

Agenda Item No:

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

RECYCLING CREDITS 2002/03 UPDATE

REPORT OF:

HEAD OF WASTE STRATEGY & CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING.

DATE:

11th FEBRUARY 2004

SUMMARY OF REPORT:

This report presents revised recycling credit claims to the Authority following a reconciliation process, as requested by the Authority on 1st October 2003.

RECOMMENDATIONS

Members are recommended to: -

- (i) approve the payment of recycling credit payments to Constituent Boroughs for 2002/03 as set out at para. 2.8;
- (ii) approve the payment "on account" to Constituent Boroughs for 2003/04 as set out at para. 2.8;
- (iii) approve the payment of the third party recycling credit as set out at para. 3.1; and
- (iv) approve the proposed recycling credit claim verification process for 2003-04 as set out at para's 2.4 – 2.6.

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

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Date:.....

1. INTRODUCTION.

- 1.1 At the 1st October 2003 meeting of the Authority claims for recycling credits from the Constituent Boroughs were considered and approved, with a request that proposals should be developed to more closely audit these claims in the future.
- 1.2 In view of the agreed discrepancy with one Borough's claim for a single recyclable stream, an audit has taken place of all Boroughs' claims resulting in the need to make a revised set of payments as set out below and shown at the appendices.

2.0 VERIFICATION PROCESS ADOPTED AND PROPOSED

- 2.1 A process was adopted whereby each Constituent Borough was asked to fully substantiate their claim for a specified recyclable stream for the full 2002-03 year with copies of weighbridge tickets, and if any significant variances were found a second stream would be assessed too. These weighbridge tickets were either sent to the Authority or made available at Constituent Borough offices where particularly large numbers of weighbridge tickets were involved.
- 2.2 As a result, Barnet's total claim has been revised from 17,679 tonnes to 17,684 tonnes, Enfield's from 20,025 tonnes to 16,822 tonnes, Islington's from 5,074 tonnes to 5,021 tonnes and Waltham Forest's from 11,367 tonnes to 11,290 tonnes. The total value of 2002/03 borough recycling credit claims therefore reduces from 73,596 tonnes to 70,268 tonnes, i.e. a reduction 3,328 tonnes.
- 2.3 The process, whilst subjecting all boroughs to a verification of an unforeseen individual waste stream, was somewhat uneven in that some boroughs had a greater proportion of their claim verified than others due to different individual recyclable streams being chosen.
- 2.4 It is proposed therefore for the verification of the 2003-04 recycling credit claims that all boroughs receive a verification of at least two recyclable streams and that at least 40% of their tonnage is verified too by means of a random inspection of at least 6% of relevant loads' weighbridge tickets.
- 2.5 As previously for textiles, but now for some other recyclable streams, wherever the tonnage weighed is partially recycled and partially re-used, the borough shall submit with its claim a signed statement from its reprocessor confirming what percentages of the annual total it considers to have been recycled, re-used and rejected.

2.6 Where bulking facilities receive wastes from more than one borough, evidence shall be required of weights received at the facility from all sources and of weights despatched to relevant reprocessors so that an informed view can be taken of the claim from the individual borough.

2.7 A verification process of this nature appears consistent with the Authority's policy set at its meeting on 3rd November 1994 when it agreed that boroughs would no longer initially have to substantiate their claims with weighbridge returns or credit notes from merchants or reprocessors, but would instead submit a letter stating the tonnage levels for each material. These tonnage levels would be based on auditable figures and subject to random 'spot checks' by the Strategy & Contracts Team.

