

# **NORTH LONDON WASTE AUTHORITY ANNUAL REPORT 2012/13**

## **1. INTRODUCTION TO THE AUTHORITY**

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

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

1.2 The Authority has a membership of 14 councillors, with each constituent borough appointing two councillors. The Authority normally meets 5 times a year, with provision for extraordinary meetings as required. There were two extraordinary meetings during 2012/13, in July and November 2012, both concerning the Authority's main procurement work described in section 5.

1.3 In 2012/13, the Chair of the Authority was Cllr Clyde Loakes (LB Waltham Forest) and the Vice Chairs were Cllr George Meehan (LB Haringey) and Cllr Brian Coleman (LB Barnet) until December 2012 when he was succeeded by Cllr Daniel Thomas (LB Barnet) as an Authority member and by Cllr Dean Cohen (LB Barnet) as Vice-Chair

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

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

- 1.6 The requirement for local authorities to contract out waste disposal functions was repealed by section 47 of the Clean Neighbourhoods and Environment Act 2005. This meant that the Authority could again own and operate waste disposal facilities, and in December 2009 the Authority acquired Sita's shares in LondonWaste and became the sole owner as part of its wider approach to procuring the next generation of waste services for north London (as set out further in section 5).
- 1.7 The Authority does not employ any staff directly, but makes cross-borough arrangements for support services, involving the boroughs of Camden, Enfield, Haringey and Waltham Forest. The principal officer support and managers in post as at 31<sup>st</sup> March 2012 are set out below. Structure charts for each of the officer teams are given in Appendix 1.

Clerk – Mike Cooke (part-time NLWA)  
Financial Adviser – Mike O'Donnell (part-time NLWA)  
Legal Adviser – Andrew Maughan (part-time NLWA)  
Environment Adviser – Ian Davis (part-time NLWA)  
Valuation Adviser – Dinesh Kotecha (part-time NLWA)  
Planning Adviser – Shifa Mustafa (part-time NLWA)  
Managing Director and Deputy Clerk – David Beadle  
Head of Waste Strategy & Contracts – Andrew Lappage  
Head of Finance – Bob Bench  
Director of Procurement – Tim Judson  
Deputy Director of Procurement – Ursula Taylor

## 2. JOINT MUNICIPAL WASTES MANAGEMENT STRATEGY

### Highlights

- Preliminary figures indicate that in 2012/13, residual waste per household was down 1.6% to 608kg and that the household waste re-use, recycling and composting rate was up 2% to 32%.
- Extensive outreach programme delivered to promote the waste prevention message through:
  - direct engagement with 13,000 north London residents with participation in 200 public facing events;
  - a food waste challenge which resulted in an average reduction in food waste of 38% per participating household and a reduction in the weekly spend of food purchases of 30%;
  - delivery of three exchange events 'stuff for free' where 1,280 residents participated and which diverted 13.7 tonnes of waste;
  - distribution of 1,019 packs 'no junk mail' packs which resulted in 3,882 resident registrations with the Mailing Preference Service (MPS), an 89% increase compared to previous months;
  - distribution of 489 compost bins which it is estimated will divert 608 tonnes of organic waste from disposal; and
  - actively supported the development of the London Re-use Network to build on existing relationships with the housing sector by brokering contracts for clearance bulky waste collection services between housing associations and local reuse organisations
- Participation in the European Week for Waste Reduction in November 2012 with more than 1,000 participants and 93 tonnes of waste directly diverted from disposal.

### Overview

- 2.1 The North London Joint Waste Strategy (NLJWS) sets the strategic framework for the Partner Authorities (the Authority and the seven constituent borough councils). The strategy includes a number of implementation actions and targets including:
- To achieve a 35% recycling and composting target for household waste by 2010, 45% by 2015, and 50% by 2020.
  - Reduce municipal waste sent to landfill to 15% of arisings.
  - To provide door-to-door recycling services to 95% of relevant households
  - To provide all residents in multiple occupancy housing with either door-to-door collection services or a minimum of one 'near-entry' recycling site per 500 households as soon as possible

- To achieve 60% recycling and composting diversion rates at all North London Reuse and Recycling Centres by 2015.
- 2.2 During 2012/13 the Authority produced the fourth Annual Monitoring Report of progress made with implementing the Strategy and accompanying Strategic Environmental Assessment; the report presented data up to 2011/12. A copy of the Annual Monitoring Report is available at: <http://www.nlwa.gov.uk/governance/annual-monitoring-reports>
- 2.3 The Authority used to have a duty to publish three 'National Indicators' (NIs) by 30<sup>th</sup> June each year in relation to the previous year's performance. Despite the duty no longer existing, the Authority finds it useful to prepare an Annual Report for its Annual General Meeting in June each year, and to have preliminary data on these matters, even though the numbers will be subsequently adjusted as they are finalised with the constituent borough councils for reporting to WasteDataFlow by 30<sup>th</sup> June each year, and are then validated by WasteDataFlow up to three months later.
- 2.4 Current data and reports from constituent borough councils indicate that the provisional performance in 2012/13 (with 2011/12 for comparison) was as follows:
- 608 kg (618 kg) residual waste per household was collected (NI 191).
  - 32% (30%) of household waste was re-used, recycled or composted (NI 192).
  - 24% (23%) of municipal waste was sent to landfill (NI 193).
  - 100% (100%) of residents continued to receive a door-to-door or communal recycling service.
- 2.5 The Partners' current performance remains below the 2010 recycling and composting target contained within the NLJWS, however work continues to address this shortfall. On a positive note, the lower levels of landfill rates seen in 2011/12 have broadly continued for the Authority through 2012/13. Section 3 outlines some of the other service improvements that were made during the year by the Authority, principally at the Household Waste Recycling Centres, which will result in improved recycling performance going forward.
- 2.6 In relation to biodegradable wastes the Authority continued to arrange the composting of six boroughs' mixed food and green waste and four boroughs' pure green waste. LondonWaste processed most of this at their in-vessel composting facility at Edmonton or they took it to other suitable facilities outside of London.
- 2.7 In relation to commingled dry recyclables the Authority arranged the sorting of five boroughs' materials at Materials Recycling Facilities, benefiting from low reject rates and from income sharing arrangements.
- 2.8 The longer-term implementation of the NLJWS is set out later in this document at Section 5.

## Waste Prevention

### 2.9 Food waste reduction

- 2.9.1 A primary focus of the food waste reduction work delivered in 2012-13 was direct engagement with residents. Food waste advisers worked in the community providing tailored advice and sharing top tips on how to reduce food waste and save money. Engagement tools such as measuring mugs and bag clips were used to encourage conversation at workshop sessions. Events ranged from summer festivals to display stands and information sessions at supermarkets and children's centres. Over the year, advisers engaged directly with 13,000 residents at 200 local events. The feedback received was very positive, with 85 per cent of people saying that they would be able to use the advice given to reduce the amount of food they throw away at home, at work or at their community centre.
- 2.9.2 To complement and extend the direct engagement work, three short films were created to provide residents with information to help them reduce their food waste. Each film highlighted a different aspect of food waste reduction (available on the Authority website: [food waste at home](#), [smart shopping](#), and [food waste at work](#)).
- 2.9.3 In 2012 the Authority actively supported the national '[waste less, live more](#)' week by holding a 'waste-free lunch' event in a different location on each day during the week. Other work included food waste reduction displays in empty shops provided by our partner organisations.

#### North London food waste challenge

- 2.9.4 The challenge provided concentrated support to one household in each borough over approximately three months. Participants were varied in terms of their age and the number of people in their household, and consequently all had different reasons for throwing food away. The results were impressive and showed an average reduction in food waste per household of 38 per cent and a reduction in the weekly spend on food purchases of 30 per cent - equivalent to a saving of £32 per household per week.

#### North London food lovers' cookbook

- 2.9.5 In January 2013 the second edition of the [cookbook](#) was launched which contained additional recipes and tips as well as case studies from the north London food waste challenge to show local people just what they can achieve and how much money they can save.

## 2.10 Furniture re-use

2.10.1 The Authority worked with the London Community Resource Network (LCRN) to increase the amount of furniture reused in north London and thereby assist in supporting the development of the capital-wide London Re-use Network (LRN). Building on existing relationships with the housing sector, LCRN assisted the Authority in developing partnerships and brokering contracts between LRN members and housing associations in order to increase re-use of bulky items (such as furniture).

