BEST VALUE

PERFORMANCE PLAN 2006

'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 PLAN 2006

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NORTH LONDON WASTE AUTHORITY

BEST VALUE PERFORMANCE PLAN 2006

1.0 BEST VALUE AND PERFORMANCE PLAN 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 Plan 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 Plan have been derived. The Authority is satisfied that the information and assessments included in the Plan are in all material respects accurate and complete and that the Plan 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 Plan, 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 Plan.***

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 15th December 1994. At the same time, a twenty-year contract for the transfer and disposal of the Authority's waste was awarded to LondonWaste Ltd.

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. 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 Additional duties and responsibilities now fall to the Authority beyond its initial role of waste disposal. 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. The Authority also leads the development of and is now implementing a North London Joint Waste Strategy (NLJWS) together with the Constituent Borough Councils. The NLJWS provides the framework and the appropriate management systems to achieve all 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 2005-06 the Authority has also embarked upon an anticipated four year process to review and let a contract or contracts for all Authority services, albeit that commencement dates for many or most will not be until December 2014. This is because the 'main waste disposal contract' through which the Authority provides a service to the constituent borough councils comes to an end at that time. Whilst this procurement process is not reported upon further within this plan, it is being carried out according to the principles of Best Value.

3.0 INTRODUCTION TO BEST VALUE.

3.1 The Local Government Act 1999 places 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. Authorities must produce reports on their past and current performance and how they plan to improve the service in the future. They must also work towards meeting national and local targets, while consulting with users of their services to ensure that services provided match users' requirements.

3.2 Best Value is part of the Government's plan for modernising local government. The NLWA is defined as a "Best Value Authority" within Section 1 of the Local Government Act 1999. The requirements of Best Value (sometimes referred to as the 'five Cs') are to:

- **Challenge** why and how services are provided the way they are.
- **Compare** the Authority's performance to that of other similar organisations.
- **Consult** with users of the services provided by the Authority, including other authorities, the private sector and the public to determine their opinions.
- Ensure **competition** to demonstrate that the services are being delivered efficiently and effectively.
- Ensure **co-operation** between authorities.

3.3 It is essential that the Authority plays it's 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 2000*, as subsequently developed by the Government's Strategy Unit in "*Waste Not Want Not*"; the London Mayor's municipal waste strategy *Rethinking Rubbish in London* and the Waste and Emissions Trading Act 2003. The integration of the above Best Value principles into all of the Authority's work is seen as key to achieving this. At a local level, the Statutory Performance Standards for recycling and composting set by the Government for the Authority and each of the Constituent Borough Councils individually have also already required change in accordance with the above principles.

3.4 This Best Value Performance Plan is intended to advise service users of the steps that the Authority is taking towards providing "Best Value" in the delivery of its services.

3.5 This is the Authority's seventh Best Value Performance Plan. It includes details of the Authority's current performance and compares it to similar organisations and the targets that have been set. This Best Value Performance Plan continues to follow the pattern of previous documents even though Government advice has allowed the simplification of these documents. The reason for retaining the more comprehensive format is to aid the comparability between this and plans for previous years and because it also helps give the necessary context to residents who want to understand the Authority and its work. Like the plans prepared for previous years, this year's plan also includes details of the progress made in implementing the decisions following previous Best Value Review work and shows other work planned for 2006-07.

3.6 The Best Value Performance Plan is subject to audit by an External Auditor. The same auditor is used to audit the financial accounts as for auditing this plan. The External Auditor's report on last year's Best Value Performance Plan is included in this plan.

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

4.1 Last year's "Best Value Performance Plan 2005" 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 then noted that there is a requirement, where appropriate, to recommend procedures to be followed by the Authority in relation to the Best Value Performance Plan, but stated that they considered there were no matters to be brought to the Authority's attention.

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 Council's re-use & 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 (paragraphs 5.7 to 5.9).
- 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 6.18).

Each of these duties in 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 waste (household and 'trade' waste from businesses) which is collected by the seven Constituent Borough Councils (collectively known as 'municipal waste') and presented to the Authority for disposal. This waste is disposed by the Authority under the 'Main Waste Disposal Contract' with LondonWaste Ltd. The total amount of waste collected by the Constituent Borough Councils and disposed in this way for 2005-06 was 796,847 tonnes. (This includes 6,581 tonnes delivered for composting to a new Compost Centre at Edmonton, on the same site as the solid waste incineration plant and the fuel preparation plant mentioned below). Excluding material delivered to the Edmonton Compost Centre, the waste was delivered for disposal 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. The facility receives all of Enfield's and Waltham Forest's waste, and the majority of Hackney's and Haringey's waste together with small amounts from the other three boroughs: Barnet, Camden and Islington. The waste is tipped into five bunkers from which it is loaded by crane into hoppers leading into the incinerator furnaces. There are five furnaces which, 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 (some 90%) is exported to the national grid, thereby reducing the use of fossil fuels.

Ferrous and non-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 produce materials that are suitable for use in the road building and construction industries as a substitute for natural aggregates. This reduces the amount of quarrying activity elsewhere in the country.

During the past year the incinerator furnace combustion processes and emission controls have been upgraded in order that the facility complied with the Waste Incineration Directive in December 2005 at a cost of circa £26 million.

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 Plant (FPP)** – This facility is a road transfer station, where bulky municipal and commercial waste is crudely sorted to 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 Bedfordshire, Hertfordshire, Essex and Northamptonshire. The FPP is within the same site at Edmonton as the energy-from-waste facility described above.

Bulking bays have been installed so that paper, green waste, construction and demolition wastes and scrap metal that are delivered separately to the site can remain segregated and subsequently despatched for composting or recycling and so that obvious quantities of these materials delivered into the main tipping hall can be pulled out and transferred to the bulking bays for transfer to recycling elsewhere.

The bulky waste recycling facility which has been constructed alongside the FPP is also aimed at increasing the amount of recycling of metals, wood, green waste and construction wastes that are delivered from special bulky waste collections and from re-use and recycling centres (civic amenity sites). Additionally, mixed dry recyclable wastes collected by Haringey are bulked up here for onward transportation to a third party sorting facility.

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. A replacement site has been identified and negotiations are underway regarding the precise nature of the replacement facility and the method by which any such facility might best be procured.

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

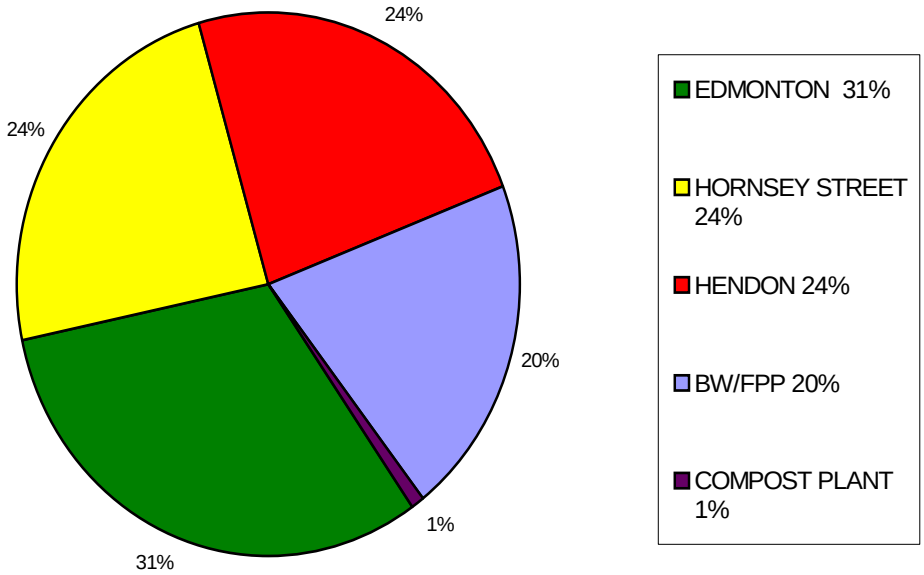
The waste transfer operation includes recycling bays where paper, scrap metal, glass, steel and aluminium cans, commingled recyclable material, refrigeration equipment and construction waste, collected by the Boroughs is bulked up prior to onward transfer to other sites for reprocessing.

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.

5.3 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). During the year, the planned 'down time' of the incinerator was considerable, as a result of the work necessary to comply with the Waste Incineration Directive, which was carried out on a furnace by furnace basis. As a result, a greater proportion of the waste went to landfill compared to previous years.

FIG. 1 - PROPORTION OF WASTE DELIVERED TO EACH OF THE AUTHORITY'S CONTRACTED FACILITIES, 2005-2006



5.4 A number of smaller contracts exist for the recycling or disposal of specific waste streams, as shown below:

- **Clinical Waste** – This type of waste is directed to the clinical waste disposal facility provided by LondonWaste Ltd. at Edmonton through their subsidiary company Polkacrest Ltd. This amounts to some 0.05% of the total 796,847 tonnes disposed.

- **Construction Waste** – The Authority no longer has a contract for the recycling of construction waste as this is now carried out by the relevant Constituent Borough Councils, which then claim a recycling credit from the Authority. The waste continues to be recycled into different grades of aggregate and is subsequently sold to the construction industry.

- **Asbestos** – Cement asbestos deposited at Enfield's Carterhatch Lane re-use and recycling centre (prior to its closure on 30th October 2005) and Islington's Hornsey Street re-use and recycling centre is transported by Biffa Waste Services Ltd. in especially designed containers to Pinden Plant & Processing Ltd. at Dartford, Kent for disposal.

