

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

JOINT WASTE STRATEGY UPDATE

REPORT OF:

HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

7TH DECEMBER 2005

SUMMARY OF REPORT:

This report updates members on progress made since the last meeting, regarding the implementation of the North London Joint Waste Strategy.

RECOMMENDATIONS

The Authority is recommended to:

- (i) note the contract extension under delegated authority by the Head of Waste Strategy & Contracts, as at para. 5.2;
- (ii) approve the further extension of the current 'call off' contract with consultancy company, AEA Technology plc, for specialist environmental consultancy advice by a further three years from 18 January 2006, as set out in the report;
- (iii) confirm that the Head of Waste Strategy & Contracts or the Legal Adviser may vary the main waste disposal contract to include the receipt, bulking and transportation of recyclable wastes to a third-party materials reclamation facility at an overall cost less than the full avoided cost of disposal, with final terms to be agreed in consultation with the Chair.

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

.....

Date:

1. BACKGROUND

- 1.1 The North London Joint Waste Strategy (NLJWS) September 2004, provides the framework for progress towards reducing, re-using and recovering a greater proportion of the municipal waste which is generated in the North London Waste Authority (The Authority) area and reducing the amount which is sent for disposal to landfill.
- 1.2 The Authority and its Partners have undertaken a Best Practicable Environmental Option analysis for North London. The preferred option involves working in partnership as local authorities and with local communities to provide the services and facilities required to make the improvements needed. The preferred option involves action and investment in waste minimisation, recycling and composting and recovering energy from waste. Appendix 1 outlines the targets in each of these areas.
- 1.3 The following report is organised according to the relevant chapters in the NLJWS – chapters three to eight.

2.0 STATUTORY REQUIREMENTS

Review of the powers of the London Mayor

- 2.1 The Government's consultation on the review of the powers of the London Mayor is anticipated shortly, including the Mayor's proposal for a single London waste authority and enhanced Mayoral waste planning powers.

Joint Waste Development Plan

- 2.2 As reported at the last meeting, the constituent borough councils are continuing to work together to prepare a Joint Waste Development Plan Document (JWDPD) for North London. This will create the shared land-use planning framework for all wastes (municipal, commercial and industrial) in North London into the future.
- 2.3 At the time of writing all borough executives have agreed to take part in the JWDPD with the exception of Barnet from whom a decision was expected following a meeting on 5 December, but this item has now been postponed to a meeting on 5 January 2006.

- 2.4 One of the first pieces of work being carried out is background research to prepare a community involvement strategy that is tailored to the specific needs and views of North London. The first qualitative stage of the research carried out by using representative resident focus groups sought residents' outline views about waste, and the location and type of facilities to manage it. The second stage is a quantitative survey conducted via face-to-face interviews with a representative sample of 500 residents, which will enable the issues raised within the focus groups to be validated and prioritised.
- 2.5 Since the last meeting, the structured questionnaire that will be used for the second stage of the research has been finalised with the agreement of all boroughs and work has commenced. It is anticipated that the initial conclusions from the research will be available in January and the community involvement strategy ready for presentation from March.
- 2.6 In addition to the above, the Authority's Procurement Manager, the North London lead planner and Cllr. Haley, (Authority representative on the Board of LondonWaste Ltd. and Chair of that Board), took part in a 'new technologies' study tour to Italy between 8 and 9 November 2005.
- 2.7 The tour group visited four different facilities and had presentations from senior policy staff in DEFRA, the GLA and the Environment Agency. The four facilities encompassed a range of new types of waste treatment that the Authority will need to consider to meet the requirements of the NLJWS:
- An anaerobic digestion plant
 - A mechanical biological treatment (MBT) plant
 - A MBT plant and energy generation facility (which uses the fuel from the MBT plant)
 - A combined composting and MBT plant
- This will inform future strategy and procurement proposals which come before the Authority.
- 2.8 Authority officers will continue to liaise with Borough waste and planning officers in order to keep Authority Members informed of progress. Borough officers will keep Borough Executive Members informed.

3.0 WASTE HIERARCHY OPTIONS

Waste Prevention and Reduction

Since the last meeting:

- 3.1 The Policy and Development Manager attended a stakeholder event organised by the London Borough of Islington to discuss a proposal for a 'zero waste' strategy for Islington. The development of this strategy should provide useful information for the development of a waste prevention plan for the Authority.
- 3.2 Officers will be developing the waste prevention plan for the Authority in the New Year, and preparatory work will shortly get underway to collate both local and international best practice on waste prevention.