- The Authority developed relationships between housing associations and LRN members to provide a clearance service for recently vacated empty properties as well as to provide bulky waste collection services for tenants and residents. Three agreements were signed, sufficient to increase the number of items re-used to a projected 500 tonnes of additional material between 2013 and 2014.
- Bright Sparks, Forest Recycling Project and Islington and Shoreditch Housing Association opened a pop-up paint shop on the Andover Estate in Islington, referring residents there to get free paint.
- The Authority worked with Forest Recycling Project and Bright Sparks to significantly boost the profile and increase the amount of paint at the Tufnell Park pop-up shop and use it as a paint distribution point for residents referred by Origin Housing Association.
- A directory of services for housing associations was produced, which detailed the services on offer from local re-use organisations. A menu of services and case studies were also distributed to housing association representatives from across north London at a breakfast briefing event.
- LCRN conducted research into non-housing association residential service providers such as student residences and hospices and listed 400 entries which were then compiled into a series of maps to form the first component of a feasibility study into further work with this sector.
- Bulky waste collections for a further 30 non-housing association organisations were assessed for potential engagement with organisations belonging to the LRN.

## 2.11 Packaging reduction

2.11.1 The packaging reduction message was highlighted by the NLWA in its engagement work with the public:

- by the promotion of 'waste-free lunches';
- through the provision of reusable cotton bags as opposed to plastic bag alternatives;
- through promoting 'smart shopping' messages; and
- by producing a waste prevention guide for businesses (further detail below).

2.11.2 During the Christmas period packaging reduction was promoted with a call to action for residents to try waste-free gift wrapping techniques.

2.11.3 On the basis that Producer Responsibility Regulations put market pressures on businesses to reduce packaging waste and voluntary agreements promote packaging reduction throughout the whole supply chain, the Authority assessed the most effective policy instruments to help tackle packaging waste. In order to promote the need to reduce packaging, a proactive approach was taken by writing to executives of [31 prominent grocery manufacturers and retailers](#) asking them to respond with information about the steps they have taken to reduce packaging waste. Further correspondence is taking place with respondents to ensure a greater understanding of the need for action.

## 2.12 Waste prevention for businesses

2.12.1 To help local businesses reduce the amount of waste they produce and therefore save money on waste disposal costs, the Authority produced a [waste prevention guide for businesses](#) which contains easy-to-read information about how business owners, regardless of the size of their business, can make big savings by reducing waste and reusing materials. The guide also contains listings for free re-use and recycling services and organisations to contact for further support. The Authority held discussions with 21 local Business Improvement Districts (BIDs) and nearly 1,000 free copies of the guide were distributed to businesses directly, whilst an electronic version of the guide was available to download from the Authority's website.

## 2.13 Textile re-use

2.13.1 A [swishing \(textile exchange\) guide](#) was developed to help residents plan and host a swishing party in their own home or community centre. The guide includes information and fun ideas for how to hold a swishing party and responsibly dispose of any leftover textiles in line with the waste hierarchy as well as detailing the benefits of reusing textiles and money that can be saved as a result. Residents could download the guide from the Authority's website and 118 printed copies were directly distributed across north London.

## 2.14 Community exchange events

2.14.1 Three 'stuff for free' community exchange events were held to encourage re-use of large and small household items by giving local people the opportunity to donate unwanted items and/or collect donated items, all for free.

2.14.2 The events were widely promoted across north London with more than 900,000 people engaged via websites, social media, newsletters, business networks and community groups. A [short film](#) was also created to explain the concept and promote the events. A total of 1,280 people attended the events and 13.7 tonnes of waste were diverted from disposal as a result. In addition, 48 volunteer opportunities were created and 13 local organisations promoted their work by running free activity and information stalls at the events. During the project period, a further 23.2 tonnes of books were collected for re-use bringing the total weight of household items redistributed to 37 tonnes.

## 2.15 Junk mail reduction

2.15.1 A ['say NO to junk mail' action pack](#) was produced, which includes information and advice on how residents can reduce the amount of junk mail they receive. The pack contains a strong call for action and a total of 1,019 packs and 1,219 'no junk mail' letterbox stickers were requested from the Authority's website. During the same period 3,882 residents registered with the Mailing Preference Service (MPS) to stop their members from sending unwanted mail, an 89% increase compared to previous months. These results equate to almost 70 tonnes of paper being diverted from disposal in only three months. The results demonstrate that despite the huge uptake of MPS registrations in past projects, demand for junk mail reduction initiatives remains high.

## 2.16 Home composting

2.16.1 To encourage residents to use their food and garden waste to make their own free compost, a series of nine compost bin giveaway events were held, targeting areas identified as having a previously low take-up of compost bins. 489 compost bins were distributed at the events and it is estimated that the project will divert 608 tonnes of organic waste from disposal. The initiative received very positive feedback from the public who felt that they were provided with sufficient information and advice to start composting at home. Furthermore, 17 tonnes of peat-free compost made from north Londoners' food and garden waste by the Authority's contractor LondonWaste Ltd, were collected for free by north London residents at these events. In Hackney, due to the large proportion of people living in homes without gardens, a community based composting scheme was implemented at Samuel Lewis Estate.

## 2.17 Educational composting performances

2.17.1 To coincide with Compost Awareness Week 2012, performances of the 'compost crusaders' show were held in primary schools across north London in partnership with the Circus Takeaway educational theatre group. The aim was to promote behavioural change and raise awareness of home composting amongst young people and their families. Through this activity, the composting message reached an estimated audience of 4,200 pupils and 80 teachers across 14 different schools.

## **2.18 Intensive education project**

2.18.1 An intensive waste education project called 'watch your waste' was delivered in one primary school in each of the seven boroughs between September 2012 and January 2013. Each school received training for teaching and non-teaching staff, whole school assemblies, several hands-on interactive workshops for pupils and access to a project-specific web page. The project was found to have a positive impact on pupil and staff behaviour, and ultimately on the amount of waste produced by the participating schools. Results show that pupils' understanding of the waste hierarchy increased by 48 per cent, the amount of re-usable, recyclable or compostable waste in school waste bins decreased by 13 per cent, and feedback from teachers was very positive with 9 out of 10 teachers rating the project as a positive learning experience which fulfilled objectives. Children were asked if they now do anything differently at home as a result of the project and subsequent feedback indicated that the waste prevention messages were being turned into action in the pupils' homes.

## **2.19 Waste Electrical and Electronic Equipment (WEEE)**

2.19.1 The Authority worked alongside producer compliance scheme DHL Envirosolutions to increase the diversion of WEEE from disposal through re-use and recycling. Preparatory work was done so that more of the material collected can be reused in the future.

- A competition was held to encourage residents to learn more about recycling WEEE and 378 entries were received.
- 33 outdoor events were delivered where DHL or Authority officers spoke directly to 4,300 residents about the importance of WEEE.
- Both DHL Envirosolutions and the Authority were partners in the innovative '1,001 Lights' exhibition which featured pioneering video artist David Hall who assembled 1,001 televisions in one space. The televisions were provided by DHL Envirosolutions and the exhibition took place during the digital switchover to highlight the importance of recycling old televisions.

2.19.2 Other linked activities are set out in section 3.

## **2.20 European Week for Waste Reduction**

2.20.1 In November 2012, the Authority participated in the European Week for Waste Reduction. The priority waste streams targeted through the project were food, packaging and textiles, and the key messages were:

- It is easy to reduce waste.
- Waste prevention practices can help save money.

- 2.20.2 Notable successes resulting from the series of activities and events were:
- More than 1,000 participants during the week.
  - 93 tonnes of waste directly diverted from disposal.

## 2.21 **'Real' nappies**

- 2.21.1 The Authority pays a subsidy of up to £54.15 per baby to parents in north London who use reusable nappies rather than disposable ones. The level of subsidy reflects the saving to the Authority of not having to dispose of the baby's disposable nappies. Two systems are in operation:
- a voucher system where parents receive a voucher that they can redeem against the cost of real nappies at certain approved outlets or against the cost of using a re-usable nappy laundry service.
  - a 'cash back' system where parents buy the nappies and then claim back up to £54.15 retrospectively.