- **Tyres** – Boroughs are directed to ETD Ltd. in Edmonton for the disposal of their tyres. Those tyres that are not suitable for re-use are sent for use as fuel in cement manufacturing.

- **Cathode Ray Tubes** – a North London wide trial collection of television screens and monitors started in August 2005, due to run until January 2006 (when it was anticipated that the rest of the WEEE Directive would be implemented). Six of the Constituent Borough Councils are taking part; each uses their re-use and recycling centres to store the screens which are then collected by one of two companies for recycling. As the Government has postponed new WEEE legislation, the Authority has had to extend its temporary arrangements.

5.5 The transport and disposal of household waste from Constituent Borough Councils' Re-use and Recycling Centres (formerly known as Civic Amenity Sites).

5.5.1 Within the Authority's area, re-use and recycling centres (RRCs) are provided at nine sites. The Authority's responsibility is for transporting and disposing of the waste from these sites. In 2005-06 the Authority disposed of 33,616 tonnes of waste from the following RRCs (down from 41,106 tonnes in 2004-05):

- Barnet: Summers Lane
- Camden: Regis Road
- Enfield: Barrowell Green[1]
- Haringey: Park View Road
- Islington: Hornsey Street and Hornsey High Street[2]
- Waltham Forest: Gateway Road[3], 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. Greater detail is available in Chapter 9 of this document.

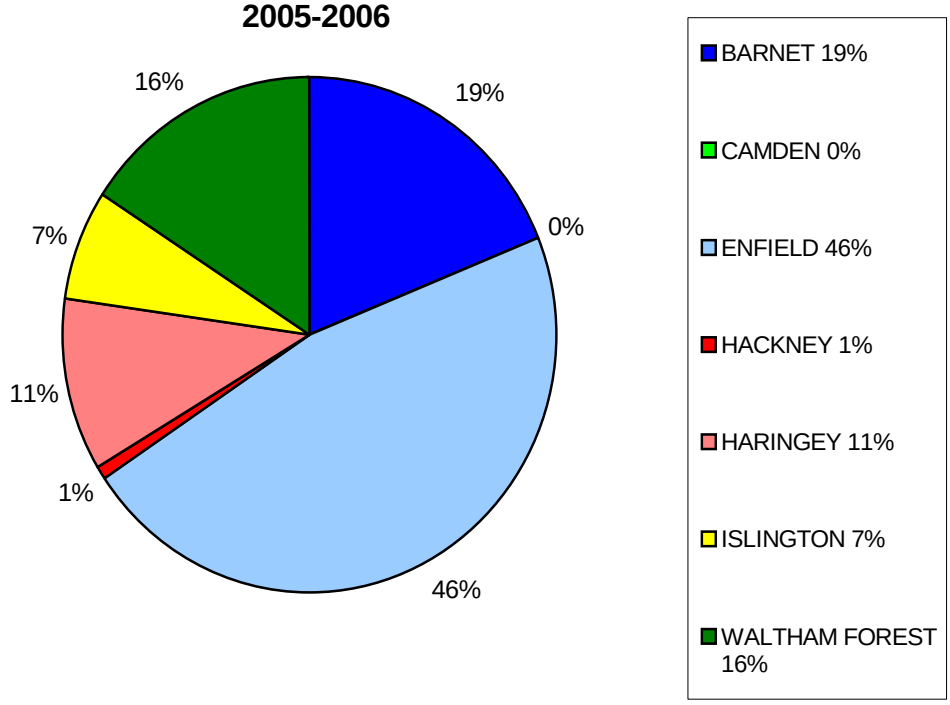
[1] The Re-use and Recycling Centre at Carterhatch Lane was closed on 30th October 2005.
[2] Hornsey High Street is a new site which opened fully on 20th March 2006.
[3] This new site was built in 2004-05 with £500,000 funding from the London Recycling Fund. Bywaters Waste Management is running the site on behalf of Waltham Forest and it is due to open shortly.

5.5.3 The Authority took the opportunity of seeking tendered rates for the transportation of recyclable wastes on behalf of the Constituent Borough Councils 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 Borough Councils with RRC's are now benefiting from this contract in some way.

5.5.4 There has been a net improvement in the development of RRCs in the Authority's area, with two additional new facilities being built in Haringey and Waltham Forest, but one being closed in Enfield. Camden is in the process of upgrading its RRC at Regis Road.

5.5.5 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 2005-2006



Note: Hackney does not have a reuse and recycling centre (civic amenity site), so the proportion of waste referred to above from Hackney relates to Hackney's proportion of waste going in to the Hornsey Street transfer facility. Camden's site was closed for receipt of waste during the period although it continued to accept recyclables.

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 Borough Councils, 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 the continuing 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 has still not been possible to bring this Review to its full conclusion.

5.6.3 It subsequently became apparent that it would not be 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 proceeded to install the necessary equipment. The historic arrangements have therefore continued.

5.6.4 For the 2004-05 year, there were 11,324 abandoned vehicles across the seven Constituent Borough Councils. For 2005-06 the figure reduced to 6,398.

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. The Authority supported this activity by paying statutory “recycling credits” to the Boroughs and to local charities during 200-06. The recycling credit is paid for every tonne of waste that is recycled. The amount of credit paid is 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 is then available to the Boroughs to help fund their recycling activities.

5.7.2 From 2006-07 this arrangement will change. From 1st April 2006, the Authority's duty to pay statutory recycling credits to the Constituent Borough Councils is removed. The reason for this change is that a new default method of levying the Boroughs has now been agreed by Government. From 1st April 2006 the Authority will start to move to a system where its levy to each Borough is mostly on the basis of tonnes of waste handled (rather than on the current council tax basis). It will therefore increasingly be in Boroughs' best interests to reduce and recycle as much waste as possible in order to reduce their levy. This means that the additional incentive of paying statutory credits for increasing recycling will no longer be required. However, as the tonnage based levy is being 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 1st April 2006. So, although statutory recycling credits will no longer need to be paid from 1st April 2006, the Authority will continue to pay discretionary credits under its own local recycling credit scheme to the Boroughs. Discretionary payments to third parties will also still be payable.

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. In the meantime, the Authority has established an ear-marked reserve for interest earned on this money, to protect its value from inflation. (At 31st March 2006 the reserve has a value of approximately £1.259 million).

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 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 The Authority was also awarded £1,700,000 of capital funds towards the construction of a new in-vessel composting facility at Edmonton which can process 30,000 tonnes per year of green garden waste and organic kitchen wastes in accordance with the new, stricter regulations since the outbreak of Foot and Mouth Disease. The Authority commissioned the facility from LondonWaste Ltd. which raised the remaining £3.5 million against the security of its income from the Authority.

5.7.7 The capital funding bid, which was made to the London Recycling Fund was part of an integrated bid for funding and approach to composting organic waste in North London that was awarded £4,000,000 in total (capital and revenue) for financial years 2004-05 and 2005-06. £120,000 was awarded for home and community composting and some £2,180,000 for the expansion of Constituent Borough Councils' organic waste collection infrastructure. The expansion of collection infrastructure involved the purchase of 12 collection vehicles and an associated 96,400 containers in which to collect the material from 125,000 households. The London Community Recycling Network was the Authority's partner for the home and community composting and during 2005-06 they ran a "Master Composter" scheme to train local residents in providing compost advice to their neighbours. Community composting was also expanded through the allocation of a Community Fund of £25,000 to which community groups could bid for financial support. During the year, the Boroughs put in place relevant collection infrastructure and the Authority put in place the new in-vessel composting facility, which accepted its first loads of waste in September 2005. These bids 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 During the past year, the Authority had intended to change the way in which it assesses the amount of non-household waste delivered within mixed municipal waste by the Constituent Borough Councils. This is important firstly so that the Authority charges Boroughs for the disposal of appropriate tonnages, secondly as it affects household waste recycling targets and thirdly because the London Mayor's 'wider waste strategy' is currently under review, taking into account the need to plan for the non-municipal waste stream.

5.8.2 After consultation with the Borough Technical Officers it had been agreed to assess the amount of waste per household in North London, then to multiply this by the number of households in each Borough and finally to assume that all waste delivered above this amount is non-household and to charge the Boroughs accordingly.

5.8.3 It was not possible to make final decisions on this work for the 2006-07 year, as the Authority could not assess the impact of the change whilst the Authority was first prioritising consideration of a voluntary tonnage based levy and then the Government was changing the default levy apportionment system, and the Government's changes were not completed until March 2006. Further considerations to this subject will be given in 2006-07.

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:

Association of London Cleansing Officers
Association of London Government
Chartered Institution of Wastes Management
Department for Communities and Local Government
Department for Environment, Food and Rural Affairs
Department of Trade and Industry
Environment Agency
Government Office for London
Greater London Authority (Mayor and Assembly)
Local Government Association
London Community Recycling Network
London Development Agency
London Recycling Officers Group
London Remade
London Waste Action
National Association of Waste Disposal Officers
North London Recycling Forum
Waste and Resources Action Programme
Waste Watch

6.0 THE NORTH LONDON JOINT WASTE STRATEGY (NLJWS)

6.1 The Authority last formally reviewed its waste management strategy in the early 1990's. This 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 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.

