

Agenda Item 12

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: NORTH LONDON WASTE AUTHORITY – ANNUAL REPORT 2007/2008	
REPORT OF: ACTING DEPUTY CLERK	
FOR SUBMISSION TO: THE NORTH LONDON WASTE AUTHORITY	DATE: 25 TH JUNE 2008
SUMMARY OF REPORT: This is the Annual Report for the Authority covering the year 2007/08 which gives an overview of some of the main issues dealt with by the Authority. Local Government Act 1972 – Access to Information: No documents required to be listed. Contact Officer: Vicky Wemyss-Cooke, Acting Deputy Clerk, NLWA Camden Town Hall, Judd Street, London WC1H 9JE (020 7974 5726) Email: vicky.wemyss-cooke@camden.gov.uk	
RECOMMENDATION: That the Authority approves this report.	

Signed by:

Date:

NORTH LONDON WASTE AUTHORITY – ANNUAL REPORT 2007/8

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. These authorities are:-

- 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 meets 5 times a year, with provision for special meetings as required. One special meeting took place in 2007/08. An Urgency Committee has also been established to meet and consider appropriate business where necessary, although this has not met in the past year. In December 2007 a Procurement Committee was established to meet on an ad hoc basis to consider all matters relating to the Waste Services Procurement. This Committee met 4 times during the remainder of the year.

1.3 In 2007/08, the Chairman of the Authority was Councillor Brian Coleman (London Borough of Barnet) and the Vice Chairmen were Councillors Vincent Stops (London Borough of Hackney) and Robert Belam (London Borough of Waltham Forest).

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. SITA (GB) Ltd (now called SITA (UK) Ltd) was selected as the Joint Venture's preferred partner, and a Joint Venture Company, called LondonWaste Ltd was established. The Authority subjected its waste disposal needs to competitive tender with LondonWaste Ltd bidding on behalf of the Joint Venture Partners.

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 transfer and disposal of the Authority's waste was awarded to LondonWaste Ltd.

1.6 The Board of LondonWaste Ltd has 3 directors nominated by the Authority and 3 nominated by SITA (UK) Ltd. This is representative of the 50%-50% share holdings of both partners within the Joint Venture. The A-Directors appointed on

the Board by the Authority for 2007/08 were Councillors John Boast, Melvin Cohen and Brian Haley with Councillor Eric Sizer as a substitute A-Director.

1.7 The Authority does not employ any staff directly, but makes cross-borough arrangements for support services, with the following staff in 2007/08:-

- **London Borough of Camden**

- Clerk - Moira Gibb
- Legal Adviser – Andrew Maughan
- Legal Officer – Catherine Anderson
- Legal Officer – Ursula Taylor
- Financial Adviser – Mike O'Donnell
- Finance Officer – Bob Bench
- Director of Procurement – Tim Judson (full time secondment to NLWA)
- Media and Marketing Officer – Rosie Elliott
- Deputy Clerk (Acting) – Vicky Wemyss-Cooke

- **London Borough of Haringey**

- Technical Adviser – Niall Bolger
- Valuation Adviser – Dinesh Kotecha
- Strategy & Contracts Team (full time NLWA staff):
 - Head of Waste Strategy & Contracts – Andrew Lappage
 - PA to Head of Waste Strategy & Contracts – Suzi Hougham
 - Policy & Development Manager – Barbara Herridge
 - Principal Policy Officer – Jon Clark
 - Waste Prevention Officer – Matthew Minchin
 - Procurement Manager – Rachel Espinosa
 - Procurement Officer – Frank Mensah
 - Technical Officer - Vacant
 - Contracts Manager – Christina Preece
 - Contracts Management Officer – Mark Partlett
 - Finance & Administration Officer – Caroline Willis
 - Service Information Officer – Liza Liu
 - Monitoring & Administration Assistant – Annie-Laure Menyonga

- **London Borough of Waltham Forest**

- Planning Adviser – Shifa Mustafa

2. Finance

Budget

2.1 The annual net revenue budget of the authority is funded by a levy on constituent boroughs and covers the cost of disposal of household waste and the core costs of running the Authority. There is a separate charging arrangement for non-household waste.

