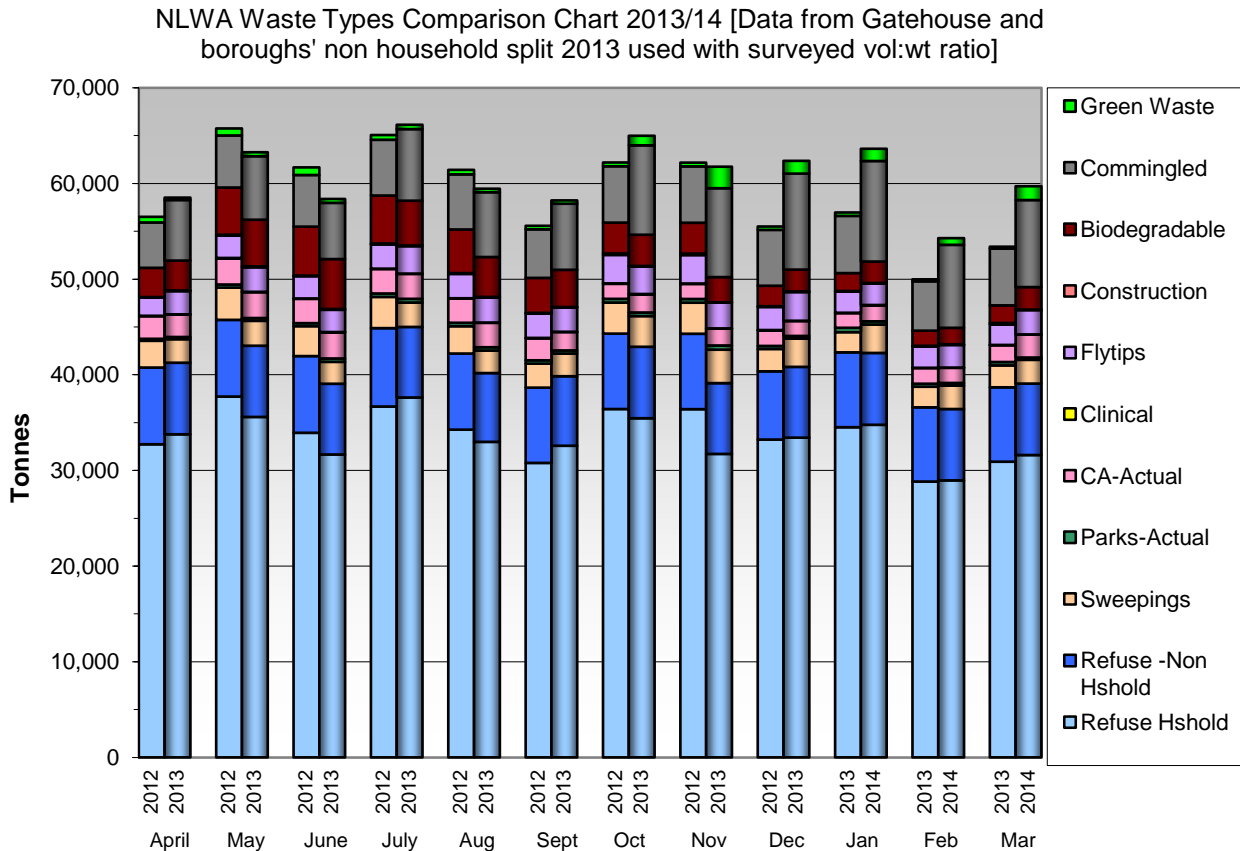
3. CONTRACTED SERVICES

Highlights

- Materials Recycling Facility (MRF) contracts that returned over £2.7m income from the value of the recyclable wastes, and the Authority's similar payments to relevant constituent borough councils towards their additional costs of collection (although there is still a net cost of the service).
- Continuation of WEEE services including the kerbside collection of WEEE for all north London residents for the duration of the contract and income to the Authority from the value of WEEE collected in excess of £54k.
- Accommodating LB Barnet's change to a separated food and green waste collection system and the change from source separated to a commingled dry recycling collection system; and incorporating these changes into existing Authority recycling arrangements.
- Development of a new Household Waste and Recycling Centre at Western Road, as a replacement to the Hornsey High Street facility (to open in June 2014). Continued operation of 7 HWRCs delivering financial savings and improved HWRC performance.
- Implementation of a Waste Management Data System.

- 3.1 The Authority implements many of the objectives of the NLJWS in the short-term (as well as discharging its statutory duties) through contracted services. This is principally the main waste disposal contract for all residual household, commercial and clinical waste collected by the constituent boroughs, and for the residual waste received at all nine household waste and recycling centres (HWRCs), but the Authority has for some years been managing most recycling and composting services too. Since 2012/13, the Authority has additionally managed the operations of seven of the nine HWRCs in its area. There are also some relatively minor ancillary contracts.

Tonnage Information



NB. This chart excludes Boroughs' own waste to reprocessors

Main Waste Disposal Contract

3.2 The main waste disposal contract with LondonWaste Ltd encompasses the disposal of most of the waste collected by the seven constituent boroughs through front-line services and household waste and recycling centres (HWRCs). Services are delivered mostly by LondonWaste directly, but the Hendon rail transfer station is operated by FCC Environment as LondonWaste's sub-contractor (although FCC is the tenant of the Authority).

3.3 During 2013/14, 731,488 tonnes of municipal waste were treated or disposed. This is 26,272 tonnes more than 2012/13. An additional 35,263 tonnes of recycling were managed under Authority arrangements, whilst residual tonnage reduced by approximately 8,940 tonnes. This contract is monitored using random routine inspections of each LondonWaste site. The target is to visit each site on a weekly basis but where this is not possible emphasis is given to the busier sites. During 2013/14 a total of 136 visits were made across the three sites at Edmonton, Hendon and Hornsey Street with a further 45 visits to the Authority's MRF contractors.