6.2 The Government's national waste strategy, *Waste Strategy 2000*, which is currently under review[4], actively encouraged the Authority and Constituent Borough Councils to produce a Joint Municipal Waste Management Strategy and stated the Government's intention to make this a statutory requirement in the future. The Government then issued detailed guidance in March 2001. The Waste Emissions and Trading (WET) Act 2003 has now provided the statutory basis for joint waste strategies in areas such as North London that have separate waste collection and disposal authorities. The WET Act also provided for exemptions from this duty, which apply from 2005 to the Authority and London Borough of Camden; both continue, however, to participate fully.

6.3 In September 2003 the London Mayor stated in his municipal waste strategy *Rethinking Rubbish in London* that a joint waste strategy should be written for the Authority's area (as for other London joint waste disposal authority areas), too.

6.4 The NLJWS is a key foundation for and means by which to improve services in the future. The NLJWS has been 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's Draft North London Joint Waste Strategy is now ready for review by the London Mayor.

[4] Review of England's Waste Strategy, A Consultation Document, February 2006, Defra.

6.5 Between December 2001 and September 2002, the Boroughs and the Authority formally adopted joint Aims and Objectives, established a Strategy Project Board of officers and began gathering information needed for the development of a Joint Waste Strategy. The principles of striving for optimal outputs through challenging what we do and how we do it, making comparisons with other areas, consulting with key stakeholders at an early stage, co-operating with each other throughout and accepting open, competitive procurement as a likely means of implementation have formed the basis of both the development of the NLJWS and the Authority's own work on Best Value.

6.6 Five Cabinet Member Seminars were held between March 2003 and January 2004, during which Cabinet Members from each of the Constituent Borough Councils and the Chair of the Authority (or their nominated deputies) considered the strategic options for waste management in North London, agreed scenarios and evaluation criteria to conduct a Best Practicable Environmental Option appraisal, reviewed the results of this appraisal, agreed draft wording for an internal draft of a strategy document and revised wording for an external draft to be issued for a stakeholder dialogue.

6.7 The Authority reviewed the internal draft document at its meeting on 17th December 2003, approving the draft, subject to any changes for the external draft which was collectively agreed at the 27th January 2004 Cabinet Member Seminar. Minor clarifications to the wording of the document were agreed at this meeting and an external draft document was finalised for a stakeholder dialogue that commenced in February 2004. MORI was engaged to assist with obtaining and assessing the views of residents, local groups, community recyclers, other local authorities, waste contractors and other stakeholders.

6.8 The single most important item that came out of the stakeholder dialogue was concern that the scenarios selected for the BPEO analysis had given an unfair advantage to commingled recycling collections over kerbside-sort recycling collections. The Authority's technical consultant, and subsequently the Partners, agreed that the NLJWS should be clarified on this point and that Borough Partners should be given a year in which to decide how much tonnage they expect to collect through each type of collection service. The Authority would then be able to plan to provide appropriate facilities.

6.9 On 5th July 2004 a further Cabinet Member Seminar considered the results of the stakeholder dialogue and agreed changes to the strategy document. Subsequently the "Mayor's Draft" North London Joint Waste Strategy was submitted to the London Mayor in September 2004. Approval of this draft from all partners was confirmed in December 2005 except Barnet, but Barnet have since withdrawn their objection (May 2006), so the London Mayor's formal review is under way.

6.10 Summary of the North London Joint Waste Strategy

6.10.1 In North London we throw away almost a million tonnes of rubbish 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 rubbish by the year 2020.

6.10.2 Over half of this rubbish is buried in old quarries called "landfill sites" in Bedfordshire, Hertfordshire, Essex and Northamptonshire. When rubbish 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.

6.10.3 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 recycling or composting it as the next best alternative.
- Thirdly, given that not all rubbish can be recycled or composted, recovering energy from rubbish that cannot be recycled is better than sending it straight to landfill sites.

6.10.4 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 re-use collection services.

6.10.5 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 re-use wherever possible.

6.10.6 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 re-use 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.

6.10.7 Ways in which the Strategy identifies that residents can help 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 re-use and recycling centre.

6.10.8 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 (until 2014).
- Replace the Edmonton energy-from-waste incinerator with the best available technology when this becomes necessary.

6.10.9 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.

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

Waste minimisation:

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

Recycling and composting

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

Recovering energy from waste

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

6.11 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.

6.12 Although achieving all the above targets is a significant challenge, the Partner Authorities are committing themselves to make every effort to do so.

6.13 '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:

6.14 Best Practicable Environmental Option

All choices of waste management options will have regard to the best practicable environmental option (BPEO). BPEO is defined as '…. for a given set of objectives, the option that provides the most benefits or the least damage to the environment as a whole, at acceptable cost, in the long term as well as the short term.'

Within the NLJWS this has been identified for North London as achieving a combined recycling and composting rate of 35% by 2010 and 45% by 2015. These levels of recycling and composting are consistent with the "*Waste Not, Want Not*" report from the Prime Minister's Strategy Unit in November 2002. The London Mayor's Municipal Waste Management Strategy "*Rethinking Rubbish in London*" in September 2003 similarly set a policy that London as a whole should aim to exceed 30% recycling and composting by 2010 and 33% by 2015, the current national targets. However, it is timely to note that the current consultation regarding England's Waste Strategy also proposes a target of 45% recycling and composting by 2015, the same as the NLJWS, but also proposes a higher target of 40%, as opposed to 35% in the NLJWS, for 2010 (and 50% by 2020) in order that authorities are better able to meet their landfill diversion needs.

6.15 Waste Hierarchy

The "waste hierarchy" shown below is a useful tool used by the Authority and its Constituent Borough Councils to help identify the BPEO and to guide overall priorities:

REDUCTION ⇓

RE- USE ⇓

RECOVERY ⇓
(Recycling & Composting, then Energy Recovery)

DISPOSAL ⇓
(Landfill)

6.16 Proximity Principle

Another tool to assist in identifying the BPEO is the "proximity principle". The Authority will seek to ensure that its waste is managed at facilities in close proximity to the area where the waste arose. Applying the proximity principle increases the general awareness of waste issues, reduces the environmental impact of transporting waste long distances and removes the environmental impact of treating or disposing of North London's waste from people and ecosystems in other parts of the country.

6.17 The Government's National Waste Strategy - *Waste Strategy 2000* and Statutory Performance Standards.

6.17.1 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 2000* (WS2K) targets as follows, but will aim to exceed the latter in conformance with the BPEO within the draft North London Joint Waste Strategy and the London Mayor's strategy, " *Rethinking Rubbish in London*".

6.17.2 *Waste Strategy 2000* is also under review and the consultation document *Review Of England's Waste Strategy: A Consultation Document, February 2006*, has proposed some new national targets for recycling, composting and energy recovery. The current targets for the constituent borough councils and the Authority on household waste recycling and composting and the proposed new national targets, along with current and proposed national recovery targets for municipal waste are shown in the table below:

Local, Regional and National Targets for Recycling, Composting and Recovery

Authority & Target	**2005-06 performance standard**	**2010 WS2K & N. London targets**	**2015 WS2K & N. London targets**	***2010 proposed new national target***	***2015 proposed new national target***	***2020 proposed new national target***
% household recycling and composting						
Barnet	27% (30% PSA)*					
Camden	33%					
Enfield	27% (30% PSA)*					
Hackney	18%					
Haringey	18%					
Islington	18%					
Waltham Forest	18%					
NLWA recycling/ composting	18%					
North London Joint Waste Strategy targets		35%	45%			
National recycling/composting targets	25%	30%	33%	40%	45%	50%
% municipal waste recovery*	40%	45%	67%	53%	67%	75%

* PSA = Public Service Agreement and Recovery includes recycling, composting and energy recovery

6.17.3 The Authority's first steps in this direction have been the commissioning of a bulky waste recycling facility and an in-vessel composting facility, both through LondonWaste Ltd. at their Edmonton site. Both are now operational. Work is currently underway at the Edmonton site regarding the potential development of a materials recycling facility for sorting and bulking dry recyclable wastes such as paper, card, glass, cans, plastic bottles, carrier bags and foil. Work has also started to identify the most suitable option for the redevelopment of a current rail to landfill transfer station at Hendon which will need moving as part of the Cricklewood, Brent Cross and West Hendon Regeneration Area development.

6.17.4 The Government consulted on a series of changes to the statutory recycling and composting targets in 2005 and is reviewing Waste Strategy 2000 during 2006. In addition, the London Mayor is reviewing the municipal waste management strategy for London and is likely to issue a version of this as a draft 'Part A' strategy and a second 'Part B' strategy for 'wider wastes' in the autumn of 2006 for consultation with the London Assembly. A public consultation draft of both parts is anticipated to be issued in spring 2007. The Authority will naturally take full regard of the changes that both the London Mayor and the Government ultimately decides to make in the future.