2.2 The Authority agreed an original budget of £48.583m for 2007/08, to be financed by estimated revenue balances of £4.808m, charges to boroughs for non-household waste of £8.884m and a levy of £34.901m. The 2007/08 final outturn and draft Statement of Accounts is reported as part of the ordinary business of today's meeting and indicates that the Authority 's total expenditure for the year was £43.577m and that non-household charges were £8.007m. As the levy is fixed at the start of the year this resulted in the Authority having a revenue surplus of £4.451m at 31 March 2008. Of this figure, a sum of £3.164m was projected to be available in February 2008 to assist with the funding of the 2008/09 budget. In February 2008 we set the budget for the following year. The total estimated net expenditure for the Authority in 2008/09 is £51.873m. It has been financed as follows: -

Use of revenue balances	£ 3,164,000
Charges to boroughs for non-household waste	£ 10,880,000
Levy	£ 37,829,000

2.3 The levy for the 2008/09 financial year of £37,829,000 has been apportioned between constituent councils as follows:-

Barnet	£7,422,511
Camden	£4,900,139
Enfield	£5,337,402
Hackney	£5,257,492
Haringey	£5,461,502
Islington	£4,794,068
Waltham Forest	£4,655,886
Total	£37,829,000

2.4 The Authority's budget and resource requirements have increased by £4.924m in 2008/09 compared with 2007/08. Whilst on the one hand the Authority has experienced a reduction in its budget due to the end of the NLWA recycling credit scheme in 2007/08, the Authority has nevertheless had to budget for a number of significant growth areas, e.g. growth in the amount of borough recyclables expected to be sent to the Authority for treatment, a continuing growth in the waste stream, a stepped change in the rate of landfill tax, the cost of the procurement process and, for the first time in over 15 years, revenue support for a capital programme.

2.5 Although the Authority no longer has a statutory duty to pay recycling credits the Authority does operate a reward scheme for the diversion of biodegradable municipal waste. The 2008/09 budget allows for this scheme to continue.

2.6 As referred to above, landfill tax is a significant cost to the Authority. Although the Authority benefits from the disposal of a large proportion of its waste through the Edmonton energy-from-waste (EfW) facility there are still large volumes of untreated residual waste sent to landfill. In the early years of the scheme (started in 1996/97 at £7 per tonne) the standard landfill tax rates rose steadily by £1 per

tonne per annum reaching £15 per tonne in April 2004. The tax rate increased by £3 per tonne to £18 per tonne in April 2005, £21 per tonne in April 2006 and £24 per tonne in April 2007. The Chancellor of the Exchequer in his 2007 Budget announced a year-on-year increase of £8 per tonne per annum until a rate of £48 per tonne is reached in 2010/11. The current rate is £32 per tonne. The Chancellor has since suggested that this figure will continue to rise after 2010/11.

- 2.7 The 2008/09 budget continues to allow for the cost of operating the new and significantly improved waste transfer station at Hornsey Street (Islington) albeit at a higher cost than its predecessor (the Ashburton Grove waste transfer station that was acquired for development by the Arsenal Football Club and which has now become the site of their new football stadium).
- 2.8 The Landfill Allowance Trading Scheme (LATS) came into effect in April 2005. This allows the Authority to landfill biodegradable waste without penalty only if the Government has issued it with sufficient allowances. The Authority, however, is able to buy or sell surplus allowances from or to other waste disposal authorities. The Authority expects to be in a favourable trading position in the period up to 2010/11. At 31 March 2008 the Authority is estimated to hold 231,603 surplus allowances (subject to audit by DEFRA) with a notional book value of £1.158m. The actual value will not crystallise until the allowances are sold. However, as there is a very substantial surplus of allowances in the LATS market at present it is very unlikely that the Authority will obtain any tangible benefit before expiry of its accumulated allowances prior to the Government's first target year in 2009/10, i.e. by 31st March 2009.
- 2.9 The Government's current waste strategy has set demanding targets for the reduction of waste. Although the rate of growth in the underlying waste stream (before recycling and composting) has eased in the past two to three years the growth in house-building planned for the north London area will almost certainly result in the ongoing growth in the waste stream. It therefore follows that the cost to constituent boroughs is also likely to continue to rise at above inflation levels for the foreseeable future. The landfill tax escalator referred to above will have a major impact on the Authority's budget. The case for waste minimisation and a continuation of further recycling and composting activity remains strong, particularly where this is directed at the biodegradable fraction of the waste stream. These issues are being addressed as part of the North London Joint Waste Strategy. Although the effect of the fiscal measures introduced by the Government will raise the base costs of waste management, the implementation of the Strategy will further add to the cost of waste management in the future albeit at a lower rate than leaving services unchanged.
- 2.10 The charge for non-household waste in 2008/09 is estimated to be £62.53 per tonne and includes a LATS premium charge of £1.40 per tonne. The latter represents the opportunity cost of using LATS Allowances in excess of those deemed attributable to the non-household waste stream.
- 2.11 The estimated cost for each constituent council in 2008/09 is as follows:

