

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:
JOINT WASTE STRATEGY UPDATE

REPORT OF:
HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 22nd April 2009
-------------------------------------------------------	---------------------------------------------------

SUMMARY OF REPORT:

This report updates Members on progress made with implementing the North London Joint Waste Strategy (NLJWS) since the Authority meeting on 11th February 2009. The report includes an update on approvals of the final amendments to the NLJWS; notes progress with the North London Waste Plan; provides details of funding received from WRAP for waste electrical and electronic waste recycling and food waste prevention and provides an update on the Authority’s short-term procurement of ‘commingled’ materials sorting and recycling services and procurement of organics processing services. Additionally the report seeks a decision on carrying forward Community Fund balances from 2008/09 into 2009/10.

RECOMMENDATION

The Authority is recommended to approve carrying forward funds of £12,194 from the 2008/09 Community Fund into 2009/10, thus enabling successful 2008/09 Community Fund applicants to complete their agreed work programmes and make the subsequent claims during financial year 2009/10.

**Signed by Head of Waste Strategy
and Contracts**

.....

Date:

1.0 BACKGROUND

- 1.1 The North London Joint Waste Strategy (NLJWS), June 2008, provides the framework for progress towards reducing, reusing and recovering a greater proportion of the municipal waste which is generated in the North London Waste Authority area and reducing the amount which is sent for disposal to landfill. This report provides an update on progress made with implementing the NLJWS since the Authority meeting in February 2009. The structure of the report follows the structure of the strategy itself.

2.0 STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE NORTH LONDON JOINT WASTE STRATEGY AND STRATEGY ADOPTION

- 2.1 As reported at the last Authority meeting, some minor amendments to the NLJWS were proposed as a result of the constituent borough councils' consideration of the NLJWS and the Strategic Environmental Assessment (SEA) environmental report. These proposed amendments have now reviewed under delegated authority within each of the constituent borough councils. All seven borough councils and the Authority have now approved these last minor amendments so that the NLJWS is now formally adopted.
- 2.2 A final copy of the NLJWS, dated March 2009 will be published on the Authority's website along with a summary document which will also be printed for use at public facing events and which will briefly explain additionally, how the strategy is being implemented.
- 2.3 A copy of the NLJWS and all associated reports produced as part of the SEA process will also be issued on a CD to Members.

3.0 STATUTORY REQUIREMENTS

North London Waste Plan

- 3.1 Progress on the North London Waste Plan (NLWP) – the land-use planning framework for waste in North London (which is being prepared by the seven constituent borough councils in their separate capacities as planning authorities) is reported six monthly to Members. However, since the last Authority meeting, the timetable for the plan preparation has been significantly revised. The draft Preferred Options report was not approved by the Planning Members Group in March and the draft report has therefore not commenced the process of borough approval prior to public consultation. Accordingly the public consultation on the NLWP Preferred Options report will not take place in May and June as reported at the last Authority meeting and will now be deferred until later this year. Further updates will be provided to Members as this work progresses.

4.0 WASTE HIERARCHY OPTIONS

Waste Minimisation – Waste Prevention Plan

- 4.1 As reported elsewhere on this Authority agenda, a successful bid has been made to the Waste and Resources Action Programme (WRAP) for support for a pan-North London food waste reduction campaign using the national branding 'Love Food, Hate Waste'. £200,000 in funding has been awarded to the Authority for the period April 2009 to March 2010.
- 4.2 A workshop on prioritising waste prevention activities was delivered by WRAP on 31st March, with borough and NLWA officers in attendance. As a result of the workshop a programme of activities will be developed.
- 4.3 Neither the income nor expenditure for the 'Love Food, Hate Waste' campaign have been included within the Authority's waste prevention budget for the year, but the grant is expected to be cost neutral to the Authority. Expenditure of £15,000 was included in the budget agreed at the February 2009 Authority meeting to contribute to additional elements of the 'Love Food, Hate Waste' campaign.

5.0 MANAGEMENT OF OTHER WASTE STREAMS

Waste Electrical and Electronic Equipment

- 5.1 The Authority has recently participated in a WRAP funded campaign 'Don't bin it, bring it', to encourage greater recycling of electrical and electronic waste, particularly small electricals, through reuse and recycling centres. North London was one of the pilot areas involved in the campaign which has been running throughout March.
- 5.2 WRAP provided display banners and posters which have been distributed to each of the constituent borough councils in addition to advertising in the local press. Leaflets produced by the Authority have also been distributed to all local libraries and a press release issued to the local media. Ongoing promotion of electrical and electronic waste will continue after the end of March and the national website at www.dontbinitbringit.org will continue to carry details of the types of electrical waste that can be taken to reuse and recycling centres in North London and to enable residents to type in their postcode and find their nearest facilities. Similar information is also available on the Recycle for London website at www.recycleforlondon.com.

