



# BEST VALUE

# PERFORMANCE REPORT

# 2008

***'The North London Waste Authority is committed to obtaining "Best Value" for users of its service. The Authority will ensure that service users receive a high quality service that meets their requirements.'***

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# **NORTH LONDON WASTE AUTHORITY**

## **BEST VALUE PERFORMANCE REPORT 2008**

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# **NORTH LONDON WASTE AUTHORITY**

## **BEST VALUE PERFORMANCE REPORT 2008**

### **1.0 BEST VALUE AND PERFORMANCE REPORT STATEMENTS.**

- 1.1 *The North London Waste Authority is committed to obtaining “Best Value” for users of its service. The Authority will ensure that service users receive a high quality service that meets their requirements.***
- 1.2 *The North London Waste Authority is responsible for the preparation of the Performance Report and for the information and assessments set out within it, and the assumptions and estimates on which they are based. The Authority is also responsible for setting in place appropriate performance management and internal control systems from which the information and assessments in the Performance Report have been derived. The Authority is satisfied that the information and assessments included in the Report are in all material respects accurate and complete and that the Report is realistic and achievable.***
- 1.3 *The Authority’s principal aims and objectives in the context of the draft North London Joint Waste Strategy are set out in Chapter 6 of this Report, with a report on progress made in developing and implementing the Strategy to start achieving the Strategy’s aims and objectives.***
- 1.4 *The Authority’s past performance against targets, and its future targets are set out in Chapter 8 of this Report.***
- 1.5 *The Authority has let no contracts involving a transfer of staff since the requirement to comply with the Code of Practice on Workforce Matters in Local Authority Service Contracts and the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended) came into force.***

## **2.0 INTRODUCTION TO THE AUTHORITY**

- 2.1 The North London Waste Authority (NLWA) was established in 1986 as a statutory waste disposal authority after the abolition of the Greater London Council. The Authority's prime function is to arrange for the disposal of waste collected by its seven constituent London Boroughs. These Boroughs are:-
- BARNET
  - CAMDEN
  - ENFIELD
  - HACKNEY
  - HARINGEY
  - ISLINGTON
  - WALTHAM FOREST
- 2.2 The Authority has a membership of 14 elected councillors. Each Constituent Borough appoints two councillors. The Authority meets five times a year, with a provision for special meetings as required. An Urgency Committee has also been established to meet and consider appropriate business where necessary.
- 2.3 Arising from the requirements of the Environmental Protection Act 1990, the Authority in 1992 entered 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. as the preferred partner, and a Joint Venture Company called LondonWaste Ltd. was established with a 50%-50% share holding between the two partners. The Authority subjected its waste disposal needs to competitive tender, with LondonWaste Ltd. successfully bidding on behalf of the Joint Venture partners.
- 2.4 After eighteen 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 Ltd. took place on 15<sup>th</sup> December 1994. At the same time, a twenty-year contract for the transfer and disposal of the Authority's waste was awarded to LondonWaste Ltd.
- 2.5 The LondonWaste Ltd. board has eight directors. Three of the LondonWaste Ltd. directors are nominated by the Authority, three are nominated by SITA (GB) Ltd. and two non-voting directors are nominated by LondonWaste Ltd. itself. This is representative of the 50%-50% share holdings of both partners within the Joint Venture.
- 2.6 The Authority does not employ any staff directly, but makes the following cross-borough arrangements for governance, management and support services with the London Boroughs of Camden and Haringey providing the following for the Authority:-

- **London Borough of Camden**
  - Clerk
  - Deputy Clerk
  - Finance Adviser
  - Finance Officer
  - Legal Adviser
  
- **London Borough of Haringey**
  - Technical Adviser
  - Valuation Adviser
  - Strategy & Contracts Team (13 full time posts)

- 2.7 There is also a Strategy Implementation Board which meets as required providing guidance and feedback on strategy implementation. This Board comprises the Executive Member of Environment from each of the seven Constituent Borough Councils and each Council's chosen combination of other supporting Members and officers, along with appropriate Member representation and officer support from the Authority. The Board elects its own Chair each year.
- 2.8 Additionally there is a Technical Officer Group, which is comprised of one senior waste manager from each Constituent Borough Council. This Group, which is chaired by the Technical Adviser, provides further officer co-ordination and professional advice.
- 2.9 The Authority leads the development of, and in 2007/08 was implementing and updating a North London Joint Waste Strategy (NLJWS), together with the Constituent Borough Councils. The NLJWS provides the framework and the appropriate management systems and resources to achieve all the Partners' statutory performance standards and new national and European Directive targets and obligations. Greater detail on this work is set out in Chapter 6.
- 2.10 In order to implement the NLJWS, the Authority has taken on additional duties and responsibilities beyond its initial role of waste disposal. In 2007-08 it produced and approved a new joint Waste Prevention Plan 2008-2010 and it also continued with the process of procuring services post December 2014, when its existing contract with LondonWaste Ltd. ceases.
- 2.11 Various new joint officer and joint Member groups have been created and/or further developed during 2007-08 as required for the significant procurement work ahead. These include a formalised Procurement Committee and specific meetings for Directors of Environment, Directors of Finance and Chief Executives of the Constituent Borough Councils.
- 2.12 The Authority has its own statutory recycling and composting performance standards and also has statutory targets in relation to minimising the amount of biodegradable municipal waste it sends to landfill.

### 3.0 INTRODUCTION TO BEST VALUE

- 3.1 The Local Government Act 1999 placed a duty of “Best Value” on local authorities to secure continuous improvement in exercising all their functions having regard to the economy, efficiency and effectiveness of their service delivery. As a result of this legislation, authorities were required to produce annual reports on their past and current performance and detailing how they planned to improve the service in the future. It was a requirement that authorities should work towards meeting national and local targets, detailing their progress towards these targets in the annual plan, while also consulting with users of their services to ensure that services provided match users’ requirements. The NLWA was defined as a “Best Value Authority” within Section 1 of the Local Government Act 1999 and accordingly has produced an annual Best Value Performance Plan to meet the above requirements since 1999.
- 3.2 During 2007-08, the Government consulted upon the detail of a new performance regime and an associated set of new National Indicators (NIs) for local authorities. The new regime followed on from the publication in 2006 of the Government White Paper, *Strong and Prosperous Communities*, Department for Communities and Local Government, October 2006.
- 3.3 A new set of 198 national indicators was published in October 2007, as part of the Comprehensive Spending Review (CSR) and alongside the publication of the new indicators a consultation was launched into how each indicator should be measured and described.
- 3.4 The North London Waste Authority is affected by this change and accordingly from 1<sup>st</sup> April 2008 is no longer required to produce an annual Best Value Performance Plan, but simply required to publish its previous year’s performance on three new indicators identified for waste, namely:

|        |  |
|--------|--|
| NI 191 | Residual household waste per head      |
| NI 192 | Household waste recycled and composted |
| NI 193 | Municipal waste landfilled             |

An additional indicator for carbon dioxide emissions:

|        |   |
|--------|---|
| NI 185 | CO <sub>2</sub> reduction from Local Authority Operations |
|--------|---|

is also expected to be used by the Authority, but at the time of writing seems unlikely to become a mandatory requirement. The Authority may also have to prepare data for others to include in their reports.

- 3.5 This report is therefore the last ‘Best Value’ report that the Authority will produce and unlike previous reports it only looks backwards at past performance, rather than forwards as well to future plans and proposals to achieve ‘best value’.

- 3.6 It was agreed at the Authority's April 2008 meeting that from June 2009 the Authority's performance against the new set of National Indicators be published in the Authority's Annual Report which is presented at the June Annual General Meeting for the preceding year.
- 3.7 It is also essential that the Authority continues to play its part in ensuring the UK meets its targets for reducing the amount of waste that is sent to landfill and the supporting targets in the Government's *Waste Strategy for England, 2007*; the London Mayor's municipal waste strategy *Rethinking Rubbish in London* and the Waste and Emissions Trading Act 2003. The measurement of progress towards target achievement, and submission of data to the national data centre 'Waste Data Flow' is an essential part of this process and one to which an increasing amount of time is being dedicated.
- 3.8 This last Best Value Performance Report is intended to advise service users of the steps that the Authority is taking towards providing "Best Value" in the delivery of its services and toward achieving the targets that have been set. Copies of this and previous plans are available on the Authority's website at [www.nlwa.gov.uk](http://www.nlwa.gov.uk) or in hard copy by writing to the Authority.
- 3.9 This last Best Value Performance Report is not subject to audit by an External Auditor. However, the External Auditor's report on last year's Best Value Performance Plan is included in this report.

#### **4.0 AUDITOR'S COMMENTS ON THE LAST BEST VALUE PERFORMANCE PLAN**

- 4.1 Last year's "Best Value Performance Plan 2007" produced by the Authority was audited by Deloitte and Touche LLP in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.
- 4.2 The Auditor's full Report is attached as Appendix 2. The Auditor stated the view that the Best Value Performance Plan was prepared and published in all significant respects in accordance with Section 6 of the Local Government Act 1999 and statutory guidance issued by the Government.
- 4.3 The Auditor stated that they considered there were no matters to be brought to the Authority's attention, and that they had no recommendations to make on procedures in relation to the Plan.
- 4.4 There is also a requirement for the Auditor to recommend whether the Audit Commission should carry out a Best Value Audit under Section 10 of the Local Government Act 1999 and/or whether the Secretary of State should issue a direction under Section 15 of the Act. In both instances the Auditor has not recommended these actions.

## 5.0 SUMMARY OF THE AUTHORITY'S OPERATIONAL ACTIVITIES AND SERVICE DEVELOPMENTS

- 5.1 The Authority's statutory duties are arranging:
- the disposal of controlled waste collected by the seven Constituent Borough Councils (see paragraphs 5.2 to 5.4).
  - the transport and disposal of household waste from Constituent Borough Councils' reuse & recycling centres (formerly known as civic amenity sites – see paragraph 5.5).
  - the storage and disposal of abandoned vehicles (currently delegated to the Constituent Borough Councils – see paragraph 5.6).
  - waste recycling and composting facilities, as a result of statutory performance standards (paragraph 5.7).
  - the preparation of a joint waste strategy (see Section 6).
  - the diversion of waste from landfill in order to meet statutory landfill allowance limits and engagement in the 'Landfill Allowance Trading Scheme' (LATS) if required (see paragraph 6.10).

Each of these duties is now considered in turn.

### 5.2 Arranging the disposal of controlled waste collected by the seven Constituent Borough Councils.

The Authority arranges for the disposal of 'municipal' waste (household and 'trade' waste from businesses) which is collected by the seven Constituent Borough Councils and presented to the Authority for disposal. This waste is mostly disposed by the Authority under the 'Main Waste Disposal Contract' with LondonWaste Ltd. It should be noted that the best value indicators referred to in this report only relate to 'household waste'. The **total amount of household waste** collected by the Constituent Borough Councils and disposed in this way for **2007- 08 was 775,073 tonnes** (compared to 776,728 tonnes in 2006 -07). The waste was delivered to one of four sites:

- 5.2.1 **Edmonton Solid Waste Incineration Plant** – This facility is owned and operated by LondonWaste Ltd. and is situated just off the North Circular Road at Edmonton. This site together with the Bulky Waste Recycling Facility (see below) receives all of the waste which is not collected separately for recycling or composting from Enfield, Haringey and Waltham Forest. A significant proportion of Hackney's residual waste is also accommodated together with small amounts from the other three Constituent Borough Councils. Waste considered suitable for incineration is tipped into a number of bunkers, where it is fed by crane into hoppers leading into the furnaces. The five furnaces with their associated boilers produce superheated steam to drive turbines, which generate electricity. Some of the electricity generated is used for running the plant, but the vast majority (85%) is exported to the national grid, thereby reducing the use of fossil fuels.

Ferrous metals are extracted from the ash that is produced by the energy-from-waste process and are subsequently recycled. The ash is then processed by another company under contract to LondonWaste Ltd. to extract further metals and to produce materials that are suitable for use in the road building and construction industries as a substitute for natural aggregates, stone, gravel etc. This reduces the amount of quarrying activity elsewhere in the country.

The Edmonton facility is an accredited reprocessor for packaging waste and recovers energy from this waste in accordance with the requirements of the Packaging Waste Regulations. This is a valuable recovery operation and assists the UK to meet its international commitment to recover value from used packaging whilst also reducing the amount of waste that is sent to landfill.

- 5.2.2 **Fuel Preparation Facility (FPP)** – This facility is a road transfer station at LondonWaste’s Edmonton ‘EcoPark’ where bulky municipal and commercial waste is crudely sorted into separate various fractions for recycling and for energy recovery; the residue (which is the vast majority) is loaded onto articulated lorries and sent to landfill sites, in either Bedfordshire or Buckinghamshire.

A **bulky waste recycling facility** has also been constructed alongside the FPP to increase the amount of recycling of metals, wood, green waste and construction and demolition wastes that are delivered from special bulky waste collections and from reuse and recycling centres (civic amenity sites). This site mainly receives waste from the boroughs which is considered to be unsuitable for incineration.

- 5.2.3 **Hendon Rail Transfer Station** – Situated near Brent Cross Shopping Centre, this site receives nearly all of Barnet’s waste, a significant proportion of Camden’s waste, and a small amount of Haringey’s waste. Waste Recycling Group operates the site under a tri-party agreement with LondonWaste Ltd. and the Authority. This arrangement is being extended to March 2009, when the Authority’s lease on the site expires. The waste is compacted into containers and transported by rail to a landfill site in Buckinghamshire.

There are proposals to relocate this facility as part of a much wider redevelopment of the Brent Cross and Cricklewood area. During the forthcoming year it is anticipated that these negotiations and plans for relocation will progress, but because progress is dependent upon the wider redevelopment project, detailed targets and decision-making points cannot be identified at this stage.

5.2.4 **Hornsey Street** – A road transfer station which was opened in July 2004. This site is a replacement for a previous waste transfer station at Ashburton Grove. It is of a more modern design than the previous facility, with an emphasis on a lesser local environmental impact and enhanced recycling facilities. The facility is located in the London Borough of Islington and accommodates both the Authority's waste transfer station and the London Borough of Islington's depot and a reuse and recycling centre for residents which accepts a wide range of household materials for recycling and reuse. Additionally the site includes a waste education centre which is managed by the London Borough of Islington.

The waste transfer operation includes recycling bays where paper, scrap metal, glass, steel and aluminium cans, commingled recyclable material, refrigeration equipment and construction waste, collected by the Boroughs is bulked up prior to onward transfer to other sites and then to reprocessing. In the past year a trial has been undertaken to determine whether organic material from the London Borough of Islington could also be bulked up at the facility. The results of the trial seem promising.

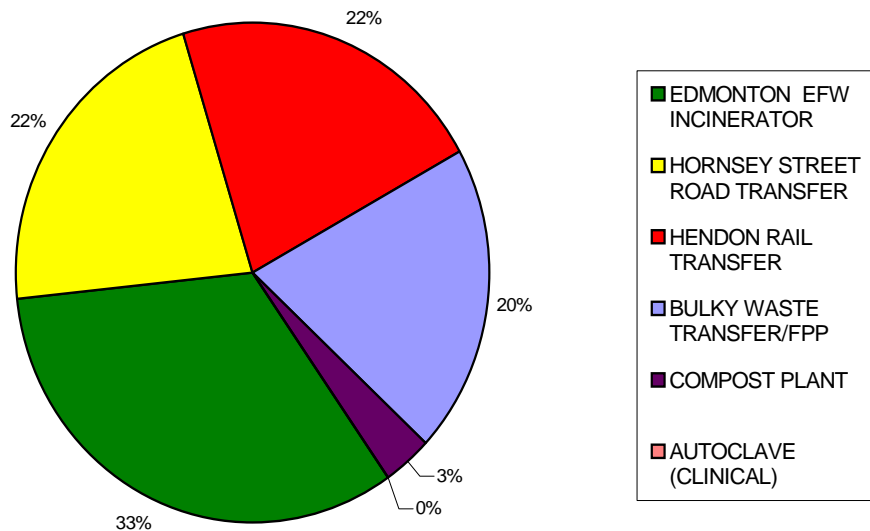
Residual waste is also delivered into the transfer station, where, via chutes from the first floor of the building, it is dropped down and packed into enclosed containers on the lower ground floor. The containers are then loaded onto large lorries for onward transfer to disposal sites. The facility has been designed both to reduce the amount of time the waste is exposed to the open air and also with the potential to transfer the containers onto the adjacent railway line, rather than onto lorries, at some time in the future.

Waste delivered to this site for both recycling and disposal comes from the Boroughs of Camden, Hackney and Islington.