Barnet	£ 1,354,900
Camden	£ 3,020,262
Enfield	£ 831,649
Hackney	£ 1,836,193
Haringey	£ 1,055,006
Islington	£ 1,914,731
Waltham Forest	£ 868,167
Total:	£10,880,908

(A summary of the levies raised since the formation of the Authority is attached as **Appendix 1.**)

2.12 At the Authority's budget meeting in February 2008 Members were advised that assuming full use of balances by 31 March 2009, and a year-on-year increase in the waste stream of 1% per annum (as adjusted for further stepped increases in recycling), the percentage increase in the cost to the Boroughs in 2009/10 was estimated to rise by 16.4%, and further increases of 7.5% and 6% in 2009/10 and 2010/11 respectively. The forecast increase for 2009/10 reflects the fact that balances of £3.164m have been used to part fund the 2008/09 budget. This forecast was based upon known and quantifiable changes only, including landfill tax rates where the standard rate of tax is expected to rise by stepped increases of £8 per year. Whilst the medium term budgets allow for the continued transfer of recyclates to the Authority for treatment, the medium term forecasts make no other allowance for the substantive costs of implementing the North London Joint Waste Strategy other than the cost of the procurement process itself. Preliminary work (2006) undertaken in developing a procurement strategy suggested that waste management costs would begin to rise steeply from 2013/14 onwards, however, the cost of meeting the Authority's waste strategy is currently under review and will be updated over the coming months as part of the procurement project.

Tonnage Levels

2.13 Allowing for a continuation of borough recycling and composting activity (c. 191,000 tonnes in 2007/08) the 2008/09 budget allows for the disposal of 736,000 tonnes of residual waste, the treatment of a further 63,000 tonnes of green/ kitchen wastes and a bulking arrangement for 59,000 tonnes of dry-recyclable wastes.

Apportionment of the Levy

2.14 Although it is open for the Authority's constituent borough councils to decide how the levy will be apportioned between them, provided they are unanimous, this has not happened over the life of the Authority. As a consequence, prior to 2006/07, the Levying Bodies (General) Regulations 1992 prescribed the default arrangements that would apply in such circumstances i.e. the levy will be apportioned in proportion to each council's tax base. In March 2006, in response to widely shared concerns about the inequity of the default apportionment arrangements, the Government (after consultation) changed the default arrangements for apportioning the levy to one primarily based upon tonnage. 2007/08 was the second of a three-year transition to a tonnage based levy.

2.15 For the NLWA there are now effectively two elements to the levy, a household waste element (c. 84% of the Authority's budget) and an 'other' costs element (16%). In 2006/07, the first year of transition, the household waste element was apportioned one-third tonnage and two-thirds council tax base, and in 2007/08 two-thirds tonnage and one-third council tax base. In 2008/09 the household waste element of the levy has been apportioned wholly on a tonnage basis and the 'other costs' element has continued to be apportioned on a council tax basis.

3. Property Issues

A404 Edmonton CPO

3.1 The amount due to be paid to the Authority has been agreed for some time and is set at £1,155,000. A sum of £346,500 was paid on account in 1998, however, a sum of £808,500 plus interest has yet to be paid. The reason for the delay was originally due to a concern expressed by LondonWaste Ltd, primarily in regard to loss of control over the access way to the site. The position has now been reached whereby LondonWaste has secured agreement with Transport for London for them to purchase part of the frontage land so that it can be used either as an access to the Edmonton site or for vehicle parking. The legal process is now proceeding and as a consequence should now enable the CPO process and payment to the Authority to be completed in 2008/09.

Other Property Issues

3.2 Early in the year a procurement exercise was undertaken via the Office of Government Commerce (OGC) list of contractors. Eight firms were approached and Knight Frank was selected to advise on site procurement issues and options. They produced two main documents "Identification of potential sites suitable for Waste Management uses over the next 25 years" and an "Acquisition Plan".

3.3 They appraised the July 2005 GLA site investigation list and identified the potentially suitable sites and, with other sites that they found themselves, brought forward for consideration a list of 50 sites.

3.4 Following on from a short pause while we undertook various procurement activities, the Authority selected consultants Dalton Warner Davis LLP who have built on Knight Frank's initial work and held preliminary discussions with some of the site owners. They are also dealing with the 2003 rent review proposals that have now been instigated in relation to the Hendon rail transfer station, and will be negotiating with the Landlord on the revised rent, which will be due from 2003. This will be the subject of a separate report when more details are known.