- 2.21.2 In 2012/13, 860 vouchers and cash back claims were issued and 440 tonnes of waste were diverted from disposal.

## **Working in Partnership**

- 2.22 The Authority continues its support for recycling and sustainable waste management practices by working with both the constituent borough councils and by supporting and engaging in active dialogue with a number of other national and regional organisations, including the Greater London Authority, the Chartered Institution of Wastes Management and the Waste and Resources Action Programme.

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

- Association of Cities and Regions for Recycling and Resource Management (ACR+)
- Local Authority Recycling Advisory Committee (LARAC)
- Waste Watch
- London Environmental Education Forum (LEEF)

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

- 2.25 The Authority also actively engages with the work of London Councils, although for technical reasons cannot be a formal member with voting rights.

## **Influencing European, National, Regional and Borough policy frameworks**

- 2.26 The Authority has also worked towards securing as favourable a long-term policy framework as possible, and in this regard reviewed 39 consultation documents in the year formally responding to 24 public consultations in 2012/13.

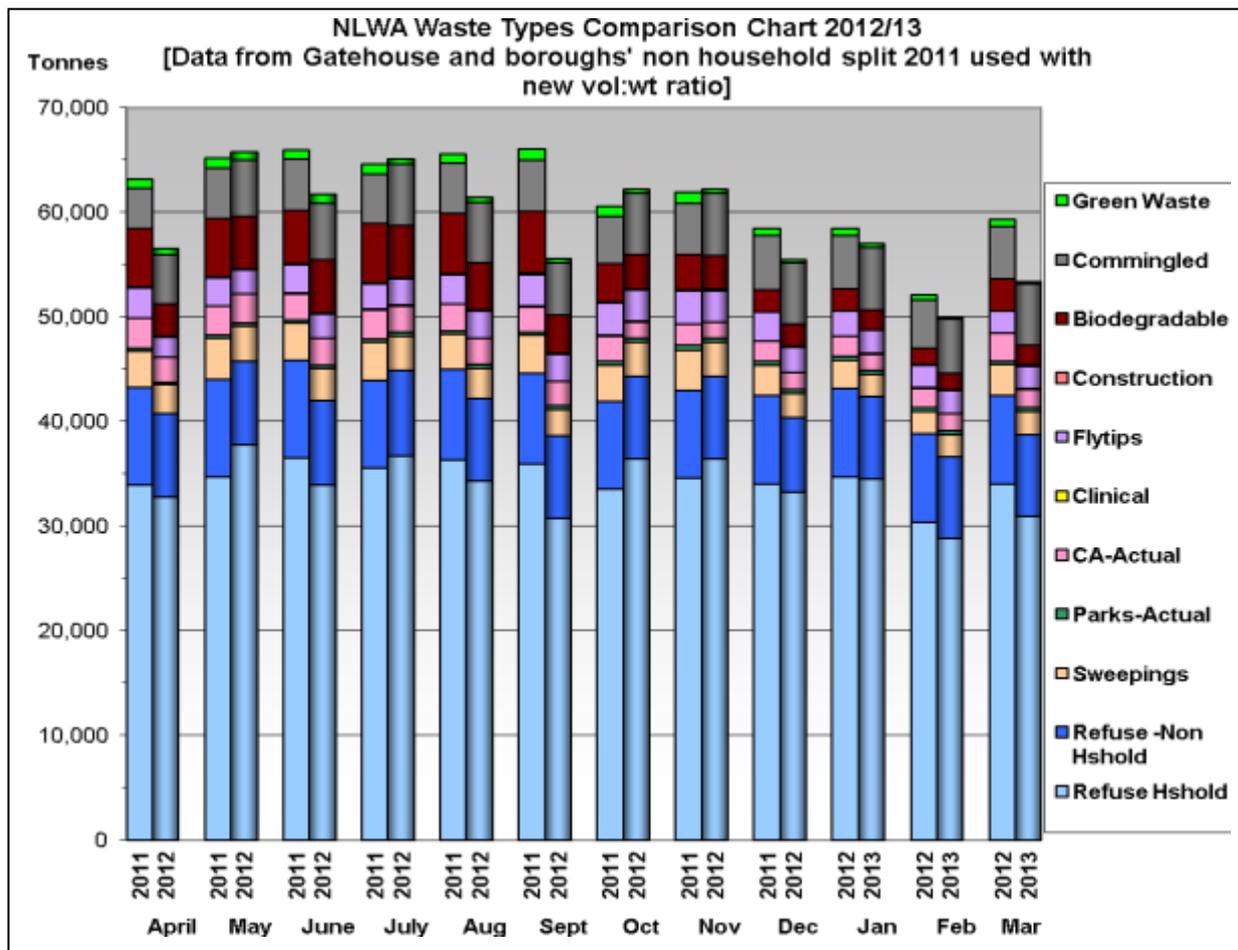
### 3. CONTRACTED SERVICES

#### Highlights

- Materials Recycling Facility (MRF) contracts that returned over £2.2m income from the value of the recyclable wastes, and the Authority's similar payments to relevant constituent borough councils towards their additional costs of collection (although there is still a net cost of the service).
- Development of WEEE services including the kerbside collection of WEEE for all north London residents for the duration of the contract and income to the Authority from the value of WEEE collected in excess of £95k.
- Staged transfer of seven Household Waste and Recycling Centres to Authority control during the year following a change in law on 1<sup>st</sup> April 2012. Delivering financial savings and improved HWRC performance.
- Contract awarded for the implementation of a Waste Management Data System.

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

## Tonnage Information



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

## Main Waste Disposal Contract

- 3.2 The main waste disposal contract with LondonWaste Ltd encompasses the disposal of most of the waste collected by the seven constituent boroughs through front-line services and household waste and recycling centres (HWRCs). Services are delivered mostly by LondonWaste directly, but the Hendon rail transfer station is operated by FCC Environment as LondonWaste's sub-contractor (although FCC is the tenant of the Authority).
- 3.3 During 2012/13, 705,216 tonnes of municipal waste were treated or disposed. This is 36,503 tonnes less than 2011/12. Approximately 32,400 tonnes was due to a reduction in residual tonnages whilst recycling reduced by approximately 4,100 tonnes. This contract is monitored using random routine inspections of each LondonWaste site. The target is to visit each site on a weekly basis but where this is not possible emphasis is given to the busier sites. During 2012/13 a total of 136 visits were made across the three sites at Edmonton, Hendon and Hornsey Street with a further 51 visits to the Authority's MRF contractors.

- 3.4 These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are running efficiently. Officers have actively worked with contractors to ensure the level of service provided is maintained.
- 3.5 During these visits, the movement of constituent borough council vehicles is monitored by sampling approximately 1100 transactions a month which is approximately 6% of the monthly total and is statistically representative. Performance against this target was met during 2012/13. The vehicle monitoring data is then reconciled against claims for payment by LondonWaste Ltd and other contractors, and cost adjustments totalling £8,037 were made against these monitored transactions. Tonnage data is sent to borough technical officers each week, month and quarter so that they may carry out their own checks on transactions and highlight problems for the Authority's contracts team to investigate.
- 3.6 This monitoring includes vehicles delivering organic wastes for composting and commingled dry recyclables for sorting and recycling. This amounted to 112,982 tonnes in 2012/13 (included in the overall tonnage figure at 3.3 above). This is a reduction of 4,133 tonnes on tonnage in 2011/12. While this tonnage is treated via a variation to the main waste disposal contract and the MRF contracts, the waste is reported to the centralised national database, WasteDataFlow by the constituent boroughs and forms part of their own National Indicators.
- 3.7 The in-vessel composting of mixed food, the windrow composting of green waste and the bulking and also the direct delivery of commingled recyclable wastes to third party facilities continued in 2012/13. The Authority received 40,314 tonnes of biodegradable kitchen/garden waste (a decrease of 9,139 tonnes from 2011/12 due to one constituent borough making alternative arrangements mid year in 2011/12); 5,631 tonnes of green waste (a reduction of 4,228 tonnes from 2011/12 due to poor weather conditions and tighter controls at HWRCs to deter the deposit of green waste from trade sources); and 67,037 tonnes of commingled waste (an increase of 9,235 tonnes from 2011/12 due to one borough commencing borough-wide commingled collections). These figures are included in the overall organic wastes and commingled recycling tonnage figure at 3.6 above.
- 3.8 The two merchant capacity contracts for commingled dry recyclable wastes continue to perform well with officers continuing to work with the contractors to maintain service levels. Since being in receipt of an income-share from the MRF contractors, the Authority has made commingled income payments (CIPs) to contribute to the additional costs of collection of those constituent borough councils delivering commingled dry recyclables to the Authority. Each quarter Authority officers audit the income the MRF contractors receive and pay CIPs to the constituent boroughs; the last quarter of 2012/13 has recently been finalised and the total income for 2012/13 will be in excess of £2.2 million; this has resulted in a net cost to the public purse of under £13 per tonne for MRF services in challenging market conditions.