2.8 The revised tonnage figures result in the proposed payments below:

Borough	Total Claim 2002/03	Less Payment on Account 2002/03	Balance Payment due 2002/03	Payment on Account 2003/04	Total Payment due to be Paid
Barnet	£653,954.32	£209,965.90	£443,988.42	£326,977.16	£770,965.58
Camden	£468,240.76	£215,821.45	£252,419.31	£234,120.38	£486,539.69
Enfield	£622,077.56	£180,021.13	£442,056.43	£311,038.78	£753,095.21
Hackney	£89,713.48	£19,125.17	£70,588.31	£44,856.74	£115,445.05
Haringey	£161,343.74	£77,997.34	£83,346.40	£80,671.87	£164,018.27
Islington	£185,676.58	£84,640.08	£101,036.50	£92,838.29	£193,874.79
W/Forest	£417,504.20	£176,053.42	£241,450.78	£208,752.10	£450,202.88
Total	£2,598,510.64	£963,624.49	£1,634,886.15	£1,299,255.32	£2,934,141.47

3.0 THIRD PARTY RECYCLING CREDIT CLAIM

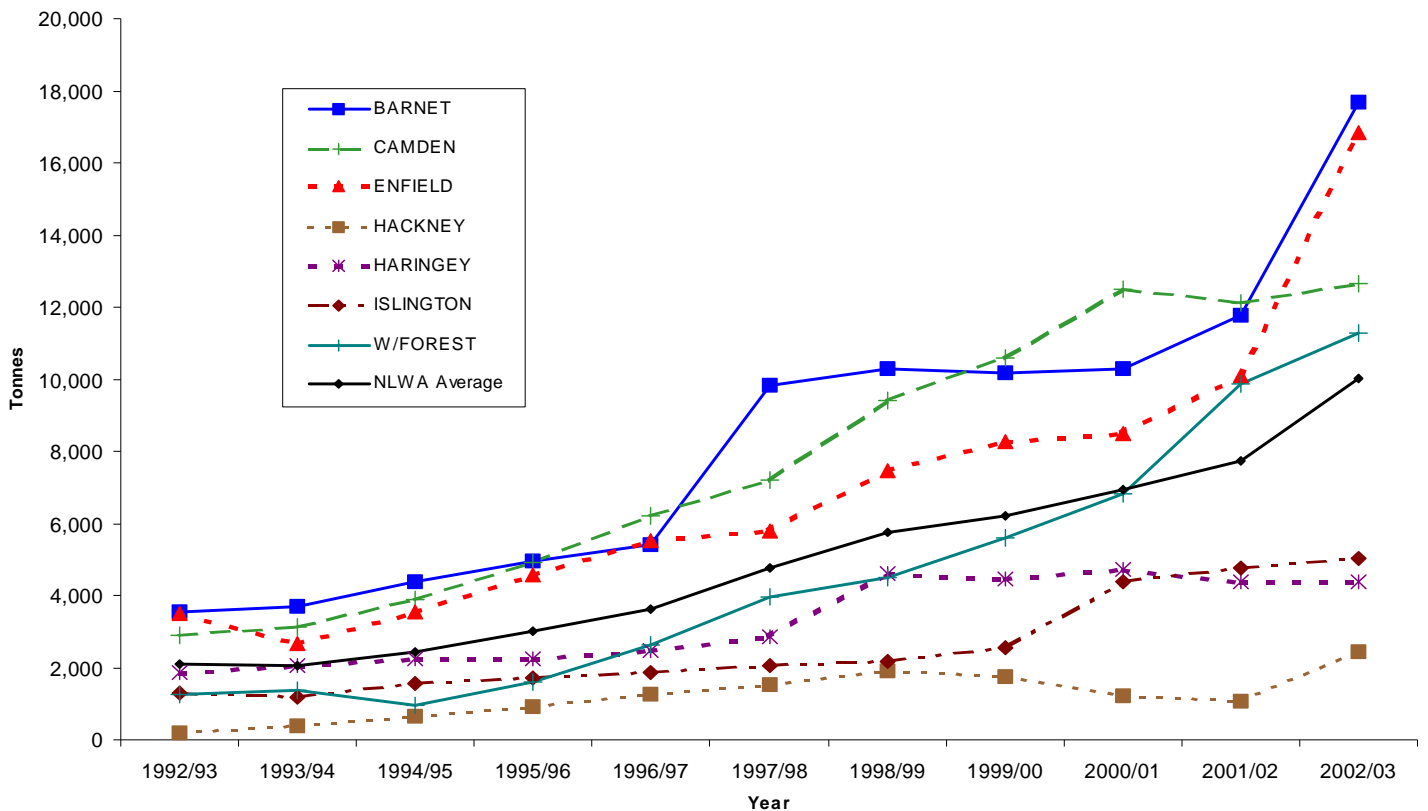
3.1 A claim for 10.676 tonnes has been made from the Woodland Trust in relation to Christmas Cards collected for recycling and Tesco and WH Smith stores early in 2003. The initial verification is done by Nottinghamshire County Council and the National Association of Waste Disposal Officers, and total tonnages are 'charged' according to the waste disposal authority area in which each shop is. A similar claim has been approved by the Authority in previous years. It is recommended that the Authority continues to support this scheme and agrees a payment of £394.80.