Property Holdings

3.5 The property holdings of the Authority are:

- Hornsey Street, Islington

- Picketts Lock Lane, Edmonton
- A406, Edmonton (CPO)
- Tilling Road, Hendon
- Hendon Waste Transfer Station

4. Best Value

- 4.1 Under the Local Government Act 1999, the Authority is subject to the Best Value regime. The Authority's eighth Best Value Performance Plan was published in June 2007.
- 4.2 The plan built on the previous year's plan and reported a further increase in the household waste recycling and composting rate for the North London Waste Authority area, as we built on the success of exceeding our 2003/4 and 2005/6 statutory performance standards of 12% and 18% respectively.
- 4.3 The plan reported on current services and infrastructure, and the new Edmonton In-Vessel Composting Facility (part-funded by the London Recycling Fund), in addition to new arrangements for the collection and recycling of waste electrical and electronic equipment, which came into force on 1st July 2007.
- 4.4 Other progress and plans with regards to the North London Joint Waste Strategy were also included, with Best Value principles being employed, and the plan also gave information on the Authority's waste streams and its past and planned finances
- 4.5 The Authority's ninth Best Value Performance Plan will be published by 30th June 2008 and will report further improvements in recycling and composting rates, along with other progress in implementing the North London Joint Waste Strategy and other Authority activities.

5. Waste Incineration Directive (WID)

- 5.1 The Authority is required to contribute towards the additional costs of LondonWaste Ltd in meeting the requirements of new environmental legislation such as the Waste Incineration Directive, which requires a reduction of emissions. This contribution is limited in any year to the value of the dividend paid by the Company to the Authority. The Authority has recently received a claim from LondonWaste Ltd, which is currently under review.
- 5.2 The Authority has previously considered a number of reports presenting a range of options for compliance by LondonWaste Ltd with the EU Waste Incineration Directive. LondonWaste Ltd was no longer going to be able to use the current boilers at their Edmonton energy-from-waste facility to incinerate the Authority's wastes (and others') after 28th December 2005 unless new measure were taken to reduce still further the emissions from the facility beyond those undertaken in 1996 to comply with the Emissions Control Regulations (HMIP IPR Circular 5/3). In July

2003, following consideration of a recommendation by LondonWaste Ltd the Authority agreed to give its consent to the refurbishment proposals for the existing boilers.

- 5.3 The refurbishment project was completed on time, with all five boilers modified and additional emissions control equipment installed. This was a highly significant and complex project, with a final cost of circa £26 million. The new emission controls and boiler modifications have proven to be very effective , and although the incineration level of the facility has yet to return to pre-WID levels, an incineration level of c. 502,000 tonnes was achieved in 2006 and 513,000 tonnes in 2007.