5.2.5 **Autoclave** - clinical waste is directed to the clinical waste disposal facility provided by LondonWaste Ltd. at Edmonton through their subsidiary company Polkacrest Ltd.

5.3 The overall proportion of the waste delivered to each site can be seen in the pie chart below (please note however that secondary and tertiary transfers to the Edmonton energy-from-waste facility change the proportions of how waste is ultimately disposed of).

**FIG. 1 - PROPORTION OF WASTE DELIVERED TO EACH OF THE AUTHORITY'S CONTRACTED FACILITIES, 2007- 2008**



The above chart is based upon the amount of **municipal waste** – **802,437 tonnes** - delivered to each of the different facilities and is based upon invoiced tonnages of municipal waste (i.e. both household and 'trade' waste) delivered to each facility. As the quantity of clinical waste delivered was so small it shows as 0% on the chart.

5.4 A number of smaller contracts exist (either separately or through sub-contract arrangements with LondonWaste Ltd.) for the recycling or disposal of specific waste streams, as shown below:

- **Asbestos** – arrangements are in place for householders to take asbestos waste to the Hornsey Street site in Islington. The site acts as a central location to which residents from across North London are able to bring double bagged material, from which it is transferred via separate arrangements with LondonWaste Ltd to a third party collection contractor and hazardous waste landfill site in Essex.
- **Tyres** – During 2007-08 Boroughs were directed to McGraths for the disposal of their tyres. Those tyres that are not suitable for reuse are sent for use as fuel in cement manufacturing.
- **Waste Electrical and Electronic Equipment** – By July 2007, as part of the implementation of the Waste Electrical and Electronic Equipment (WEEE) Directive collection systems had to be introduced to separately collect electrical and electronic appliances for recycling and reuse, with a target of 4 kilogrammes of household electrical and electronic goods to be collected for recycling per head of population per year. Producer compliance schemes have been formed to help manufacturers and other producers of electrical and electronic equipment to meet their obligations under the Directive and subsequent UK regulations. These producer compliance schemes

collect waste electrical and electronic equipment for recycling from registered local authority sites or 'designated collection facilities'. In North London 15 sites have been registered by the North London Waste Authority as designated collection facilities for waste electrical and electronic equipment, and since July 2007 have had relevant categories of waste electrical and electronic equipment collected from them. The costs of collection and recycling are met by the producers of the electrical goods. Retailers and distributors of electrical and electronic equipment also have an obligation under the regulations and those retailers who have joined the central 'Retailer Take-Back Scheme' have made a financial contribution towards the cost of developing and upgrading the local authority network of collection sites. Those who do not join the retailer take-back scheme must offer 'in-store' take-back as an alternative to directing householders to the local authority network of designated collection facilities. The Authority has entered into a zero value collection contract with a producer compliance scheme which collects all WEEE from local designated collection facilities.

## **5.5 The transport and disposal of household waste from Constituent Boroughs' Reuse and Recycling Centres (RRCs)**

5.5.1 Within the Authority's area, RRCs are provided at nine locations. The Authority has the responsibility for transporting and disposing of residual waste, i.e. anything which is not taken away for recycling or composting, from these sites. In 2007-08 the Authority disposed of **35,560 tonnes** of waste from the following RRCs (up from the 34,546 tonnes of waste disposed during 2006-07)<sup>1</sup>:

- Barnet: Summers Lane
- Camden: Regis Road
- Enfield: Barrowell Green
- Haringey: Park View Road and Hornsey High Street<sup>2</sup>
- Islington: Hornsey Street
- Waltham Forest: Gateway Road, Kings Road and South Access Road

5.5.2 The Authority's first completed Best Value Review concluded that the Authority should cease the prevailing approach of contracting for both the transport and disposal of RRC wastes together, and instead should separate the contractual provisions for transport from those for disposal. This was fully implemented in September 2003, when a new contract for just the transportation of the RRC wastes commenced, and the disposal of these wastes was incorporated within the main waste disposal contract with LondonWaste Ltd. It has been agreed that the contract will be extended to 2010. Greater detail is available in Chapter 9 of this document.

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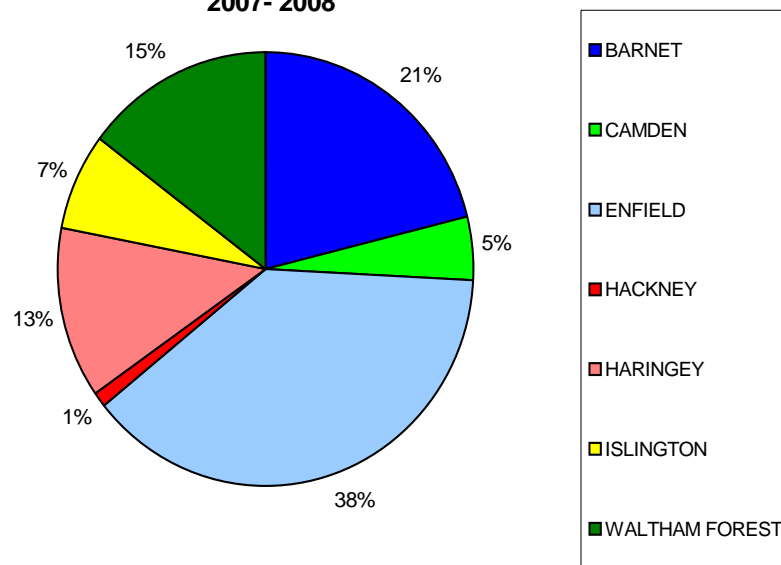
<sup>1</sup> The Regis Road site in Camden was only open for recycling for parts of 2007-08.

<sup>2</sup> Hornsey High Street is a temporary site which opened fully on 20<sup>th</sup> March 2006.

5.5.3 The Authority took the opportunity of seeking tendered rates for the transportation of recyclable wastes on behalf of the Constituent Boroughs within this contract, as it was considered that such a large contract might achieve greater economies of scale and therefore better value for money. All six Constituent Boroughs with RRC's are now benefiting from this contract in some way.

5.5.4 RRC wastes that are to be sent to landfill are transported in containers, mostly to the bulky waste recycling facility at Edmonton.

**FIG. 2 - PROPORTION OF CIVIC AMENITY WASTE DISPOSED OF BY EACH BOROUGH 2007- 2008**



Note: Hackney does not have a reuse and recycling centre, so the proportion of waste referred to above from Hackney relates to Hackney's proportion of waste going into the Hornsey Street facility.

## **5.6 Storage and disposal of abandoned vehicles**

- 5.6.1 The Authority has the statutory responsibility under the Refuse Disposal (Amenity) Act 1978 to arrange for the storage and disposal of abandoned vehicles collected by the Constituent Borough Councils.
- 5.6.2 The Authority has always delegated these functions, together with the expenditure and income, to the Constituent Boroughs, but continues to have an interest in the carrying out of its functions. This arrangement was the subject of a Best Value Review in 2001-02, but due to delays in the UK implementation of the End of Life Vehicle Directive (under which the Authority was left with this responsibility longer than anticipated rather than it being transferred to vehicle manufacturers and importers or a wider range of the motor industry) it was not possible to bring this Review to its full conclusion at the time.
- 5.6.3 However, it is now clearly apparent that it is not necessary to let an Authority-wide contract for the de-pollution and disposal of these vehicles in order to attract the necessary private capital investment as Borough contractors installed the necessary equipment. The historic arrangements therefore continue.
- 5.6.4 For **2007-08**, there were **1,991 abandoned vehicles** across the seven Constituent Borough Councils. This figure compares to 5,648 in 2006-07 6,398 in 2005-06 and 11,324 in 2004-05. The number of abandoned vehicles has declined dramatically over the past three to four years. This is largely due to the increase in the price of scrap metal. High scrap prices are believed to provide an incentive for the private sector to take end of life vehicles for their scrap value and scrap yards may offer payment for end of life vehicles in such circumstances. The opposite is the case when scrap prices are low; scrap yards become less keen to take end of life vehicles , resulting in more being abandoned and left for local authorities to remove.

## **5.7 Waste recycling and composting**

- 5.7.1 The majority of the municipal waste recycling (excluding ash recycling) that occurs in the North London area is managed by the seven Constituent Borough Councils. Previously the Authority has supported this activity by paying statutory 'recycling credits' to the Boroughs and discretionary credits to local charities. The recycling credit was paid for every tonne of waste that was recycled. The amount of credit paid was equal to the highest cost that the Authority would have been required to pay if the waste had been sent for disposal instead of being recycled. This money was then available to the Boroughs to help fund their recycling activities.

- 5.7.2 However, from the start of 2006-07 this arrangement changed. From 1<sup>st</sup> April 2006, the Authority's duty to pay statutory recycling credits to the Constituent Borough Councils was removed. The reason for this change was that a new method of levying the Boroughs was agreed by Government. From 1<sup>st</sup> April 2006 the Authority started to move to a system where it 'levies' each Borough principally on the basis of tonnes of waste handled, a 'tonnage based levy', (rather than on the previous council tax basis). It is therefore increasingly in Boroughs' best interests to minimise their levy by reducing waste levels as much as possible. This change also means that the additional incentive of paying statutory credits for increasing recycling is no longer required. However, as the tonnage based levy has been phased in over three years the North London Waste Authority has also agreed voluntarily to phase out recycling credits to the Constituent Borough Councils over the same period, rather than stop their payment in one go from 1<sup>st</sup> April 2006. So, although statutory recycling credits have not been from 1<sup>st</sup> April 2006, the Authority has continued to pay discretionary credits under its own local recycling credit scheme to the Boroughs for financial years 2006-07 and 2007-08. Credits to Boroughs cease completely from 1<sup>st</sup> April 2008 when the tonnage based levy is completely implemented. Discretionary payments to third parties for both recycling and reuse, (the latter from 1<sup>st</sup> April 2007) will not be phased out.
- 5.7.3 The Authority also holds a £1,000,000 dividend from LondonWaste Ltd. which it is holding as a separate fund to assist with boosting its recycling rate. As soon as it is possible to align sufficient Boroughs' contracts and specifications, the Authority will use this money to help finance a suitable new facility.
- 5.7.4 The Authority's principal contractor also recycles waste materials (see earlier in this Chapter), principally incinerator bottom ash, scrap metal, construction waste, wood and green/organic waste.
- 5.7.5 The Authority has been leading the development, and now the implementation, of the North London Joint Waste Strategy, as described fully in Chapter 6. The Strategy sets out a series of actions which the partner authorities will undertake in order to meet statutory recycling and composting targets and also to enable the Authority to meet the requirements of the Waste and Emissions Trading Act 2003.
- 5.7.6 One of the first steps in providing additional capacity to facilitate the increase in recycling and composting of municipal waste in North London was the commissioning of a new 'in-vessel' composting facility from LondonWaste Ltd. The facility commenced operations in September 2005 and was officially opened in March 2006, completing its first full year of operation in 2006-07.

5.7.7 The composting facility can process 30,000 tonnes per year of green garden waste and organic kitchen wastes in accordance with new, stricter regulations since the outbreak of Foot and Mouth disease. It produces a compost product which has been PAS (Publicly Available Specification) 100 certified. The compost is available free of charge to the constituent boroughs councils by whom it is increasingly being used, following trials in 2006-07; most however is used for agricultural purposes and spread on land. During 2007-08 the Authority has been working closely with LondonWaste Ltd. to improve the operational efficiency of the facility and particularly to ensure that during the peak period of green garden waste production during May and June that capacity is available. Agreements are in place with third party facilities to process additional tonnage as required.

5.7.8 During 2007-08 the balances of funding remaining from a £25,000 grant to expand community composting, provided by the London Recycling Fund and then match funded by the Authority was spent. The balances were used for establishing composting in schools and for promoting home and community composting, for example at the Camden Green Fair and providing a organic waste collection and composting service for stall holders at the event. It was also agreed by the Authority that a new £25,000 community fund would be established for 2008-09 for community groups to expand recycling and composting activity. This money could potentially be used to expand community composting services as previously. These projects and the resultant expansion of a range of composting services are consistent with the actions outlined in the North London Joint Waste Strategy.

## **5.8 Non-household waste.**

5.8.1 Following a review of the way in which the Authority assesses the amount of non-household waste delivered within mixed municipal waste by the Constituent Borough Councils, agreement was reached in September 2007 on a new and updated method by which this assessment would be carried out commencing 1<sup>st</sup> April 2008. Previously the Authority assessed the amount of non-household waste within a mixed municipal load, based upon the results of a survey carried out in 1995 and this needed updating.

5.8.2 The amount of non-household waste delivered within the municipal waste stream is important for the following reasons:

1. Firstly because the Authority charges the Constituent Borough Councils directly for the disposal of appropriate tonnages of non-household waste.
2. Secondly, because the balance between non-household and household waste affects the boroughs' progress towards household waste recycling targets.

3. Thirdly, because non-household waste is part of the 'municipal waste' stream, for which all Waste Disposal Authorities have strict obligations to divert the biodegradable element from landfill in increasing quantities..

5.8.3 Following consultation with the Borough Technical Officers in 2005-06 and further consideration of this matter by the Authority and Borough Technical Officers in 2006-07, it was agreed that the most accurate method for calculating the household:non-household split within the municipal waste stream would be broadly as follows:

1. Establish the number of collections of each size of waste container for each constituent borough council for the year, using their trade waste contract records.
2. Assign a 'standard' weight of material to each container in direct proportion to its volume.
3. Then multiply this calculated weight by the total number of collections for that type of container within each Constituent Borough Council to obtain a figure for the amount (i.e. the weight) of non-household waste collected by each Constituent Borough Council during the year.

5.8.4 In 2006-07 the Authority undertook a survey across the whole Authority area to assess a volume:weight ratio of non-household waste collected locally; two boroughs elected however to commission and use their own more local survey. The final proposals were taken to the Authority and approved in September 2007, so that has been sufficient time to build in the necessary adjustments into all 2008-09 budgets and so that the new system of calculation is operational from 1<sup>st</sup> April 2008.

## **5.9 Co-operation.**

5.9.1 The North London Waste Authority will continue to support recycling and sustainable waste management practices by working with the Constituent Borough Councils and by supporting and engaging in active dialogue with the following organisations:

4P's (Public Private Partnerships Programme – within the LGA)  
Association of London Cleansing Officers (ALCO)  
Chartered Institution of Wastes Management (CIWM)  
Department for Environment, Food and Rural Affairs (DEFRA)  
Department for Business Enterprise and Regulatory Reform (BERR)  
Environment Agency (EA)  
Government Office for London (GOL)  
Greater London Authority (Mayor and Assembly)  
Groundwork North London  
Household Hazardous Waste Forum (HHWF)  
Local Government Association (LGA)

London Climate Change Agency (within the LDA)  
London Community Recycling Network (LCRN)  
London Councils  
London Development Agency (LDA)  
Local Authority Recycling Advisory Committee (LARAC)  
London Remade  
National Association of Waste Disposal Officers (NAWDO)  
North London Recycling Forum (NLRF) – changed mid year to the  
Resource Forum  
Partnerships UK (PUK)  
Real Nappies for London (RNfL)  
Waste and Resources Action Programme (WRAP)  
Waste Implementation and Development Programme (WIDP – within  
DEFRA)

## **6.0 THE NORTH LONDON JOINT WASTE STRATEGY (NLJWS)**

6.1 The Authority and its seven constituent borough councils developed a joint municipal waste management strategy, the North London Joint Waste Strategy (NLJWS), Mayor's Draft, September 2004. This set out a series of 'Strategy Implementation Actions', priorities and targets to be achieved in the period between 2004 and 2020 which would enable the partners to reach the outcome based targets of a 35% recycling and composting rate by 2010 and 45% by 2015. The Authority has more recently agreed that this figure should be updated to a 50% combined recycling and composting rate by 2020 in line with new national waste strategy objectives, along with other changes arising from a strategic environmental assessment and a public consultation in 2008-09.

6.2 When it was first developed, the NLJWS supported the principle of the waste hierarchy and, in particular, favoured incineration with energy recovery over landfill as a waste management technique. This enabled the Authority to develop its options for meeting its obligations under the Environmental Protection Act 1990, including the development of its ongoing 20 year Main Waste Disposal Contract. This contract was designed not to constrain the Authority or its Constituent Borough Councils in adopting an integrated approach to waste management. The main provisions within the contract that enable this approach are:

- No guaranteed minimum tonnage to be delivered (since December 1999);
- No restrictions on the amount of waste that the boroughs can recycle.

Appendix 2 to the NLJWS outlines all the actions contained within the Strategy. These include actions to minimise waste at source and to encourage reuse as priorities above recycling, composting and energy recovery, in line with the overall strategic objective of implementing a municipal waste management strategy which is based upon the 'waste hierarchy'.