- 3.4 These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are running efficiently. Officers have actively worked with contractors to ensure the level of service provided is maintained.
- 3.5 During these visits, the movement of constituent borough council vehicles is monitored by sampling approximately 1100 transactions a month which is approximately 6% of the monthly total and is statistically representative. Performance against this target was met during 2013/14. The vehicle monitoring data is then reconciled against claims for payment by LondonWaste Ltd and other contractors, and cost adjustments totalling £4,808 were made against these monitored transactions. Tonnage data is sent to borough technical officers each week, month and quarter so that they may carry out their own checks on transactions and highlight problems for the Authority's contracts team to investigate.
- 3.6 This monitoring includes vehicles delivering organic wastes for composting and commingled dry recyclables for sorting and recycling. This amounted to 148,245 tonnes in 2013/14 (included in the overall tonnage figure at 3.3 above). This is an increase of 35,263 tonnes on tonnage in 2012/13. While this tonnage is treated via a variation to the main waste disposal contract and the MRF contracts, the waste is reported to the centralised national database, WasteDataFlow by the constituent boroughs mainly from data provided by the contracts team.
- 3.7 The in-vessel composting of mixed food and green waste, the transfer of oversupply (amounts over and above the treatment capabilities at the IVC) of food and green waste, the windrow composting of green waste to third party facilities and the bulking and also the direct delivery of commingled recyclable wastes to the MRF facilities continued in 2013/14. The Authority received 40,456 tonnes of biodegradable kitchen/garden waste (an increase of 142 tonnes from 2012/13), 10,739 tonnes of green waste (an increase of 5,108 tonnes from 2012/13) mainly due to Barnet changing their collection system in October 2013 and delivering food and green waste separately from each other.
- 3.8 In 2013/14 97,050 tonnes of commingled waste (an increase of 30,013 tonnes from 2012/13) and again mainly due to Barnet changing from a source separated collection of recyclables to a commingled collection of mixed dry recyclables under the Authority arrangements in October 2013. These figures are included in the overall organic wastes and commingled recycling tonnage figure at 3.6 above.

- 3.9 The two merchant capacity contracts for commingled dry recyclable wastes continue to perform well with officers continuing to work with the contractors to maintain service levels. Since being in receipt of an income-share from the MRF contractors, the Authority has made commingled income payments (CIPs) to contribute to the additional costs of collection of those constituent borough councils delivering commingled dry recyclables to the Authority. Each quarter Authority officers audit the income the MRF contractors receive and pay CIPs to the constituent boroughs; the last quarter of 2013/14 has recently been finalised and the total income for 2013/14 will be in excess of £2.7 million; this has resulted in a net cost to the public purse of under £18 per tonne for MRF services in challenging market conditions.

Household Waste and Recycling Centres

- 3.10 There are currently nine household waste recycling centres, or 'HWRCs' (originally called civic amenity sites) in the Authority's area generating 25,873 tonnes of residual waste in 2013/14 (an increase of 749 tonnes from 2012/13), which was transported from the HWRCs and then disposed of under the twenty-year main waste disposal contract above. In overall terms there was a reduction of 626 tonnes in the residual waste collected from the HWRCs under the Authority's control (both Enfield and Barnet retained the control of their respective HWRCs under other local government legislation).
- 3.11 The Authority has historically provided a transport and disposal service for residual wastes and has made arrangements for the transport of recyclable wastes. Within this contract the target is to visit each HWRC twice per month on average to ensure service levels remain high and to check the condition of the containers ensuring all health and safety requirements are met. These targets were met, and during 2013/14 a total of 217 visits were made to HWRCs.
- 3.12 LondonWaste continues to perform well and the service is of a good standard; no defaults were issued during the period covered by this report.
- 3.13 A budget of £2.43m was set for the operation of the seven Authority-managed HWRCs in 2013/14. Actual costs to the boroughs for providing the service in 2013/14 was £2.112m resulting in an overall operational saving of £188k and a budget saving of £0.314m due to some site costs remaining with the constituent borough councils. The table below sets out the savings for each borough.

Borough	2013/14 Budget	<u>NLWA actual</u> 2013/14 costs	Difference
Camden*	£405,320	£290,227	-£115,093
Haringey**	£475,443	£500,280	£24,837
Islington***	£579,288	£591,460	£12,172
Waltham Forest****	£965,930	£730,121	-£235,809
Total	£2,425,981	£2,112,088	-£313,893

* additional recycling containers, better than expected tonnage reductions in trade green waste following the controls that were implemented and less than expected utilities costs contributed to the savings against budget.

** long term staff sickness and increases in recycling disposal costs contributed to the increase costs at the Haringey sites.

** * improvements to lighting and increases in recycling disposal costs contributed to the increase for Islington.

**** the original costs provided by Waltham Forest for operation of the sites was disproportionate to the actual costs. When the 13/14 budget was set it was not apparent that this was the case.

3.14 It should be noted that the HWRCs at Hornsey Street and Gateway Road were transferred via novation of the existing contract and SLA with costs matching the previous borough arrangements.

3.15 Although overall savings have been made, the service levels provided to residents have not been compromised. Improvements across the sites under the Authority's control has included implementing a van acceptance procedure, increasing material streams accepted on site, with more sites now accepting hard plastics for recycling. Infrastructure improvements have included investment in a new lighting system at Hornsey Street to improve light levels and a specification has been agreed for an Automatic Number Plate Recognition (ANPR) system to be installed to further control trade waste abuse at the HWRCs.

3.16 A new HWRC is scheduled to open in June 2014 in Haringey to replace the current site at Hornsey High Street. The new site will be located in Western Road, Wood Green and is located less than a mile from the current site. The new site will benefit from accepting additional materials including hard plastic and paint.

3.17 In addition to the financial savings mentioned in 3.13 above improved recycling rates have also been achieved across the HWRCs operated by the Authority. The table below shows the recycling performance* for each site for 2012/13 and 2013/14.

SITE	2012/13	2013/14
Regis Rd	51.36%	53.35%
Hornsey St	68.27%	67.28%
High St, Hornsey	62.94%	63.44%
Park View Rd	52.04%	56.65%
Gateway Rd	58.07%	61.88%
Kings Rd**	99.57%	100.00%
South Access Rd	64.91%	68.93%
Weighted average of all sites	62.82%	66.69%

* Includes rubble sent for recycling, which does not count towards the national indicator

** Kings Road does not accept residual waste

- 3.18 Material suitable for re-use continues to be collected from the sites directly (where space permits) or transferred to a storage area located in the Kings Rd HWRC. Currently the material is being collected by Restore Community Projects, a local charity based in Tottenham. During 2013/14 over 72 tonnes of re-use material was collected from the HWRCs. During 2014/15 plans will be prepared to redevelop the re-use shop at Kings Road and open a charity operated store from the site.
- 3.19 A recent independent user satisfaction survey undertaken at all nine HWRCs received positive results from residents regarding the seven Authority operated facilities.
- 98% of users rated the sites as good or very good for cleanliness;
 - 94% of users rated the materials accepted on sites as good or very good;
 - 92% of users rated staff helpfulness as good or very good.
- 3.20 During 2013/14 16 written complaints were received regarding the seven HWRCs managed by the Authority. Of these, ten complaints related to the van procedures in place and the requirement to pre-book vans to access the HWRCs. Four complaints were received regarding site staff, which is believed to be a relatively low number of complaints given the volume of residents using the HWRCs.
- 3.21 The contracts team continue to reconcile all movements of waste and recyclables out of the sites for tonnage reporting purposes and invoice reconciliation as well as auditing the actual operating costs and income received from the sale of recyclates with LWL and other contractors used in providing the service.
- 3.22 The contracts team also staffs the Authority's main telephone line and is now regularly receiving many calls per day from residents with enquiries regarding the HWRCs in their borough.