6. Joint Municipal Wastes Management Strategy

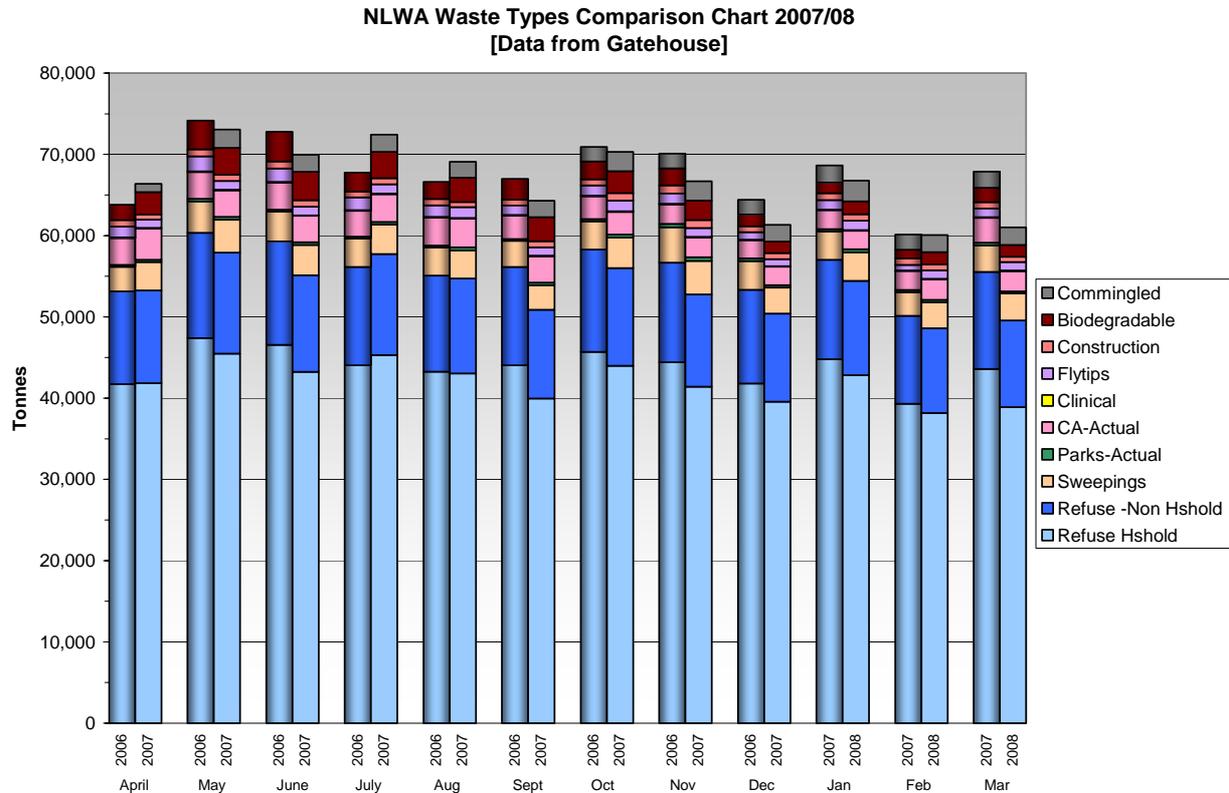
- 6.1 The Government published guidance in March 2001 indicating that it expected a Joint Municipal Wastes Management Strategy to be developed between Waste Disposal Authorities and their constituent Waste Collection Authorities, and in December 2001, the Boroughs and the Authority formally adopted Aims and Objectives and approved a series of further recommendations to progress development of the Strategy.
- 6.2 During 2004/05 previous joint work with the constituent boroughs was brought together through a series of Cabinet Member Seminars at which elected Members and senior officers of the seven Constituent Boroughs and the Authority came together to discuss options and provisionally agree a common way forwards.
- 6.3 In September 2004 a "Mayor's Draft" North London Joint Waste Strategy (NLJWS) was submitted by the Authority to the London Mayor for consideration and approval. There were however certain issues that one Partner was subsequently unable to finally agree upon, so the London Mayor declined to formally review the NLJWS until a common position had been agreed by all eight Partners (the seven Boroughs and the Authority).
- 6.4 The concerns of that Partner have since been overcome, and the London Mayor's comments have been received. However, it has since become necessary to submit the NLJWS to a Strategic Environmental Assessment, and this neared completion during 2007/08.
- 6.5 The benefits of the North London Integrated Compost Project continued with the new in-vessel composting facility at LondonWaste's site - this waste was mostly from new collection services but some also came from reuse and recycling centres in the Authority's area. All the remaining Community Composting Fund monies from the project have now been successfully distributed, and a new recycling and composting community fund established by the Authority for 2008/09.
- 6.6 The Authority adopted a Waste Prevention Implementation Plan, which sets out a range of activities aimed at the top of the waste hierarchy. This had been developed in full partnership with our constituent borough councils.

- 6.7 The Authority considered its support for the North London Recycling Forum in 2007/08 and decided to continue its support into 2008/09. The Forum changed its name towards the end of the financial year to the 'Resource Forum' but continues to promote links between the community, government and private sectors. The financial support from the Authority is matched by LondonWaste Ltd. During 2007/08 they ran two Forum events, the first in June 2007 on the environmental impacts of waste processing and the second in February 2008 on business waste recycling.
- 6.8 The Authority considered its support of reusable nappies during 2007/08, and has decided to continue this into 2008/09.
- 6.9 Looking further to the future, the Authority adopted a Procurement Strategy, against which it will procure the next generation of waste recycling, composting, recovery and disposal services for North London. This is an exceptionally significant project in terms of services to residents, local environmental impacts and costs.