6.18 The Landfill Directive and the Waste & Emissions Trading Act 2003 (WET Act)

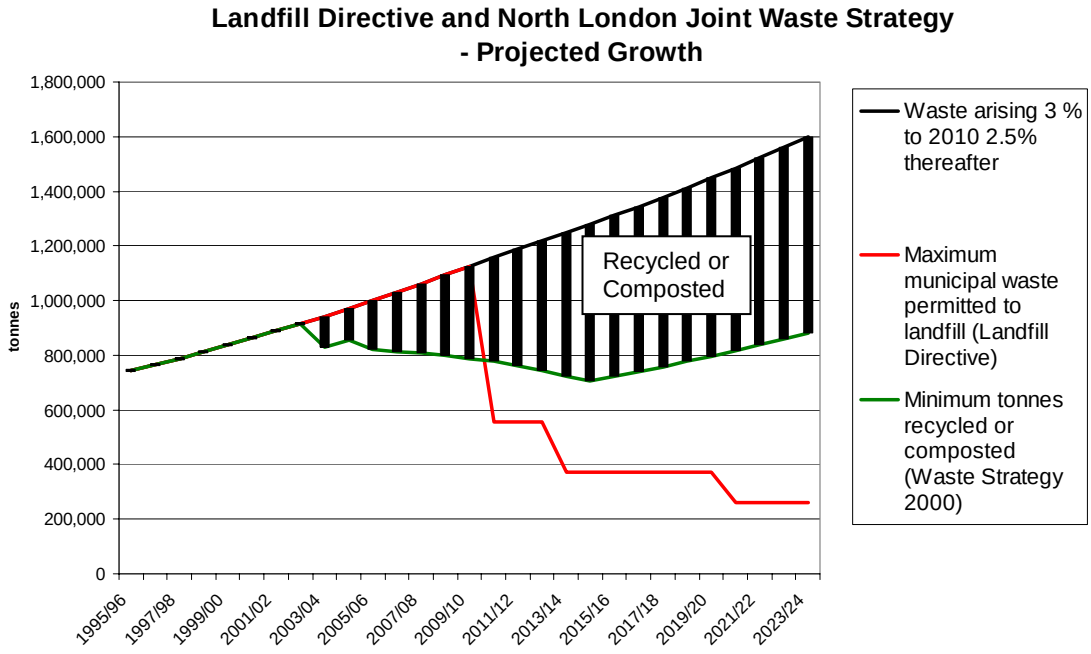
6.18.1 The Landfill Directive has been transposed into UK law predominantly (from the local authority perspective) by the Waste and Emissions Trading (WET) Act 2003. This is changing the way waste disposal authorities manage the municipal waste stream in several ways. The most significant impact is the 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.

6.18.2 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.

6.18.3 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 confirmed as exempt from the duty because it exceeded the 2004-05 statutory performance standards. The Authority will nevertheless continue with the NLJWS alongside its Partners.

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

FIG. 3

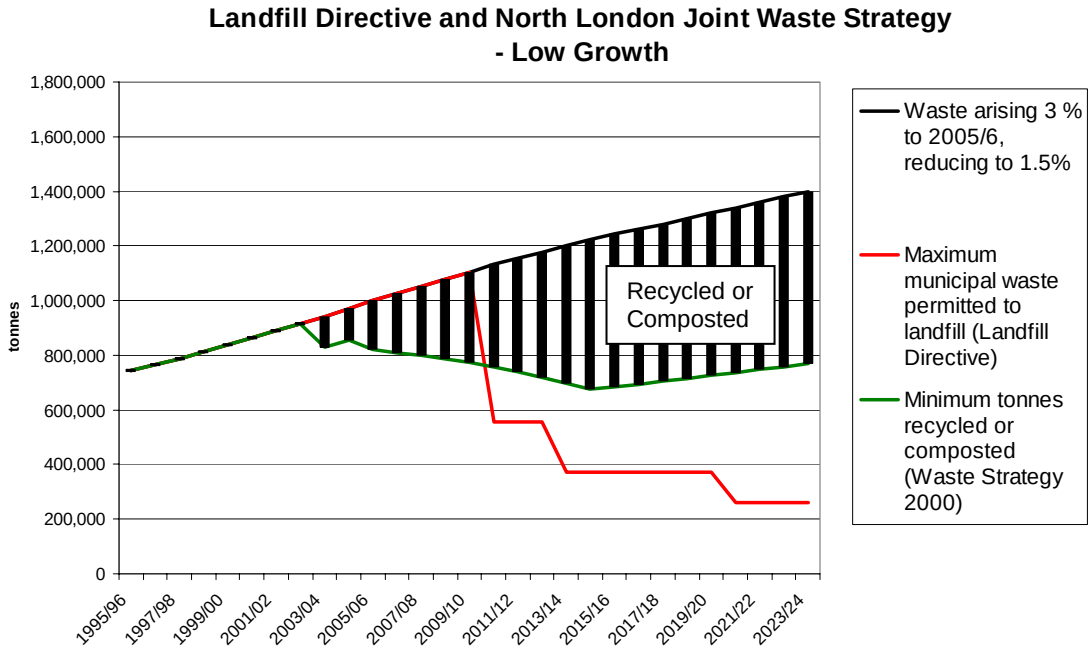


6.18.5 The graph above shows the Authority's waste stream increasing at 3% per year to 2010, then reducing to 2½% per year thereafter as local waste minimisation policies take measurable effect, in line with the Strategy Unit and the London Mayor again. The graph also shows the statutory performance 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.

6.18.6 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. Whilst such reductions are beyond what the Partners to the NLJWS believe they can achieve within current legislation, they illustrate what might potentially be achieved by far more rigorous and concerted Government action on this front; namely some 200,000 fewer tonnes to manage per year in North London in twenty years time.

6.18.7 Work has recently been carried out to reassess the waste tonnage projections originally prepared for the North London Joint Waste Strategy. Whilst these show that the amount of waste 'per household' is rising more slowly than originally predicted (by only 1% to 1.5% per annum), higher than anticipated growth in household numbers is offsetting this reduced 'per household' increase.

FIG. 4



6.18.8 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 at the 3% rate to over 1.6 million tonnes per year, 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.

6.19 The Landfill Tax

6.19.1 The Landfill Tax is imposed on all waste going for disposal to landfill sites. "Inactive" (or inert) wastes that present no threat to the environment are taxed at just £2 per tonne, whereas other wastes are charged the full tax (£18 in 2005/2006 and increasing annually thereafter by at least £3 per tonne to £35 per tonne).

6.19.2 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.

6.20 Waste Incineration Directive (WID)

6.20.1 This Directive is to further reduce emissions to air and land, to reduce the environmental impact of all waste incineration facilities.

6.20.2 The Authority's contractor and joint venture company LondonWaste Ltd. carefully evaluated the best way forward under their current circumstances, and as a result modified various parts of the combustion and gas treatment equipment and processes at the Edmonton site in order to achieve compliance with WID. Whilst this work resulted in some downtime in 2005 the completion of the work in December 2005 means that LondonWaste Ltd. can continue with their energy-from-waste service.

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

6.21 Waste Electrical and Electronic Equipment (WEEE) Directive

6.21.1 The WEEE Directive obligates retailers, importers and manufacturers of electrical and electronic goods to arrange for the separate collection and recycling of these products and was due to come into effect in 2005 but is now expected to be implemented later in 2006 or 2007.

6.21.2 The Government has consulted on means of implementation, but the scope of the role waste disposal authorities will have is still not yet known in detail. Nevertheless, the Authority will monitor developments closely as additional costs may well arise, and it may be possible to co-ordinate or assist with new arrangements at Constituent Borough Council's Re-use and Recycling Centres.

6.22 The London Mayor's Waste Strategy

6.22.1 The Mayor for London published "*Rethinking Rubbish in London*", his final municipal waste management strategy in September 2003, having previously consulted very widely.

6.22.2 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 permits 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.

6.22.3 The Authority was therefore relatively pleased with the Mayor's final municipal waste strategy insofar as all the above key points were either modified towards the position suggested by the Authority (and, no doubt, by others), or they were deferred for future consideration (such as the single waste disposal authority for London). A consultation carried out by the Office of the Deputy Prime Minister (ODPM) on the single waste disposal authority for London took place during 2005-06 as part of a wider review of the powers of the Mayor. The London Governance Review was also completed, which also touched upon, and supported, the proposal for a single London Waste Authority. Prior to either of these consultations the Mayor had also issued his own proposals specifically on a single London-wide waste authority.

6.22.4 The Authority submitted views, similar to those above, to the ODPM, but the ODPM has not yet published any conclusions drawn from the consultation.

6.23 Other Legislative Requirements

The Authority and its Constituent Borough Councils 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 Borough Councils.

6.24 Implementation of North London Joint Waste Strategy

6.24.1 As the Authority is moving forward into the implementation of the NLJWS it continues to have regard to its responsibilities under the Best Value regime. At the time of preparing the Best Value Performance Plan the Authority and its Partners have yet to conclude projections of tonnages managed by different recycling and composting services on which future plans will be based, but will do so in such a way at the planned Strategy Implementation Board meetings as to address 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.

6.24.2 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.

6.24.3 The former Strategy Project Board prepared a comprehensive analysis of various potential funding sources for new services and facilities in North London. The most accessible of these was the London Recycling Fund, which was London's share of the £140 million fund provided by the Government nationally. In addition to £4,139,000 which was awarded to North London authorities in 2003-04 for a range of activities including upgrading reuse and recycling centres, estates recycling and green waste composting services, a further £4,000,000 was successfully secured for the North London Integrated Compost Project over financial years 2004-05 and 2005-06.

6.24.4 For the Authority this has meant working closely with the London Community Recycling Network as they promoted and assisted home composting and community composting in North London; it meant co-ordinating the funding for five of the Constituent Borough Councils to plan and develop the collection of good quality organic waste; and it meant working with LondonWaste Ltd. to ensure that they secured planning permission and then built the new in-vessel composting facility according to the Authority and Constituent Borough requirements. The facility accepted its first waste in September 2005 and was officially opened in March 2006 by Environment Minister Ben Bradshaw, MP, and TV waste celebrity Penney Poyzer as the first loads of finished product were handed over to Borough representatives.