6.3 Other strategic waste management objectives contained within the Strategy relate to equality of access to services e.g. to offer a recycling and compost collection service to a minimum of 95% of households and achieve 65% capture rates of targeted materials by 2015.

6.4 The Strategy also gives a commitment to working in partnership to implement the North London Joint Waste Strategy and to working, where appropriate, with the community sector, commercial and industrial partners and national and regional agencies. It also sets an objective to work closely with London Remade, the private sector and other agencies to encourage the development of new reprocessing infrastructure in North London and to seek to maximise the regeneration potential of these undertakings.

- 6.5 The 'Mayor's Draft' NLJWS was approved by all eight of the Partner Authorities following Government changes to the default levy apportionment mechanism, i.e. the way in which the Boroughs are levied for the Authority's services and therefore the mechanism by which the actions included within the Strategy are funded. The Mayor of London then carried out his review of the NLJWS, Mayor's Draft, in 2006, with comments received in December of that year. However, because the NLJWS was not formally adopted by 22<sup>nd</sup> July 2006, the requirements of the Strategic Environmental Assessment (SEA) Directive became applicable. (SEA has now replaced Best Practicable Environmental Option (BPEO) analysis, which was the process previously used in selecting a waste strategy approach, as the principle decision making tool supporting waste management strategy preparation).
- 6.6 This change meant that it was necessary to carry out a retrospective Strategic Environmental Assessment (SEA) of the NLJWS in addition to the original BPEO assessment which had been undertaken in 2003/04.
- 6.7 The first stage of SEA is to prepare a scoping report, which must be sent to a number of statutory consultees; following this stage a SEA environmental report must be produced and issued for public consultation along with the strategy on which the SEA is being undertaken. Following consideration of the comments received via the public consultation process, the draft strategy must be revised and both the strategy and accompanying environmental report adopted.
- 6.8 The scoping report for the NLJWS SEA was issued for consultation with the statutory consultees, (English Heritage, Natural England and the Environment Agency) on 10<sup>th</sup> September 2007 with a consultation deadline of 15<sup>th</sup> October 2007. The comments received from the statutory consultees and from the London Mayor who was also consulted at the same time, were incorporated into a revised scoping report. Following amendments to the scoping report a SEA environmental report, which outlines the key environmental impacts of the NLJWS and suggested measures for mitigating these impacts has been produced and resultant changes to the NLJWS drafted. The environmental report incorporates updated environmental impact modelling work which had previously been requested by the Mayor of London.
- 6.9 The revised draft NLJWS, the revised SEA scoping report and the SEA environmental report were approved for public consultation by the Authority and circulated to the Constituent Borough Councils for comment and either committee or lead member approval as appropriate. Once approved by all partners the documents were released for public consultation, over six weeks in 2008-09. The NLJWS Strategy Implementation Board considered the comments received and in June 2008 the Authority approved a final version subject to any last changes arising from any of the Constituent Borough Councils' final consideration of the same.

6.10 The Authority's procurement process for services post December 2014, will benefit from taking place within the framework of an approved and adopted NLJWS.

## **6. 11 Summary of the North London Joint Waste Strategy**

6.11.1 In North London we throw away almost a million tonnes of waste each year, enough to fill eight football stadiums to the roof. The Strategy identifies that throwing rubbish away is expensive and damages the environment as it wastes the energy and materials needed to make the products we all use and can cause pollution. In North London, the total amount of rubbish we throw away is increasing every year. If we don't change what we do we may have two thirds more waste by the year 2020.

6.11.2 A significant proportion of this waste is buried in landfill sites in Bedfordshire or Buckinghamshire. When waste is placed in landfill sites it rots down and produces gases that contribute to global warming. However, new laws drastically restrict how much rubbish we can send to these landfill sites in future and special taxes are making it more and more expensive.

6.11.3 The key steps to dealing with the million tonne rubbish problem are:

- Firstly to produce less waste as the best option for the environment.
- Secondly, if rubbish can't be avoided, then reusing, recycling or composting it as the next best alternatives.
- Thirdly, given that not all rubbish can be reused, recycled or composted, recovering energy from rubbish that cannot be recycled is better than sending it straight to landfill sites.

6.11.4 The ways identified to reduce North London's rubbish by up to 80,000 tonnes per annum are:

- Working with local businesses to reduce packaging and waste.
- Increasing awareness of rubbish problems amongst consumers.
- Supporting home and community composting and reuse collection services.

6.11.5 Ways in which residents can help are:

- Trying to reduce the amount of packaging they buy.
- Composting at home or in the local community.
- Repairing, refurbishing and passing on products for reuse wherever possible.

6.11.6 The ways identified to recycle almost half of North London's rubbish are:

- Providing all households in North London with easily accessible recycling and composting collection services.
- Improving the efficiency of our reuse and recycling centres by diverting at least 60% of this rubbish away from landfill sites.

- Providing incentives for residents to recycle.
- Providing new facilities in North London to enable us to recycle and compost the majority of our rubbish.

6.11.7 Ways in which the Strategy identifies that residents can help to recycle more of North London's waste are by:

- Separating their rubbish for recycling.
- Separating rubbish for composting at home or with a local community group.
- Recycling more when they visit their local reuse and recycling centre.

6.11.8 The ways to further avoid landfilling rubbish and to continue recovering energy from it instead which are identified in the Strategy are:

- Recycle and compost rubbish wherever practical before recovering energy.
- Use as much rubbish that cannot be recycled or composted as is practical to generate electricity and provide heating.
- Maintain the improved environmental performance of the Edmonton energy-from-waste incinerator during its remaining operational life under the current North London Waste Authority contract (until 2014).
- Replace the Edmonton energy-from-waste incinerator with the best available technology when this becomes necessary.

6.11.9 Although household rubbish makes up the majority of the waste managed by the North London local authorities, it is also planned to take action to improve the management of other commercial, hazardous and difficult waste streams that are managed by the partner authorities in line with new and emerging legislation. Included in these actions is an action to reduce the environmental impact of how we transport rubbish through continuing our commitment to rail and active interest in water transport.

6.11.10 The Authority and its Partners have undertaken a Strategic Environmental Assessment 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% of those with gardens.
- Investing significantly in new community composting and reuse projects.

**Recycling and composting:**

- Achieving 35% recycling and composting rates by 2010.
- Achieving 45% recycling and composting rates by 2015.
- Achieving 50% recycling and composting rates by 2020

- Maintaining and improving the existing recycling banks on the street.
- Providing recycling and composting collections to at least 95% of all residents.

#### **Recovering energy from waste:**

- Recovering energy from 34% of rubbish by 2015 (already achieved in 2005/06)
- Maintaining the environmental performance of the Edmonton energy-from-waste incinerator in the short term.
- Replacing the Edmonton Incinerator after 2014, possibly with advanced conversion technologies, through a technology neutral procurement process.

6.11.11 The cost of improving the management of our rubbish is going to increase significantly, no matter what we choose to do, but doing nothing is not an option. Legislation requires local authorities to divert rubbish from landfill sites. We think our preferred option will enable us to meet these targets by doing as much as we all can to reduce rubbish, and then recycle or compost it.

6.11.12 Although achieving all the above targets is a significant challenge, especially the 2010 recycling target, the Partner Authorities are committing themselves to make every effort to do so.

### **6.12 'Technical' Issues for the North London Joint Waste Strategy**

The development of the NLJWS has challenged existing objectives and Authority-wide municipal waste management arrangements and addresses recent developments in waste management policy. The NLJWS gives due consideration to the following principal "technical" issues in addition to key stakeholders' views and the over-arching need for sustainability:

### **6.13 Best Option for North London**

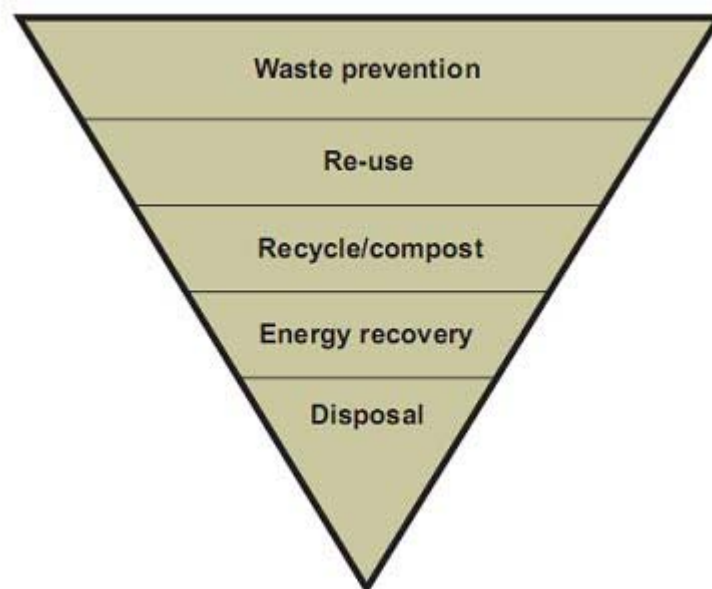
6.13.1 A range of waste management options have been reviewed as part of the SEA process, taking account of both a range of environmental impacts and cost. It is the Authority's preferred strategy to proceed with a technology neutral procurement process, and as new and emerging technologies develop in terms of deliverability and affordability the Partner Authorities will be pleased if the contribution of these technologies in delivering the Strategy can commence. The Partner Authorities consider the best option for North London to be a partnership approach involving the greater integration of collection and disposal services and the development of shared facilities for recycling, composting and treatment of residual wastes. The modelling includes mechanical and biological treatment, anaerobic digestion and gasification facilities across the scenarios, demonstrating their potential contribution.

6.13.2 The best option for North London will involve achievement of 50% household waste recycling and composting rates by 2020, with treatment of the residual waste not being landfilled provided initially through the existing Energy-from-Waste incineration facility, and later through processing capacity, giving preference to advanced conversion technologies - especially where the products of waste treatment could be used as fuels - that are the best overall option taking account of net environmental impact, deliverability, reliability and affordability, looking at implied collection services too. Although the final mix of technologies and facilities that the Authority will procure when its contract with LondonWaste Ltd comes to an end is not decided the partnership approach to achieving a combined recycling and composting rate of 50% by 2020 is agreed. This level of recycling and composting is consistent with *Waste Strategy for England 2007*. However, it is clear that the Authority and its partners will need to reach the new levels of performance in order that the Authority can apply for central government 'Private Finance Initiative' funding to help finance the costs of new residual waste treatment facilities which will be needed as part of the Authority's ongoing procurement process.

#### 6.14 Waste Hierarchy

The "waste hierarchy" show below is a useful tool used by the Authority and its constituent boroughs to help identify the Best Option and to guide overall priorities.

**FIG. 3 - THE WASTE HIERARCHY**



## 6.15 The Government's National Waste Strategy

6.15.1 The Authority has started to offer infrastructure to assist the Constituent Borough Councils (and thereby itself) in achieving the Government's local statutory performance standards devised to work towards the *Waste Strategy for England 2007* targets as follows.

### Statutory Performance Standards, Public Service Agreement Targets & New Targets from England's Waste Strategy 2007

| Authority  | 2005-06 performance standard (target) | 2007-08 actual performance | 2010 Targets | 2015 Targets | 2020 Targets |
|--|---------------------------------------|----------------------------|--------------|--------------|--------------|
| Barnet   | 27%<br>(30% PSA)*                     |                            |              |              |              |
| Camden   | 33%                                   |                            |              |              |              |
| Enfield  | 27%<br>(30% PSA)*                     |                            |              |              |              |
| Hackney  | 18%                                   |                            |              |              |              |
| Haringey   | 18%                                   |                            |              |              |              |
| Islington  | 18%                                   |                            |              |              |              |
| Waltham Forest   | 18%                                   |                            |              |              |              |
| National recycling/composting  | 25%                                   |                            |              |              |              |
| NLWA recycling/composting  | 18%                                   |                            |              |              |              |
| North London Joint Waste Strategy Targets (June 2008)  | 20.89%<br>(actual)                    | 24.34%                     | 35%          | 45%          | 50%          |
| <b>Waste Strategy for England 2007</b><br>national household reuse, recycling and composting targets | 27%                                   |                            | 40%          | 45%          | 50%          |
| <b>Waste Strategy for England 2007</b> % municipal waste recovery**                                  | 38%                                   |                            | 53%          | 67%          | 75%          |

\* PSA = Public Service Agreement

\*\* Recovery includes recycling, composting and energy recovery.

6.15.2 The Authority's first steps to deliver increased recycling and composting were the commissioning of a bulky waste recycling facility and an in-vessel composting facility, both through LondonWaste Ltd. at their Edmonton site. During 2006-07 a contract was also signed between the Authority and LondonWaste Ltd. to deliver 'commingled' or mixed dry recyclable material to a third party materials recycling facility. This facility is now accepting recyclable material from three of the Constituent Borough Councils which collect recyclable material in this way. Plans to build additional local composting facilities and a local materials recycling facility in North London have been reviewed during the year and a capital programme of £12million was approved to secure a suitable site or sites for such purpose or for residual waste sites.

6.15.3 Additional third party processing capacity for commingled dry recyclables and organic waste from North London has also recently been finalised. So although additional local facilities are not yet available, expansion of additional recycling and composting services is not being hampered by a lack of processing sites.

#### **6.16 The Landfill Directive and the Waste & Emissions Trading Act 2003 (WET Act)**

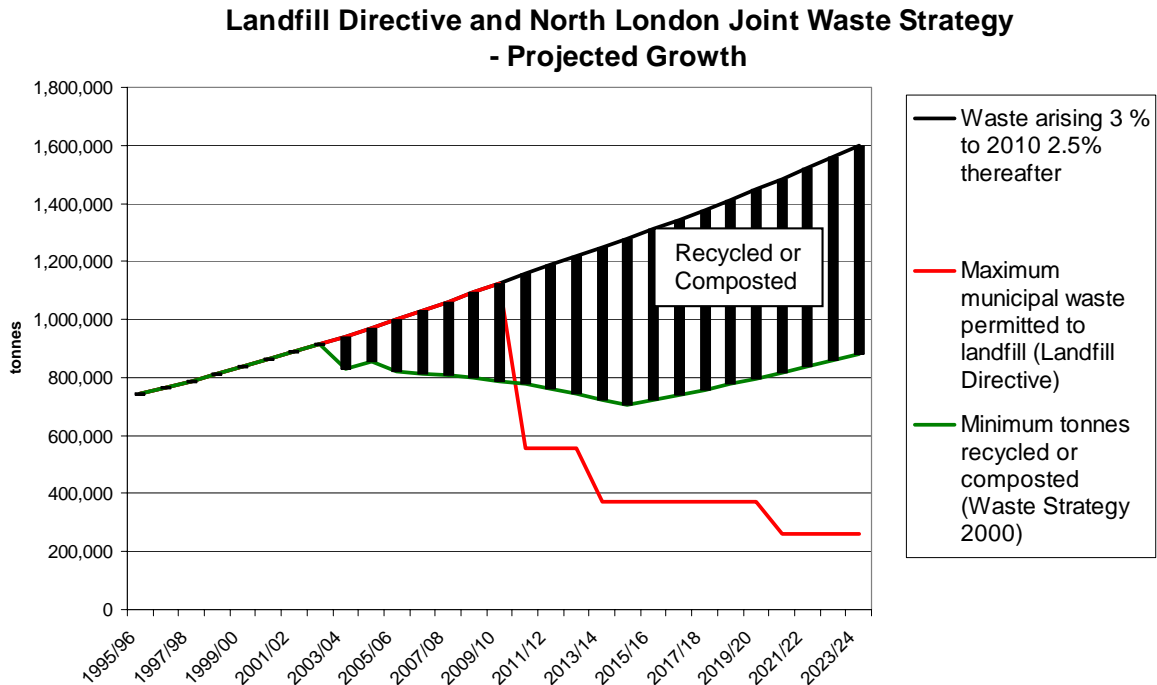
6.16.1 The Landfill Directive has been transposed into UK law predominantly (from the local authority perspective) by the Waste and Emissions Trading (WET) Act 2003. This is changing the way waste disposal authorities manage the municipal waste stream in several ways. The most significant impact is the reduction in the quantity of biodegradable municipal waste that can be sent to landfill sites to 75% of 1995 levels by 2009-10, 50% by 2012-13 and 35% by 2019-20.