Ancillary Services

- 3.23 **Waste Electrical and Electronic Equipment (WEEE)** – Under legislation, derived from the WEEE Directive, producers of electrical and electronic equipment bear the costs of recycling and/or disposal for this waste stream. Electrical and electronic equipment is collected from seventeen Designated Collection Facilities (DCF's), registered by the Authority on behalf of the constituent boroughs. Approximately 3,577tonnes of WEEE was recycled during 2013/14 (an increase of 513 tonnes from 2012/13). Other than contract management costs, this service is free of charge to the Authority as it is a requirement under European 'producer responsibility' legislation. As set out in the Authority report to Members in February 2011, benefits were secured under this contract, one of which, the free provision of bring banks for small WEEE, has been rolled out to various locations in all of the constituent boroughs. Also, a free kerbside collection of WEEE is now available to all residents of north London and was used by 6,419 households in 2013/14 yielding 344 tonnes of WEEE; officers have negotiated for this service to continue for the remaining duration of the contract. Additionally, income for the value of WEEE items collected in 2013/14 from the DCF's has returned in excess of £54,000 to the Authority.
- 3.24 **Tyres** – The service provided by the Authority's contractor continues to perform well with two sites, one in Hackney and one in Barking, available for constituent boroughs to deliver. In 2013/14 approximately 69 tonnes of tyres were disposed (a net decrease of 65 tonnes from 2012/13; however some constituent boroughs continued to make their own arrangements.

Other Responsibilities

- 3.25 **Data** – The Authority continued to manage data on residual wastes and over thirty categories of recycling in relation to the national WasteDataFlow system (initially set up for landfill allowances and National Indicator targets) and for the Authority's scheme for the payment of re-use and recycling credits to third parties. Along with the need to verify data so that the Authority can validate each constituent borough's submission to WasteDataFlow and ensure compliance under 'duty of care' legislation of all UK destinations of waste, this has required a significant number of site visits and audit work. The contracts team has also made significant progress in streamlining the data functions. Officers in (conjunction with the system designers) have developed the recently procured Waste Data Management System and it is anticipated that this will be rolled out to borough officers ahead of this Authority meeting. The system will give borough officers access to; directly register vehicles, use a vehicle round recording function, next day weighbridge data and a full data reporting function for their own data. By having one master set of data contained within the database it is expected to further improve the reporting and auditing capabilities of the Authority.
- 3.26 During 2013/14 Authority officers continued to conduct surveys of DIY wastes from HWRCs and user surveys.
- 3.27 The contracts team provides discretionary reporting under the DECC-DEFRA greenhouse gas reporting guidelines for constituent boroughs to use if they wish. The team liaised with DECC when producing the CO₂ reporting model, with 2010/11 being the base year used for onward comparison. As a greater base of data develops, trends will be available for reporting.

Pinkham Way

- 3.28 Late in 2011/12 an application was made by a local resident to register the Pinkham Way site as a town or village green; under the Commons Act 2006, the application was made to LB Haringey as the relevant Commons Registration Authority (the site being within its boundary). The case was heard during March 2013 by an Independent Assessor appointed by LB Haringey, and his recommendation not to register the site as a town or village green was agreed by LB Haringey's Licensing Sub-Committee (acting as the Commons Registration Authority) in September 2013.
- 3.29 In April 2013 the Authority formally withdrew a planning application for the development of the site in partnership with LB Barnet, but noted that the site remained relevant to the Authority's service requirements and that the future use of the site would depend on future waste services contracts and would, at the appropriate time, be subject to local consultation and planning processes.

3.30 In May 2013 the Authority submitted a planning application to LB Haringey in relation to tree management works as some trees had been identified as potentially dangerous. Approval was granted in September 2013 subject to a number of conditions, and the works are now planned to take place during 2014/15.

3.31 Ecological surveys have been undertaken at the site to establish the ecological value of the land and identify species that must be protected. This work is on-going and results will be brought to Members in due course. Additionally work to manage two invasive plant species (Japanese Knotweed and Giant Hogweed) was conducted as well.

4. RELATIONSHIP WITH LONDONWASTE LTD

Highlights

- A high-quality, reliable service was provided throughout the year.
- £7m dividends paid by LondonWaste Ltd.

4.1 Whereas the Authority had held a 50% shareholder interest in LondonWaste Ltd since the company's creation in 1994, in December 2009 the relationship fundamentally changed, as set out in section 1 above.

4.2 During 2013/14 the Shareholder Group comprising Cllr Loakes, Cllr Cohen and Cllr Meehan, supported by Authority officers, continued to oversee the Authority's interest in LondonWaste Ltd.

4.3 Once again, LondonWaste Ltd has provided a high quality, reliable service to the Authority and the constituent borough councils throughout the year.

4.4 In the year ended 31st December 2013 LondonWaste Ltd made a profit before tax and exceptional items of £12.8m. The annual boiler maintenance outages were generally completed on or ahead of schedule and boiler availability exceeded expectation whilst waste throughput was around budgeted levels. This meant that incineration and electricity export exceeded expectation, disposal costs were minimised and profitability was sufficient for LondonWaste Ltd to pay £7m in dividends to the Authority.

5. PROCUREMENT ACTIVITY

Highlights

- The Authority decided to stop the procurement of long-term contracts for waste services and fuel use in September 2013 in favour of a less expensive solution to north London taxpayers' waste management needs, which became deliverable as a result of developments in the planning policy situation in north London earlier in 2013.
- The alternative strategy considered was based on continued use of the existing Edmonton facility, to be followed by a new energy recovery solution to take over from the existing facility that will continue to provide electricity for the national grid and could provide the potential to supply heat for local homes and businesses.