6.24.5 Other work took place as a result of the Authority's additional award from the London Recycling Fund of over £83,000 for building partnerships with the community recycling and composting sector through the London Community Recycling Network. This funding is used in a range of projects across London including support for furniture and household appliance reuse schemes, Borough recycling initiatives and the establishment of a Master Composter scheme to promote home composting.

6.24.6 As the London Recycling Fund has now come to an end, the Authority and its partners will need to identify alternative 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.

6.24.7 The NLJWS has started to help the Authority and its Constituent Borough Councils 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 Borough Councils to take advantage of new technology and exploit new recycling and recovery options as they appear.

6.24.8 The Authority and its Constituent Borough Councils have achieved further improvements to the level of recycling and composting in 2005-06. 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 will continue alongside increasing recycling services until December 2014. Flexibility in the NLJWS will help the Authority to maintain and build on this past performance.

6.24.9 During 2004-05 the Authority also reviewed its own staffing arrangements for the Strategy & Contracts Team in the context of the challenges presented by the NLJWS. A new, increased indicative establishment was approved, and good progress has been made towards filling key posts since then.

6.24.10 Work is also well underway regarding the preparation of a Joint Waste Development Plan Document for land-use planning. North London planners felt that they could not commence this work without first knowing the scope and implications in some detail. Consequently they bid (successfully) for £50,000 from Defra's Waste Implementation Programme, and commissioned a piece of work from consultants to assist them. The consultants' work, which is now completed, was to provide advice on the potential detailed scope of a Joint Waste Development Plan Document (JWDPD) and accompanying Community Involvement Strategy (CIS), the timescales over which it might be developed, the key decisions and the amount of officer time likely to be needed along with a contract specification for the actual work of assisting waste planners employ consultants to take the matter forward.

6.24.11 The consultants' work also covered the linkages of a JWDPD to Borough Local Development Schemes, Core Strategies, Statements of Community Involvement, Local Development Frameworks and any relevant Local Development Documents contained therein, along with the questions of financial and officer resources mentioned above.

6.24.12 As a result of the consultants' work, all boroughs have committed the necessary financial resources to take the work forward and a Programme Manager's position has been developed working on behalf of all seven Constituent Borough Councils. The Programme Manager will be responsible for tendering and letting the consultancy contract(s) to deliver the work over a three year time frame and will act as the contact point for joint waste planning in North London. Planning delays and/or refusals could significantly impact upon the ability of the Authority and its Constituent Borough Councils to deliver on the targets in the NLJWS so the importance of this work cannot be underestimated.

6.24.13 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 Borough Councils. These disposal facilities will be: -

- Offering a disposal option over 24 hours, 365 days of the year.
- Providing a turnaround time for vehicles of no more than 20 minutes.
- Continuing to provide a healthy and safe working environment.

ii) To provide information 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 Borough Councils.

iv) To finalise and implement a Joint Municipal Waste Management Strategy in partnership with all the Constituent Borough Councils.

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 both 2004-05 and 2005-06 this has meant that the levy has been 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 have 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 has recently confirmed a move to change the default arrangements for apportioning the levy to a tonnage basis from 1st 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 represents 78% of the Authority's budget (excluding non-household waste) and the other costs element represents 22%. However, due to the additional cost that the change would bring to some Authorities, the Government has also confirmed that the tonnage based levy will be phased in over a three-year period. (In practice, this means that in year one (2006-07), one third, 33.3% of the household waste levy will be made on a per tonne basis and two-thirds on a council tax basis; in year two (2007-08), two thirds, 66.6% and one third respectively, and in year three (2008/2009) the full household waste levy will be allocated on a per tonne basis). The 2006-07 levy has therefore been apportioned in line with the new statutory default arrangements for apportioning the levy.

7.4 In parallel with the Government's decision to change the default arrangements for apportioning the levy the Government has also removed the duty for the joint waste disposal authorities to pay recycling credits to their Constituent Borough Councils as from 1st April 2006. The Authority, however, has decided to pay a local recycling credit payment for both 2006-07 and 2007-08 to mirror the change to a tonnage based levy with a view to helping boroughs to also accommodate this change over the three year transition period. This has 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 The net budget for 2006-07 of £50.486 million is financed as follows:

Financing of Authority's Net Budget for 2006-07

	£'000
Charges for non-household waste	8,646
Use of balances	8,609
Levy for 2006/2007	33,231
Total Income	50,486

7.7 Since the formation of LondonWaste Ltd. in 1994, it has not been necessary for the Authority to incur expenditure of a capital nature. In 2004-05, however, the Authority in conjunction with LondonWaste Ltd., was successful in securing financial support of £1.7 million from the London Recycling Fund to assist with the funding of the new in-vessel composting facility at the Edmonton Eco-Park. The Authority therefore made a capital payment of £1.7 million to LondonWaste Ltd. and this has been offset by the payment of a grant from the London Recycling Fund. This was part of the North London Integrated Compost Project reported earlier in this document.

7.8 Further details of the Authority's budget for 2006-07, together with details of actual expenditure and income for 2004-05 and the 2005-06 probable outturn (subject to audit) are set out below:

Authority Budgets

	2004-05 Actual	2005-06 Original Budget	2005-06 Probable Outturn	2006-07 Budget
	£'000	£'000	£'000	£'000
Expenditure				
Transport and Disposal	30,932	33,356	30,475	31,887
Other Treatment Costs	0	0	0	2,921
Fridges and Freezers	918	1,004	465	482
WEEE Directive etc	0	0	88	859
Landfill Tax [1]	5,690	6,591	5,673	6,592
Recycling Credits	7,262	11,986	8,655	5,680
Other Recycling Initiatives	16	100	20	532
Other Costs	941	1,157	1,004	1,965
LATS – Use of Allowances	0	0	6,201	6,476
LATS – Transfer to reserve	0	0	120	0
Total Expenditure	**45,759**	**54,194**	**52,821**	**57,394**
Income				
Rents	(76)	(80)	(79)	(82)
Interest on Balances	(1,088)	(560)	(1,258)	(850)
Dividend Income	(0)	(0)	(0)	(0)
LATS Grant	(0)	(0)	(6,321)	(6,476)
Total Income	**(1,164)**	**(640)**	**(7,658)**	**(7,408)**
Net Expenditure	**(44,595)**	**53,554**	**45,163**	**49,986**
Contingency	**0**	**500**	**0**	**500**
Total Net Expenditure	**44,595**	**54,054**	**45,163**	**50,486**
Financed by:				
Balances b/fwd	(6,080)	(4,767)	(6,354)	(8,609)
Non-household Charges	(6,495)	(7,450)	(6,959)	(8,646)
Levy	(38,374)	(41,837)	(41,837)	(33,231)
Total	**(50,949)**	**(54,054)**	**(55,150)**	**(50,486)**
Estimated Balances c/fwd	(6,354)	0	(9,987)	0

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 and has risen to £21 per tonne from 1st April 2006.

7.9 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 are continuing to rise steeply at above normal inflation levels. In particular:

- New requirements for the safe disposal of hazardous waste came into effect on 1 July 2004, with further changes in July 2005. The Authority allowed for costs in both 2004-05 (part year) and 2005-06. The 2005-06 forecast budget made an allowance both for a general increase in costs as a result and also for a claim from LondonWaste Ltd. for the disposal of air pollution control residues in compliance with the new regulations. The final outturn for the year does not anticipate the latter amount being payable. This is because of contractual arrangements between the Authority and LondonWaste Ltd. which limit payments each year for actions to comply with legislative developments to the sum received from LondonWaste Ltd. by the Authority as a shareholder's dividend for that same year. The elimination of this potential liability has contributed significantly to the high level of revenue balances forecast to be available at 31st March 2006.
- New for 2006-07 (and 2005-06 part) are the treatment costs associated with the new in-vessel composting facility that became operational in 2005-06 and the dry recyclable bulking arrangement. These are 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).
- 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 costs of transport and disposal of waste passing through the Hendon Waste Transfer Station increased significantly on 1st January 2004 in response to changing environmental legislation and the strategic importance of retaining Hendon as an environmentally safe waste disposal route in North London.
- The new waste transfer station at Hornsey Street (Islington) – a replacement for a previous transfer station at Ashburton Grove – became operational in July 2004. Although the Authority anticipated that the much-improved new facility (to meet today's higher environmental standards) would come with a higher operational cost, these costs have proven to be higher than originally envisaged and this has added to the costs of disposal in both 2005-06 and 2006-07.

- The cost of the recycling credit scheme increased significantly in 2005-06 compared to 2004-05 (see the table at paragraph 7.7). However, in 2006-07 these payments are expected to reduce as a result of the transitional arrangements of moving to a tonnage based levy and the replacement of the statutory recycling credits scheme with a local scheme during this transitional period. Discretionary payments to third parties will continue as previously.
- New for 2005-06 is the Landfill Allowance Trading Scheme which limits the amount of biodegradable waste that can be sent to landfill for final disposal. The Authority received 312,933 allowances from the Government for 2005-06 and is currently (subject to audit) expected to use 306,971 allowances. The unused allowances for 2005-06 will be carried forward for use in a future year or sold. For accounting purposes the 2005-06 accounts show that allowances in 2005-06 had a value of £20.20 per tonne. The allowances for 2006-07 have also been valued at £20.20 but this is likely to change over the coming year.

7.10 The Authority also receives a net income from the temporary investment of its cash balances. The income from interest on balances is anticipated to be £1.258 million in 2005-06 reflective of higher than anticipated balances retained. This situation will change in 2006-07 however as it is planned to use £8,609,000 of the balances to be brought forward into the 2006-07 financial year.