## Household Waste and Recycling Centres

- 3.9 There are currently nine household waste recycling centres, or 'HWRCs' (originally called civic amenity sites) in the Authority's area generating 25,124 tonnes of residual waste in 2012/13 (a net reduction of 3,696 tonnes from 2011/12), which was transported from the HWRCs and then disposed of under the twenty-year main waste disposal contract above.
- 3.10 The Authority has historically provided a transport and disposal service for residual wastes and has made arrangements for the transport of recyclable wastes. Within this contract the target is to visit each HWRC twice per month on average to ensure service levels remain high and to check the condition of the containers ensuring all health and safety requirements are met. This target was exceeded during the year. A total of 231 visits were made to HWRCs in 2012/13.
- 3.11 LondonWaste continues to perform well and the service is of a good standard; no defaults were issued during the period covered by this report.
- 3.12 In relation to changes in 2012/13, Members will recall that prior to April 2012 there had been two statutory duties in relation to HWRC services in force. The first arose from Section 1 of the Refuse Disposal (Amenity) Act 1978 (RDA) and applied primarily to the constituent borough councils; the second arose from Section 51(1)(b) of the Environmental Protection Act 1990 (EPA) and applied to the Authority. Following the repeal of s.1 RDA with effect from 1<sup>st</sup> April 2012, only the Authority has a duty to provide this service, but constituent borough councils still have the power to do so under other local government legislation.
- 3.13 In accordance with the draft Inter Authority Agreement, boroughs notified the Authority of their planned dates of transfer. The HWRCs at Regis Road, Camden, Hornsey Street Islington and Gateway Road, Waltham Forest transferred to the Authority on 1<sup>st</sup> April 2012, South Access Road and Kings Road, Waltham Forest transferred on 7<sup>th</sup> June 2012 with Parkview Road and High Road Hornsey in Haringey both transferring on 1<sup>st</sup> November 2012. It remains the intention of both Barnet and Enfield that their respective HWRCs remain in their control. There is no HWRC in Hackney.
- 3.14 The contracts team undertook detailed operational and recycling costs analyses for each of the HWRCs primarily based on borough's existing costs to better inform the budget requirements that were subsequently set out in the HWRC Update report in February 2012 and then agreed an operational budget with LondonWaste Ltd for the operational costs of each site.
- 3.15 The total budget (allowing for the staged roll out of the transfers noted in 3.14 above, and adjusted as below) was £1.916m with the final costs to the boroughs for providing the service in 2012/13 being £1.606m resulting in an overall saving of £0.310m as the result of operational cost savings and increased income from the sale of recyclates. The table below sets out the savings by borough.

| <b><u>Borough</u></b> | <b><u>2012/13 Budget*</u></b> | <b><u>NLWA actual<br/>2012/13 costs</u></b> | <b><u>Savings</u></b> |
|-----------------------|-------------------------------|---|-----------------------|
| Camden                | £390,762                      | £233,931                                    | £156,831              |
| Haringey              | £237,807                      | £200,426                                    | £37,381               |
| Islington             | £564,685                      | £552,562                                    | £12,123               |
| Waltham<br>Forest     | £722,486                      | £618,716                                    | £103,770              |
| <b>Total</b>          | <b>£1,915,740</b>             | <b>£1,605,635</b>                           | <b>£310,105</b>       |

\* The Authority's budget has been adjusted above to reflect certain costs that were initially expected to be borne by the Authority, but which have since been agreed will be retained by the relevant borough.

- 3.16 It should be noted that the HWRCs at Hornsey Street and Gateway Road were transferred via novation of the existing contract and SLA with costs matching the previous borough arrangements. Increased revenue from the sale of recyclates contributed to the savings made at these HWRCs.
- 3.17 Although significant savings have been made, the service levels provided to residents have not been compromised, with improvements made across all HWRCs. Other significant improvements have been incorporated into the new Waste Services Contract as in section 5 of the report and will therefore follow later.
- 3.18 In addition to the financial savings mentioned in 3.15 above improved recycling rates have also been achieved across the HWRCs operated by the Authority. The table below shows the recycling performance for each site from the date of transfer to the Authority until the end of 2012/13 with the 2011/12 rates shown for comparison.

| <b>SITE</b>                              | <b>2011/12</b> | <b>2012/13</b> |
|--|----------------|----------------|
| Regis Rd                                 | 69%            | 51.36%         |
| Hornsey St                               | 63%            | 68.27%         |
| High St, Hornsey                         | 51%            | 62.94%         |
| Park View Rd                             | 51%            | 52.04%         |
| Gateway Rd                               | }              | 58.07%         |
| Kings Rd                                 | }              | 99.57%         |
| South Access Rd                          | }              | 64.91%         |
| <b>Weighted average<br/>of all sites</b> | <b>59%</b>     | <b>62.82%</b>  |

- 3.19 The reduced recycling rate at Regis Road is due to changes made in the acceptance criteria at the site which resulted in reduced amounts of green waste being received. Although this has affected the recycling rate, savings in excess of £45k have been achieved.

- 3.20 Material suitable for re-use is collected from the sites and transferred to a storage area located in the Kings Rd HWRC. This material has been used to support the 'give and take' events arranged by the waste prevention team mentioned elsewhere in this report. The contracts team is in discussion with London Re-use Ltd to make this material available to various charities with which LRL are involved.
- 3.21 The contracts team has overseen the staff TUPE transfer arrangements with LWL, arranged for condition surveys and asset registers to be completed at each HWRC, and reconciled all movements of waste and recyclables out of the sites for tonnage reporting purposes and invoice reconciliation as well as auditing the actual operating costs and income received from the sale of recyclates with LWL and other contractors used in providing the service.
- 3.22 The contracts team also staffs the Authority's main telephone line and is now regularly receiving many calls per day from residents with enquiries regarding the HWRCs in their borough.

### **Ancillary Services**

- 3.23 **Waste Electrical and Electronic Equipment (WEEE)** – Under legislation, derived from the WEEE Directive, producers of electrical and electronic equipment bear the costs of recycling and/or disposal for this waste stream. Electrical and electronic equipment is collected from seventeen Designated Collection Facilities (DCF's), registered by the Authority on behalf of the constituent boroughs. Approximately 3,064 tonnes of WEEE was recycled during 2012/13 (an increase of 322 tonnes from 2011/12). Other than contract management costs, this service is free of charge to the Authority as it is a requirement under European 'producer responsibility' legislation. As set out in the Authority report to Members in February 2011, benefits were secured under this contract, one of which, the free provision of bring banks for small WEEE, has been rolled out to various locations in all of the constituent boroughs. Also, a free kerbside collection of WEEE is now available to all residents of north London and was used by 3,608 households in 2012/13 yielding 152 tonnes of WEEE; officers have negotiated for this service to continue for the remaining duration of the contract. Also income for the value of WEEE items collected in 2012/13 from the DCF's has returned in excess of £95k to the Authority.
- 3.24 **Tyres** – The service provided by the Authority's contractor continues to perform well with two sites, one in Hackney and one in Barking, available for constituent boroughs to deliver; in 2012/13 approximately 134 tonnes of tyres were disposed (a net increase of 48 tonnes from 2011/12; however some constituent boroughs continued to make their own arrangements.