Procurement

- 5.1 The Authority had started a major procurement in April 2010 with the publication of an OJEU notice for two contracts, one for waste services including the production of a solid recovered fuel, and the second for the use of that fuel.
- 5.2 Following notification to the Authority in December 2012 that Veolia Environmental Services was withdrawing from both procurements, the remaining bidders were
- i) **FCC Skanska - Waste Services** – processing of all waste streams including transport and household waste recycling centres; and
 - ii) **E.ON / Wheelabrator Technologies - Fuel Use** – energy-from waste with combined heat and power.
- 5.3 The Authority continued its process pursuant to published government guidance on managing a premature ending of a competitive process. This guidance makes clear that the Authority needs to consider the strength and quality of the remaining bid for each contract, consider the extent to which the competition up to that stage has been effective, and consider whether value for money can be demonstrated with only one bidder for each contract.
- 5.4 The evaluation of draft final tenders, received in March 2013, continued, and was reported to the Authority in June 2013.
- 5.5 The Authority had to decide whether or not it remained in the Authority's best interest to proceed with the final stages of the procurement process, which might have led to the award of significant long-term contracts, notwithstanding that there remained only one bidder for each of the contracts.

- 5.6 However, at its meeting in September 2013, the Authority decided to end its procurement for long-term waste management services, in favour of a less expensive solution to north London taxpayers' waste management needs, which became deliverable as a result of developments in the planning policy situation in north London earlier in 2013.
- 5.7 At that time, the Authority considered that the alternative strategy would be based on continued use of the existing Edmonton facility, to be followed by a new energy recovery solution to take over from the existing facility that will continue to provide electricity for the national grid and could provide the potential to supply heat for local homes and businesses.
- 5.8 In September, the Authority noted also that the existing Edmonton facility was now projected to be available, with an appropriate maintenance programme, until 2025. The timing of the procurement of a new facility would be a matter for consideration during 2014, taking account of this anticipated life of the existing facility.
- 5.9 Planning policies which had been published and were referred to in the taking of the decision to end the procurement were:
- The publication in May 2013 of the London Borough of Enfield Supplementary Planning Document (SPD) which had been prepared during 2012. The Authority's position, when the draft was published early in 2013 for public consultation, was to express overall support for the SPD but to highlight a small number of specific concerns with its drafting. These concerns related *inter alia* to the requirements to host and connect to an energy centre for the planned Lee Valley Heat Network and to requirements that part of the site be reserved for a future low carbon heat source.
 - The Mayor's Upper Lee Valley Opportunity Area Planning Framework, published in July 2013, which contained as one of its eight objectives the proposed Lee Valley heat network supported by energy from the Edmonton EcoPark.

6. COMMUNICATIONS

Highlights

- New consumer campaign called 'wise up to waste', developed to communicate with residents around the waste challenge facing north London.
- Joint communications campaign on dry recycling delivered in conjunction with seven north London boroughs.
- Communications and media support to increase awareness of key waste prevention activities.

Communications Strategy

- 6.1 In 2013/14 NLWA's communications strategy aimed to consolidate the activity undertaken in 2012/13, building on the work done to raise the profile of the Authority through its consumer facing brand identity, Wise Up To Waste, and to communicate the waste challenge. The communications strategy encompassed both the work of the procurement and the strategy and contracts departments, and had five broad areas of focus:
- Increasing understanding of the 'waste challenge' facing north London
 - Raising the profile of the Authority (both within the waste industry and to residents).
 - Supporting the ongoing procurement process
 - Promoting waste prevention activity (and the work of the waste prevention team)
 - Increasing the recycling rate to 50% by 2020 (joint campaign with the boroughs)
- 6.2 Solid progress was made on achieving the individual aims that sit within these areas of focus.
- 6.3 In 2014/15 communications activity will have two main strands; one will encompass communicating the Authority's new long-term waste management strategy (and its plans for new waste facilities in north London); the second strand will focus on promoting recycling and waste prevention activity, reiterating the Authority's commitment to these areas of work and supporting strategy-focused communications activity. Much of the work on consumer-facing activity established in 2012/13 and developed in 2013/14 will also need further work and refinement in 2014/15 to continue to raise the profile of the Authority.

- 6.4 In addition, funding has been allocated for another joint communications campaign to increase recycling. This work will continue to take a targeted approach in 2014/15, focusing on residents who demonstrate specific recycling behaviours and will this year target specific geographical areas where those groups tend to live, work and travel. The campaign will again be conducted in conjunction with the seven north London boroughs.

Overview of communications work

- 6.5 2013/14 was a period during which communications activity was delivered to raise the profile of the Authority, and during which intensive communications activity was delivered to communicate the Authority's decision to end the procurement process:
- A significant amount of activity focused on supporting the Authority's procurement process; on communicating the Authority's decision on the procurement in September 2013 and the rationale for this decision, as well as the implications for the Authority's long term strategy. Communications activity regarding the procurement largely took place through media relations (proactive and reactive), stakeholder briefings, and web and social media activity. Resulting media coverage of the Authority's decision was largely neutral and factually accurate.
 - While the procurement process was reaching its conclusion it was decided that a reduction in proactive consumer facing communications activity should take place.
 - However, throughout the rest of the year work took place to consolidate the Authority's consumer activity, and the Wise Up To Waste campaign set up in 2012/13, including through media relations, web and social media activity, and via brand management.
 - A review of NLWA's brand took place to ensure that the brand effectively met the needs of the Authority. Changes to the guidelines and the Authority's stationery templates were made as a result of the review.
 - Further developments to NLWA's consumer facing website - wiseuptowaste.org.uk - took place, including a feature explaining the 'end destinations' of recycled materials, which was added to the website in late 2013.
 - Website user testing of wiseuptowaste.org.uk was carried out, and changes will be made to the structure, design and content of the website as a result.
 - Further work was undertaken to promote the Authority's work and communicate with residents (providing practical advice on wasting less and recycling more) via the Authority's Twitter feeds and Facebook pages.
 - The communications team provided a media handling service to raise the profile of the Authority, communicate the waste challenge, and to support the procurement. The team corrected inaccuracies

in editorial and on the letters pages of local papers and other media.