3.2 No third party recycling credit claims were received through the constituent boroughs for 2002-03.

4.0 ANALYSIS OF RECYCLING TONNAGE

4.1 A revised analysis of recycling trends within the Authority's area is shown below for the period 1992/93 – 2002/03, with a line for each Constituent Borough and a line showing the average tonnes collected per Borough in the Authority's area.

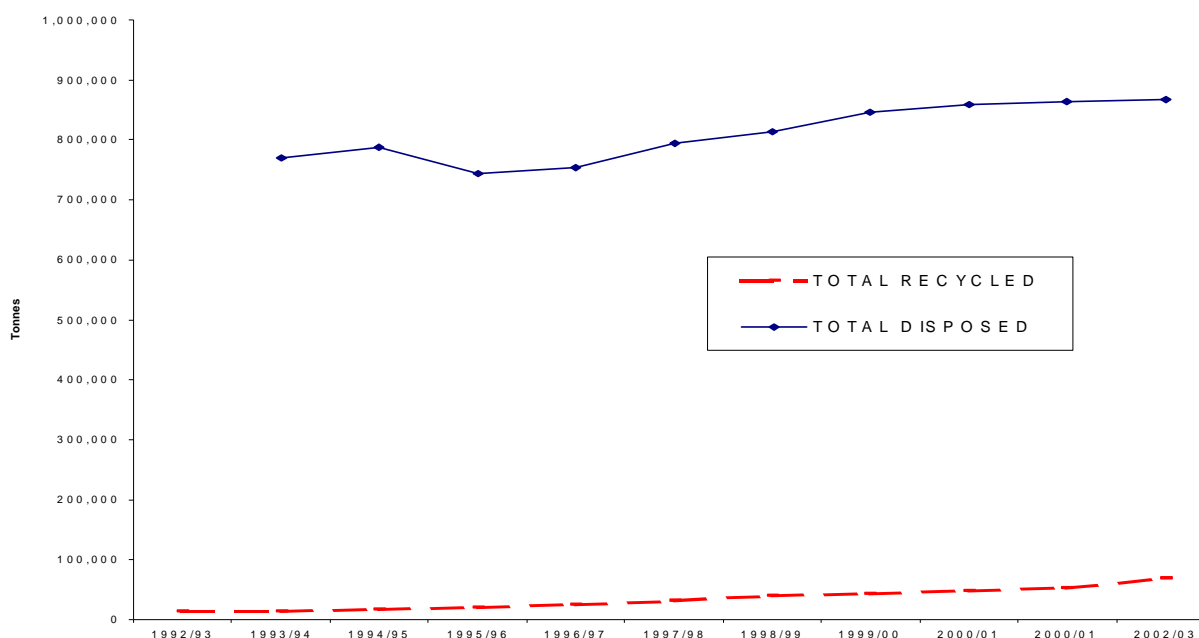
Tonnes of waste recycled by the North London Boroughs 1992 - 2003



4.2 The trend across the Authority remains clearly upward, with generally steady growth being overtaken by sharp increases having taken place in most Boroughs at varying points in time as major service improvements have taken place.