North London Integrated Compost Project

In-vessel composting facility

- 3.3 Two proposed dates for the official opening of the composting plant at Edmonton are the 21 and 22 March 2006. Ben Bradshaw MP, Parliamentary Under-Secretary (Commons) (Local Environment, Marine and Animal Welfare) has been invited to formally open the plant. Formal invitations to other potential attendees will be issued as soon as possible. LondonWaste Ltd is organising the official opening for partners to the scheme.

Community composting

- 3.4 Following approval at the last meeting to award grant funding to East London Community Recycling Partnership, Hackney and the Freightliners City Farm, Islington, delegated authority was also granted to the Head of Waste Strategy and Contracts, in consultation with the Chair, to award up to £8,000 in total to subsequent bids to the North London Community Composting Fund that satisfy the criteria, thus taking the total awarded to projects to £25,000 in this financial year.
- 3.5 Three further community composting projects have met the relevant criteria and have been notified that they will receive a grant. These are:
 - *Hackney Allotment Society*, Hackney. £1,956 for a shredder and the necessary materials and training to build communal composting bins on two sites – at Springhill & Aden Terraces (20 bins in total).
 - *Forest Recycling*, Waltham Forest. £1,516 for equipment to start an estates-based kitchen waste composting scheme on three housing estates in neighbourhood renewal areas in Leyton, Lea Bridge and Cann Hall.

- *Friends of King Henry's Walk Garden*, Islington. £857 for 10 community compost bins and associated equipment and training.

3.6 London Community Recycling Network, which administers the grant fund on the Authority's behalf, is in discussion with a fourth group which has been shortlisted for funding, but which may not be able to fulfil all the necessary criteria to be provided with financial support. If it cannot meet the relevant criteria, then the remaining funds will be allocated elsewhere.

4.0 MANAGEMENT OF OTHER WASTE STREAMS

Waste Electrical and Electronic Equipment (WEEE)

- 4.1 Discussion has taken place with the British Retail Consortium (BRC), regarding their retail compliance scheme for WEEE. The WEEE Directive, which is due to come into force in the UK in June 2006, obligates retailers and distributors to offer take back of WEEE on a like for like basis. UK retailers will have two options:
- To operate take back in store or upon delivery to households.
 - To comply with take back requirements through membership of a retail compliance scheme, (and the BRC has announced one such scheme).
- 4.2 In order to provide an adequate network of 'designated collection facilities' (DCFs), for its WEEE compliance scheme, the BRC would like to use the civic amenity site network as a collection network for WEEE. To encourage local authorities to make their sites available for this activity the BRC has offered an incentive for local authorities to upgrade their sites to DCFs (and also to ensure that they comply with the BRC's necessary requirements of the same). The incentive comes in the shape of a one-off fund available for CA site upgrades. £6,000 is available per site as a one-off payment for hardstanding, signage and weatherproofing.
- 4.3 All the boroughs within the Authority's area registered an interest in receiving funding before the deadline in May 2005. Further details are awaited regarding the application process for funding.
- 4.4 Whilst 'pooled' funding is available via waste disposal authorities, (i.e. the Authority could apply on behalf of the seven constituent boroughs and distribute the money unevenly depending on need), this is not practically applicable in North London where our constituent borough councils provide and operate their own sites under the Refuse Disposal (Amenity) Act.

5.0 IDENTIFYING THE BEST PRACTICABLE ENVIRONMENTAL OPTION FOR NORTH LONDON

Waste Data

- 5.1 In order to properly plan facilities for the future, the constituent borough councils agreed to develop appropriate modelling to predict likely tonnages of material between 2005 and 2020 (the period of the NLJWS). This data is needed for procurement and waste planning purposes, including financial planning and resources. It is also required so that the Authority has accurate predictions regarding the presentation of recyclable material, i.e. what proportion will be delivered from kerbside separated recycling schemes and what percentage will arrive co-mingled. The consultancy firm AEA Technology has been commissioned to help borough officers. This information was originally expected from the constituent borough councils by September 2005.
- 5.2 The Authority has agreed to give assistance through AEA Technology plc under its call-off contract which will amount to two half-day visits to each Borough by AEA Technology staff plus some additional preparation work. To enable this work to proceed without delay, the Head of Waste Strategy & Contracts approved under delegated authority a three month extension, (from October 2005), to this call-off contract. The cost was estimated as £5,000 plus travel and subsistence.
- 5.3 This work will build upon the previous detailed predictive modelling which had been carried out for the preparation and delivery of the NLJWS.
- 5.4 It is critical that appropriate resources are allocated to this work because new facilities and contracts will be reliant on this information. Whilst two half-day sessions have been allocated to each borough to work with AEA Technology staff, boroughs will be required to submit the final information and to sign it off. The work is being project-managed by the Authority's Policy and Development Manager and it is anticipated that it will be completed by February 2006.
- 5.5 It is further proposed that the existing call-off contract with AEA Technology plc is extended for a further three years:
 - The contract is for environmental consultancy for the Authority.
 - The proposed contract term is from 18 January 2006 – 17 January 2009 inclusive, (i.e. from the end of three month extension awarded under delegated authority).
 - The benefits of contracting AEA Technology for a further three years are that this arrangement gives officers immediate access to environmental consultants who understand the Authority and LondonWaste Ltd, who know the detail of the NLJWS and who can provide skills which the Authority does not possess in-house.