7. Relations with the Authority's Main Contractor - LondonWaste Ltd

- 7.1 In its capacity as a 50% shareholder of LondonWaste Ltd., the Authority receives reports at each meeting on LondonWaste Board meetings. A number of issues have been progressed during the past year as detailed in a report elsewhere on the agenda from the Authority's appointed A Directors at LondonWaste Ltd in 2007/8.
- 7.2 In its capacity as a customer of LondonWaste Ltd., the Authority receives reports concerning any significant developments with the main waste disposal contract and the civic amenity waste transport contract whenever necessary. These have concerned issues at the new Hornsey Street waste and recycling centre, the in-vessel composting facility at LondonWaste's Edmonton site, and proposals for change that would affect the Hendon rail transfer station.
- 7.3 The Strategy and Contracts Team is responsible for managing the main waste disposal contract for all household, commercial, clinical and civic amenity waste produced by constituent boroughs, and is increasingly managing recycling and composting services too. There are also some relatively minor ancillary contracts. A full description of the key sites and services is in the Best Value Performance Plan published each year.

7.4 Tonnage Information



NB. This chart excludes Boroughs' own waste to reprocessors

Please note that borough recycling data is not included in this comparison.

7.5 Contract Activities

Main Contract

7.5.1 The main waste disposal contract encompasses the disposal of nearly all the waste collected by the seven constituent boroughs through front-line services and reuse and recycling centres; 802,328 tonnes of municipal waste in 2007/08. 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 2007/08 a total of 192 visits were made across the three sites at Edmonton, Hendon and Hornsey Street. These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are running efficiently. One default was issued against the contract during the year and this was due to vehicles exceeding the agreed 20 minute turnaround time at Hendon in March 2008.

7.5.2 During these visits, the movement of borough vehicles is monitored by sampling approximately 1100 transactions a month which is in excess of 6% of the monthly total and is statistically representative. Performance against this target was

exceeded during 2007/08. The vehicle monitoring data is then reconciled against claims for payment by LondonWaste Ltd. 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.

- 7.5.3 This monitoring includes vehicles delivering organic wastes for composting and commingled dry recyclables for sorting and recycling. This amounted to 55,600 tonnes in 2007/08, included in the figure at 7.5.1 above. While this tonnage is disposed via the main waste disposal contract the waste is reported by the Boroughs to the centralised database, WasteDataFlow and forms part of their own BVPIs.
- 7.5.4 Fridges and freezers are recycled to comply with the requirements for the disposal of waste containing ozone/depleting substances under the main waste disposal contract until 30th June 2007. From 1st July 2007 this occurred under new arrangements as at paragraph 7.5.10.
- 7.5.5. In 2007/08 a minor variation to the main waste disposal contract was approved in relation to the maximum turnaround time for clinical waste vehicles. There was no additional cost to the Authority.
- 7.5.6 The in-vessel composting of mixed food and green waste and the bulking of commingled recyclable wastes to third party facilities continued in 2007/08; 29,581 tonnes and 26,019 tonnes respectively were received. In the case of the composting service, LondonWaste's facility was the first such facility to produce compost certified to the British Standard Institute's Publicly Available Standard No.100 (PAS100). In 2007 designs were prepared to enclose the maturation area in a building with biofilters in order to reduce the instances of complaints about odour. The new structure is now in place.

Civic Amenity Transport Contract (Reuse & Recycling Centres)

- 7.5.7 There are currently nine reuse and recycling centres in the NLWA area generating 35,560 tonnes of residual waste in 2007/08, which was transported from the reuse and recycling centres under a separately tendered and relatively short transport contract, but disposed of under the twenty-year main waste disposal contract above.
- 7.5.8 The contract for the transportation of this waste is currently held by LondonWaste and the service is of a generally good standard; three defaults were issued during the period covered by this report and were for closure of sites in April, 2007 due to lack of empty containers . The target is to visit each site on a weekly basis on average to ensure service levels remain high and to check the condition of the containers ensuring all health and safety requirements are met. This target was exceeded most of the year except during September and December 2007 due to staff leave. A total of 434 visits were made to reuse and recycling centres in 2007/08.

7.5.9 In February 2008 it was agreed to extend the CA contract by two years until 20th June 2010.

Ancillary Services

7.5.10 **Waste Electrical and Electronic Equipment (WEEE)** – Under this legislation producers of electrical and electronic equipment bear the costs of recycling and/or disposal for this waste stream. In 2007/08 the Authority entered into an interim agreement with DHL to collect electrical and electronic equipment from 16 Designated Collection Facilities, registered by the Authority on behalf of the constituent boroughs, until May 2008. Approximately 3,000 tonnes of WEEE was disposed via this method since implementation of the legislation in July 2007.

7.5.11 **Tyres** - in 2007/08 approximately 206 tonnes of tyres were disposed of at McGrath's in Hackney by the Authority; however some boroughs continued to make their own arrangements.