- At a local level, and in the trade press, the Authority received a good amount of positive press coverage about waste prevention and recycling, and made progress on raising the Authority's profile within the industry - in terms of promoting industry awards won by the Authority, promoting research conducted by the Authority, and industry roles undertaken by NLWA staff and members.
- The communications team continued to support the Authority's waste prevention campaigns – including the food waste prevention ('waste less food, save more money'), swishing, no junk mail and composting campaigns. Communications activity focused on communicating the financial benefits of wasting less, and on providing residents with practical tips and advice to enable them to do so through advertising campaigns, media relations and digital communications (web and social media). In addition, a raft of tools and materials were designed and printed with the waste prevention team to support its outreach and engagement work.
- Initial communications activity was delivered to achieve a decrease in recycling contamination – an animated video that will be used for cinema advertising was developed.
- A second joint communications recycling campaign was designed and implemented with the seven north London boroughs. The campaign involved an updated creative concept and messaging, and more targeted communications activity based on segmentation research conducted during 2012/13, which was delivered in three 'pulses' (intense periods) of activity. The activity included cross borough transport and press advertising; attendance at council and community events; school events and a school-based plastics recycling competition; a web portal (wiseuptowaste.org.uk/recycle); and cinema advertising featuring an updated animated film. The campaign focused on the financial benefits of recycling for the community through strengthened messaging (about recycling making more money available for public services) and sought to provide simple, clear and consistent advice and tips on recycling.
- The campaign also involved a piece of research, conducted at north London's household waste recycling centres (HWRCs) by an external agency, MEL Research. The research aimed to establish visitor awareness of the materials that can be recycled at HWRCs, visitor satisfaction with HWRCs, visitor motivation for using HWRCs, and how communications and education could help increase recycling at HWRCs. The results of that research will inform communications activity in 2014/15.

7. GOVERNANCE

Highlights

- During the year, the processes for ensuring compliance with the Bribery Act 2010 and for meeting requirements of the Data Protection Act have been put in place to allow for effective monitoring.
- The Equality Act Duty has been considered and measurable outcomes set down.
- Joint working with LWL has included internal training on Freedom of Information/ Environmental Information Request handling

Bribery Act compliance

- 7.1. Following an earlier training session on the Bribery Act 2010 for Authority staff presented by the Anti-Fraud & Investigations Team from the London Borough of Camden, the Managing Director issued a note to all staff on the processes relating to various matters of compliance and probity. The note covered the following topics: bribery act requirements; gifts and hospitality declarations; conflicts of interest; statement of accounts; related party transactions.
- 7.2. The note to staff set out the clear processes for declarations of interests, gifts and hospitality including template forms. This note supplements and affirms staff obligations in the London Borough of Camden's Code of Conduct which apply to the Authority's staff and are to be taken as the guidelines for other staff working for the Authority, whether permanently, or on secondment or agency staff. The relevant sections of the Code of Conduct were also attached to the staff note.
- 7.3. Formal disclosure of financial information by staff must be made using the prescribed forms which are then countersigned by the individual's line manager. Signed forms are kept by the Head of Legal and Governance and information disclosed is incorporated into the annual accounts of the Authority. Reviews will be carried out on a six monthly basis, and the outcomes will be included in the Annual Report to the Authority.
- 7.4. All staff have signed the conflict of interest form to declare that there is no conflict. Member forms have also been received from all Members who were appointed as at 31 March 2014. Member declarations will be updated for the current financial year. Three hospitality declarations have been made, one of which is a refusal and two of which were acceptances.

Data Protection

- 7.5. In house training on data protection requirements was given to key members of Authority staff that deal with data protection issues on a day to day basis in March 2014. Feedback from the training was used to finalise internal procedures set out in the Personal Data Process Note, Privacy Notice and Personal Data Retention Policy. The Privacy notice is on the Authority's website at: www.nlwa.gov.uk/.
- 7.6. The Head of Legal and Governance has responsibility for ensuring internal compliance with these procedures and the External Relations Manager is the notified Authority contact to the Information Commissioner's Office in relation to the Authority's registration as a data controller and any external data protection enquires.

Freedom of Information and Environmental Information

- 7.7. The Head of Legal and Governance, the External Relations Manager and the Legal Officer delivered in house training to key members of staff at LondonWaste in May 2014. The training provided an outline of the company's legal requirements under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and also the practical implications for the business.
- 7.8. The training was useful as both the Authority and LWL were able to share good practices and processes with each other. The training was also successful in increasing the company's awareness of the public nature of the information they hold and the internal processes they may require if the number of information requests they receive from the public increases.
- 7.9. 58 requests for information under the Freedom of Information Act and/or the Environmental Information Regulations were responded to by the Authority in 2014/14 with an average response time of 14 working days – the legal requirement is that the average should be no more than 20 days.

Information Transparency Code

- 7.10. Members were briefed on the "Code of Recommended Practice for Local Authorities on Data Transparency" issued by the Department for Communities and Local Government in September 2011 in the report of the Managing Director to the Authority Meeting on 13 December 2011.
- 7.11. The government published a new Transparency Code 2014 on 01 May 2014; which is at <https://www.gov.uk/government/publications/local-government-transparency-code-2014> and applies to the Authority. The new Code is also based on the same principles as the previous code: that the provision of information should be "demand led", "open" and "timely". The Code is split into three parts. Part 1 of the Code is the introduction; Part 2 is information which must be published which will be mandatory when regulations, made under section 3 of the Local

Government, Planning and Land Act 1980, come into force. This is expected to be completed in August or September 2014, subject to Parliamentary approval. Part 3 of the Code sets out information recommended for publication.

7.12. The Authority already publishes some of the information required to be published by the new Code on its website. These requirements stem from the previous 2011 code. This information includes details of all payments to suppliers for invoices greater than £500, the Authority's Standing Orders and information on land and building assets the Authority uses to deliver services. Information on senior employee salary details is also available in the annual statements of accounts.

7.13. Officers have assessed the Authority's current compliance with the new Code and have identified actions in relation to some categories of information to ensure compliance when the Code is made mandatory; which is set out in the table below and steps are being taken to ensure that the actions required are put in place before August 2014. Further consideration is being given to the non-mandatory provisions of the Code.