4.3 It can be seen in the graph below that the growth in recycling is not yet making serious in-roads into the total amount of municipal waste disposed in the Authority area. Very large increases in recycling/composting will be required to begin to impact on the total waste stream. The actual solution to tackle the amount of waste for disposal will not just involve increases in recycling levels, but a combination of waste minimisation, re-use and recycling/composting strategies, developed in the context of the Joint Waste Strategy for the whole Authority area.

Comparison of total waste disposed to total Borough recycling and composting – 1993 to 2003.



5.0 COMMENTS OF THE FINANCIAL ADVISER

- 5.1 The revised total value of recycling credit claims made by boroughs based upon the recycling credit payment of £36.98 per tonne is £2,598,510.64. A third party credit of £394.80 is also proposed. The total proposed payments for 2002/03 are lower than the figure previously approved by the Authority at its October meeting and will enable an additional excess creditor provision of £122,674 to be written back to revenue in 2003/04. The 2003/04 payment on account of £1,299,255.32 will be met from the 2003/04 approved budget.
- 5.2 The proposed auditing arrangements for 2003/04 onwards will provide the Authority with the flexibility to validate borough claims as circumstances may require and will always ensure that a high proportion of each borough's claim is audited. It is essential that all borough claims have the backing of a robust audit trail which fully supports the claims made by boroughs for each material.

6.0 COMMENTS OF THE LEGAL ADVISER

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

7.0 RECOMMENDATIONS

7.1 The Authority is recommended to: -

- (i) approve the payment of recycling credit payments to Constituent Boroughs for 2002/03 as set out at para. 2.8;
- (ii) approve the payment "on account" to Constituent Boroughs for 2003/04 as set out at para. 2.8;
- (iii) approve the payment of the third party recycling credit as set out at para. 3.1; and
- (iv) approve the proposed recycling credit claim verification process for 2003-04 as set out at para's 2.4 – 2.6.

Local Government Act 1972 – Access to information

Documents used: - Recycling Claim Data from Boroughs

1994 No.522 Environmental Protection (Waste Recycling Payments) (Amendment) Regulations 1994

1992 No. 462 Environment Protection (Waste Recycling Payments) Regulations 1992.

Contact Officer: Andrew Lappage
Head of Waste Strategy & Contracts
Contract House
Tottenham N17 9AY

Tel: 020 8489 5730

Fax: 020 8365 0254

E-mail: post@nlondon-waste.gov.uk

Recycling Credits 2002/03 - Tonnes

Material	Barnet	Camden	Enfield	Hackney	Haringey	Islington	Waltham Forest	Total
Glass	2,930	3,208	1,827	628	1,201	1,783	1,701	13,278
Paper	10,294	6,175	5,812	1,462	2,689	3,098	4,145	33,675
Cardboard	254	236	333	0	0	0	140	963
Cans	262	73	36	14	48	32	102	567
Plastic	17	14	0	0	0	0	0	31
Foil	0	0	0	0	0	0	0	0
Textiles	234	601	184	0	20	28	92	1,159
Scrap Metal	937	532	1,300	239	405	74	816	4,303
Green Waste	1,951	1,454	5,662	0	0	0	1,799	10,865
Wood	643	0	0	0	0	0	0	643
IT	12	0	0	0	0	0	0	12
WEEE	102	348	407	0	0	0	0	857
Vehicle Batteries	30	16	65	0	0	0	29	140
Motor Oil	18	5	58	0	0	0	17	98
Mixed Recyclables	0	0	0	83	0	6	0	89
Construction Waste	0	0	1,138	0	0	0	2,449	3,587
Total	17,684	12,662	16,822	2,426	4,363	5,021	11,290	70,268