Other Responsibilities

7.5.12 **Data** – The Authority continued to manage data on wastes and over thirty categories of recycling in relation to the national WasteDataFlow system (for landfill allowances and best value performance indicator targets), for local recycling credits to boroughs (being phased out) and third parties, and for the new local incentive scheme for diverting biodegradable waste. Along with the need to verify 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.

7.5.13 In addition, a new system for assessing the amount of non-household waste in the mixed municipal waste stream was developed and approved with all-borough consensus too, for implementation in 2008/09.

8. Hendon Rail Transfer Station

8.1 The Authority leases the site of the Hendon rail transfer station ultimately from Network Rail, whilst LondonWaste Ltd sub-contracts the site's operations to Waste Recycling Group (formerly Shanks Waste Solutions), who own the railhead and landfill site in Buckinghamshire to which this waste goes. In 2007/08 172, 816 tonnes was delivered by the Authority to this site, which is also included in the figure at 7.5.1 above.

8.2 A property consortium wishes to re-develop the area of this transfer station, and has approached the Authority about specifying a replacement facility close to the current site. The Authority has been in discussion with the developer to progress this opportunity.

8.3 The developer has since submitted an outline planning application for the wider

scheme in April 2008.

9. Procurement Activity

9.1 Over the past year the NLWA has made significant progress in its procurement process, developing the procurement strategy, an experienced project team and close partnership working with key decision makers in North London.

9.2 To date the North London authorities have:

- Considered options and progressed commercial negotiations in order to provide good prospects for a satisfactory resolution of joint venture and sites issues
- Set in hand full consultation on the North London Joint Waste Strategy (as reported elsewhere on this agenda) and other procurement-related issues
- Progressed substantial waste data and modelling work that will allow the Authority to confidently progress the right interface with waste collection, sites, planning and other deliverability issues
- Put in a preliminary view on risk that fully explores the means to securing the optimal value for money solution for the procurement, that is grounded in the reality of the markets for waste management and the use of outputs
- Engaged with the Joint Waste DPD team in an effort to put forward sites for consideration

9.3 Overall there is a good platform for an exciting market opportunity, a competitive and open bidding process and a quality outcome that is consistent with local and national ambitions.

The Project Team

9.4 The Authority has allocated an appropriate budget for the creation of a project team that is additional to the resources that are provided for mainstream and ongoing NLWA activity. The Authority has sought to build a team that has an appropriate mix of knowledge, skills and experience covering waste, other technical, commercial, financial, legal and project management matters. It has sought to get stability, but also to retain flexibility to adjust the capacity as the nature of the task changes over time. It has placed a particular emphasis on securing people with experience of delivering procurements to a commercial conclusion in waste.

9.5 The current project team includes Legal, Technical, Finance, Communications and Project Management expertise.

9.6 In addition, the Authority had put in place an appropriate external adviser budget and framework agreement with appropriate and experienced external advisers and in 2007/8 it established a Procurement Committee with full delegated powers in relation to procurement matters.

Reference Project

- 9.7 The NLWA's technical advisers have undertaken a full appraisal of technical options.
- 9.8 13 scenarios incorporating different technologies have been assessed against a range of criteria using the Environment Agency's 'WRATE' modelling tool.
- 9.9 This has enabled the Authority to shape the proposed options and work towards refining the scenarios to form the basis of the selection of a reference project for the Outline Business Case.

Timetable

- 9.10 Generally it is in the Authority's interests to move the long term procurement forward as promptly as possible. However, it is also necessary to progress commercial negotiations prior to inviting detailed submissions and the involvement of third parties may mean that the Project Team is not wholly in control of the timetable on these issues. As a consequence it is considered appropriate and prudent to have a 3 month range on dates.

	Date
Submission of EOI	March 2008 - done
Approval of EOI	May 2008
Business case approved by Council	June - October 2008
Submission of OBC	June - October 2008
Mayoral approval (if relevant)	
Defra approval of OBC	
Project Review Group approval of OBC	July - November 2008
Official Journal of the European Union (OJEU) published	November - December 2008
Descriptive document issued	January 2009
Invitation to Submit Outline Solutions (ISOS) issued	February 2009
ISOS returned	April 2009
Invitation to Submit Detailed Solutions (ISDS) issued	June 2009
ISDS returned.	October 2009
Invitation to Submit Refined Solutions (ISRS) issued	December 2009
ISRS returned	February 2010
Call for final tenders	June 2010
Preferred bidder selected	September 2010
Submission of Final Business Case (FBC)	December 2010
Defra approval of FBC	March 2011
Contract awarded	April 2011