- AEA has agreed that their originally tendered rates, adjusted solely for inflation in line with the retail price index (excluding mortgage interest payments) on an annual basis, would apply for this further three year period.
- Having consulted with one of the Authority's constituent boroughs and from officers' knowledge of the market, officers are satisfied that the rates charged by AEA remain competitive. DEFRA's Waste Implementation Programme Local Authority Support Unit for example requests that consultancy costs are based on "£750 per day for consultant time, as a rough guideline" when authorities are applying for consultancy support through the programme. A Part 2 report entitled 'Joint Waste Strategy - Technical Support Rates' is attached which should be read in conjunction with this section of the Joint Waste Strategy Update.
- The basis for this proposal is the anticipated benefits as outlined above, the competitive nature of the charges, the quality of the work and the service to date which has been good.

5.6 Members are recommended to approve the proposal to extend the existing call-off contract with AEA Technology plc for a further three years from 18 January 2006 with a maximum total value of £25,000 per annum, indexed at today's values, exclusive of travel and subsistence for which the Authority would be charged at cost.

6 WORKING IN PARTNERSHIP TO DELIVER THE STRATEGY

Bulking of Dry Recyclable Wastes

- 6.1 Several constituent borough councils have expressed an interest in transferring to the Authority their arrangements with LondonWaste Ltd (LWL) for the receipt, bulking and transportation of co-mingled dry recyclables to third party materials reclamation facilities (MRFs).
- 6.2 "Heads of Terms" have been exchanged between the Authority and LWL, and it would be desirable if this new arrangement could start from January 2006.
- 6.3 The benefit to the Authority is that it would start to have under its control the feedstock for the first local MRF (rather than this being controlled by separate contracts within its boroughs) for which approval in principle to procure was given by the Authority in April 2005. It also means however that the Authority will take on (indirectly through LWL) the task and risk of securing appropriate MRF capacity elsewhere. This work has commenced, and offers have been received by LWL from competing MRFs.

- 6.4 In financial terms, under the current levying and recycling credit arrangements this will be cost-neutral to the Authority, as instead of paying a recycling credit to the relevant boroughs (as the Authority does now), we will pay a gate fee to LWL and will pay the difference between that gate fee and the avoided recycling credit to the relevant boroughs (as for the in-vessel composting facility). However, the Government is consulting on changes to the default levy arrangements and the recycling credit regime in expectation of changes being implemented from April 2006. The budget report elsewhere on this agenda assesses the potential financial implications in more detail, and makes appropriate budget provisions.
- 6.5 The Head of Waste Strategy & Contracts and the Legal Adviser have delegated authority to enter into variations to the main waste disposal contract for recycling and composting services that are at a lower price than the avoided cost of disposal, but because of the potential changes to the structure of the Authority's budget from next year it is appropriate to seek Members' endorsement of a service that will constitute net expenditure from April 2006 (assuming that the proposed new tonnage-based default levy mechanism will then apply). It is currently projected that this may amount to £1.2m in 2006/07.
- 6.6 The Authority is therefore recommended to confirm that the Head of Waste Strategy & Contracts or the Legal Adviser may use the existing delegated authority for the above proposal, with final terms to be agreed in consultation with the Chair.

Waste Community Compact

- 6.7 Officers will start work in the new calendar year on developing proposals for further consideration for a local Compact between the Authority and the voluntary and community sector, the VCS, or 'third sector'. Authority officers are already engaging with similar borough-level work to help ensure a consistent and complementary approach.
- 6.8 The national Compact is the agreement between Government and the VCS made in 1998. It sets out the principles for the relationship with the VCS based on mutual advantage. There are commitments on both sides and a clear acknowledgement of the independence of the sector including its right to campaign. The Home Office's Active Community Directorate co-ordinates Government Department's work on the Compact and promotes its scope across Government including Government Offices for the Regions, Executive Agencies and non-departmental public bodies (NDPBs).
- 6.9 Local Compacts are agreements at local level with the aim of building and improving relationships between the sector, local councils and other local public bodies for mutual advantage, including working better together for the communities they serve.