6.16.2 The WET Act is the new primary legislation, and the Government has initiated the Landfill Allowance Trading Scheme (LATS) to minimise the cost of UK compliance and to allow maximum flexibility from 2005-06 onwards. The Authority established a Member Working Group to assess this trading system as it was apparent there would be many direct and consequential changes to the work of the Authority and its Partners within the NLJWS Partnership. In January 2006, the Member Working Group recommended to the Authority to introduce a new incentive payment to the Constituent Borough Councils for diverting biodegradable municipal waste from disposal and a new premium on the Authority's non-household waste charges to the Constituent Borough Councils that would reflect the use of tradable allowances; the Authority agreed to both in February 2006.

6.16.3 The WET Act also introduced a duty on all waste authorities in two-tier areas to produce a Joint Waste Strategy. The Authority was well advanced with this anyway, but has nevertheless been exempt from the duty because it exceeded the 2004-05 statutory performance standards. The Authority nevertheless continued with updating and finalising the NLJWS alongside its Partners.

6.16.4 The combined effects of the Directive, statutory performance standards and NLJWS are shown in indicative form below:

**FIG. 4**

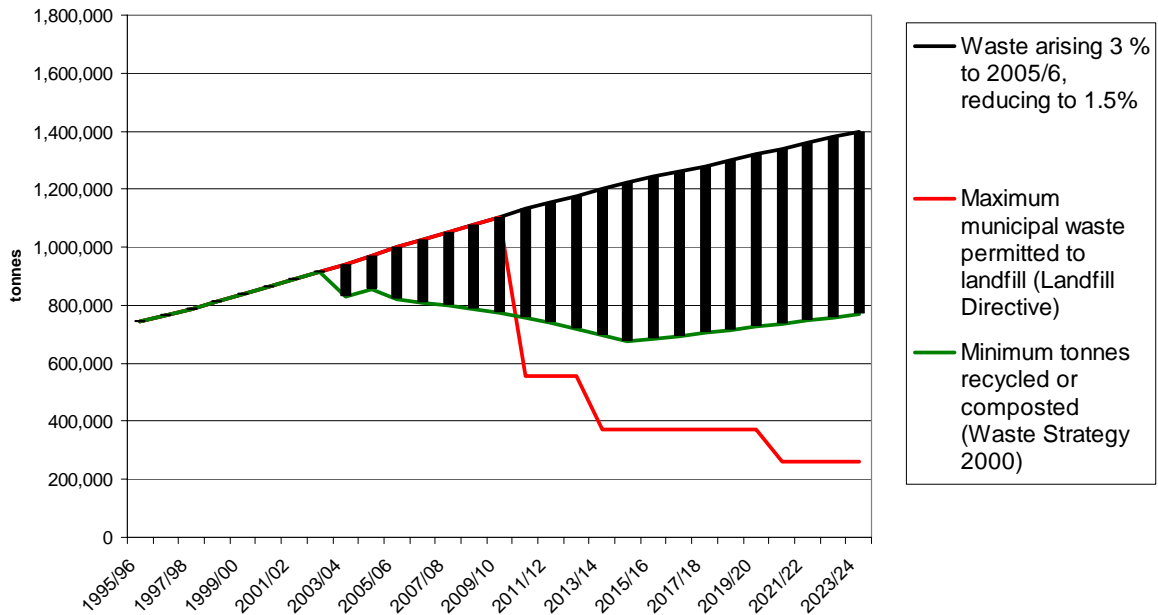


6.16.5 The graph above shows the Authority’s waste stream increasing at 3% per year to 2010, then reducing to 2½% per year thereafter as local waste minimisation policies take measurable effect. (These were the growth rates included in the 2004 draft of the NLJWS and were consistent with other projections available at the time). The graph also shows the statutory performance standards and the NLJWS recycling and composting targets taking effect from 2003-04 in the hatched area and the Landfill Directive limits from 2010 as the red line.

6.16.6 The graph below has been produced in order to illustrate the significance of seeking to minimise the growth in the amount of municipal waste arising each year. It is the same chart, but this time it assumes the annual growth rate for waste arisings falls from 2006, reducing gradually to 1½% by 2016. At the time of writing this report it is anticipated that growth will decline to 1% per annum, with both central government support and local action to prevent waste at the outset.

**FIG. 5**

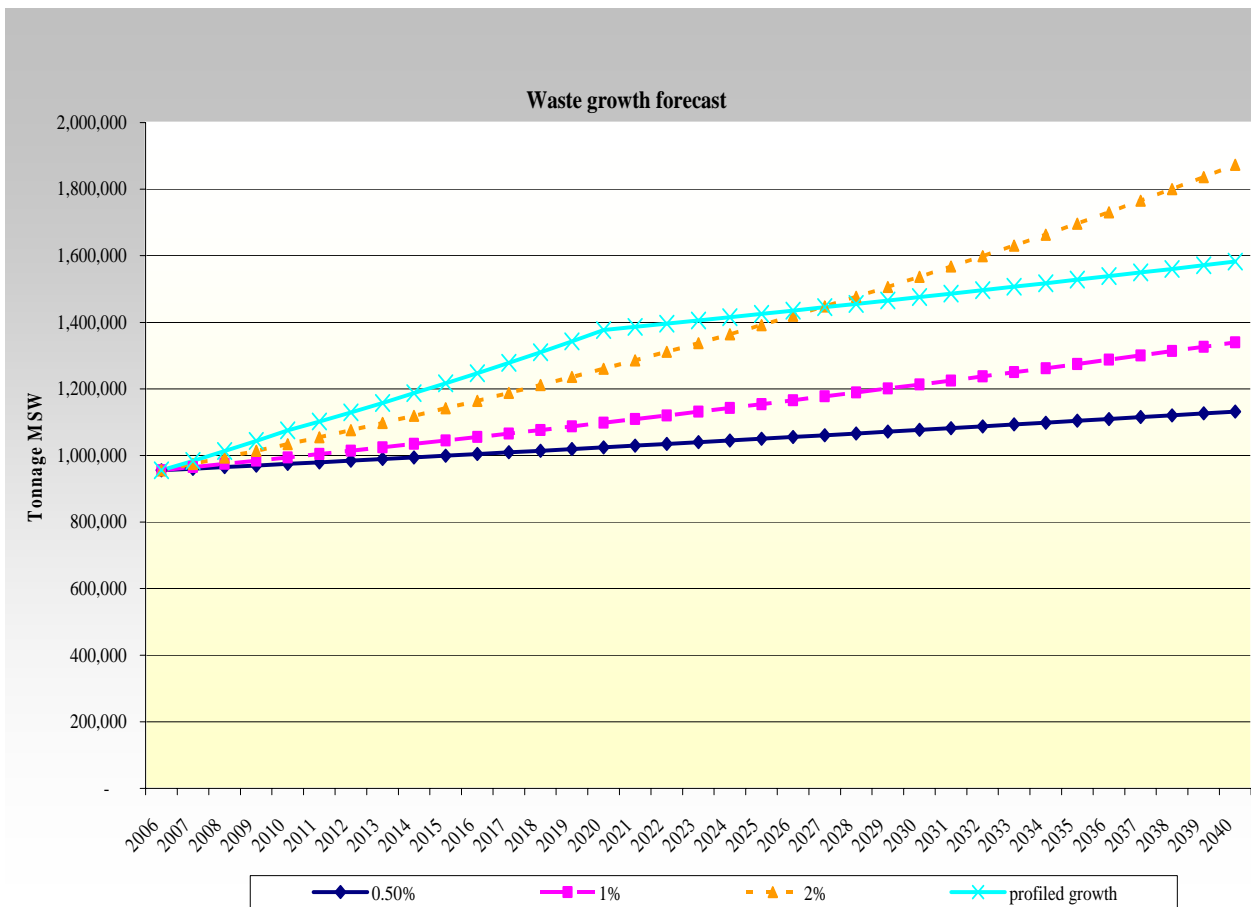
**Landfill Directive and North London Joint Waste Strategy  
- Low Growth**



6.16.7 During 2007-08, a new Waste Prevention Plan was produced by the eight partners to the NLJWS. This sets out a series of short to medium term actions to reduce waste growth which are to be delivered either by the Authority or the constituent borough councils either together or individually for the period 2008 -2010.

6.16.8 During the past year the Authority has carried out a reassessment of the waste tonnage projections originally prepared for the NLJWS. These show that the amount of waste 'per household' is rising more slowly than originally predicted. Although this slower rate of increase is partially offset by higher than anticipated growth in household numbers the revised overall projections are now showing a growth rate of 1% per annum rather than the previous 3% and 2.5%. The graph below shows the impact of changing waste growth rates throughout the strategy period. The growth in waste will continue to be monitored on an ongoing basis.

**FIG. 6 – THE IMPACT OF DIFFERING WASTE GROWTH RATES**



6.16.9 It should be noted that whilst the Landfill Directive does not limit in any way the amount of non-biodegradable municipal waste that can be landfilled, all of the municipal waste that cannot be sent to landfill must be composted, recycled or recovered. If the waste stream does increase beyond the predicted rates then the amount of waste that must be treated or recovered will grow substantially too as landfill restrictions increase, even if the Authority exceeds the very challenging NLJWS targets.

## 6.17 The Landfill Tax

6.17.1 The Landfill Tax is levied on all waste going for disposal to landfill sites. "Inactive" (or inert) wastes that pose no threat to the environment are charged a tax of just £2 per tonne, whereas other wastes are charged the full tax (£24 per tonne in 2007-08). In the 2007 Budget, the Chancellor of the Exchequer announced that the annual increase from 1<sup>st</sup> April 2008 and thereafter until at least 2010 – 2011, will be £8 per tonne each year (taking the 2008-09 active rate of tax to £32 per tonne), until it reaches £48 per tonne. The formerly indicated rise was by £3 per tonne annually until it reached £35 per tonne. The Chancellor announced too that the lower rate for inert wastes would rise to £2.50 per tonne from 2008-09.

6.17.2 Coupled with higher landfill gate prices resulting from increasingly rigorous environmental protection demands from the Environment Agency, the Landfill Tax is one of the Government's principal economic instruments to increase the amount of recycling and composting.

## **6.18 Waste Incineration Directive (WID)**

6.18.1 This Directive was approved to further reduce emissions to air and land and to reduce the environmental impact of all waste incineration facilities.

6.18.2 The Authority's contractor and joint venture company LondonWaste Ltd. carefully evaluated the best way forward under the circumstances, and as a result successfully modified various parts of the combustion and gas treatment equipment and processes at the Edmonton site in order to achieve compliance with WID by the end of 2005.

6.18.3 Further details regarding the Waste Incineration Directive emission limits and emission levels can be obtained from the Environment Agency.

## **6.19 Waste Electrical and Electronic Equipment (WEEE) Directive**

6.19.1 The WEEE Directive obligates retailers, importers and manufacturers of electrical and electronic goods to arrange for the separate collection and recycling of these products. The legislation was originally due to come into effect in the UK in 2005. However, it was finally implemented in the UK on 1<sup>st</sup> July 2007.

6.19.2 The impact of the legislation for waste disposal authorities is that from 1<sup>st</sup> July 2007, the producers of electrical and electronic equipment have paid for the collection and recycling of WEEE collected from householders subject to the following conditions:

1. That the material is collected and stored at an appropriately registered facility – a 'designated collection facility' or DCF.
2. That the material is divided up physically into different waste streams.
3. That the producer has not set up their own system of 'in-store' takeback as a mechanism for collecting the tonnage of WEEE which they are obliged to recycle from households.

6.19.3 The North London constituent borough councils agreed to the Authority registering their reuse and recycling centres as designated collection facilities for WEEE. Authority officers then selected through a tendering process a registered Producer Compliance Scheme (PCS), focussing on those schemes that were able to collect all five of the designated streams of WEEE. The Authority has been managing this service since 1<sup>st</sup> July 2007, and whilst the WEEE collection and recycling process are now free (so there are no financial economies of scale to be gained by a single contract), it is hoped that the joint working arrangements on WEEE bring operational benefits to all parties.

## **6.20 The London Mayor's Waste Strategy**

- 6.20.1 The Mayor for London published "*Rethinking Rubbish in London*", his final municipal waste management strategy in September 2003, having previously consulted very widely.
- 6.20.2 The Authority engaged fully and constructively in this process, submitting detailed comments on the Mayor's many draft policies and proposals. The most significant matters were the Authority's concern that the Mayor's recycling and composting targets were too high, that his desire to control London's Landfill Directive allowances was inappropriate, that the Mayor should not seek to create a single London-wide waste disposal authority (but that a single waste planning authority for London should be considered) and that the Mayor's apparent opposition to energy-from-waste incineration ought not be sustained whilst all alternatives for the treatment of residual wastes (other than landfill) remain unproven at an appropriate scale of operation for London. Notwithstanding the above however, the Authority was in broad agreement with most of the Mayor's draft policies and proposals, at least in principle.
- 6.20.3 A consultation carried out by the Office of the Deputy Prime Minister (ODPM) on the Single London Waste (Disposal) Authority took place during 2005-06 as part of a wider review of the powers of the Mayor. The Authority submitted a response to this review along the lines outlined above. The result of the review and subsequent GLA Act gave wider planning powers to the Mayor of London in relation to waste facilities, but did not take forward proposals for a Single London Waste Authority. However, a London Waste and Recycling board is expected in 2008-09, through which the GLA and local authorities can work together.
- 6.20.4 As noted above, the London Mayor has also published a draft business waste strategy, with draft revisions to this municipal waste strategy to follow. The Authority will respond to these as appropriate in 2008-09.

## **6.21 Other Legislative Requirements**

The Authority and its Constituent Boroughs will comply with all legislative requirements relating to waste management including other EU Directives, and will seek to ensure that all developing requirements assist the Authority in the pursuit of its shared strategic objectives with the Constituent Boroughs.

## **6.22 Implementation of North London Joint Waste Strategy**

- 6.22.1 As the Authority is moving forward with implementing the NLJWS it has continued to have regard to its responsibilities under the Best Value regime. It has approved a Waste Prevention Plan and a Procurement Strategy, both of which will have regard to the principles of best value (and other relevant legislation). Once the NLJWS is finally approved the Strategy Implementation Board meetings will identify further key improvement priorities where there is the greatest need or opportunity for improvement, and the specific outcomes that the Authority and its Partners expect to achieve as a result.
- 6.22.2 Much work has already been undertaken however to improve recycling and composting rates in North London, both in accordance with the draft NLJWS and the statutory performance standards.
- 6.22.3 The Authority and its partners will need to identify sources of finance to enable new facilities to be designed and built. European Commission and other regional and/or sub-regional funding sources will be sought and an Expression of Interest for PFI (Public Finance Initiative) credits was submitted as a result. The next step is for the Authority to proceed to the next stage of the application process by preparing an Outline Business Case (OBC) for credits; it is intended that this will be done in September 2008.
- 6.22.4 The Authority and four of its Constituent Borough Councils (Camden, Enfield, Hackney and Waltham Forest), were also successful in securing funding through a joint bid to the Waste and Resources Action Programme's Behavioural Change Local Fund in 2006-07. Funding of £300,000 over financial years 2006-07 and 2007-08 was awarded for a communication campaign to help increase recycling participation in calendar year 2007. Barnet and Hackney were also successful in securing additional local financial support from the Fund.
- 6.22.5 The NLJWS sets a framework for helping the Authority and its Constituent Boroughs to meet the targets for composting, recycling and recovery that have been set by the Government, and also to provide best value through flexibility in its waste management options. This will allow the Authority and Constituent Boroughs to take advantage of new technology and exploit new recycling and recovery options as they appear and prove themselves.
- 6.22.6 The Authority and its Constituent Boroughs have achieved further improvements to the level of recycling and composting in 2007-08. The Authority has always sent a large proportion of its residual waste for energy recovery through incineration, and the use of this waste management option is likely to continue alongside increasing recycling services. Flexibility in the NLJWS will help the Authority to maintain and build on this past performance.

6.22.7 The creation of the procurement project team to deliver the contractual arrangements to follow the current main waste disposal contract has required changes to the staffing structure. These changes will be resolved in 2008-09, although the changing nature of the procurement project team's workload in particular is likely to require on-going flexibility.

6.22.8 Work is also well underway regarding the preparation of a Joint Waste Development Plan Document (JWDPD) for land-use planning. This document will set the framework for locating waste facilities in North London between 2010 and 2020. It will identify suitable sites and set a policy framework for boroughs in making development decisions for new facilities. All boroughs have committed the necessary financial resources to take the work forward and a Programme Manager was appointed in 2006-07 and subsequently consultants were commissioned to produce and deliver the JWDPD and community consultation accompanying it. A submission to the Department for Environment, Food and Rural Affairs' Waste Implementation Programme in 2006-07 resulted in £100,000 of funding being awarded (spread over financial years 2006-07 and 2007-08) to help deliver the community consultation element of the programme. Planning delays and/or refusals could significantly impact upon the ability of the Authority and its Constituent Boroughs to deliver on the targets in the NLJWS so the importance of this work cannot be underestimated.