## **Other Responsibilities**

- 3.25 **Data** – The Authority continued to manage data on residual wastes and over thirty categories of recycling in relation to the national WasteDataFlow system (initially set up for landfill allowances and National Indicator targets) and for the Authority's scheme for the payment of re-use and recycling credits to third parties. Along with the need to verify data so that the Authority can validate each constituent borough's submission to WasteDataFlow and ensure compliance under 'duty of care' legislation of all UK destinations of waste, this has required a significant number of site visits and audit work. The contracts team has also made significant progress in streamlining the data functions. Previously weekly, monthly and quarterly reports were compiled manually from raw data. Officers have designed, produced and implemented automated systems that aggregate and validate the necessary data ready for onward reporting. This has permitted the improved auditing of other declarations and claims made to the Authority.
- 3.26 During 2012/13 Authority officers continued to conduct surveys of DIY wastes from HWRCs and user surveys.
- 3.27 The contracts team provides discretionary reporting under the DECC-DEFRA greenhouse gas reporting guidelines for constituent boroughs to use if they wish. The team liaised with DECC when producing the CO<sub>2</sub> reporting model, with 2010/11 being the base year used for onward comparison. As a greater base of data develops, trends will be reported.
- 3.28 The contracts team developed a proposal for a Waste Management Data System which was approved at the February 2012 Authority meeting and a contract was awarded in December 2012. The contracts team is working closely with the contractor on system development and it is envisaged that this will be finalised soon. Liaison with constituent borough officers has taken place throughout.

## **Pinkham Way**

- 3.29 Late in 2011/12 an application was made by a local resident to register the Pinkham Way site as a town or village green; under the Commons Act 2006, the application was made to LB Haringey as the relevant Commons Registration Authority (the site being within its boundary). During 2012/13 the Authority, in partnership with LB Barnet (as the two public authorities owning different parts of the site), opposed this application. The case was heard during March 2013 by an Independent Assessor appointed by LB Haringey, but his report and recommendation has not yet been published.
- 3.30 During 2012/13 the Authority also withdrew the planning application it had made with LB Barnet for the Pinkham Way site as the Authority's specific needs for the site had changed.

3.31 Throughout the year the Authority arranged ecological surveys at the site to establish the ecological value of the land and identify endangered species that must be protected. This work has continued into the current year and the results will be brought to Members in due course. Additionally work to manage two invasive plant species (Japanese Knotweed and Giant Hogweed) was conducted as well as the emergency removal of a large tree that could potentially have fallen across the North Circular Road endangering the public safety.

#### 4. RELATIONSHIP WITH LONDONWASTE LTD

##### Highlights

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

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

4.2 The Shareholder Group comprising Cllr Loakes, Cllr Coleman (succeeded in December 2012 by Cllr Cohen) and Cllr Meehan, supported by Authority officers, continued to oversee the Authority's interest in LondonWaste Ltd.

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

4.4 In the year ended 31<sup>st</sup> December 2012 LondonWaste Ltd made a profit before tax of £11.8m which was £6m better than the target set by the Business Plan. This improvement was largely due to improved boiler availability at the Energy-from-Waste facility and a reduction in landfill disposal costs. The latter was due to the full year benefit obtained from new residual waste shredder which enabled additional waste tonnages to be processed at the facility, and the introduction of a new picking station which meant that an increased amount of recyclable material could be extracted from the waste stream. This enabled LondonWaste Ltd to pay £7m in dividends to the Authority.

4.5 The Company also implemented new operational arrangements for the Household Waste Recycling Centres transferred to the Authority as reported in section 3 above.

## 5. PROCUREMENT ACTIVITY

### Highlights

- Progress on the procurement including inviting two bidders for the 'waste services' procurement and the 'fuel use' procurement to submit final tenders.
- Continued development of bidders' solutions during 2012 to ensure the bidders have robust technical solutions on competitive commercial terms.
- Withdrawal of Veolia on both 'waste services' and 'fuel use' procurements in December 2012 led to adopting government guidance on managing a premature ending of a competitive process.
- Emerging solutions that over-achieve against the Authority's environmental ambitions at a cost which is significantly less than expected.
- Good prospects of deliverable solutions involving significant investment in the local economy and increased training and employment.

### Procurement

- 5.1 The procurement started in April 2010 with the publication of an OJEU notice for two contracts, one for waste services including the production of a solid recovered fuel, and the second for the use of that fuel.
- 5.2 The procurement is designed to deliver a sustainable waste management solution which substantially increases recycling, recovers value from waste that cannot be recycled, minimises the amount of waste that goes to landfill and reduces north London's carbon footprint. North London's ambitions are set out in detail in the North London Joint Municipal Waste Strategy.
- 5.3 The procurement seeks to secure the investment in new treatment facilities that are required by greater levels of recycling and recovery and, where necessary, to replace the current ageing infrastructure. This includes the existing Energy from Waste plant at Edmonton which has been a mainstay of the Authority's waste disposal solution since the 1970s.
- 5.4 In planning for new facilities and the best waste disposal services, the procurement aims to mitigate the cost increases that north London would otherwise face as a result of increasing landfill costs, substantially increasing landfill taxes and the higher quality services that are necessary to deliver a more sustainable waste management solution.

- 5.5 In April 2010, Government awarded £258.4m PFI credits, however, at the Spending Review in October 2010, the Government announced that those credits were withdrawn. In April 2011, following an extended 'outline solution' stage, the Authority agreed to pursue the procurement as the most likely prospect of securing appropriate future service delivery and value for money for local council taxpayers. At the same time the Authority selected three bids on both the waste services and fuel use procurements to be taken forward to the 'detailed solutions' stage.
- 5.6 In February 2012 following evaluation of the detailed solutions the shortlist of bidders who were invited to submit final tenders on 'waste services' procurement was FCC/Skanska and Veolia, and on the 'fuel use' procurement was E.On/Wheelabrator and Veolia.
- 5.7 Following the issue of the documentation in relation to the invitation to submit final solutions a large number of dialogue meetings took place and substantial written information was exchanged with all bidders. This work with bidders helped ensure that bidders developed a sound technical solution which would over-achieve against the Authority's environmental ambitions.
- 5.8 This work helped shape bids to secure the best possible renewable energy solution and good prospects for delivery. It also helped ensure prospects of deliverable solutions involving significant investment in the local economy and increased training and employment.
- 5.9 During 2012 the proposals of the four bidders shortlisted for the invitation to submit final tenders went through significant further refinement. Each bidder proposed the technical solutions covering the following:
- i) **FCC Skanska - Waste Services**– processing of all waste streams including transport and household waste recycling centres;
  - ii) **Veolia Environmental Services– Waste Services**– processing of all waste streams including transport and household waste recycling centres;
  - iii) **E.ON/ Wheelabrator Technologies - Fuel Use** – energy-from waste with combined heat and power
  - iv) **Veolia Environmental Services** – energy-from-waste
- 5.10 In November 2012 the Authority agreed to extend the procurement process timetable for both bidders on both procurements and chose to extend the timetable for selecting bidders on both procurements, with the expectation of receiving final tenders from bidders on both procurements in March 2013.
- 5.11 In December 2012 the Authority received notification from Veolia Environmental Services that they would not be submitting final tenders for either the Authority's waste services or fuel use contracts. Veolia confirmed that the decision had no bearing on the quality and integrity of the projects.
- 5.12 At this point the Authority undertook to follow published government guidance on managing a premature ending of a competitive process. This guidance makes clear that the Authority needs to consider the strength and quality of the remaining bid for each contract, consider the extent to which the competition up

to that stage has been effective, and consider whether value for money can be demonstrated with only one bidder for each contract.

- 5.13 The evaluation of draft final tenders, received in March 2013, began in March and has continued into the current financial year.

### **Costs**

- 5.14 The cost of waste disposal is increasing year-on-year largely as a result of reducing landfill capacity, sharply increasing landfill taxes and demands for better quality services.
- 5.15 The OBC approved by the Authority identified that the procurement should deliver a minimum cost saving of £201m compared to not pursuing the solution. Since that time Government has announced a further increase in Landfill Tax taking it from £72 tonne in 2013 to £80/ tonne in 2014.
- 5.16 The Authority's OBC included financial assumptions that were prudent and took account of the current challenging conditions in the finance markets. The Authority also considered sensitivity tests relating to any project delay and higher than anticipated inflation. This provides a robust platform for the procurement.
- 5.17 By the end of 2012 the bidders emerging solutions were at a cost which is significantly less than expected.