7.11 The level of residual waste delivered to the Authority by Constituent Borough Councils has increased by 8% between 1995-96 and 2005-06. However, the overall growth in the total waste stream (before allowing for borough recycling activity) is 29%. The 2006-07 budget allows for a 2% growth in the total waste stream, i.e. before increased recycling and composting.

7.12 Details of each Borough's share of the levy and estimated charge for non-household waste in 2006-07 compared with the cost to Boroughs in 2005-06 are set out below:

Waste Disposal Costs

	2005-06 Non - Household Charges (Final Outturn)	2005-06 Levy	2005-06 Total cost to Boroughs	2006-07 Non - Household Charges	2006-07 Levy	2006-07 Total cost to Boroughs
	£	£	£	£	£	£
Barnet	879,712	8,951,547	9,831,259	1,074,611	6,850,696	7,925,307
Camden	1,517,804	5,985,492	7,503,296	1,889,181	4,645,670	6,534,851
Enfield	564,355	7,078,278	7,642,633	703,291	5,385,547	6,088,838
Hackney	1,010,264	4,276,212	5,286,476	1,250,301	3,775,584	5,025,885
Haringey	942,006	5,509,957	6,451,963	1,176,932	4,462,986	5,639,918
Islington	1,182,964	5,212,433	6,395,397	1,484,162	4,124,231	5,608,393
Waltham Forest	862,438	4,823,081	5,685,519	1,068,320	3,986,286	5,054,606
Total	**6,959,543**	**41,837,000**	**48,796,543**	**8,646,798**	**33,231,000**	**41,877,798**

7.13 Financial Forecast for 2007-08, 2008-09 and 2009-10

7.13.1 At the Authority's budget meeting in February 2006 Members were advised that assuming a year-on-year increase in the waste stream of 2% per annum (as adjusted for further stepped increases in recycling) the elimination of the recycling credit scheme by 2008-09 and the implementation of the WEEE Directive by 2007-08, the percentage increase in the cost to the Boroughs in 2007-08 is estimated to rise by 20.2%, a reduction of 0.2% in 2008-09 an increase of 6.6% in 2009-10. The increase for 2007-08 reflects the fact that balances of £8.609 million at 31st March 2006 will be used to part fund the 2006-07 budget. Following closure of the 2005/06 accounts and the availability of additional balances of £1.378m the forecast increase for 2007/08 has been reduced to 16.9%. These forecasts are based upon known and quantifiable changes including proposed changes to the landfill tax rates during this period (where the standard rate of tax is expected to rise by stepped increases of £3 per year until a rate of £35 per tonne is reached).

7.13.2 Although the current budgets allow for the cost of developing a Joint Waste Strategy with its Constituent Borough Councils no specific allowance has been made for the costs of delivering the strategy. The Authority is currently in the process of engaging consultants to assist with the determination of the best procurement route for the facilities identified by the North London Joint Waste Strategy. The outcome of this work is scheduled to be reported to the September 2006 meeting of the Authority. Until this work is completed it is not possible allow for the potential financial implications of delivering the Joint Waste Strategy. This will be the subject of a detailed report in the coming year.

7.13.3 It is currently envisaged that the combined effect of recycling, composting and use of the Edmonton energy-from-waste facility should obviate the need

for the Authority to buy landfill allowances before 2010-11. The Authority should find itself with a favourable trading position during this period and therefore any sale proceeds will be available to assist with the costs of meeting the Joint Waste Strategy or as directed by the Authority.

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 (Defra) together with the Office of the Deputy Prime Minister (ODPM) have 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 setting targets for the following year. By adopting the 'Five Cs', Compare, Compete, Challenge, Consult and Co-operate, in both the review of its services, and the development of its Joint Municipal Waste Management Strategy (NLJWS), the Authority intends to improve all its services.

8.1.2 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 Borough Councils (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.

8.2.3 The Authority does however report on the 'corporate health' Best Value Indicator (BVPI 157) for the 'number of types of interactions enabled for e-delivery as a percentage of interactions legally permissible for e-delivery'.

8.3 Statutory Environmental Service BVPIs for Waste Disposal Authorities – APPENDIX 1, TABLE 1 (attached at the end of this Plan)

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. The Authority does not need to undertake to report on BVPI 90c (the percentage of people satisfied with waste disposal) 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 so the percentage of people expressing satisfaction with civic amenity sites, BVPI 90c, is not recorded by the Authority in its own right. However, data is shared by Constituent Borough Councils where applicable.

8.3.4 It is also worth noting that BVPI 82 b, the percentage of the total tonnage of household waste used to recover heat, power and other energy sources was amended in 2004-05 to avoid double counting of wastes that have been treated by anaerobic digestion and that qualify for inclusion in the composting category. None of the Authority's waste, however, is treated by anaerobic digestion.

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 2001-02 the definition of recycling to be used in calculating the amount of household waste recycled for indicator BVPI 82a was altered. Specifically, prior to, 2001-02, the recycling rate included the amount of incinerator ash recycled, but after 2001-02, 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 <u>both including and excluding</u> the ash products as local performance indicators. This allows the Authority to 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.

8.5 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 2004-05 and 2005-06 for all Waste Disposal Authorities. The North London Waste Authority is pleased to have exceeded both its statutory performance standards. Other targets continue to be set locally by the Authority.

8.5.2 The Government also requires targets to be set which will improve the Authority's services to a level in line with the performance set by the top 25% of Local Authorities. The Authority has published the average and upper quartile performances for London and Metropolitan collection and disposal authorities for 2004-05, (shown in Appendix 1 at Table 1). This shows that the Authority's 2005-06 performance for combined recycling and composting, BVPI 82a and 82b (which equals 20.89% against a target of 18%) is above the average 2004-05 performance of 16.93% for London and Metropolitan collection and disposal authorities and just inside the upper quartile figure of 20.85% for the same type of authority. Compared to the average, the Authority also sends a greater percentage of its waste to energy recovery (34.35% in 2005-06 compared to the average for 2004-05 of 21.77%). However, the Authority's average kilogrammes of household waste per head of population figure is above average when compared to other London and Metropolitan collection and disposal authorities at 480.22 kg, compared to the average of 478.1 kg and the upper quartile figure of 460.1 kg per head. But it should be noted that these figures are 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.

8.5.3 The targets set for 2004-05, 2005-06, 2006-07 and 2007-08 represent an even transition to the second known statutory target, and then to the combined recycling and composting rate of 35% in 2010, as within the draft North London Joint Waste Strategy (NLJWS).

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 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. 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 During 2004-05, the Authority already exceeded the 2005-06 statutory performance standards for the Authority of 18% recycling and composting. This success was evidence of the benefits of the Authority and Constituent Borough Councils' successful bids to the London Recycling Fund for additional estates and civic amenity recycling and additional green waste collection services, as well as from other programmed improvements in the Boroughs to their recycling and composting services and the Authority's own contractor's arrangements for fridge recycling and other efforts to recycle more from the residual waste stream.

8.6.4 In 2005-06 the largest single advance in composting rates followed from the North London Integrated Compost Project, part funded (£4 million) by the London Recycling Fund. The project comprised support for home and community composting, new organic waste collection services and the Authority's new 30,000 tonnes-per-year composting facility.

8.6.5 The challenge for 2006-07 is to hit and remain ahead of targets in the face of further 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 recyclers'.

8.6.6 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.

8.6.7 During 2005-06 the quantity of household waste collected per head of population increased to 480 kg per person, although it was still below the 2004-05 target level of 483.5 kg per head. The Authority has started the process of prioritising and implementing the range of potential waste minimisation measures included in the NLJWS noted in Chapter 6. It is believed that further improvements beyond those in 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. Opportunities to continue 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. As before however, it should be noted that different methods of calculation prevail between different waste disposal authorities, so comparisons must be treated with caution.

8.6.8 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 2005-06 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 increased from 141,983 tonnes in 2004-05 to 153,140 tonnes in 2005-06.

8.7.2 In line with the 2004-05 results, the percentage of waste used to generate electricity (34.35%) decreased in 2005-06 compared to previous years (down from 39.62% in 2004-05 and 40.43% in 2003-04) due to the continuation of work started in 2004-05 to modify the boilers at the incinerator, required in order that they comply with the European Union Waste Incineration Directive. This work was completed on time in December 2005.

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 at the mid point against the other statutory joint waste disposal authorities and our composting rate ranks similarly based upon the data available.

8.8.1 In the past, BVPI 82a (the percentage of the total tonnage of household waste recycled) has been difficult to compare because of different circumstances in each area. Whilst the NLWA's indicator benefited from ash and ash metal recycling, others benefited from the recycling of abandoned cars (which is a delegated function in the NLWA area, and not included). It should be noted too that the definition of "household waste" has changed for the purposes of this indicator, 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.

8.8.2 The development of new recycling and composting facilities is a key objective of the Mayor's Draft North London Joint Waste Strategy, discussed in detail in Chapter 6. The recent construction of a bulky waste recycling facility and an in-vessel composting facility, both through LondonWaste Ltd. at their Edmonton site, are the first steps in this direction.

8.8.3 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. The same facility receives some of East London Waste Authority's (ELWA's) waste, whilst Greater Manchester also has some access to a nearby facility. The variations on BVPI 82d, the percentage of household waste sent to landfill sites, are effectively a mirror image of this.

8.8.4 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 noted above.

8.8.5 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 Borough Councils 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 draft 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. 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 Re-use 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 Borough Councils with their own direct RRCs are now benefiting from the contract.