6.22.9 The Authority has its own aims in continuing and enhancing the services it currently provides for its users. The main objectives are as follows:

- i) To provide local facilities for the disposal of waste collected by our Constituent Boroughs. These disposal facilities will be:
  - Offering a disposal option over 24 hours, 365 days of the year.
  - Providing a turnaround time for standard vehicles of no more than 20 minutes.
  - Continuing to provide a healthy and safe working environment.
- ii) To provide information to constituent borough councils on transactions (dates, times, weights etc.) for Borough vehicles, within 24 hours, and to provide weekly transaction reports to each Borough within seven days.
- iii) To provide advice on all waste management issues to Constituent Boroughs
- iv) To finalise and implement a Joint Municipal Waste Management Strategy in partnership with all the Constituent Boroughs.

## 7.0 FINANCIAL STATEMENT

- 7.1 The services provided by the Authority are paid for by the seven London boroughs that make up the Authority's area, who then include this expenditure in their own budgets and council tax calculations. The payment comprises of two elements: a payment for household waste which is paid as a result of a levy on each borough and a separate charge for non-household waste, i.e. industrial and commercial wastes.
- 7.2 The Authority's net expenditure requirements for the year ahead and the basis for apportioning the levy are determined each year at the February meeting of the Authority. All Constituent Borough Councils must agree the method of apportioning the levy unanimously. In the event of failure to reach unanimous agreement a default arrangement is applied.
- 7.3 Since the formation of the Authority in 1986, there has never been unanimous agreement on an alternative method of apportioning the levy and therefore the Authority has relied upon the statutory default arrangements for apportioning the levy. For 2005-06 this meant that the levy was apportioned in proportion to each borough's council tax base. As this may not fairly reflect the real cost of disposal for boroughs, the Authority and its Constituent Borough Councils previously made representations to Government urging a change to a tonnage basis for apportioning the levy as part of the development and implementation of the North London Joint Waste Strategy. Following further consultation the Government changed the default arrangements for apportioning the levy to a tonnage basis from 1<sup>st</sup> April 2006. It should however be noted, that whilst the default arrangements provide for the majority of the Authority's expenditure (household waste) to be apportioned on a tonnage basis there remain some items of expenditure and income (other costs) that will continue to be apportioned on a council tax basis. For 2006-07 the household waste element represented 78% of the Authority's budget (excluding non-household waste) and 84% in 2007-08. The other costs element represents 22% in 2006-07 and 16% in 2007-08. Due to the additional cost that the change would bring to some constituent councils, the Government introduced a transitional arrangement that would enable the 'tonnage based levy' to be phased in over a three-year period. (In practice, this meant that in year one (2006-07), one-third, i.e. 33.3% of the household waste levy was apportioned on a per tonne basis and two-thirds on a council tax basis; in year two (2007-08), two-thirds, i.e. 66.6% and one third respectively, and in year three (2008-09) the full household waste levy will be allocated on a per tonne basis). The 2006-07 and 2007-08 levy has therefore been apportioned in line with the new statutory default arrangements.

- 7.4 In parallel with the Government's decision to change the default arrangements for apportioning the levy the Government also removed the duty for the joint waste disposal authorities to pay recycling credits to their Constituent Borough Councils as from 1<sup>st</sup> April 2006. The Authority, however, decided to pay a local recycling credit payment for both 2006-07 and 2007-08 to mirror the change to a tonnage based levy. The aim was to help constituent councils to adjust to both the levy changes and the cessation of the recycling credit scheme over the three-year transition period. This has had the effect of reducing the recycling credit payment by one-third of what it would have been in 2006-07 (but for the abolition of the statutory scheme) and by two-thirds in 2007-08.
- 7.5 The Authority owns a 50% interest in LondonWaste Ltd. its principal contractor. No dividend is expected to be paid for the foreseeable future as it is necessary for the Company to re-invest profits in the upgrade of the emissions control equipment at their energy-from-waste facility at Edmonton.
- 7.6 Since the formation of LondonWaste Ltd. in 1994, it has not been necessary for the Authority to incur expenditure of a capital nature. This is likely to change in the future years as the Authority embarks on a major procurement exercise to meet its future waste management requirements.
- 7.7 Details of the Authority's 2007-08 final outturn (subject to audit), together with details of actual expenditure and income for 2005-06 and the 2006-07 are set out below:

### Authority Budgets

|                              | <b>2005-06<br/>Actual</b> | <b>2006-07<br/>Actual</b> | <b>2007-08<br/>Original<br/>Budget</b> | <b>2007-08<br/>Final<br/>Outturn<br/>(Subject<br/>to audit)</b> |
|------------------------------|---------------------------|---------------------------|--|---|
|                              | £'000                     | £'000                     | £'000                                  | £'000   |
| <b>Expenditure</b>           |                           |                           |  |   |
| Transport and Disposal       | 30,059                    | 30,832                    | 32,131                                 | 30,088  |
| Other Treatment Costs        | 626                       | 2,157                     | 2,953                                  | 2,959   |
| Fridges and Freezers         | 463                       | 494                       | 218                                    | 119   |
| WEEE Directive etc           | 0                         | 229                       | 82                                     | 69  |
| Landfill Tax <sup>1</sup>    | 5,673                     | 6,245                     | 7,073                                  | 6,537   |
| Recycling Credits            | 8,655                     | 5,525                     | 3,477                                  | 2,966   |
| Other Recycling Initiatives  | 20                        | 461                       | 771                                    | 275   |
| Other Costs                  | 1,004                     | 1,411                     | 2,259                                  | 1,874   |
| LATS – Use of Allowances     | 6,182                     | 4,115                     | 5,875                                  | 2,284   |
| LATS – Transfer to reserve   | 139                       | 1,649                     | 808                                    | (630)   |
| <b>Total Expenditure</b>     | <b>52,821</b>             | <b>53,118</b>             | <b>55,647</b>                          | <b>46,541</b>   |
| <b>Income</b>                |                           |                           |  |   |
| Rents                        | (79)                      | (81)                      | (83)                                   | (84)  |
| Interest on Balances         | (1,258)                   | (1,219)                   | (788)                                  | (1,226)   |
| Dividend Income              | (0)                       | (0)                       | (0)                                    | (0)   |
| Bad Debt Provision           | 0                         | 147                       | 0                                      | (0)   |
| LATS Grant                   | (6,321)                   | (5,764)                   | (6,683)                                | (1,654)   |
| <b>Total Income</b>          | <b>(7,658)</b>            | <b>(6,917)</b>            | <b>(7,554)</b>                         | <b>(2,964)</b>  |
| <b>Net Expenditure</b>       | <b>(45,163)</b>           | <b>46,201</b>             | <b>48,093</b>                          | <b>43,577</b>   |
| <b>Contingency</b>           | <b>0</b>                  | <b>0</b>                  | <b>500</b>                             | <b>0</b>  |
| <b>Total Net Expenditure</b> | <b>45,163</b>             | <b>46,201</b>             | <b>48,593</b>                          | <b>43,577</b>   |
| <b>Financed by:</b>          |                           |                           |  |   |
| Balances b/fwd               | (6,354)                   | (9,987)                   | (4,808)                                | (5,120)   |
| Non-household Charges        | (6,959)                   | (8,103)                   | ((8,884)                               | (8,007)   |
| Levy                         | (41,837)                  | (33,231)                  | (34,901)                               | (34,901)  |
| <b>Total</b>                 | <b>(55,150)</b>           | <b>(51,321)</b>           | <b>(48,593)</b>                        | <b>48,028</b>   |
| Estimated Balances c/fwd     | (9,987)                   | (5,120)                   | 0                                      | 4,451   |

#### **1. Table Footnotes**

In October 1996 the Government introduced the landfill tax at a standard rate of £7 per tonne for general waste and a lower rate of £2 per tonne for inactive waste. The standard rate of tax increased from £15 to £18 per tonne in April 2005, from £18 to £21 per tonne in April 2006 and to £24 per tonne from 1<sup>st</sup> April 2007.

7.8 Variations in the figures above are due to a wide range of factors. Despite the increase in recycling activity by constituent borough councils the costs of waste disposal are continuing to rise because of the underlying growth in the waste stream, legislative requirements to dispose of waste more safely and fiscal measures introduced by central government to discourage the use of landfill. As a consequence the Authority's costs have continued to rise at above normal inflation levels. In particular:

- New for 2006-07 (and 2005-06 part) were the treatment costs associated with the new in-vessel composting facility that became operational in 2005-06 and the dry recyclable bulking arrangement, whereby the Authority arranges for the recycling of 'commingled' recyclable material collected by its constituent borough councils at a third party materials recycling facility. These were new services provided by the Authority. The centralisation of these services for its constituent borough councils is largely offset by a reduction in the Authority's recycling credit budget (boroughs would otherwise bear these costs directly and claim a recycling credit payment). This migration continued in 2007-08.
- The Authority's landfill tax liability is directly influenced by changes in the waste stream, the level of ash recycling activity achieved by LondonWaste Ltd, and also the stepped increase in the landfill tax rates set by Central Government as set out in the table footnote above.
- The cost of the recycling credit scheme reduced significantly over this period, in part to reflect the migration of recycling and composting service provision by the Authority (credits are not paid to a borough where the Authority incurs the cost of treatment) but also to reflect the phasing out of the recycling credit scheme (both referred to above). Discretionary payments to third parties will continue as previously but are expected to increase in number in line with the Government's expansion of the scheme to allow for reuse payments and to promote third party recycling.

- The Landfill Allowance Trading Scheme (LATS), which limits the amount of biodegradable waste that can be sent to landfill for final disposal came into effect on 1 April 2005, for financial year 2005-06. In its first year of operation the accounts show that the Authority had surplus allowances with a book value of £139,000. This figure rises to £262,000 if allowance is made for the post-year audit reconciliation (this was adjusted during the 2006-07 final accounts process). Compared with the original value of £20.20 for each allowance, subsequent (cumulative) surplus allowances at each financial year-end have been valued at £17.98 in 2006/07 and £5 in 2007/08. This price reflects the average price paid nationally during 2006/07 and 2007/08 respectively by those authorities that have needed to buy additional allowances to cover their landfill usage. Excess allowances will be carried forward for use in future years or sold, unless it is a target year, in which case any surplus allowances will be written-off and have no value. If surplus allowances are sold the price obtained will depend upon the actual market price prevailing at that time. At the 31 March 2008 the Authority is estimated to hold 231,603 surplus allowances with a book value of £1.158m. Given that the LATS market for surplus allowances is very lack-lustre ahead of the Government's first target year in 2009/10 (because of the large number of excess allowance held by the majority of waste disposal authorities) it is quite likely that the Authority's allowances will be written-off in due course. This is a notional cost only.
- The implementation of the WEEE Directive in the UK came into effect on 1 July 2007 as a consequence costs after this date are now borne by the producers of goods captured under this heading.

7.9 The Authority also receives a net income from the temporary investment of its cash balances. The income from interest on balances was £1.219m in 2006-07 reflective of a favourable cash flow, higher than anticipated balances retained, and an increase in interest rates. This level was maintained in 2007/08.

7.10 The level of residual waste delivered to the Authority by Constituent Borough Councils reduced from 789,867 tonnes in 2005-06 to 746,742 tonnes in 2007-08, i.e. a reduction of 43,125 tonnes (5.5%)<sup>3</sup>. However, the overall growth in the total waste stream (before allowing for borough recycling activity) has reduced by only 4,636 tonnes (0.5%) indicating that despite an increase in recycling there has been growth in the underlying waste stream of about 5% over this period.

7.11 Details of each borough's share of the levy and estimated charge for non-household waste in 2007-08 compared with the cost to boroughs in 2006-07 are set out below:

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<sup>3</sup> Note that the residual tonnages referred to in this paragraph relate to both household and non-household waste including fly-tipped wastes, and exclude commingled recycling and composted material.

### Waste Disposal Costs

|                | <b>2006-07<br/>Non -<br/>Household<br/>Charges<br/>(Final<br/>Outturn)</b> | <b>2006-07<br/>Levy</b> | <b>2006-07<br/>Total cost<br/>to<br/>Boroughs</b> | <b>2007-08<br/>Non -<br/>Household<br/>Charges<br/>(Final<br/>Outturn)</b> | <b>2007-08<br/>Levy</b> | <b>2007-08<br/>Total cost<br/>to<br/>Boroughs</b> |
|----------------|--|-------------------------|---|--|-------------------------|---|
|                | <b>£</b>   | <b>£</b>                | <b>£</b>  | <b>£</b>   | <b>£</b>                | <b>£</b>  |
| Barnet         | 1,017,680  | 6,850,696               | 7,868,376   | 987,311  | 6,900,756               | 7,888,067   |
| Camden         | 1,760,996  | 4,645,670               | 6,406,666   | 1,715,703  | 4,775,052               | 6,490,755   |
| Enfield        | 662,750  | 5,385,547               | 6,048,297   | 665,178  | 5,439,507               | 6,104,685   |
| Hackney        | 1,223,243  | 3,775,584               | 4,998,827   | 1,350,417  | 4,409,679               | 5,760,096   |
| Haringey       | 1,099,506  | 4,462,986               | 5,562,492   | 1,071,171  | 4,785,359               | 5,856,530   |
| Islington      | 1,333,693  | 4,124,231               | 5,457,924   | 1,274,965  | 4,349,561               | 5,624,526   |
| Waltham Forest | 1,004,918  | 3,986,286               | 4,991,204   | 943,094  | 4,241,086               | 5,184,180   |
| <b>Total</b>   | <b>8,102,786</b>   | <b>33,231,000</b>       | <b>41,333,786</b>                                 | <b>8,007,839</b>   | <b>34,901,000</b>       | <b>42,908,839</b>                                 |

## **8.0 BEST VALUE PERFORMANCE INDICATORS AND TARGETS**

### **8.1 Best Value Performance Indicators (BVPIs)**

- 8.1.1 As part of an integrated approach the Department for Environment, Food and Rural Affairs together with the Office of the Deputy Prime Minister (ODPM) published a number of Best Value Performance Indicators (BVPIs) specifically for Waste Disposal Authorities. Best Value Indicators are measures of performance set by the departments in central government and they are called Best Value Performance Indicators or BVPI's, as they have only been set since the duty of *best value* on local authorities came into effect under the Local Government Act 1999. The indicators establish a management framework based on performance. The Authority is obliged to report on designated indicators, stating its performance and up until 2008 setting targets for the following year.
- 8.1.2 From 2008-09 these BVPI's will be replaced by a new set of 'National Indicators' or 'NI's'.
- 8.1.3 This document however is focussed on 2007/08 in which year Waste Disposal Authorities' Best Value Performance Indicators are split into three categories:

### **8.2 Corporate Health BVPIs**

- 8.2.1 The North London Waste Authority does not directly employ any staff. Two of the Constituent Boroughs (Camden and Haringey) provide officer support through both part-time and full-time employees instead.
- 8.2.2 Under these circumstances the Authority considers that it remains inappropriate to publish these indicators.

### **8.3 Statutory Environmental Service BVPIs for Waste Disposal Authorities – APPENDIX 1, TABLE 1**

- 8.3.1 These indicators are designed to show how well the Authority performs in providing its waste disposal services. Users can then monitor the improvements in performance over time, and also make comparisons with other Waste Disposal Authorities.
- 8.3.2 The service BVPIs have been designed by the Government to reflect a balanced approach in the assessment of performance, and the statutory performance standards set are designed to contribute to national compliance with the Landfill Directive.

8.3.3 Table 1 in Appendix 1 outlines the Authority's performance on each of these indicators with the exception of BVPI 90c. As the reuse and recycling centres within North London are provided and operated by the Constituent Borough Councils under the Refuse Disposal (Amenity) Act 1978 BVPI 90c, (the percentage of people expressing satisfaction with civic amenity sites), the Authority does not report BVPI 90c.

#### **8.4 Local Performance Indicators**

##### **– APPENDIX 1, TABLE 2 (attached at the end of this Plan)**

8.4.1 Specific requirements of Constituent Borough Councils and local sensitivities can be mirrored within these local performance indicators. Targets set will establish the speed at which local improvements in service will be made.

8.4.2 After 2001/2002 the definition of recycling to be used in calculating the amount of household waste recycled for indicator BVPI 82a was altered. Specifically, prior to, 2001/2002, the recycling rate included the amount of incinerator ash recycled, but after 2001/2002, this element was excluded. The result was a significant fall in the Authority's recycling rate as reported by this indicator due to the large amount of ash and ash products that were included in the rates published in previous years. Since its second Best Value Performance Plan, the Authority decided to report the amount of household waste that is recycled in the Authority both including and excluding the ash products as local performance indicators. This will show the amount of ash product that is recycled and diverted from landfill. Reporting this indicator allows both trends to be monitored.