### **Moving forward**

- 5.18 The timetable for the procurement envisages that selected bidders will be appointed in June 2013 and financial close will occur in October 2013. This is expected to lead to the start of the new facilities between April and October 2016.
- 5.19 Further information, including press notices with details of the bidders selected to the outline and detailed solutions stages, the Authority's Outline Business Case and video material from the Procurement Information Day is available on the Authority's website at: <http://www.nlwa.gov.uk/procurement>.

### **Planning**

- 5.20 Across the seven north London boroughs there has been, as in previous years, steady activity in the development and update of development plan documents. The two most significant plan developments in the past year have been on the North London Waste Plan (NLWP) (from the seven London borough councils in their independent capacities as local planning authorities) which will set the strategic planning framework for waste sites and policies across north London; and the Edmonton EcoPark Planning Brief Supplementary Planning Document (EcoPark SPD).

- 5.21 The NLWP Submission Version was submitted to the Secretary of State early in 2012 and hearings for the Examination in Public (EIP) commenced in June 2012. Authority officers prepared a comprehensive set of materials for the Authority's representations on the NLWP and submitted extensive hearing statements ahead of the EIP. However, the EIP Inspector adjourned the hearings on 'day one' so he could carry out a review of the NLWP's compliance with the Duty to Cooperate under the Localism Act 2011. The Inspector concluded that the NLWP was not legally compliant. This led to a decision by the seven north London councils to commence preparation on a new NLWP. Consultation on the new NLWP is expected to commence in 2013, with adoption of the NLWP targeted for 2015/16.
- 5.22 The EcoPark SPD was prepared by LB Enfield during 2012. The Authority's position, when the draft was published early in 2013 for public consultation, was to express overall support for the SPD but to highlight a small number of specific concerns with its drafting. These concerns related *inter alia* to the requirements to host and connect to an energy centre for the planned Lee Valley Heat Network and to require that part of the site be reserved for a future low carbon heat source.
- 5.23 Finally, in relation to its site planning activities, the Authority has undertaken a number of work-streams designed to mitigate planning risks on its main sites, both in terms of the risk of refusal and the risk of delay:
- Commissioning a programme of site planning and environmental baseline surveys at the Edmonton and Pinkham Way sites. These began in summer 2012 and will continue through summer 2013.
  - Regular liaison with Enfield, Haringey and Barnet planning officers to provide planning officers with updates on the Authority's planning timetable and to discuss the scope of future planning applications by the Authority or its selected bidder.
  - Commissioning research into the potential for using a formal system of biodiversity offsetting at the Pinkham Way site, as part of an overall strategy for mitigating impacts from new development on the nature conservation value of the site.

## 6. COMMUNICATIONS

### Highlights

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

## **Communications Strategy**

- 6.1 In 2012/13 NLWA's new corporate communications strategy aimed to help the Authority re-connect with residents on issues other than planned facilities at Pinkham Way. The communications strategy encompassed both the work of the procurement and the strategy and contracts departments, and had five broad areas of focus:
1. Increasing understanding of the 'waste challenge' facing north London
  2. Raising the profile of the Authority
  3. Supporting the ongoing procurement process
  4. Promoting waste prevention activity (and the work of the waste prevention team)
  5. Increasing recycling from 30% to 50% by 2020 (joint campaign with the boroughs)
- 6.2 Solid progress was made on achieving the individual aims that sit within these areas of focus, as set out in the NLWA communications strategy 2012/13.
- 6.3 In 2013/14 communications activity will largely be focused on consolidating the activity undertaken in 2012/13, building on the work done to raise the profile of the Authority and communicate the waste challenge and waste hierarchy. Communications activity will also continue to support the Authority's ongoing procurement process, by managing interest in, and increasing understanding of, the procurement process and the Pinkham Way planning application.
- 6.4 In addition, funding has been allocated for another joint communications campaign to increase recycling. This work will take a more targeted approach in 2013/14, focusing on residents who demonstrate specific recycling behaviours, and will be conducted in conjunction with the seven north London boroughs.

## **Overview of communications work**

- 6.5 2012/13 was a period of intensive communications activity, and a communications agency was appointed to support the in-house communications team in raising the profile of the Authority and its activities:
- A new consumer facing brand identity was developed – 'wise up to waste', which was accompanied by a brand book, setting out how both the consumer and corporate campaign brand identities support our aims and objectives.
  - NLWA's online presence expanded via a new consumer facing website – [wiseuptowaste.org.uk](http://wiseuptowaste.org.uk) - and new Twitter feeds and Facebook pages, replacing the existing but underused Twitter feeds.
  - A series of road shows were delivered across north London, providing opportunities for direct interaction and engagement with north London residents.
  - The Authority increased its communications with members, developing a series of special member briefings on key topics, which were sent to councillors, MPs and MEPs in north London, in addition to the regular NLWA briefing update newsletter.
  - A series of animations were developed to help communicate north London's waste challenge to local people. The animations were uploaded to the website and shown at road show events.

- The communications team provided a media handling service to raise the profile of the Authority, communicate the waste challenge, and to support the procurement. The team corrected inaccuracies in editorial and on the letters pages, and proactively using the media to mark key points in the procurement timetable. At a local level, and in the trade press, the Authority received a good amount of positive press coverage about waste prevention and recycling. However, press coverage continued to be dominated by the debate around and opposition to the Authority's procurement process and proposals for a waste facility at Pinkham Way; managing media enquiries around this formed a significant part of the work.
- A new food waste prevention campaign was developed – 'waste less food, save more money', designed to communicate the financial benefits of wasting less food, and to provide residents with practical tips and advice to enable them to do so. In addition, a raft of tools and materials were designed and printed to support the waste prevention team's outreach and engagement work.
- A new dry recycling campaign was designed and implemented with the seven north London boroughs. The campaign involved cross borough transport and press advertising, a series of road shows, school events, a new web portal ([wiseuptowaste.org.uk/recycle](http://wiseuptowaste.org.uk/recycle)), and cinema advertising featuring a new animated film. The campaign focused on the financial benefits of recycling for the community and sought to provide simple, clear and consistent advice and tips on recycling.
- The campaign also involved a significant piece of segmentation research, conducted by an external agency, MEL Research, which aimed to establish how communications, engagement and educational could help north Londoners overcome barriers to recycling. The results of that research inform the joint communications campaign plan for 2013/14

## 7. FINANCE AND RESOURCES

### Highlights

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

### Budget

- 7.1 The annual net revenue budget of the Authority has been funded mostly by a levy on constituent boroughs that covers the cost of disposal of household waste and the core costs of running the Authority. There has been a separate charging arrangement non-household waste.
- 7.2 The Authority agreed an original budget of £67.418m for 2012/13, to be financed by estimated revenue balances of £16.823m, charges to boroughs for non-household waste of £9.981m and a levy of £40.614m. In setting the 2012/13 budget and levy it was recognised that, subject to the crystallisation of favourable circumstances outside of its control, the Authority could enjoy a significant level of surplus revenue balances by the time the Authority would need to take decisions on the 2013/14 budget and levy.

7.3 The 2012/13 final outturn reported as part of the ordinary business of the June 2013 Authority meeting, indicates that the Authority's total expenditure for the year was £52.230m and that non-household charges were £9.488m. As the levy is fixed at the start of the year, this resulted in the Authority having a revenue surplus of £18.032m at 31 March 2013. Of this figure, a sum of £14.253m was projected to be available to assist with the funding of the 2013/14 budget and this was used to reduce the amount of money that needed to be raised through the 2013/14 levy. The financial improvement arose from the strong performance of LondonWaste Ltd and the payment of an enhanced dividend, a reduction in the waste stream and lower than budgeted capital financing costs.

7.4 In February 2013 the Authority set the budget for 2013/14 at £67.390m. It has been financed as follows:-

|   |             |
|---|-------------|
| Use of revenue balances                     | £14,253,131 |
| Charges to boroughs for non-household waste | £9,570,025  |
| Charges to boroughs for household waste *   | £1,737,812  |
| Levy  | £41,829,255 |

\* As a result of legislative change it has been necessary for the Authority to make a separate charge for certain categories of household waste.