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 when the Authority next has a qualifying contract to let.

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 Constituent Borough Councils, whereas the collection and disposal of fly-tipped tyres remains an issue for both the Constituent Borough Councils and the Authority. New European legislation is changing these existing relationships however. This legislation was consulted on with the Authority's prospective service users, the Constituent Borough Councils, and it formed the basis of this Review, rather than an assessment of existing arrangements that was expected to have to change.

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

9.4.3 The targets set in the Directive were:

- to increase re-use and recovery to 85% by weight and recycling to a minimum of 80% by weight 1st January 2006
- to increase re-use and recovery to 95% by weight and recycling to a minimum of 85% by weight by 1st January 2015

9.4.4 The Directive also requires:

- manufacturers to design vehicles with recyclability and re-use 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 The UK has implemented the Directive in two stages. The Department of Trade and Industry brought the first set of UK ELV regulations into force on November 3, 2003. These introduced design standards for vehicle manufacturers as well as permitting and environmental standards for the dismantling, recycling and disposal of ELVs at Authorised Treatment Facilities (ATFs).

9.4.6 The second set of UK ELV regulations came into force on 3rd March, 2005. These address how manufacturers will set up networks of ATFs to process vehicles of their own brands at no cost to last owners from 2007.

9.4.7 The timetable for the actions required to comply with the regulations were published as follows:

- The timetable for the Producers to declare responsibility for their vehicles by end of April 2005.

- Producers to submit proposals for their contracted networks of authorised treatment facilities (ATFs) by end of August 2005.

- Producer ATF networks operational by 01 January 2006
- First recycling target for 2006
- Free take back from January 2007.

9.4.8 This means that for the year 2006 and every year thereafter until 31st December 2014, each producer shall attain the following targets in respect of those end-of-life vehicles treated at authorised treatment facilities which comprise all or part of the system established by themselves:

(a) at least 85% reuse and recovery by an average weight per vehicle and year; and

(b) at least 80% reuse and recycling by an average weight per vehicle and year.

- For the year 2015 and every year thereafter, the targets rise to 95% reuse and recovery including 90% recycling.

9.4.9 Details of the reuse, recovery and recycling rates achieved by a producer or the owner or operator of an authorised treatment facility, as the case may be, shall be submitted to the Secretary of State by 1st April 2007 for the year 2006 and by 1st April each year thereafter in respect of the immediately preceding year.

9.4.10 Whilst the arrangements for compliance with the ELV Directive have been uncertain, it has not been possible to bring this Review to a meaningful conclusion yet, although it does appear fairly certain that local authorities will continue to carry much of the burden until 2007.

9.4.11 Also of major importance to abandoned vehicles and tyre disposal is the Landfill Directive which banned the landfilling of whole tyres during 2003 and shredded tyres during 2006 and banned the co-disposal of hazardous and non-hazardous wastes such as car battery acids in 2004.

9.4.12 The Review initially included a more detailed summary of the End of Life Vehicle Directive, an appraisal of best practice elsewhere, alternative disposal points for tyres (fuel for cement kilns, raw material for athletic tracks, carpet underlay, rubberised asphalt road surfaces, etc) and consideration of whether or not sufficient abandoned cars and tyres were arising within the Authority area in order to provide the feedstock for a new Authorised Treatment Facility as envisaged in the ELV Directive.

9.4.13 The last issue was, however, already overcome in 2003 by the installation of equipment to “de-pollute” unwanted and abandoned vehicles by a contractor who was already serving four of the Authority’s Constituent Borough’s.

9.4.14 On the assumption that the legislative framework in the UK for End of Life Vehicle's would be finalised in 2004-05, this Best Value Review was expected to be fully completed in 2004-05. As this legislation was introduced in 2005 and during 2006-07 the Authority will investigate the need for a further review of the service. Market testing for tyre disposal will also be considered as part of this exercise.

9.4.15 The Authority has co-dependency with its Constituent Borough Councils. Borough services, collection of municipal wastes and the provision of Re-use 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. Therefore, any future Reviews will involve substantial consultation phases with Constituent Borough Councils as well as other stakeholders and interest groups.

9.4.16 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 disruption to the Edmonton Energy from Waste facility whilst works were undertaken (with boilers shut down for potentially long periods of time) to comply with the Waste Incineration Directive.
- 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 re-use and recycling centres.
- New statutory performance standards for recycling and composting and Constituent Borough LPSAs.
- The way in which the Government enacts European Legislative requirements such as the Landfill Directive, the Waste Electrical and Electronic Equipment Directive and the End of Life Vehicle Directive.
- The Mayor of London's future review of his strategy for all waste in the Capital, and his plans for a single London-wide waste disposal authority
- The ODPM's review of a range of the Mayor's powers, including waste disposal and waste planning.
- Possible changes to the 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, phased in over three years from 2006-07.
- 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 out recycling credits paid to the Constituent Borough Councils over three years (to mirror the introduction of the tonnage-based levy) commencing April 2006.

Where the dates of these external factors are known, they will be linked into future Best Value Reviews.

9.4.17 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. Developing the strategy has already covered the "Five C's" of Best Value identified in Chapter 3 of this document and has particularly involved critical appraisal of the most appropriate roles for the Authority and the Constituent Borough Councils, making comparisons in the U.K. and beyond, introducing competition wherever appropriate and affordable, employing and co-ordinating the resources of the Authority and the Boroughs and consulting with stakeholders throughout. This continues as we move into implementation.

9.4.18 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. (LWL), and that the residual wastes are contracted to LWL in any case under the Main Waste Disposal Contract until December 2014. The Authority's principal focus now must be on working within and gaining benefit from the Landfill Allowance Trading Scheme in the short term. In the medium and long term it is delivering new waste recycling, composting and recovery infrastructure to support the NLJWS. This must all be done in consultation with stakeholders and using the full rigour of the Best Value regime and the relevant procurement legislation post 2014 – a process which was started in 2005.

10.0 RESOURCES

10.1 The first Best Value Reviews were written with assistance from the Improvement and Development Agency (IDeA), but significant Authority officer time was expended on this, and some Borough officers' time, too.

10.2 The Best Value approach of the North London Joint Waste Strategy (NLJWS) in 2005-06 was resourced mostly by officers of the Authority and the Constituent Borough Councils 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. As noted previously, the NLJWS will require application of the "Five C's" (Compare, Compete, Challenge, Consult and Co-operate) in reviewing the services, monitoring the Authority's progress in achieving the Best Value Performance Indicator targets and the Landfill Allowance Trading Scheme with regular reports back to the Authority.

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. Consultants have already assisted, for example, with a review of technologies for central facilities to sort mixed recyclable wastes (which will allow reduced collection costs) and for composting garden and kitchen wastes, with the stakeholder dialogue, with a local waste composition assessment and with modelling the 'best practicable environmental option' for North London within the NLJWS. Others will be needed for items such as technical reviews of further waste handling and treatment technologies and other discrete tasks within the implementation of the NLJWS to ensure the process and the outcomes are in accordance with the Authority's commitment to Best Value.

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 provides stability and opportunity for at least five years. 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 still nearly complete Best Value Review on abandoned vehicles appears now most unlikely to give a whole new area of work to the Authority that is currently undertaken by the Boroughs. Efficiency improvements in this case are likely therefore to remain a matter for the Constituent Borough Councils.

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 Borough Councils 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.

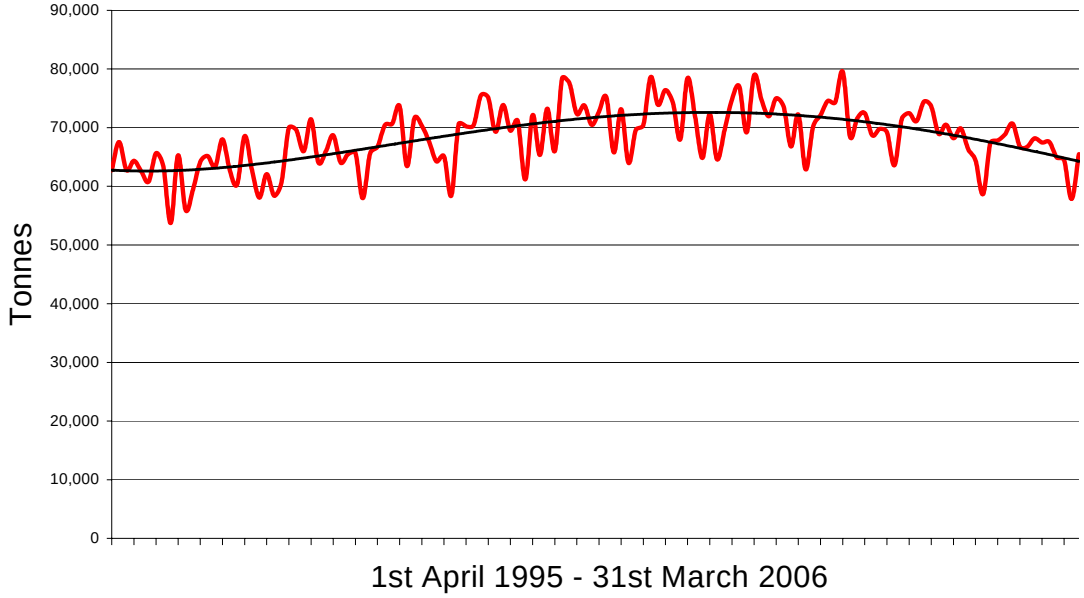
11.5 An indication of the Authority's performance can be judged by the benchmarking of service BVPIs of all statutory Waste Disposal Authorities. The results can be seen in Appendix 1, Table 3 at the end of this Plan.