8.4.3 The Authority is also continuing to publish recycling, composting, energy recovery and landfill as average weights per head and per household to allow more transparent comparisons with other waste management services both in the U.K. and abroad in the future.

8.4.4 As already outlined, in the Local Government White Paper, *Strong and Prosperous Communities*, the Government committed to implementing a new performance framework that would reduce unnecessary burdens and support a rebalanced central-local relationship and this new indicator set was announced in October 2007 as part of the Comprehensive Spending Review process. This new set of national indicators will replace several existing sets including the BVPIs. 2007-08 is the final year of reporting against the current BVPI set.

## 8.5 Best Value Performance Indicator Targets

- 8.5.1 Legally binding targets for recycling and composting were set by the Government as statutory performance standards for 2005-06, 2006-07 and 2007-08 for all Waste Disposal Authorities. The North London Waste Authority is pleased to have exceeded these standards. Other targets continue to be set locally by the Authority.
- 8.5.2 Historically the Government also required targets to be set which would improve the Authority's services to a level in line with the performance set by the top 25% of Local Authorities. The Government said in the guidance that it expected best value authorities to set targets for BVPIs with the aspirations of reaching the top quartile of current performers over five years. The Authority has therefore published the Government's most recent (2005 – 06) upper quartile data for metropolitan areas (shown at Appendix 1) for comparative purposes.
- 8.5.3 The comparative figures in Appendix 1 show the Authority as being comfortably above the average comparator for combined recycling and composting (with a combined recycling and composting rate 24.34% in 2007-08 compared to the average of 19.83%) for metropolitan areas in 2005-06. The Authority is also within the upper quartile performance of 23.3%, although it should be noted that we are comparing 2007-08 performance of the Authority with averages for other areas from 2005-06. The Authority is also some way below the upper quartile for recovery of waste, (with 39.4% of the Authority's household waste treated in this way, compared to the metropolitan upper quartile figure of 49.29%), but this is believed to be the result of the energy-from-waste facility in south-east London serving single, unitary boroughs, whereas the Authority's performance is necessarily an average across our seven boroughs. The same principle applies to waste sent to landfill, but in reverse.
- 8.5.4 The Authority's average kilogrammes of household waste per head of population figure (464 kg/head) is also outside of the upper quartile, and also worse (i.e. greater than) the metropolitan average of 461.2kg. These figures are however subject to many different methods of calculation. Also, because unitary authorities operate in different ways and to different legislation in some cases to the statutory joint waste disposal authorities such as NLWA, comparative analysis can be used only as an approximate guide to relative performance.
- 8.5.5 The targets set for 2004-05, 2005-06, 2006-07 and 2007-08 represent an even transition to the combined recycling and composting rate of 35% in 2010 contained within the June 2008 draft North London Joint Waste Strategy (NLJWS). The Authority's targets are set to ensure continuous improvement in the light of the new national waste strategy and its higher reuse, recycling and composting targets and an additional target to reduce the amount of household waste not reused, recycled or composted.

## **8.6 Action to achieve targets**

- 8.6.1 The Authority's statutory performance standards for the amount of waste collected, the percentage recycled and the percentage composted are at present very dependent upon the decisions and actions of the Constituent Borough Councils. The key area in which the Authority was historically able to arrange recycling itself, via its contractor, i.e. ash recycling, is no longer included.
- 8.6.2 In this context, progress towards these targets will be monitored as complete quarterly information becomes available, a process which effectively encourages comparisons between the relative effectiveness of the different approaches of different boroughs. Late in 2005-06 a review of longer term tonnage projections for both recycling and composted material and residual tonnages also took place to provide further benchmarking, this information has recently been updated as part of waste flow modelling being carried out for procurement purposes and for the SEA of the NLJWS. This information is being shared between the Constituent Borough Councils and will be used in future performance management. With the move to a tonnage based levy the link between the recycling and composting performance of the Authority and its Constituent Borough Councils will be much stronger. Progress has also been made through the development of the NLJWS, within which both the Boroughs and the Authority are working in partnership to find and implement the most cost-effective and sustainable means of achieving our common objectives. Our progress with the NLJWS is described more fully at Chapter 6.
- 8.6.3 The challenge for 2007-08 was to hit and remain ahead of targets in the face of increased waste growth, cessation of the London Recycling Fund and therefore London specific infrastructure funding and the need for continued promotion in the face of high population turnover and the requirement to make the majority of residents regular and 'committed recyclers'. The indicators for 2007-08 show that continued small improvements have been made in recycling and composting with a small decline in energy recovery, with +1.18, +0.34 and -0.40 percentage point movements respectively between 2006-07 and 2007-08.
- 8.6.4 The statutory targets for the cost of waste disposal per tonne and the percentages landfilled and used for energy recovery are within the Authority's control only to a limited extent, as at present they are largely dependent upon increases in the level of landfill tax and the physical capacity of the Authority's relevant contracted waste handling facilities. The Authority is examining, however, ways of encouraging the contractor to maximise the diversion from landfill of the Authority's waste.

- 8.6.5 During the past financial year (2007-08) the quantity of household waste collected per head of population decreased from 476.04 kg per person in 2006-07 to 460.61 kg per person in 2007-08. Although this figure is within the 2004-05 target level of 483.5 kg of household waste collected per head of population, it is still higher than the 2001-02 figure of 458 kg per head. The Authority, as already outlined, has developed a Waste Prevention Plan with the aim of reducing both household and local authority collected non-household waste growth.
- 8.6.6 It should be noted that because the measurement method for calculating the amount of household waste within the municipal waste stream is changing in North London, it is not going to be valid to make comparisons from 2008-09 onwards with previous years. The initial priority in 2007-08 has been to update the calculations and then to start monitoring using the new updated methodology from 1<sup>st</sup> April 2008 onwards.
- 8.6.7 Opportunities to research the impact of more 'restrictive' measures to encourage residents to throw away less, such as minimising bin sizes or moving to alternate weekly collections will also be available into the future. The initial Waste Prevention Implementation Plan specifically identified an action to carry out a piece of research on this issue. At the time of writing this work is nearly complete. However, it is believed that further improvements beyond those in the Waste Prevention Plan and the NLJWS will need additional Government action including continuation of work being carried out by the Waste and Resources Action Programme (WRAP) to minimise packaging waste on a range of household products.
- 8.6.8 Finally, when comparing the figures for the amount of household waste produced per person, between different disposal authorities, it should be noted that different methods of calculating the amount of household waste within the municipal waste stream prevail between different waste disposal authorities. Secondly, as noted before, the method by which the household element of the municipal waste stream in North London is calculated is being updated. This means that comparisons must be treated with caution.
- 8.6.9 The Authority's local performance level for availability of disposal facilities and the processing of Borough vehicles are under constant review to ensure their achievement.

## **8.7 Historical Comparisons of Best Value Performance Indicators**

- 8.7.1 General comments have been made above, and further outline comments on the variations in the Authority's BVPI's for 2007-08 are included in Appendix 1. The amount of household waste collected by the Boroughs for recycling and composting and separated from the residual waste stream by the Authority's contractors decreased from 776,728 tonnes in 2006-07 to 775,073 tonnes in 2007-08, a decrease of 0.2%.
- 8.7.2 The percentage of waste used to generate electricity (39.4%) slightly decreased in 2007-08, compared to 2006-07 (39.8%).

8.7.3 From now onwards the Authority's prime concern is managing within its allocation of tradable landfill allowances.

## **8.8 Comparisons of BVPIs with other Joint Waste Disposal Authorities – APPENDIX 1, TABLE 3 (attached at the end of this Plan)**

8.8.1 At Appendix 1, Table 3 comparisons are shown between the North London Waste Authority and the other five statutory joint waste disposal authorities. North London's recycling rate ranks fifth and our composting rate ranks fourth out of the six statutory joint waste disposal authorities, based upon the data available. Despite improving its absolute performance the Authority has slipped relatively in position; by one place in the ranking compared to 2006-07 on both the recycling and composting performance, showing that whilst performance has improved, it has not improved as much as some of the other statutory joint waste disposal authorities.

8.8.2 Past comparisons of BVPI 82a (the percentage of the total tonnage of household waste recycled) are difficult because of different circumstances in each area, some of which have now changed, some of which have not. As examples, whilst the NLWA's indicator benefited from ash and ash metal recycling in the past, others benefited from the recycling of abandoned cars (which is a delegated function in the NLWA area, and not included). Differences still remain because of differing definitions of "household waste" making year-on-year comparisons difficult. There also still remain very different methods of calculating the proportion of the municipal stream that is classified as "household waste" and that which is "non-household waste", which still affect the figures published by waste disposal authorities.

8.8.3 The development of new recycling and composting facilities is a key objective of the North London Joint Waste Strategy, discussed in detail in Chapter 6. The construction of a bulky waste recycling facility and the in-vessel composting facility, both through LondonWaste Ltd. at their Edmonton site, as well as the interim bulking agreement whereby LondonWaste Ltd. is transporting commingled recyclables to a third party materials recycling facility, are the first steps in this direction.

8.8.4 The relative performance on BVPI 82c, the percentage of household waste tonnage used for heat or power generation, varies tremendously according to the availability of a suitable facility. The NLWA is contracted to LondonWaste Ltd., owners and operators of the Edmonton Solid Waste Incineration Plant, and consequently delivers a relatively high proportion of its waste to this facility. Greater Manchester also has some access to a nearby facility so consequently shows a BVPI 82c indicator which is relatively high. The variations on BVPI 82d, the percentage of household waste sent to landfill sites, are effectively a mirror image of this.

- 8.8.5 The amount of household waste collected per head of population also varies considerably between the different statutory joint waste disposal authorities indicating outstanding differences in the way in which each waste disposal authority has calculated the household element of the municipal waste stream to reflect local operational differences and historical precedents, as already noted above.
- 8.8.6 Variations in the cost of disposing of municipal waste may also be a further reflection of the methods of identifying the “non-household” element of the municipal waste stream, and the consequent amounts charged to the Constituent Boroughs for their disposal. In North London, this is coming under close consideration as we assess how to allocate costs more fairly and how to jointly introduce new co-ordinated services and facilities through the NLJWS.

## **9.0 UPDATE ON PAST REVIEWS OF SERVICES**

9.1 Whilst the most significant work in the last three years has been on the development of the North London joint Waste Strategy (as detailed in Chapter 6), it remains important not to lose sight of the Authority's first two Best Value Reviews.

9.2 The conclusions of the Authority's first Best Value Review on the Transport and Disposal of Civic Amenity Waste (chosen due to the conclusion of the prevailing contract) are fully implemented now, with new contractual arrangements having been tendered and the contract started in September 2003; indeed preparations for the next contract are now beginning. The second Best Value Review on the Arrangements for the Storage and Disposal of Abandoned Vehicles Combined with Disposal Arrangements for Dumped Tyres (chosen due to expected legislative change) was completed as far as possible until the precise nature of the legislative change became certain.

### **9.3 Transport and Disposal Arrangements for Waste from Reuse and Recycling Centres (RRCs)**

9.3.1 The principal challenge to the way in which this service was being operated was to question whether the Authority should continue with a single contract for both the transport and disposal elements of the service, or whether these should be separated. The Review concluded to separate these services in order to obtain the most competitive prices possible for the transport element, and to place the disposal of these wastes within the Main Waste Disposal Contract.

9.3.2 Within the transport contract the opportunity was also taken to provide the Constituent Borough Councils with prices for the transportation of their recyclable wastes, taking advantage of a competitive tender across all seven Boroughs. The rates secured are good, and all of the Constituent Boroughs with their own direct RRCs are now benefiting from these.

9.3.3 This contract was awarded to LondonWaste Ltd. As the contracting process pre-dated the Code of Practice on Workforce Matters in Local Authority Service Contracts (issued as Annex C to ODPM Circular 03/2003 to regulate the transfer of staff), it was not assessed against the requirements of the Code. The Code also applies at present only to principal local authorities but the Authority will follow the Code or tailored guidance for statutory joint waste disposal authorities as the Authority starts its preparations for the next contract.

9.3.4 It was agreed during 2007-08 to extend this contract until 2010 as the service has been of a good standard, and the cost is linked to the retail price index to protect value for money.

## **9.4 Arrangements for the Storage and Disposal of Abandoned Motor Vehicles Combined with Disposal Arrangements for Tyres**

9.4.1 Arrangements for the storage and disposal of abandoned motor vehicles have been fully delegated to the Boroughs, whereas the collection and disposal of fly-tipped tyres remains an issue for both the Boroughs and the Authority.

9.4.2 The principal consideration within this Review was the End-of-Life Vehicles (ELVs) Directive (2000/53/EC), which set targets for reuse, recycling and recovery, and introduces storage and treatment standards for ELVs.

9.4.3 The targets set in the Directive were:

- to increase reuse and recovery to 85% by weight and recycling to a minimum of 80% by weight 1<sup>st</sup> January 2006
- to increase reuse and recovery to 95% by weight and recycling to a minimum of 85% by weight by 1<sup>st</sup> January 2015

9.4.4 The Directive also required:

- manufacturers to design vehicles with recyclability and reuse in mind
- systems to be established to ensure that all vehicles are collected and transferred to an authorised treatment facility, for “de-pollution” (i.e. the full and proper removal of all potential pollutants).

9.4.5 As the arrangements for compliance with the ELV Directive became clear, it was concluded that the Authority’s delegation to the Constituent Borough Councils regarding the destruction of relevant vehicles should continue for the foreseeable future. It should also be noted that the related work on tyres in particular is now progressing and the Authority is reviewing the current arrangements with a view to tendering a new tyre contract during the forthcoming year.

## **9.5 External Factors**

9.5.1 The Authority has co-dependency with its Constituent Boroughs, whose services for the collection of municipal wastes and the provision of reuse and Recycling Centres are directly reliant upon the efficient manner in which the Authority exercises its primary function of disposing of waste. The Authority recycling rate is dependent on the recycling activities in the Boroughs.

9.5.2 Additionally there has been and will be external factors, which the Authority cannot entirely control that have impacted or may impact on the Authority’s services. These include:

- The re-location of the Rail Transfer Station at Hendon as part of a major redevelopment of the Cricklewood area.
- The provision and operation of reuse and recycling centres.
- The statutory performance standards for recycling and composting and Constituent Borough Local Area Agreements (LAAs), and the new National Indicators in the future.
- The way in which the Government enacts European Legislative requirements.
- The Mayor of London's review of his strategies for all waste in the Capital and climate change impacts.
- Changes resulting from the new way in which the Authority assesses the amount of non-household waste in the mixed municipal waste stream.
- The new changes to the way in which the Authority recovers its costs from the Boroughs for the disposal of household waste, from a levy based on the number of Council Tax band D properties to, a levy based mostly on the actual tonnage the Boroughs deliver, with 2007-08 being the last transitional year and 2008-09 the first year in which the new system will be fully applied.
- The cessation of the statutory recycling credits scheme and the voluntary introduction of a biodegradable waste diversion incentive and a Landfill Allowance premium added onto non-household waste charges invoiced to the Constituent Borough Councils. Furthermore, the Authority has agreed to phase recycling credits out over three years (to mirror the introduction of the tonnage-based levy).

9.5.3 In February 2002, Statutory Instrument No. 2002/305 revoked the requirement for the Authority to review all its functions in a five-year cycle. This change allowed the Authority to cease the piecemeal reviews of its various waste services and instead to focus attention on the development of the North London Joint Waste Strategy.

9.5.4 Opportunities for improved value for money will be kept under review, but it has to be recognised that there is now only one principal local service provider, LondonWaste Ltd and that the wastes are almost fully contracted to LondonWaste Ltd in any case under the Main Waste Disposal Contract until December 2014. The Authority's principal focus now must be on delivering new waste recycling, composting and recovery infrastructure to support the NLJWS, particularly post 2014 when the Authority's contract with LondonWaste Ltd. comes to an end. This must all be done in consultation with stakeholders and using the full rigour of the relevant procurement legislation.

## **10.0 RESOURCES**

- 10.1 The Best Value approach of the North London Joint Waste Strategy (NLJWS) in 2007-08 was resourced mostly by officers of the Authority and the Constituent Boroughs but with specific external resources for the review of the recycling tonnage projections and performance previously mentioned and recently appointed consultants to help with the procurement process to ensure service delivery post 2014 when the current 'main waste disposal contract' comes to an end. The Authority funded the development of the NLJWS and continues to coordinate its implementation.
- 10.2 Adequate budgets have been established for the principal forthcoming work areas in 2007-08 and going forwards into 2008-09 and beyond; the major procurement work has required the establishment of a budget of £700k in 2007-08 for additional internal and consultancy support
- 10.3 The use of a mixture of external, Borough and Authority expertise is intended to give an independent approach to the process and critical analysis of the findings. This approach is expected to continue.