7.5 The levy for the 2013/14 financial year of £41,829,255 has been apportioned between constituent councils as follows:-

|                |             |
|----------------|-------------|
| Barnet         | £7,503,510  |
| Camden         | £4,977,324  |
| Enfield        | £5,160,683  |
| Hackney        | £5,108,876  |
| Haringey       | £6,451,686  |
| Islington      | £5,039,590  |
| Waltham Forest | £7,587,586  |
|                |             |
| Total          | £41,829,255 |

7.6 Although the Authority is scheduled to enter into new contracts for the provision of waste services during 2013/14, it was not envisaged that the cost of waste treatment services would rise significantly until new facilities became operational in three to four years time. The Authority's budget of £67.390m is therefore based upon current contractual arrangements and compared with 2012/13 represents a reduction of £0.028m, even though it was necessary to budget for an £8 per tonne increase in landfill tax. The budget comprises: £49.1m in respect of waste disposal and recycling services (including Landfill Tax of £13.1m - now at £72/tonne and rising to £80/tonne in 2014/15); HWRCs operational costs of £2.4m; corporate and other support service costs of £2.8m; payments on various waste prevention initiatives and incentive payments to community groups and constituent councils of £2.8m; £3.7m for the costs of the procurement and planning application processes and £9.2m in respect of the revenue cost of funding the Authority's capital programme to support the procurement project.

The Authority also expects to receive a dividend payment of £2.5m from LondonWaste Ltd, income from the sale of recyclates of £1.9m and other income of £0.5m. The Authority also holds a contingency of £2.3m to fund possible unforeseen costs.

7.7 The charge for residual non-household and chargeable household waste in 2013/14 is estimated to be £106.08 per tonne. The charges for recyclable non-household and chargeable household wastes are estimated to be £51.71 for commingled recyclable wastes, £62.49 for food wastes and £35.07 for green wastes.

7.8 The estimated cost for each constituent council in 2013/14 is as follows:

|                | Household         | Non-household      |
|----------------|-------------------|--------------------|
| Barnet         | £241,863          | £ 1,334,062        |
| Camden         | £459,114          | £ 3,278,721        |
| Enfield        | £151,800          | £ 902,847          |
| Hackney        | £556,815          | £ 1,762,095        |
| Haringey       | £204,734          | £ 317,095          |
| Islington      | £123,486          | £ 1,759,650        |
| Waltham Forest | -                 | £ 215,555          |
| <b>Total:</b>  | <b>£1,737,812</b> | <b>£ 9,570,025</b> |

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

7.9 At the Authority's budget meeting in February 2013 Members were advised that assuming full use of balances by 31 March 2014, and projected changes in the waste stream and costs, that the percentage increase in the cost to the Boroughs in 2014/15 was estimated to rise by 34.58%. However, if like 2012/13, favourable circumstances outside of the Authority's control were again to arise then it may be possible to restrict the 2014/15 levy increase to single figures. The outlook for future years will be updated over the coming year in the light of progress made with the procurement project. However, in view of the higher level of surplus balances brought forward from 2012/13 of £3.779m (see 7.3 above) the Authority should have some scope to limit the increase in the cost to the Boroughs in 2014/15.

## Tonnage Levels

7.10 Allowing for a continuation of borough recycling and composting activity (c.226,000 tonnes in 2013/14) the 2013/14 budget allows for the disposal of some 600,000 tonnes of residual waste, composting arrangements for 56,000 tonnes of green/kitchen wastes and a bulking and sorting arrangement for some 64,000 tonnes of dry-recyclable wastes.

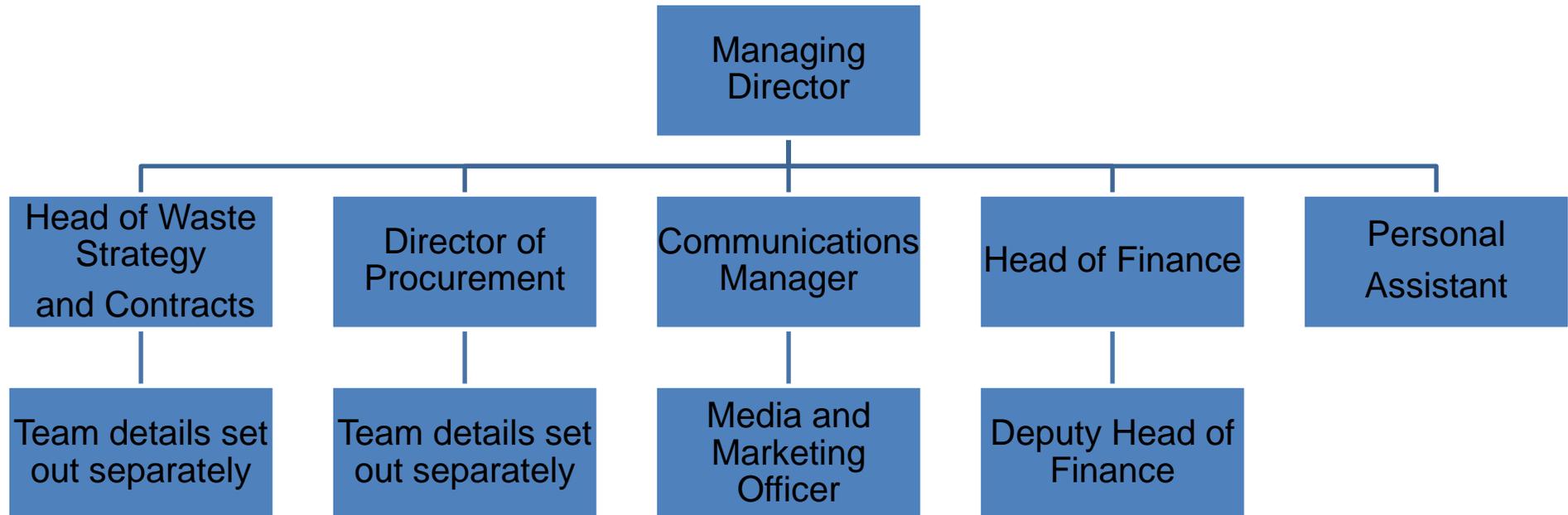
## **Apportionment of the Levy**

- 7.11 The decision on the apportionment of the levy is a matter for the Authority's constituent councils. Unless all seven councils can agree unanimously on the way the levy is to be apportioned, the levy is to be calculated in accordance with the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006. These regulations provide for the household delivered element of the levy to be apportioned on a tonnage basis and the other costs element of the levy on a council tax basis.
- 7.12 In parallel with the decision by the majority of the NLWA constituent councils to transfer the operation of their HWRCs to the Authority in 2012/13 all councils have agreed new arrangements for apportioning the levy from 2012/13. As a consequence the 'household waste delivered' element of the levy continues to be apportioned wholly on a tonnage basis whilst the 'other costs' element of the levy continues to be apportioned on a council tax basis. The new HWRC element of the levy has been designed to ensure that councils will effectively only incur costs associated with the running of the HWRCs that reside within their borough boundary. In February 2013 the 2013/14 levy was apportioned on this basis.