6.0 IMPLEMENTING THE BEST OPTION FOR NORTH LONDON

Waste Collection Implications – Reuse and Recycling Centres

London Waste and Recycling Board (LWaRB) bid

- 6.1 An Expression of Interest (Eoi) has been submitted by the Authority in partnership with the constituent borough councils to the London Waste and

Recycling Board (LWaRB) for £8.75 million capital funding for enhancing North London's reuse and recycling centre network. The Eol is supported by the London Community Recycling Network (LCRN) and additionally outlines the opportunities for joint working with West London Waste Authority.

- 6.2 The Eol will initially be reviewed by the Business Development Unit and the LWaRB Investment Committee and depending upon the outcome of these reviews may be put forward for consideration at the LWaRB meeting on 5th May 2009. The Eol was submitted by the Head of Waste Strategy and Contracts in consultation with the Chair under delegated powers awarded at the Authority meeting on 12th December 2007 as timescales precluded the Eol coming to an Authority meeting before submission. The London Waste and Recycling Board call for expressions of interest was made on 18th February 2009.
- 6.3 The Eol initially seeks support for refining the proposals in order to put forward a more fully costed and detailed bid, accompanied by a business plan at a later date.
- 6.4 In summary the Eol is for a capital grant of 50% of the costs of building two new reuse and recycling centres and to provide two replacement sites in underserved areas of the Authority's area. Additionally the bid includes the costs of carrying out major refurbishment of two existing sites and creating enhanced facilities at the other five reuse and recycling sites in North London. The bid excludes the cost of land acquisition.
- 6.5 The bid is based on a detailed Ramboll/AEA consultant's report which showed how capture rates from reuse and recycling centres could be improved in North London. In particular it addresses the following objectives:
 - Improving material capture rates of reusable items such as wood and metals (priority materials for the LWaRB) which will assist in both landfill diversion and carbon reduction targets.
 - Increasing recycling rates at sites to 75% (from as low as 34.1%) which will assist in delivering on North London Joint Waste Strategy targets.
 - Contributing to the regeneration objective within the North London Joint Waste Strategy by providing retail outlets for reuse, i.e. shops on sites that are suitable and where boroughs are in agreement. These shops would provide furniture for residents and additionally create training and employment opportunities for people.
- 6.6 The bid is intended to adjust to a new role for reuse and recycling centres beyond their previous role as reception points for high levels of green and residual waste and to bring forward plans for improving the network of facilities. As higher levels of green waste are diverted at kerbside the Authority expects this element of the waste collected from reuse and recycling centres to reduce and for a greater focus to be placed on materials not collected at kerbside to enhance recycling and, in particular, reuse rates. The emphasis on niche materials is expected to lead to strong ongoing partnerships with the community sector.

Changes to the handling of plasterboard

- 6.7 Changes to the handling requirements for plasterboard waste at reuse and recycling centres and elsewhere came into force on 1st April 2009. The landfilling of gypsum and other high sulphate bearing waste (including plasterboard) with biodegradable waste has been prohibited in England and Wales since July 2005. The alternatives being either recycling of the plasterboard or sending the plasterboard to a separate cell at a landfill site and thereby separating it from any biodegradable waste. However, up until 1st April 2009, the Environment Agency had taken the pragmatic view that separate disposal was not necessary where construction waste containing small amounts (up to 10%) sulphate was being disposed.
- 6.8 From 1st April, the 10% tolerance of plasterboard waste in a mixed load has been removed, resulting in a need for all plasterboard waste to be separately collected for either recycling or separate disposal. The removal of the 10% tolerance limit follows Environment Agency research and has necessitated some changes to the handling of plasterboard waste at reuse and recycling centres and the provision of separate plasterboard containers where there is space, as well as new bulking arrangements at LondonWaste to ensure that the plasterboard is either sent for recycling or separate landfill disposal.
- 6.9 These new arrangements, which will also affect plasterboard collected with fly-tipped waste, will lead to additional costs for the Authority and possibly for boroughs too if they clear the plasterboard from any fly-tips separately from other wastes.
- 6.10 No specific budget provision has been made in 2009/10 for the additional costs of handling plasterboard separately under the new arrangements although at the time of writing arrangements are being put in place to ensure that this material is identified and separated from the general waste stream. At this stage it is estimated that the additional expenditure which could result from these changes might be in the order of £10 - £20,000 per annum, although more detailed analysis of the tonnages and the suitable disposal and recycling routes available is required. Further updates will be brought forward to a future Authority meeting if necessary.