## **11.0 EFFICIENCY IMPROVEMENTS**

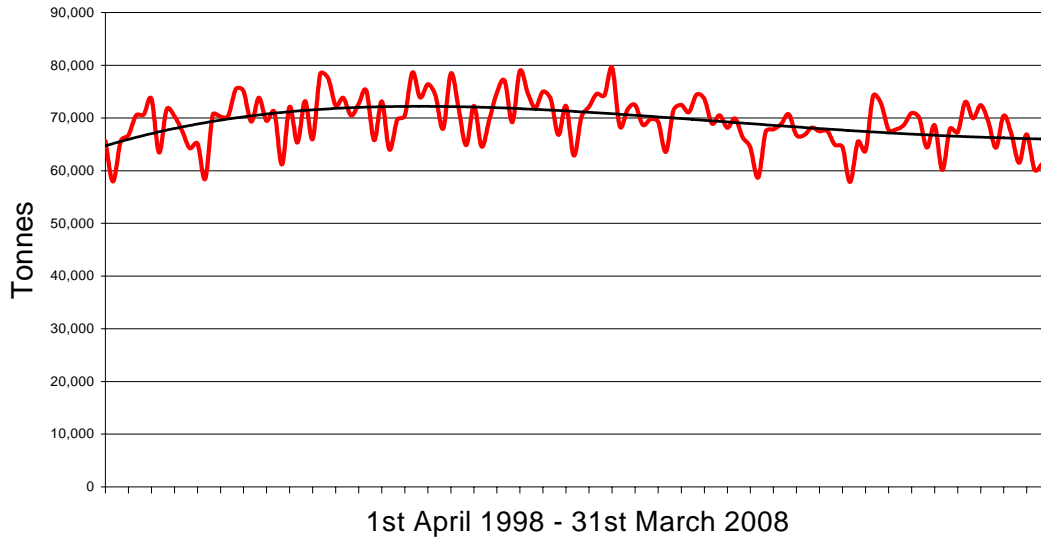
- 11.1 The commencement of the new contract for the transport of civic amenity wastes brought improvements to this service in as efficient a manner as possible, and will now provide stability and opportunity until 2010. Arranging for the disposal of this waste stream through the Main Waste Disposal Contract at the originally tendered price per tonne (plus inflation) ensured value for money for eleven years (until the end of that contract).
- 11.2 The review of the tyre contract is nearing completion. Additionally the move to having WEEE collected from Borough reuse and recycling centres by a producer compliance scheme has provided an opportunity for a review of operations. This has also moved the service from a chargeable to a free service.
- 11.3 In all other areas the Authority is looking very closely at how it can most efficiently achieve its own statutory recycling and composting performance standards, and assist the Constituent Boroughs achieve theirs in a joined-up way. Beyond that, the Authority has been looking closely at the Landfill Directive, the Waste & Emissions Trading Act and the Landfill Allowance Trading Scheme, the Gershon requirements and other forthcoming proposals with the same goal of efficiency and best value.
- 11.4 In all cases the Authority will:
- Clearly identify the end objectives of change to all users;
  - Monitor and control the process of change;
  - Ensure all resources and pre-requisites are in place;
  - Recognise all external dependencies;
  - Ensure that quality standards are maintained; and
  - Identify any risks involved.
- 11.5 An indication of the Authority's performance can be judged by the benchmarking of service BVPIs of all statutory Waste Disposal Authorities. The results can be seen in Appendix 1, Table 3 at the end of this Plan.

## 12.0 WASTE TRENDS

### 12.1 Total Residual Municipal Waste Disposed

12.1.1 In order to evaluate future waste trends the Authority has analysed historical data. From this analysis the total tonnage disposed increased from 744,178 tonnes (1995-96) to 867,336 tonnes (2002-03), an increase of 16.5% (123,158 tonnes) that is equivalent to just under 2% growth per annum in waste presented by the Constituent Borough Councils to the Authority for disposal. However, since then there has been a decrease in the waste stream to 826,004 tonnes (2004-05) and further decreases to 796,847 tonnes in 2005-06 (including material presented for composting), 776,728 tonnes in 2006-07 and 775,073 tonnes in 2007-08. This represents an 11% decrease in the annual tonnage for disposal, between 2002-03 and 2007-08, although the longer term trend during the thirteen-year analysis 1995-96 to 2007-08 is equivalent to a 4% increase. The long term increase and more recent decrease in residual tonnage must also be looked upon in the context of increased recycling and composting by the Constituent Borough Councils. The amount of waste being generated per person also increased from 2002-03 to 2005-06, but has then decreased. Table 1, Appendix 1 shows the increase in the kg of household waste collected per head which shows an increase from 477.53 kg per head in 2002-03 to 480.23 kg per head in 2005-06 and then the decrease to 463.66 kg per head in 2006-07 and to 460.61 kg per head in 2007-08. Through the monthly variations in Figure 7 a trend line has been plotted to show more clearly the year on year changes in total municipal waste presented for 'disposal' to the Authority (note that the figures in the graph below **include** the tonnage which went to the Compost Centre during the year).

**FIG. 7 - MONTHLY TREND IN MUNICIPAL WASTE  
DISPOSED BY THE AUTHORITY**



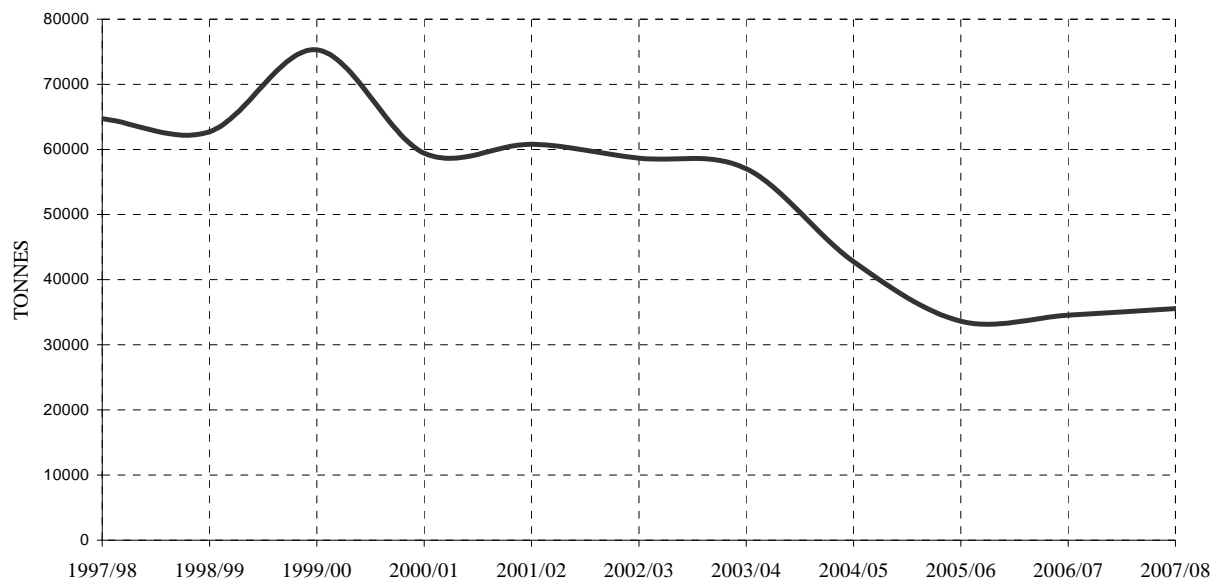
## **12.2 Reuse and Recycling Centre (Civic Amenity) Waste**

12.2.1 The tonnage from Reuse and Recycling Centres (RRCs) is included within the total waste arising shown in the previous section. RRC waste is household waste that is delivered by residents to designated sites within the Constituent Boroughs. The figures show an ongoing decrease in the tonnage of waste arising from these sites. This has been due to a combination of:

- Site closures (both temporary and permanent).
- Restrictions imposed on opening times, non-residents and the introduction of permits to discharge for vans.
- Site redesign to enable residents to separately deposit a wider range of materials for recycling and improved signage and vehicle flows to encourage residents to recycle as much as possible when they arrive at the sites.
- The introduction and extension of bulky waste collections and furniture reuse schemes in particular which mean that material which might previously have been deposited at the reuse and recycling centres by residents is now collected direct from residents' homes (for recycling and reuse).

12.2.2 In 2007-08 35,562 tonnes of RRC residual waste was handled. RRC residual waste showed a slight increase compared to 2006-07, but the long term trend is downwards as a result of higher recycling rates and more rigorous access restrictions.

**FIG. 8 - 10 YEAR TREND IN RE-USE AND RECYCLING CENTRE RESIDUAL WASTE 1997/1998 TO 2007/2008**



12.2.3 The Authority does not provide or operate RRCs. Future changes in the tonnage levels can and will occur due to operational changes made by Constituent Boroughs.

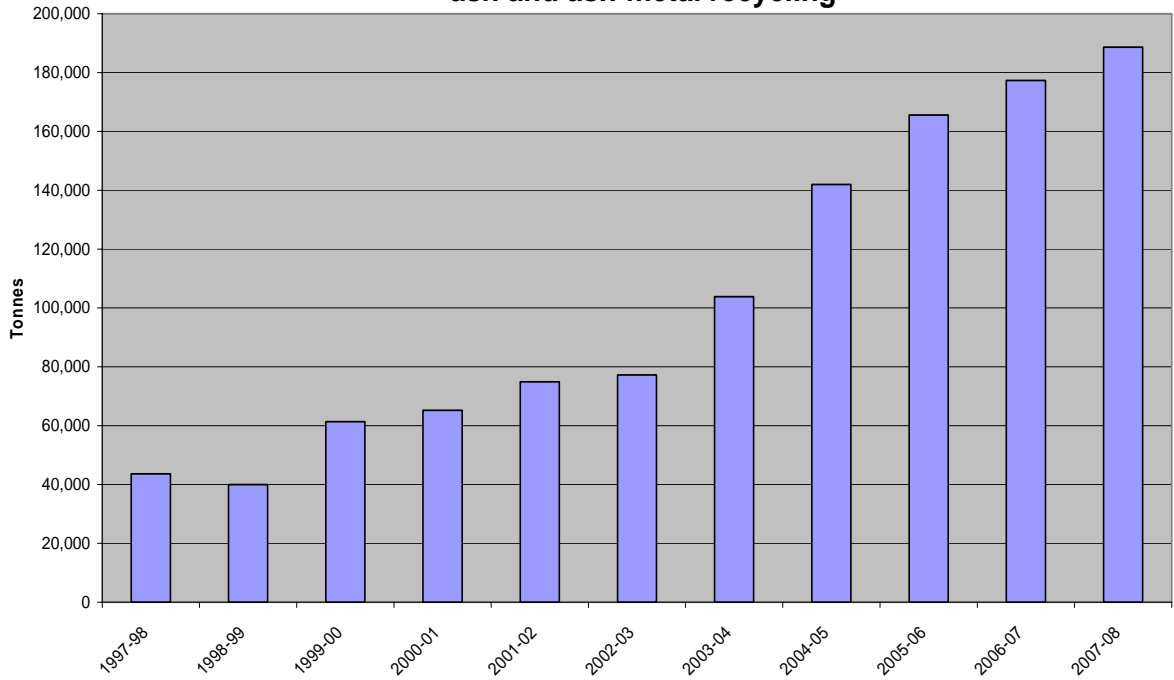
### 12.3 Recycling Waste

12.3.1 The total amount of **household waste recycled and composted** by the Authority and the Boroughs has increased nearly thirteen-fold from 1992-93 (14,584 tonnes) to 2007-08 (**188,645 tonnes**). This means that the Authority had a combined recycling and composting rate of 24.34% of its household waste in 2007-08. This is some way off the 35% target to be achieved by 2010 but still represents a good achievement.

12.3.2 Recycling and composting across the Authority area has increased rapidly in recent years. This has been mainly due to the Constituent Boroughs introducing and expanding kerbside recycling schemes, and to improvements in the design and operation of Reuse and Recycling Centres. In percentage terms the composting figures for 2007-08 show a greater improvement than dry (paper, glass etc) recycling, although the tonnage amounts are smaller.

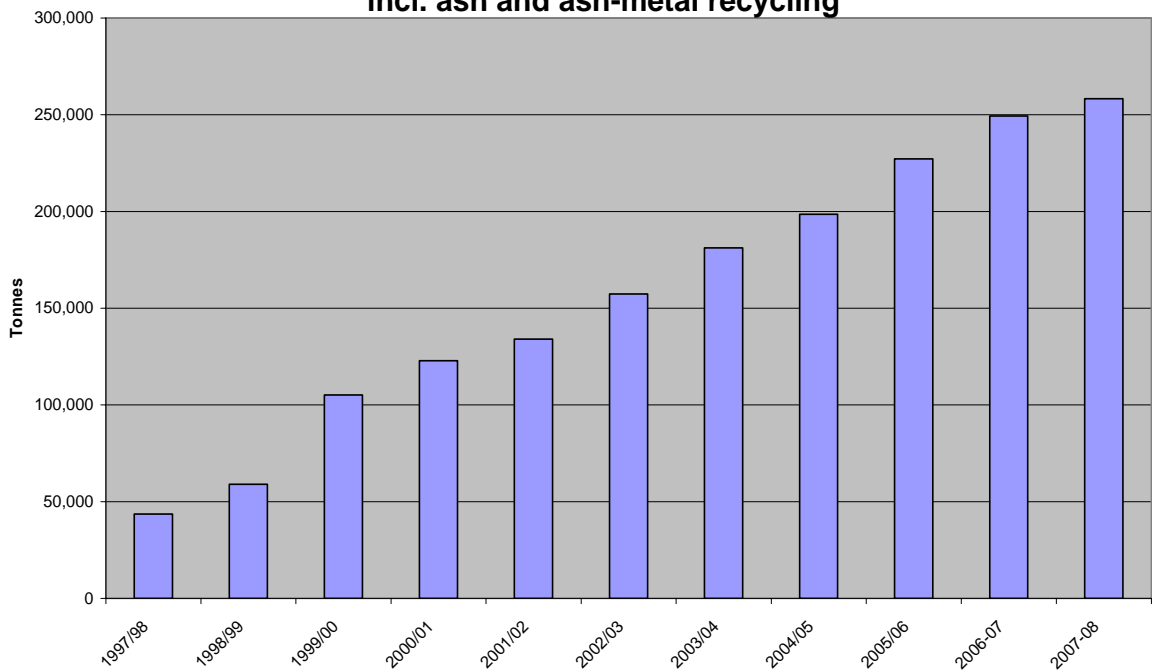
12.3.3 The first graph below shows the amount of waste recycled and composted by the Authority and the Constituent Boroughs over the past 10 years excluding ash and ash-metal recycling.

**FIG. 9 - Amount of household waste recycled and composted excl. ash and ash-metal recycling**



12.3.4 The second graph shows the amount of waste recycled and composted by the Authority and the Constituent Boroughs over the past 10 years including ash and ash-metal recycling.

**FIG. 10 - Amount of household waste recycled and composted incl. ash and ash-metal recycling**



## **13.0 CONSULTATION**

- 13.1 The Authority has historically placed its draft Best Value Performance Plan in the public domain in April each year by publishing it with the Authority agenda and other papers for the next Authority meeting and placing it on the Authority web-site. This is principally an opportunity for the Constituent Borough Councils to engage with the Plan.
- 13.2 Once the draft is approved, subject to election period restrictions, when and if relevant, a press release is issued to relevant newspapers to encourage wider input.
- 13.3 The North London Recycling Forum – now the Recycling Forum – is also informed, so that a broad range of relevant and interested stakeholders can express views.
- 13.4 As a result of the consultation process there were no comments received or resultant changes made to the draft 2008 plan. However, some changes were incorporated as a result of final data and information becoming available.
- 13.5 The Best Value Performance Plan, for 2007-08 'Best Value Performance Report' is also sent to neighbouring waste disposal authorities and the London Mayor.