- 6.10 The benefit of having a local Compact is that it would provide a framework for the Authority's relationship with the CVS. The North London Joint Waste Strategy also identifies the potential development of a local Compact as one of its implementation actions for the Authority and its constituent borough councils:

The Partner Authorities will consider developing a Waste Community Compact in partnership with the Community Sector to build trust and encourage further involvement of this sector in implementing this Strategy.

North London Recycling Forum

- 6.11 Although the following action will have taken place by the Authority meeting, it is helpful for Members to be aware of the next meeting of the North London Recycling Forum which is scheduled for 1 December as previously reported. The meeting will be held at the Resource Centre, Holloway Road. The subjects are forthcoming strategy developments and challenges for 2006 with speakers and workshops from the private, public and third sectors. These will be followed by an afternoon debate on the Mayor of London's proposals for a single London wide waste authority.

Strategy Implementation Board

- 6.12 It had been hoped to hold a meeting of the Strategy Implementation Board before the end of the year. It had been hoped to take forward consideration of joint waste planning but, as noted in para. 2.3 above, the last borough to formally agree to this process will not be making a decision until January 2006. It had also been hoped to take forward work on facility planning for the North London Joint Waste Strategy but, as noted in para. 5 above, the boroughs' projected need for recycling bulking and/or sorting facilities is not yet known either.
- 6.13 Whilst the Authority cannot directly influence the timetable of the joint waste planning work, the Authority has committed additional resource to help the boroughs complete their projections of facility need.

7.0 COMMENTS OF THE FINANCIAL ADVISER

- 7.1 The Financial Adviser has been consulted over this report and his comments have been included.

8.0 COMMENTS OF THE LEGAL ADVISER

- 8.1 Under Contract Standing Order C17.1 (b), subject to compliance with Financial Standing Orders an officer may authorise a single extension of a contract by up to 3 months.
- 8.2 Further, the Authority has power to extend a contract provided that to do so is consistent with Financial Standing Orders.

8.3 In considering the recommendation to approve the further extension of the contract with AEA Technology plc Members need to be satisfied that such extension constitutes Best Value for the Authority.

9.0 RECOMMENDATIONS

9.1 The Authority is recommended to:

- (i) note the contract extension under delegated authority by the Head of Waste Strategy & Contracts, as at para. 5.2;
- (ii) approve the extension of the current 'call off' contract with consultancy company, AEA Technology plc, for specialist environmental consultancy advice by a further three years from 18 January 2006, as set out in the report;
- (iii) confirm that the Head of Waste Strategy & Contracts or the Legal Adviser may vary the main waste disposal contract to include the receipt, bulking and transportation of recyclable wastes to a third-party materials reclamation facility at an overall cost less than the full avoided cost of disposal, with final terms to be agreed in consultation with the Chair.

Local Government Act 1972 – Access to information

Documents used: North London Joint Waste Strategy, Mayor's Draft, September 2004

North London Waste Authority Best Value Performance Plan 2005

Scoping paper on proposal for a London single waste authority and enhanced Mayoral waste planning powers, Mayor of London, September 2005

NLWA Community Compost Small Grants Fund applications from:

- Hackney Allotment Society
- Forest Recycling
- Friends of King Henry's Walk Garden

Grant award letter to London CRN regarding the above awards

North London Household Survey questionnaire, Brook Lyndhurst, 24 October 2005

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

Unit 169, Block 1B
Lee Valley Technopark, Ashley Road
N17 9LN

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

APPENDIX 1.

The Authority and its Partners have undertaken a Best Practicable Environmental Option analysis for North London. The preferred option involves working in partnership as local authorities and with local communities to provide the services and facilities required to make the improvements needed. The option we prefer requires action and investment in:

Waste minimisation:

- Investing in an intensive and on-going public awareness campaign
- Increasing the percentage of residents composting at home from the current 7% to 25%
- Investing significantly in new community composting and re-use projects.

Recycling and composting

- Achieving 35% recycling and composting rates by 2010
- Achieving 45% recycling and composting rates by 2015
- Maintaining and improving the existing recycling banks on the street
- Providing recycling and composting collections to at least 95% of all residents
- Sorting materials in three new local Materials Recycling Facilities
- Composting organic kitchen and garden wastes in four new composting facilities.

Recovering energy from waste

- Recovering energy from 34% of rubbish by 2015
- Improving the environmental performance of the Edmonton energy-from-waste incinerator in the short term
- Replacing the Edmonton Incinerator with advanced energy treatment technology after 2014.

The North London Joint Waste Strategy also assumes a 3% per annum rate of growth in municipal waste arisings until 2010 and 2.5 % thereafter.

Report Ends