Key Information	Authority's current practice	Actions to meet full compliance
<p>Quarterly publication of procurement information:</p> <p>Publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000.</p>	<p>The Authority has published information on its EU tendered contracts on its website.</p> <p>http://www.nlwa.gov.uk/procurement</p>	<p>Publish summary information on all contracts over £5,000 on the website</p>

Key Information	Authority's current practice	Actions to meet full compliance
Annual publication Of grants to voluntary, community and social enterprise organisations	<p>Payments over £500 to the voluntary, community and social enterprise sector are listed already on the Authority's website in the "governance and accountability" section.</p> <p>http://www.nlwa.gov.uk/governance-and-accountability</p> <p>However, this list does not distinguish grants from other types of payments such as reuse and recycling credits or contracts.</p>	Split grants to third sector organisations from other types of payments in the published list.
Annual publication of the pay multiple: defined as the ratio between the highest paid salary and the median salary of the whole of the Authority's workforce	The pay multiple is not currently included with the staffing information in the annual accounts.	Publish the pay multiple on the website along with some supporting text.

Equality Objective

7.14. The Authority is required to set an equality objective to enable better performance of the general equality duty under the Equality Act 2010 (Specific Duties) Regulations 2011. Because the Authority has a single waste disposal function, officers have determined that a single objective is appropriate. The objective is then broken down so that it reflects the broad categories of activity across the Authority, with measurable outcomes for each category of activity. The objective is:

Equality Objective	We will aim to ensure that we provide a waste disposal service that is fair, open to all and promotes equality of opportunity.
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The measurable outcomes are:

Authority's Activity	Measurable Outcomes
Waste Disposal Procurement and Contract Management	Ensuring that any contractors appointed are capable of complying with the duty, understand their obligations, and meet the duty in practice.
Communications and Partnership working with Boroughs	Ensuring that communications from the Authority are accessible to people with disabilities.
Waste Prevention Outreach and Campaign work	Ensuring accessibility of activities and events to the relevant protected characteristic and encouraging participation from underrepresented groups.
HWRCs, Visitor centres and other public facing services	Ensuring accessibility of sites and that reasonable adjustment is made for disabilities.

7.15. The Authority is required to publish the equality objective and information to demonstrate its compliance with the general equality duty annually. Officers will therefore report on equality matters in the Annual Report to the Authority. The equality objective will be reviewed every four years as required by the Regulations.

8. FINANCE AND RESOURCES

Highlights

- 2011/12 levy held at £43.512m, i.e. no increase.
- 2012/13 levy reduced to £40.614m, i.e. a reduction of £2.898m.
- 2013/14 levy increase restricted to £41.829m, i.e. an increase of £1.215m (2.99%).
- 2014/15 levy increase restricted to £46.452m (an increase of 11.05%)

Budget

8.1 The annual net revenue budget of the Authority for 2013/14 has been funded mostly by a levy on constituent boroughs that covers the cost of disposal of household waste and the core costs of running the Authority. There has been a separate charging arrangement non-household waste and, as a result of a change in legislation, a new charging arrangement for certain categories of household waste.

- 8.2 The Authority agreed an original budget of £67.390m for 2013/14, to be financed by estimated revenue balances of £14.253m, charges to boroughs for non-household waste of £9.570m and a household waste of £1.738m and a levy of £41.829m. In setting the 2013/14 budget and levy it was recognised that, subject to the crystallisation of favourable circumstances outside of its control, the Authority could enjoy a significant level of surplus revenue balances by the time the Authority would need to take decisions on the 2014/15 budget and levy.
- 8.3 The 2013/14 final outturn reported as part of the ordinary business of the June 2014 Authority meeting, indicates that the Authority's total expenditure for the year was £55.530m and that charges for non-household and chargeable household wastes were £9.539m and £1.872m respectively. As the levy is fixed at the start of the year, this resulted in the Authority having a revenue surplus of £15.742m at 31 March 2014. This is £3.835m better than previously forecast in February 2014 (£11.907m). The in-year financial improvement arose mainly from the strong performance of LondonWaste Ltd and the payment of an enhanced dividend, a reduction in the waste stream, lower than budgeted capital financing costs and non-use of the contingency.
- 8.4 In February 2014 the Authority set the budget for 2014/15 at £67.055m. In terms of funding of the budget, the Authority decided that of the £11.907m revenue balances forecast to be available to help fund the 2014/15 budget that it would retain £5m in reserve to help fund possible budget pressures associated with the renewal of a number of its waste contracts and the development of its new residual waste strategy, and that a sum of £6.907m would be used to help fund the budget (thereby reducing the amount of money that would need to be raised through the 2014/15 levy). The Authority also decided to write-back to revenue an earmarked reserve of £1m which was no longer required. As a consequence the 2014/15 budget has been financed as follows:-

Use of revenue balances	£6,907,002
Return of Earmarked Reserve to Revenue	£1,000,000
Charges to boroughs for non-household waste	£10,690,580
Charges to boroughs for household waste	£2,005,393
Levy	£46,452,344

- 8.5 The levy for the 2014/15 financial year of £46,452,344 has been apportioned between constituent councils as follows:-

Barnet	£9,649,246
Camden	£5,121,525
Enfield	£5,179,943
Hackney	£6,027,346
Haringey	£7,374,851
Islington	£5,781,335
Waltham Forest	£7,318,098
Total	£46,452,344

- 8.6 During 2014/15 the Authority is scheduled to renew a number of its waste contracts. The Authority's budget of £67.055m is therefore based upon current contractual arrangements and compared with 2013/14 represents a reduction of £0.335m, even though it was necessary to budget for an £8 per tonne increase in landfill tax (adding £1.381m to the Authority's costs). The budget comprises: £51.7m in respect of waste disposal and recycling services (including Landfill Tax of £13.8m - now at £80/tonne; HWRCs operational costs of £2.5m; corporate and other support service costs of £3.6m; payments on various waste prevention initiatives and incentive payments to community groups and constituent councils of £3.9m; £1.3m for costs in connection with the new residual waste strategy and £8.4m in respect of the revenue cost of funding the Authority's capital programme. The Authority also expects to receive a dividend payment of £2.5m from LondonWaste Ltd, income from the sale of recyclates of £3m and other income of £0.2m. The Authority also holds a contingency of £1.3m to fund possible unforeseen costs.

- 8.7 The charge for residual non-household and chargeable household waste in 2014/15 is estimated to be £115.008 per tonne. The charges for recyclable non-household and chargeable household wastes are estimated to be £51.49 for commingled recyclable wastes, £57.79 for food wastes and £36.09 for green wastes.