Waste Disposal Implications - Dry Recyclable Wastes – Procurement of Services

- 6.11 As reported at the last meeting, that Authority has commenced a procurement process for capacity to sort commingled material collected by the NLWA boroughs at merchant materials recovery facilities (MRFs). A shortlist of tenderers has now been drawn up following evaluation of the pre-qualification submissions and the ITT (Invitation To Tender) documents were issued on 31st March 2009. It is the intention that processing contracts will commence on 1st October 2009 and will continue until 15th December 2014, with the option of extending beyond this date for a period of up to five years. It is proposed that recommendations for the award of the contracts will be presented at the June Authority meeting.

Waste Disposal Implications – Organic Wastes – Procurement of Services

- 6.12 As reported at the last Authority meeting a procurement process has commenced for organics processing capacity. As reported at the last Authority meeting, notice has been served on the London Mayor and a PIN (Public Information Notice) issued.
- 6.13 Further work on the pattern of waste arising has demonstrated that the optimum time for the contract to start would be 1st April 2010 instead of 1st January 2010. The amount of waste that is expected to be collected during the period between 1st January and 31st March is small in comparison to that collected in the rest of the year and so it is considered prudent to delay the start of the contract to avoid committing the Authority to pay for capacity during a period when it is unlikely to be needed. It is expected that there will be sufficient capacity at Edmonton during this period.
- 6.14 The new contract is expected to have an end date of 14 December 2014 so that it coincides with the end of the current Main Waste Disposal Contract with LondonWaste Ltd.
- 6.15 In the period post December 2014 it is proposed to secure biodegradable waste processing services through the long-term procurement work being delivered by the Procurement Team, but provision for contract extensions will be included to deal with any delay, should this arise. Therefore the option of extending beyond this date to 31st January 2022 will be included.
- 6.16 Whilst the current market conditions for dry recyclables trading, and particularly the prices being paid for dry recyclable material, are relatively poor at present, there is no evidence that this will affect the Authority's ability to procure the service for organics processing. Officers are hopeful of a competitive price(s) and services being obtained in order to secure best value for the Authority and its constituent boroughs in the period running up to December 2014, when the Authority's main waste disposal contract comes to an end.

Waste Disposal Implications – ‘State of Separation’ Payments for Dry Recyclable and Organics Waste Processing Costs Under the Levy

- 6.17 Under the current levy structure, the costs of the Authority are pooled, with the result that constituent borough councils pay for the treatment costs of waste broadly in proportion to the amount of waste each of them delivers to the Authority, relative to the others. This structure does not reflect the fact that treating different types of waste gives rise to different costs, particularly in relation to the treatment of recyclates where costs have tended to become lower than the cost of disposal in recent years. This would not be an issue if all seven constituent borough councils delivered the same types of waste in similar proportions, but with the differing and increasing rate of growth in the amount of recyclates sent to the Authority for treatment by boroughs this can lead to outcomes that are not wholly equitable.
- 6.18 It would potentially be more equitable for the Authority to return such savings to the individual constituent borough councils that gave rise to them by incurring the costs of separate collections. This means however, that when the other constituent boroughs councils stop sharing in these savings they will be paying more to the Authority than they do at present (i.e. they will be paying the full cost of residual waste disposal rather than having the benefit of an offsetting saving arising from other constituent boroughs councils' costs of separate recycling and composting collections).
- 6.19 Officers are seeking to develop a new reward scheme that will improve the current situation by the Authority making payments to those constituent borough councils that deliver wastes in a 'state of separation'. The intention is that these 'SoS' payments would be set at different levels for different types of waste, and calculated to pass back to each individual constituent borough council the Authority's saving through receiving wastes in a state of separation such that the Authority incurs lower treatment costs than it would have done, had the wastes been delivered as unsorted residual waste.
- 6.20 Work has commenced to examine the feasibility and practicality of developing such a scheme and will be brought to a future Authority meeting for consideration.
- 6.21 This new scheme should also be seen as a very positive and significant step towards the 'menu-pricing' approach envisaged in the Memorandum of Understanding approved by all seven constituent borough councils for the long-term, post 2014 procurement and the Inter Authority Agreement (IAA) that is currently under active development (as reported elsewhere on this agenda).
- 6.22 Menu pricing is planned to deliver a direct benefit to each constituent borough council in such circumstances and therefore to act as an even greater incentive to drive down total waste management costs for all in north London.