## **14.0 PUBLISHING**

- 14.1 From a legal perspective it is a duty under the Local Government Act 1999 for all councils to produce an annual plan, and to make a summary of the plan available to the households and business within its administrative area.
- 14.2 From 2002 councils are expected to put a summary of performance against the plan within the annual council tax statements that are distributed to each house. As the Authority does not issue council tax statements this requirement is not applicable.
- 14.3 The other requirement for all Best Value Authorities is to produce a full performance plan, which is not distributed to every household. The requirement in this instance is for the 'council' to make this plan available at key public buildings such as libraries, town halls and council information points within its area.
- 14.4 In the case of the Authority, the Best Value Performance Plan or in this last year 'Report' is published annually. Copies are placed in Constituent Boroughs' public buildings as required above. Service users can also obtain a copy of the Report by contacting the Authority directly via letter, telephone, fax or e-mail. A notice will be issued to local newspapers, outlining these methods of obtaining the plan.
- 14.2 The Authority also has its own website, where all the Authority's public reports are published, including the current Best Value Performance Report and previous Best Value Performance Plans. The address of the website is:

**[www.nlwa.gov.uk](http://www.nlwa.gov.uk)**

**If you would like to comment on the Best Value Performance Plan or any aspect of the Authority's functions then please write to:**

**North London Waste Authority,  
Camden Town Hall,  
Judd Street,  
London,  
WC1H 9JE**

**APPENDIX 1 - TABLE 1  
STATUTORY ENVIRONMENTAL SERVICE BEST VALUE PERFORMANCE INDICATORS**

| CODE     | INDICATOR   | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2005/06<br>Mets Upper<br>Quartile | 2005/06<br>Mets<br>Average | 2004/05  | 2005/06  | 2006/07  | 2007/08  | COMMENT   |
|----------|---|---------|---------|---------|---------|---------|-----------------------------------|----------------------------|----------|----------|----------|----------|---|
|          |   | Actual  | Actual  | Actual  | Actual  | Actual  |                                   |                            | Target   | Target   | Target   | Target   |   |
| BVPI 82a | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % RECYCLED   | 10.81%  | 14.02%  | 15.27%  | 15.81%  | 16.99%  | 15.01%                            | 12.85%                     | 11.00%   | 14.00%   | 17.00%   | 19.00%   | The NLWA 2005/06 standard for the Authority was already exceeded in 2004/05. Future targets are set to lead to the Joint Waste Strategy target for 2010.  |
| BVPI 82b | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % COMPOSTED  | 2.41%   | 4.26%   | 5.62%   | 7.01%   | 7.35%   | 8.29%                             | 6.98%                      | 3.00%    | 4.00%    | 6.00%    | 7.00%    | The Authority's contractor provides bulking facilities to transfer green wastes to a central composting facility outside the Authority's area. The new, local in-vessel facility began operation in September 2005. Targets have been set as for recycling.   |
| BVPI 82c | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES | 40.43%  | 39.62%  | 34.35%  | 39.80%  | 39.40%  | 49.29%                            | 19.71%                     | none set | none set | none set | none set | The percentage of waste incinerated in 2005/2006 was reduced due to works being undertaken (and therefore additional planned downtime) at the plant to ensure its compliance with the Waste Incineration Directive by December 2005. The Authority will continue to aim for high diversion from landfill. It will then aim to manage within its allocations of Landfill Allowances.   |
| BVPI 82d | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % LANDFILLED   | 46.35%  | 42.11%  | 44.75%  | 37.38%  | 36.26%  | 29.63%                            | 59.88%                     | none set | none set | none set | none set | The Authority will continue to aim for high diversion from landfill. It will then aim to manage within its allocations of Landfill Allowances.  |
| BVPI 84  | Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD  | 476.35  | 470     | 480.23  | 463.66  | 460.61  | 433.6kg                           | 461.20kg                   | 483.50   | 490.75   | 498.11   | 505.58   | The Authority will develop waste prevention initiatives with the constituent boroughs under the North London Joint Waste Strategy. These, effectively aim to stabilise growth to 1.5% p.a. per person. 2007/08 saw a small decrease in the amount of household waste collected per head compared to 2006/07.  |
| BVPI 87  | COST OF WASTE DISPOSAL PER TONNE OF MUNICIPAL WASTE   | £42.35  | £49.86  | £49.61  | £49.52  | £47.08  | £36.49                            | £41.23                     | £54.12   | £57.19   | £59.81   | £63.29   | The current target was achieved. Future targets are based on achieving budget provisions & forecasts for the next 3 years, & provide for significant increased expenditure as a result of growth in waste arisings, general inflation, higher rates of landfill tax, higher costs of rail transportation and disposal, the higher cost of the new Hornsey Street waste transfer station with reduced environmental impacts, and the possible relocation of the Hendon facility. |

\*Source of comparative data: <http://www.audit-commission.gov.uk/performance/downloads/2006-07UsersurveyBVPIswithDistricts.xls>

| APPENDIX 1 - TABLE 2                         |  |         |         |         |         |         |          |   |
|--|--|---------|---------|---------|---------|---------|----------|---|
| NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS |  |         |         |         |         |         |          |   |
| CODE   | INDICATOR  | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2004/05  | COMMENT   |
|  |  | Actual  | Actual  | Actual  | Actual  | Actual  | Target   |   |
| 1  | THE PERCENTAGE OF THE TOTAL WASTE SENT TO LANDFILL FOR DISPOSAL THAT IS SENT BY RAIL OR WATER  | 54.25%  | 55.47%  | 44.58%  | 44.58%  | 44.58%  | None set | The Authority uses rail transport and is keen to explore water-borne transport. This is a more expensive overall disposal route under current contractual arrangements, so striving towards it is in direct conflict with BVPI 87 (cost/tonne). The Authority will nevertheless continue to report it for public information. |
| 2  | THE NUMBER OF DISPOSAL FACILITIES AVAILABLE FOR THE RECEIPT OF WASTE FROM THE CONSTITUENT BOROUGHES - 24 HOURS A DAY, 365 DAYS OF THE YEAR         | 2       | 2       | 2       | 2       | 2       | 2        | The Edmonton energy-from-waste plant and the FPP road transfer station continue to offer a 24 hour, 365 days service.   |
| 3  | THE PERCENTAGE OF BOROUGH VEHICLES THAT EXCEED A 20 MINUTE TURNAROUND TIME WHEN DEPOSITING WASTE AT THE AUTHORITY'S DESIGNATED DISPOSAL FACILITIES | <0.5%   | <0.5%   | <0.5%   | <0.5%   | <0.5%   | <0.5%    | In order to maintain the efficient services of the constituent boroughs' waste collection services. The target has been amended to add meaning, as an absolute NIL is unlikely.   |
| 4  | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - PERCENTAGE RECYCLED EXCLUDING INCINERATOR RESIDUES.   | 10.81%  | 14.02%  | 15.27%  | 15.81%  | 16.99%  | 11.00%   | Excludes amount composted   |
| 5  | TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - PERCENTAGE RECYCLED INCLUDING INCINERATOR RESIDUES.   | 22.52%  | 25.20%  | 24.62%  | 25.10%  | 26.00%  | None set | Excludes amount composted   |

APPENDIX 1 - TABLE 2 cont.

| NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS |  |         |         |         |         |         |         | COMMENT  |
|--|--|---------|---------|---------|---------|---------|---------|--|
| CODE   | INDICATOR  | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2004/05 |  |
|  |  | Actual  | Actual  | Actual  | Actual  | Actual  | Target  |  |
| 6  | TOTAL KG WASTE COLLECTED PER HEAD                                | 476     | 470     | 480     | 464     | 461     | 483.50  | These are a series of new local indicators designed to facilitate more meaningful comparison with the performance of other waste authorities by using average weights rather than percentages. They refer back to BVPIs 82 - 84. No targets are set. |
| 7  | KG PER HEAD RECYCLED EXCLUDING INCINERATION RESIDUES)            | 52      | 86      | 73      | 73      | 78      | None    |  |
| 8  | KG PER HEAD RECYCLED INCLUDING INCINERATION RESIDUES)            | 105     | 120     | 118     | 116     | 120     | None    |  |
| 9  | KG PER HEAD COMPOSTED  | 11      | 20      | 27      | 33      | 34      | None    |  |
| 10   | KG PER HEAD USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES | 193     | 237     | 165     | 184     | 181     | None    |  |
| 11   | KG PER HEAD DIRECTLY LANDFILLED                                  | 221     | 158     | 215     | 173     | 167     | None    |  |
| 12   | KG PER HEAD LANDFILLED (I.E. INCLUDING INCINERATION RESIDUES)    | 221     | 214     | 216     | 173     | N/A     | None    |  |

APPENDIX 1 - TABLE 2 cont.

| NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS |   |         |         |         |         |         |          |  |
|--|---|---------|---------|---------|---------|---------|----------|--|
| CODE   | INDICATOR   | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2004/05  | COMMENT  |
|  |   | Actual  | Actual  | Actual  | Actual  | Actual  | Target   |  |
| 13   | TOTAL KG WASTE COLLECTED PER HOUSEHOLD                                | 1,089   | 901     | 1,097   | 1,116   | 1,114   | None set | These are a series of new local indicators designed to facilitate more meaningful comparison with the performance of other waste authorities by using average weights rather than percentages. They refer back to BVPIs 82 - 84. No targets are set. |
| 14   | KG PER HOUSEHOLD RECYCLED EXCLUDING INCINERATION RESIDUES)            | 118     | 195     | 167     | 166     | 189     | None set |  |
| 15   | KG PER HOUSEHOLD RECYCLED INCLUDING INCINERATION RESIDUES)            | 240     | 274     | 269     | 280     | 289     | None set |  |
| 16   | KG PER HOUSEHOLD COMPOSTED  | 26      | 46      | 62      | 77      | 82      | None set |  |
| 17   | KG PER HOUSEHOLD USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES | 440     | 540     | 377     | 444     | 439     | None set |  |
| 18   | KG PER HOUSEHOLD DIRECTLY LANDFILLED                                  | 505     | 360     | 491     | 417     | 404     | None set |  |
| 19   | KG PER HOUSEHOLD LANDFILLED (I.E. INCLUDING INCINERATION RESIDUES)    | 505     | 489     | 493     | 417     | N/A     | None set |  |

APPENDIX 1 - TABLE 3

| BVPIs - COMPARISON WITH OTHER STATUTORY JOINT WASTE DISPOSAL AUTHORITIES |  |         |               |             |             |                   |                    |            |
|--|--|---------|---------------|-------------|-------------|-------------------|--------------------|------------|
| CODE   | INDICATOR  | YEAR    | NORTH LONDON  | WEST LONDON | EAST LONDON | WESTERN RIVERSIDE | GREATER MANCHESTER | MERSEYSIDE |
| BVPI 82a   | % OF HOUSEHOLD WASTE RECYCLED                        | 2003-04 | 10.81%        | 13.35%      | 6.40%       | 13.68%            | 7.41%              | 6.79%      |
|  |  | 2004-05 | 14.02%        | 14.12%      | 8.90%       | 16.48%            | 11.61%             | 9.19%      |
|  |  | 2005-06 | 15.40%        | 15.91%      | 11.08%      | 20.23%            | 15.64%             | 11.88%     |
|  |  | 2006-07 | 15.81%        | 19.76%      | 13.52%      | 22.07%            | 26.80%             | 13.70%     |
|  |  | 2007-08 | <b>16.99%</b> | 20.41%      | 15%         | 20.41%            | 19.8% TBC          | 18.05%     |
| BVPI 82b   | % OF HOUSEHOLD WASTE COMPOSTED                       | 2003-04 | 2.41%         | 3.69%       | 1.60%       | 1.09%             | 2.69%              | 3.21%      |
|  |  | 2004-05 | 4.26%         | 5.94%       | 3.60%       | 1.12%             | 4.92%              | 4.21%      |
|  |  | 2005-06 | 5.49%         | 8.68%       | 4.00%       | 1.83%             | 6.86%              | 6.76%      |
|  |  | 2006-07 | 7.01%         | 10.16%      | 4.73%       | 1.73%             | Included in 82a    | 8.60%      |
|  |  | 2007-08 | <b>7.35%</b>  | 11.44%      | 5%          | 1.84%             | 9.47% TBC          | 11.25%     |
| BVPI 82c   | % OF HOUSEHOLD WASTE USED TO RECOVER HEAT AND POWER  | 2003-04 | 40.43%        | 0.09%       | 7.60%       | 0.06%             | 8.24%              | 0.07%      |
|  |  | 2004-05 | 39.62%        | 0.09%       | 8.10%       | 0.06%             | 8.40%              | 0.06%      |
|  |  | 2005-06 | 34.35%        | 0.01%       | 6.29%       | 0.07%             | 9.00%              | 0.06%      |
|  |  | 2006-07 | 39.80%        | 0.01%       | 9.47%       | 0.22%             | 10.52%             | 0.05%      |
|  |  | 2007-08 | <b>39.40%</b> | 0.01%       | 5.50%       | 0.13%             | 7.13% TBC          | 0.04%      |
| BVPI 82d   | % OF HOUSEHOLD WASTE LANDFILLED                      | 2003-04 | 46.35%        | 82.86%      | 84.10%      | 85.17%            | 81.63%             | 89.93%     |
|  |  | 2004-05 | 42.11%        | 79.84%      | 79.40%      | 82.34%            | 75.07%             | 86.54%     |
|  |  | 2005-06 | 44.75%        | 75.31%      | 78.63%      | 77.88%            | 68.00%             | 81.30%     |
|  |  | 2006-07 | 37.38%        | 69.98%      | 64.11%      | 75.79%            | 62.63%             | 77.65%     |
|  |  | 2007-08 | <b>36.26%</b> | 68.05%      | 55%         | 73.77%            | 63.56%             | 70.66%     |
| BVPI 84a   | Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD             | 2003-04 | 476           | 444         | 537         | 386               | 594                | 569        |
|  |  | 2004-05 | 470           | 454         | 490         | 387               | 539                | 581        |
|  |  | 2005-06 | 480           | 441         | 473         | 374               | TBC                | 566        |
|  |  | 2006-07 | 464           | 435         | 470         | 387               | 513                | TBC        |
|  |  | 2007-08 | <b>461</b>    | 425         | 472         | 381               | 510 TBC            | 547        |
| BVPI 84b   | HOUSEHOLD WASTE COLLECTION (% CHANGE IN Kg PER HEAD) | 2007-08 | <b>-0.66%</b> | -2.30%      | 0.06%       | -0.31%            | -2.62% TBC         | -2.54%     |
| BVPI 87  | COST OF MUNICIPAL WASTE DISPOSAL PER TONNE           | 2003-04 | £42.35        | £35.35      | £52.86      | £37.25            | £47.65 (est.)      | £38.22     |
|  |  | 2004-05 | £49.86        | £37.66      | £56.63      | £41.40            | N/A                | £41.09     |
|  |  | 2005-06 | £49.61        | £39.92      | £56.16      | £48.33            | £57.92             | £46.67     |
|  |  | 2006-07 | £49.52        | £42.64      | £61.84      | £50.78            | £76.35             | £54.72     |
|  |  | 2007-08 | £47.08        | TBC         | £79.78      | £59.33            | £61.37 TBC         | £59.42 TBC |
| BVPI 157   | % INTERACTIONS ENABLED FOR 'E-DELIVERY'              | 2007-08 | Deleted       | Deleted     | Deleted     | Deleted           | Deleted            | Deleted    |



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### **Auditor’s report to North London Waste Authority on its 2007/08 best value performance plan**

#### **Authority’s Responsibilities**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements. Under the Local Government Act 1999 (the Act) the Authority is required to prepare and publish a best value performance plan summarising the Authority’s assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Authority is responsible for the preparation of the plan and for the information and assessments set out within it. The Authority is also responsible for establishing appropriate corporate performance management and financial management arrangements from which the information and assessments in its plan are derived. The form and content of the best value performance plan are prescribed in section 6 of the Act and statutory guidance issued by the Government.

#### **Auditors’ Responsibilities**

We are required by section 7 of the Local Government Act 1999 and the Audit Commission’s statutory *Code of Audit Practice* to carry out an audit of the Authority’s best value performance plan, certify that we have done so, and report:

- any matters that prevent us from concluding that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where appropriate, making any recommendations under section 7 of the Local Government Act 1999.

**Audit. Tax. Consulting. Corporate Finance.**

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**Report and recommendations**

We certify that we have audited the Authority's 2007/08 best value performance plan in accordance with section 7 of the Local Government Act 1999 and the Audit Commission's statutory *Code of Audit Practice*.

In preparing our report we are not required to form a view on the completeness or accuracy of the information or the realism and achievability of the assessments published by the Authority. Our work, therefore, comprised a review and assessment of the plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the plan complied with the requirements of the legislation and statutory guidance.

We have not identified any matters to report to the Authority.

We have no recommendations to make on procedures in relation to the plan.

30 November 2007

*Deloitte & Touche LLP*

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United Kingdom