## **Property Issues**

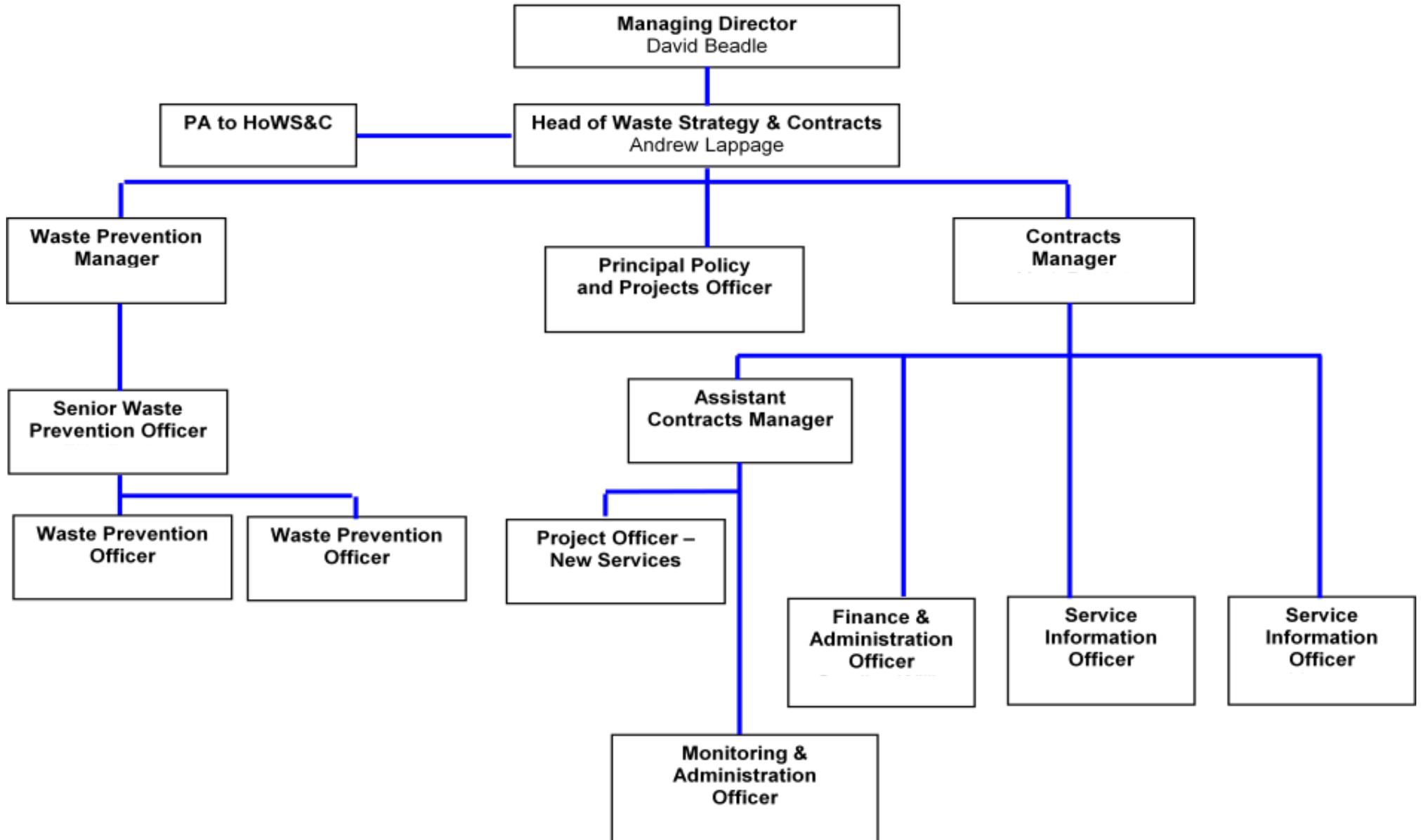
- 7.13 **A406 Edmonton Compulsory Purchase Order (CPO)** - The formalities for transferring land acquired by TfL (formerly the Highways Agency) under the 1993 CPO order were completed on 8 February 2013. At completion the Authority received a sum of £808,500 (a sum of £346,500 had been paid on account in 1998) plus interest of £613,450.
- 7.14 **Other Property Issues** - The Authority has a tenancy with Freightliner Heavy Haul in relation to the Hendon rail transfer station and with LB Haringey in relation to office accommodation at the Lee Valley Technopark. Also, as part of the main procurement of future long-term services the Authority has an interest in a part of a 6.97 hectare site at Pinkham Way and, in purchasing the shares of Sita in LondonWaste, became the sole owner of this company which in turn owns the c.15 hectare site at Edmonton.
- 7.15 **Property Holdings** - The Authority has varying property interests at:
- Hornsey Street, Islington
  - A406, Edmonton (residual land)
  - Tilling Road, Hendon
  - Hendon Waste Transfer Station
  - Pinkham Way - Land at part of the former Friern Barnet Sewage Treatment Works

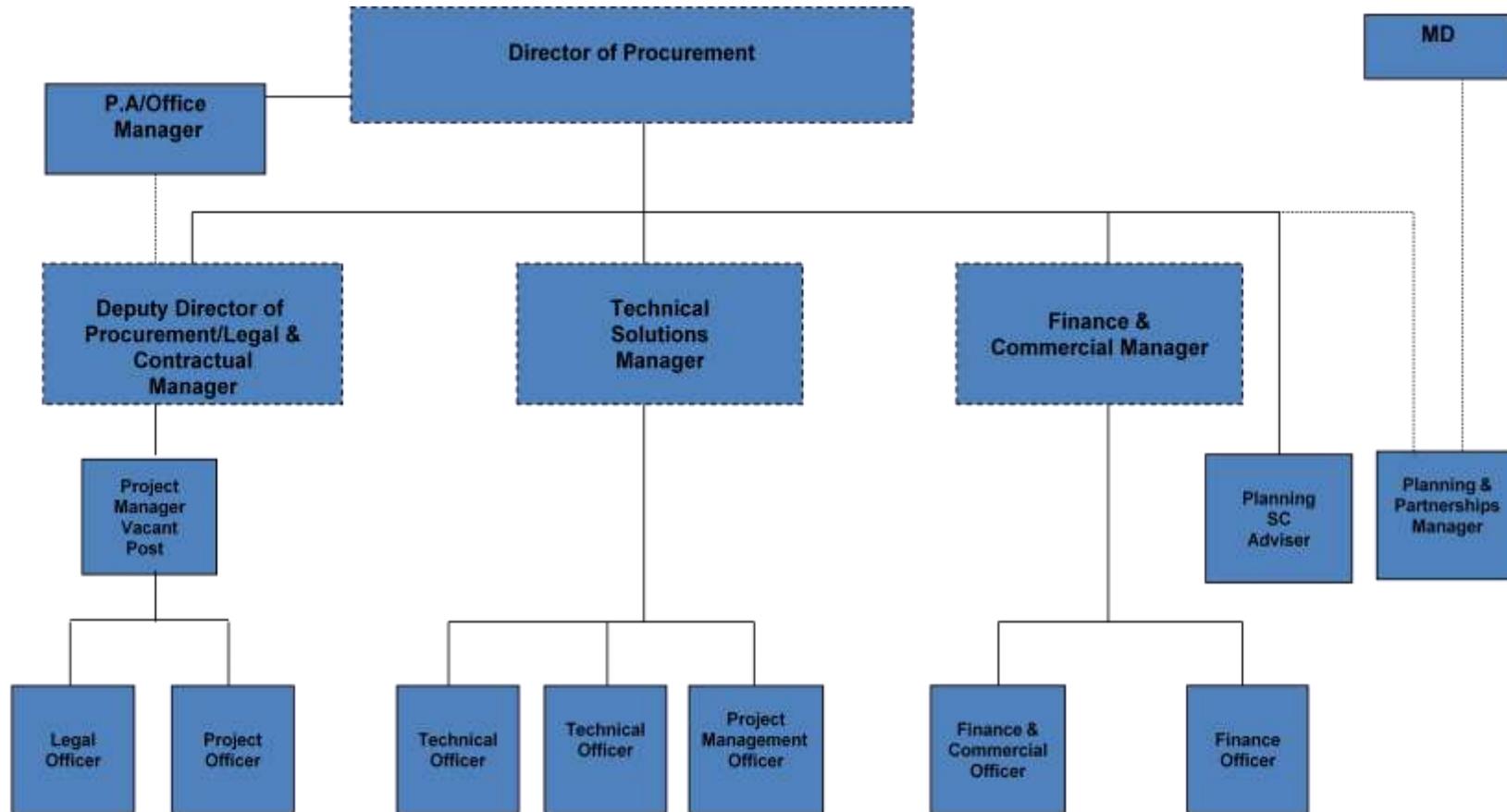
NORTH LONDON WASTE AUTHORITY – STAFFING ARRANGEMENTS AT 31<sup>ST</sup> MARCH 2013



# NLWA STRATEGY & CONTRACTS TEAM

## 31<sup>st</sup> March 2013





## NLWA Procurement Team Structure

March 2013



## Appendix 2

### NORTH LONDON WASTE AUTHORITY LEVIES AND NON-HOUSEHOLD CHARGES 1986/87 TO 2012/13

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

|         | Levy   | Chargeable<br>Household<br>£'000 | Non-Household<br>Charges<br>£'000 | Total<br>£'000 |
|---------|--------|----------------------------------|-----------------------------------|----------------|
| 2013/14 | 41.829 | 1,738                            | 9,570                             | 53,137         |

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