Financial close	June 2011
Planning applications submitted	2011
Operational commencement	2015

Looking ahead

9.11 Looking ahead the Authority will continue to develop work in a number of areas, to include:

- The refining of a reference project for the Outline Business Case
- The exploration of potential benefits of a separate fuel use procurement and whether collaborative working with other authorities that are pursuing similar approaches might work well.
- The exploration of opportunities for potential joint working with neighbouring authorities
- Defining the principles of an Inter-Authority Agreement which will set out the operational and financial arrangements between the NLWA and the seven constituent boroughs

10. Communications

10.1. Communications Strategy

10.1.1 To guide communication from 2007 through to 2009 four communication plans have been developed, as part of an overall communication strategy, to build and manage the NLWA's reputation and to facilitate proactive engagement with all stakeholders.

10.1.2 The communications plans, noted by Members in February 2008, are targeted at the industry (for the Authority's procurement process), residents, and boroughs, with a fourth over-arching plan common to all target audiences. The communications plans can be viewed at:

<http://www.nlwa.gov.uk/admin/uploads/20080206/REPORT%20-%20COMMUNICATIONS%20UPDATE%20Feb08.pdf>.

10.2 Press Work

10.2.1 Over the last year, in line with the communications strategy, the NLWA has proactively distributed five press releases and has responded to approximately 18 media enquiries. This has resulted in press coverage in a range of regional, local and trade media, including:

- Resource Management and Recovery
- Materials Recycling Weekly
- Letsrecycle.com

- Recycling and Waste World
- Camden New Journal
- Hamodia
- Marylebone Express
- Enfield Advertiser
- Barnet Press

10.2.2 The majority of this press coverage has been positive in tone and has resulted from proactive media work relating to the SEA consultation, the promotion of recycling waste electrical and electronic equipment and the launch of the North London Waste Prevention Plan.

10.3 Overview of communications work

10.3.1 Other communications work undertaken in the last 12 months includes:

- The updating of information on the Authority website, particularly in the areas of waste prevention and frequently asked questions
- Establishing a bi-monthly e-zine distributed to borough officers
- Developing a residents' guide to waste facilities
- Developing a series of waste prevention posters for retail, restaurants and fast-food outlets
- The preparation of reactive press statements to be used on an 'as required' basis
- The introduction of a news update service for residents
- Setting up regular update meetings with communication officers in the seven boroughs.
- Completion of a £300,000 Waste and Resources Action Programme funded communication project in partnership with four of the constituent borough councils.

10.3.2 During 2007/08 the Authority considered its corporate image and a new logo has since been agreed. As part of this re-branding process the website is being redesigned and developed to incorporate the new logo. The current text and images on the site will be reviewed and the new site is expected to go live from the start of August 2008.

10.4 Coming up

10.4.1 Looking forward, communications work for the year ahead will focus on the procurement process, the draft North London Joint Waste Strategy and will be driving forward key messages around waste minimisation and recycling.

10.4.2 Key activities currently planned include the launch of a waste prevention week in October, promotion of Waste Electrical and Electronic (WEEE) recycling, the development of materials and resources around waste facilities and an industry day which focuses on the procurement process.

11. Working in Partnership

11.1 The Authority continues support for recycling and sustainable waste management practices by the Authority through 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.

11.2 The Authority is also a member of a number of organisations as follows:

- LARAC (Local Authority Recycling Advisory Committee)
- National Household Hazardous Waste Forum
- Waste Watch

11.3 Additionally, individual officers are members or attend the meetings of a number of other officer based groups.

11.4 The Authority is not a full member of London Councils, the organisation which lobbies on behalf of London's councils and also develops policy and runs a range of services for Londoners. This is because the Authority's constituent borough councils are already members along with the other London boroughs, the City of London, the Metropolitan Police Authority and the London Fire and Emergency Planning Authority which fund the organisation's work through subscription. However, the Authority's Chair is free to attend meetings of the London Councils' Transport and Environment Committee, and can speak at the same, at the Chairman of the Committee's discretion, but cannot vote.

12. Comments of the Financial Adviser

12.1 The comments of the Financial Adviser have been incorporated within the report.

13. Comments of the Legal Adviser

13.1 The Legal Adviser's comments are incorporated in the report.

NORTH LONDON WASTE AUTHORITY LEVIES AND NON-HOUSEHOLD CHARGES 1986 TO 2007

	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	-	13,602
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

- During the period 1986/87 to 1995/96 the cost of non-household waste disposal was recovered through the levy from constituent councils.

Report Ends