- 8.8 The estimated cost for each constituent council in 2014/15 is as follows:

	Household	Non-household
Barnet	£262,200	£ 1,412,890
Camden	£497,720	£ 3,746,125
Enfield	£164,565	£ 1,018,900
Hackney	£596,007	£ 1,844,600
Haringey	£274,717	£ 248,185
Islington	£210,184	£ 2,256,810
Waltham Forest	-	£ 163,070
Total:	£2,005,393	£ 10,690,580

(A summary of the levies raised since the formation of the Authority is attached as **Appendix 2.**)

- 8.9 At the Authority's budget meeting in February 2014 Members were advised that assuming full use of balances by 31 March 2015, and projected changes in the waste stream and costs, that the percentage increase in the cost to the Boroughs in 2015/16 was estimated to rise by 21.23%. In view of changes likely to take place in 2014/15 the Authority acknowledged that this position would be kept under review and updated over the coming year. Assuming that there is no call in the coming year on the higher level of surplus balances brought forward from 2013/14 of £3.835m (see 8.3 above) the Authority should have some scope to limit the increase in the cost to the Boroughs in 2014/15.

Tonnage Levels

- 8.10 Allowing for a continuation of borough recycling and composting activity (c.236,000 tonnes in 2014/15) the 2014/15 budget allows for the disposal of some 585,000 tonnes of residual waste, composting arrangements for 56,000 tonnes of green/kitchen wastes and a bulking and sorting arrangement for some 119,000 tonnes of dry-recyclable wastes.

Apportionment of the Levy

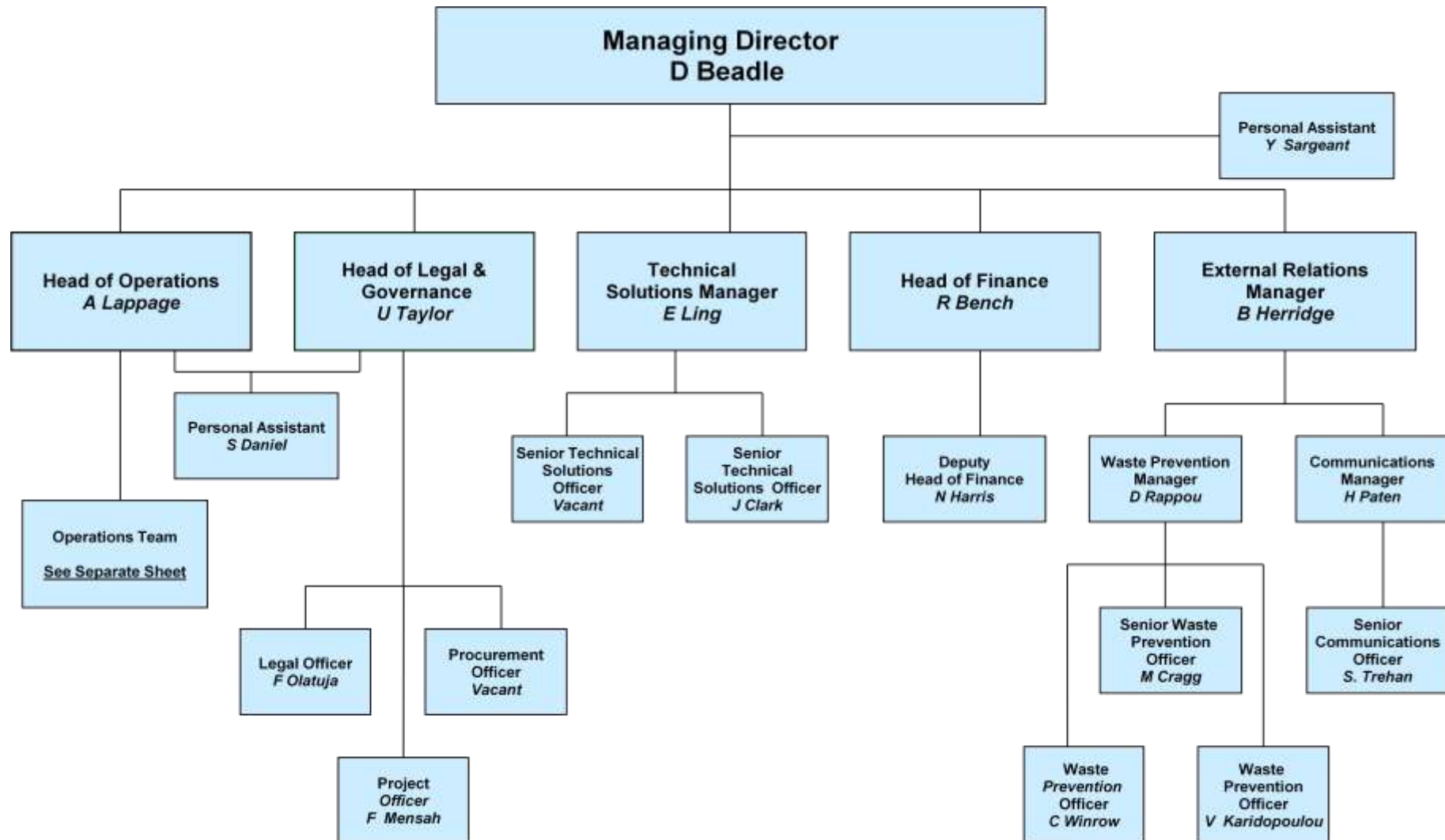
- 8.11 The decision on the apportionment of the levy is a matter for the Authority's constituent councils. Unless all seven councils can agree unanimously on the way the levy is to be apportioned, the levy is to be calculated in accordance with the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006. These regulations provide for the household delivered element of the levy to be apportioned on a tonnage basis and the other costs element of the levy on a council tax basis.
- 8.12 Further to the change to the levy agreed with effect from 2012/13 to facilitate the transfer of HWRC services from most NLWA constituent councils to the Authority, from the 2014/15 levy year the constituent councils agreed a further change to the levy apportionment arrangements. This addressed the apportionment arrangements for recyclable wastes previously retained by constituent councils but which would now be treated by the Authority.