7.0 WORKING IN PARTNERSHIP TO DELIVER THE STRATEGY

Third Party Recycling Credits

- 7.1 There is a separate report elsewhere on this agenda regarding third party recycling credits.

Community Fund

- 7.2 The Authority had a £25,000 Community Fund available (in 2008/09) to support community organisations delivering reuse, recycling or composting projects which meet certain criteria as outlined in the Joint Waste Strategy Update Report of 12th December 2007.
- 7.3 Under delegated powers agreed at the same meeting the following awards have been made from the Fund:

LB Enfield Flats Community Composting Project: £3,475 - to research and initiate one community composting project for residents living in flats. The research will be carried out by London Community Recycling Network (LCRN) and will additionally provide an assessment of potentially suitable sites for new community composting sites in the borough; a list of active community organisations able to undertake community composting and stakeholders such as housing associations and gardening organisations who might also be able to contribute.

LB Camden Heathview Project: £470 - In August 2008, the London Borough of Camden, LCRN and Heathview Co-operative started Camden's first low cost, low risk community composting scheme. The scheme is designed to take both fruit and vegetable and garden waste which would otherwise be going directly into Camden's residual waste stream. The funds awarded will be used to purchase a shredder and second compost tumbler for the project which will help to increase the capacity of the waste that can be composted by the project and also make the project more sustainable.

LB Camden Aspern Project: £2,905 - to purchase steel housing for food waste wheelie bins which will enable the London Borough of Camden to secure permissions from the relevant estate and patch managers to trial a food waste collection service on the Aspern Grove Estate. This project will allow Aspern Grove Estate to be part of Camden's kitchen waste trial.

- 7.4 Two additional bids were also received by the 31st March and are currently being assessed. These two bids together request a further £5,344 in financial support. If approved, the recommendation below would apply to these two projects also and would mean that £12,194 of the 2008/09 Community Fund has been allocated to projects.
- 7.5 Member approval is sought to carry forward funds of £12,194 from the 2008/09 Community Fund into 2009/10, thus enabling successful 2008/09 Community Fund applicants to complete their agreed work programmes and make the subsequent claims during financial year 2009/10. The remaining funds from the 2008/09 Community Fund will be returned to year-end balances.
- 7.6 For 2009/10, the new £25,000 Community Fund will be managed by LCRN. Previous experience shows that given their good links with community based organisations that LCRN is likely to be able to distribute the full £25,000. Proposals regarding the decision-making mechanism and funding criteria for the 2009/10 Community Fund will be brought to the next Authority meeting.

The Resource Forum

- 7.7 Proposals requesting financial support during 2009/10 have been received from the Resource Forum (formerly the North London Recycling Forum). However, although the proposals were received on time to be submitted to this Authority meeting, they remain deficient in a number of aspects and officers have accordingly been unable to make a recommendation that support is provided as a result. Accordingly the proposals will be brought forward for consideration at the June Authority meeting.

8.0 RECOMMENDATION

- 8.1 The Authority is recommended to approve carrying forward funds of £12,194 from the 2008/09 Community Fund into 2009/10, thus enabling successful 2008/09 Community Fund applicants to complete their agreed work programmes and make the subsequent claims during financial year 2009/10.

9.0 COMMENTS OF THE FINANCIAL ADVISER

- 9.1 The Financial Adviser has been consulted in the preparation of this report and his comments are included within the body of the report.

10.0 COMMENTS OF THE LEGAL ADVISER

10.1 The Legal Adviser has been consulted in the preparation of this report and has no further comments to add.

Local Government Act 1972 – Access to information

Documents used: North London Joint Waste Strategy, June 2008

Joint Waste Strategy Update, report to the North London Waste Authority meeting of 12th December 2007, available at www.nlwa.gov.uk

Contact Officers: Andrew Lappage, Head of Waste Strategy & Contracts
&
Barbara Herridge, Policy and Development Manager

Lee Valley Technopark
Unit 169, Ashley Road
Tottenham
N17 9LN

Tel: 020 8489 5730
Fax: 020 8365 0254
E-mail: post@nlwa.gov.uk