Property Issues

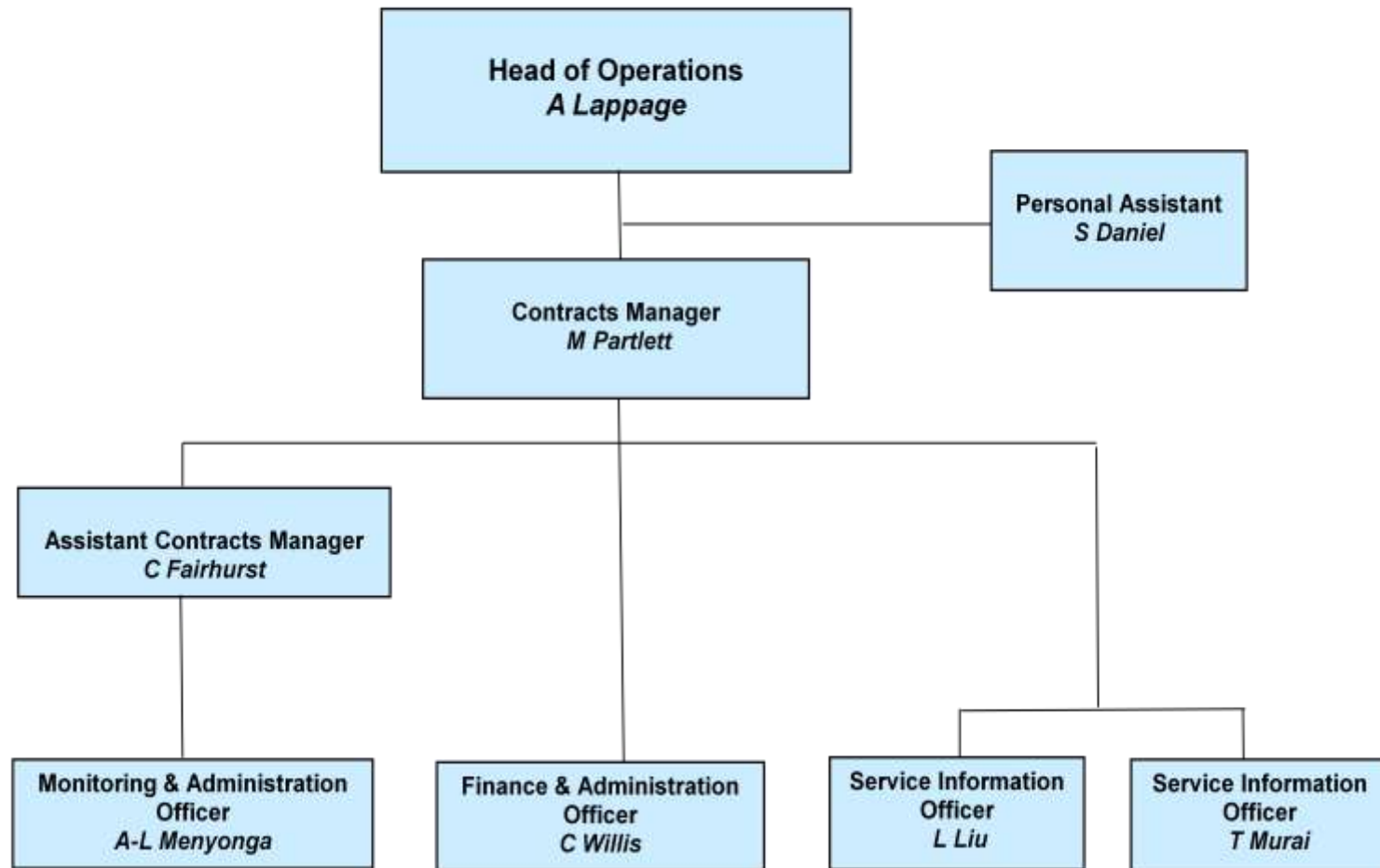
8.13 **Overview** - The Authority has a tenancy with Freightliner Heavy Haul in relation to the Hendon rail transfer station and with LB Haringey in relation to office accommodation at the Lee Valley Technopark, although the Authority has since relocated to other nearby premises. Also, the Authority has an interest in a part of a 6.97 hectare site at Pinkham Way in Haringey and, in purchasing the shares of Sita in LondonWaste, became the sole owner of this company which in turn owns the c.15 hectare site at Edmonton in Enfield.

- 8.14 **Property Holdings** - The Authority has varying property interests at:
- Hornsey Street, Islington
 - A406, Edmonton (residual land)
 - Tilling Road, Hendon
 - Hendon Waste Transfer Station
 - Pinkham Way - Land at part of the former Friern Barnet Sewage Treatment Works

NORTH LONDON WASTE AUTHORITY – STAFFING ARRANGEMENTS AT 31ST MARCH 2014



NLWA Operations Team at 31st March 2014



Appendix 2

NORTH LONDON WASTE AUTHORITY LEVIES AND NON-HOUSEHOLD CHARGES 1986/87 TO 2014/15

	Levy £'000	Non-household Charges £'000	Total £'000
1986/87	13,872	-	13,872
1987/88	11,301	-	11,301
1988/89	12,962	-	12,962
1989/90	13,602	-	3,602
1990/91	14,180	-	14,180
1991/92	13,250	-	13,250
1992/93	11,646	-	11,646
1993/94	9,370	-	9,370
1994/95	10,221	-	10,221
1995/96	13,006	-	13,006
1996/97	11,675	3,335	15,010
1997/98	15,342	3,573	18,915
1998/99	18,229	3,644	21,873
1999/00	22,187	3,913	26,100
2000/01	24,677	4,007	28,684
2001/02	26,229	4,711	30,940
2002/03	29,744	5,370	35,114
2003/04	35,094	6,393	41,487
2004/05	38,374	6,776	45,150
2005/06	41,837	7,450	49,287
2006/07	33,231	8,647	41,878
2007/08	34,901	8,884	43,785
2008/09	37,829	10,880	48,709
2009/10	43,647	12,146	55,793
2010/11	43,512	12,388	55,900
2011/12	43,512	10,061	53,573
2012/13	40,614	9,981	50,595

	Levy	Chargeable Household £'000	Non-Household Charges £'000	Total £'000
2013/14	41,829	1,738	9,570	53,137
2014/15	46,452	2,005	10,691	59,148

- During the period 1986/87 to 1995/96 the cost of non-household waste disposal was recovered through the levy from constituent councils.
- From 2013/14, as a result of a legislative change, the Authority charges the constituent borough councils for some types of household waste.

WASTE PREVENTION SUMMARY REPORT 2013/14

Separate document