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 10 years of historical data. During this period the total tonnage disposed increased initially, 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 a further decrease to 796,847 tonnes in 2005-06, (including material presented for composting). Over the 10 year period from 1995-96 to 2005-06 this represents a 7.08% increase in tonnage for disposal. The long term increase and more recent decrease in residual tonnage must also be looked upon in the context of greatly increased recycling and composting by the Constituent Borough Councils, which when this recycling and composting tonnage is added shows a continuing overall increase in the total size of the waste stream. This increase is also not just a function of increasing population as the amount of waste being generated per person is also increasing. Table 1, Appendix 1. shows the increase in the kg of household waste collected per head which shows an increase from 458 kg per head in 2001-02 to 480 kg per head in 2005-06. Through the monthly variations in Graph 3 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 relatively small tonnage of 6,581 tonnes which went to the Compost Centre from October 2005 to the end of March 2006).

FIG. 5 - Monthly trend in municipal waste disposed by the Authority



12.1.2 The Government's *Waste Strategy 2000* indicates an annual growth rate of 3%. Through the development of the draft NLJWS a local projection has been agreed, specific to the Authority's area, of 3% until 2010, reducing to 2.5% thereafter.

12.2 Re-use and Recycling Centre (Civic Amenity) Waste

12.2.1 The tonnage from Re-use 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 Borough Councils. From 1995-96 to 1998-99 the tonnage of residual waste from these sites reduced due to the closure of the old Summers Lane (Barnet) and Auckland Road (Waltham Forest), and the introduction of permits to discharge, for all vans.

12.2.2 There was then an increase in residual waste from these sites, followed by a decrease from 1999-00 to 2000-01. This decrease was largely due to the closure of both Enfield sites for capital improvement works and subsequent restrictions imposed by Enfield on opening times and access by non-residents.

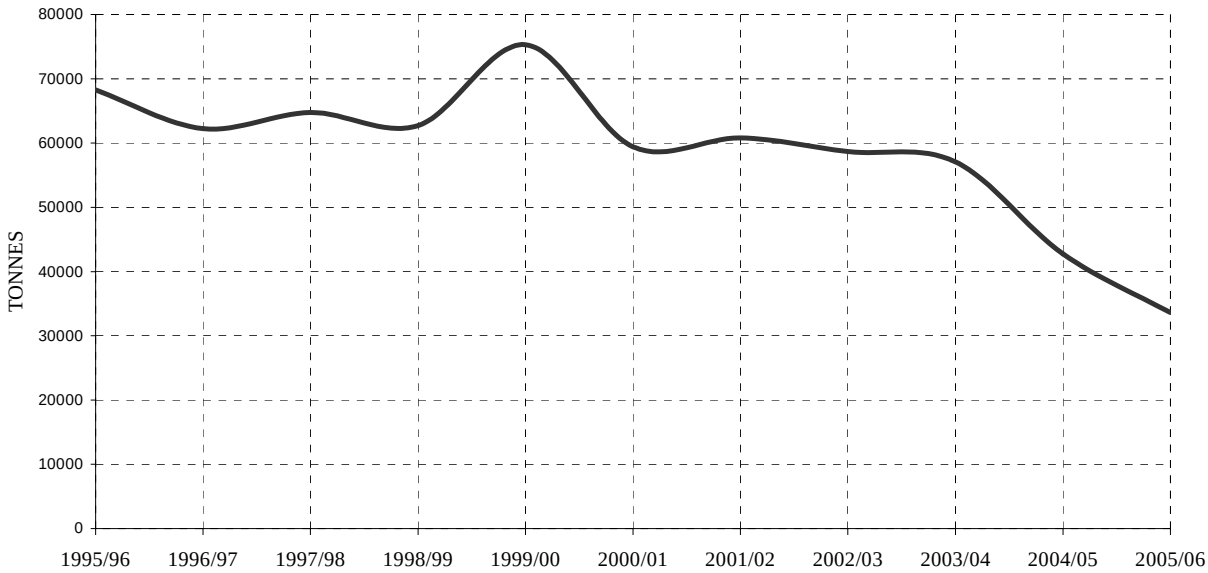
12.2.3 The 2002-03 year was the first full year in which Barnet provided just its new Summers Lane CA site (having closed its Brent Terrace CA site during December 2001), which was designed and is being operated to achieve much higher recycling rates.

12.2.4 In 2003-04 RRC waste continued to diminish for a variety of reasons, but principally the temporary closures of RRCs whilst they were being refurbished and improved with monies from the London Recycling Fund and, to a much lesser extent, the furniture re-use scheme partly funded by the Authority diverted some residual waste in 2003-04 too.

12.2.5 The single greatest factor in the further downward trend in 2004/-05 was the reorganisation of the South Access Road CA site with a combination of much higher recycling rates and more rigorous access restrictions. Residual waste tonnages from the new Hornsey Street RRC were also lower than those which arose at the former Ashburton Grove RRC as the new facility was designed for greater levels of recycling and composting.

12.2.6 In 2005-06 RRC residual waste continued to decline as a result of higher recycling rates and more rigorous access restrictions. In Camden the RRC stopped taking residual waste for disposal as a result of refurbishment, although it continued to accept material for recycling and this contributed to the downward trend there as a result. Enfield's RRC at Carterhatch Lane was also closed in the period although new sites opened at Hornsey High Street in Islington and Gateway Road in Waltham Forest later in the year. However, over the ten year period, the downward trend is encouraging.

FIG. 6 - 10 YEAR TREND IN RE-USE AND RECYCLING CENTRE RESIDUAL WASTE 1995/1996 TO 2005/2006



12.2.7 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 Borough Councils.

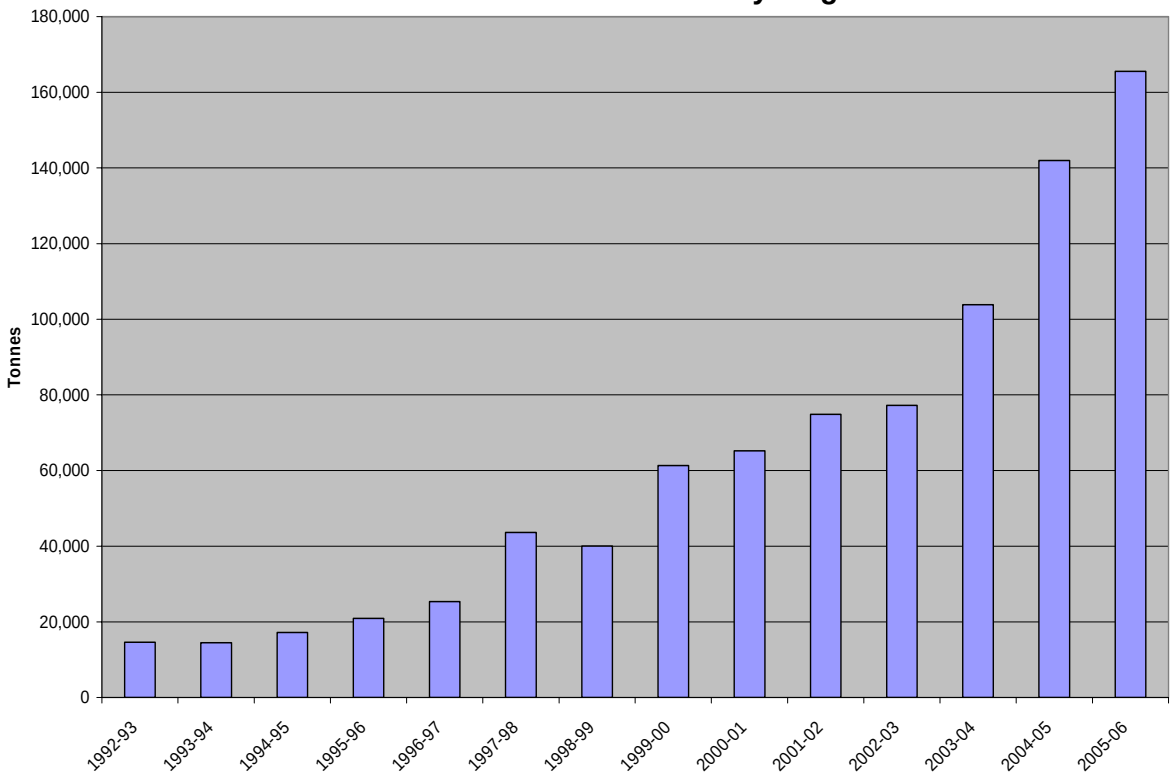
12.3 Recycling Waste

12.3.1 The total amount of household waste recycled and composted by the Authority and the Boroughs has increased more than 10 times from 1992-93 (14,584 tonnes) to 2005-06 (165,584 tonnes). This means that the Authority has exceeded its performance standard of recycling or composting 18% of its household waste (excluding residues from energy recovery) in 2005-06 by achieving a rate of 20.89% in 2005-06 (up from 18.28% in 2004-05). This figure rises to 24.62% when ash and ash metal recycling are included.

12.3.4 Recycling across the Authority-area has increased rapidly in recent years. This has been mainly due to the Constituent Borough Councils introducing and expanding kerbside recycling schemes, and to improvements in the design and operation of Re-use and Recycling Centres. More recently, green waste collection services have been introduced by some Boroughs.

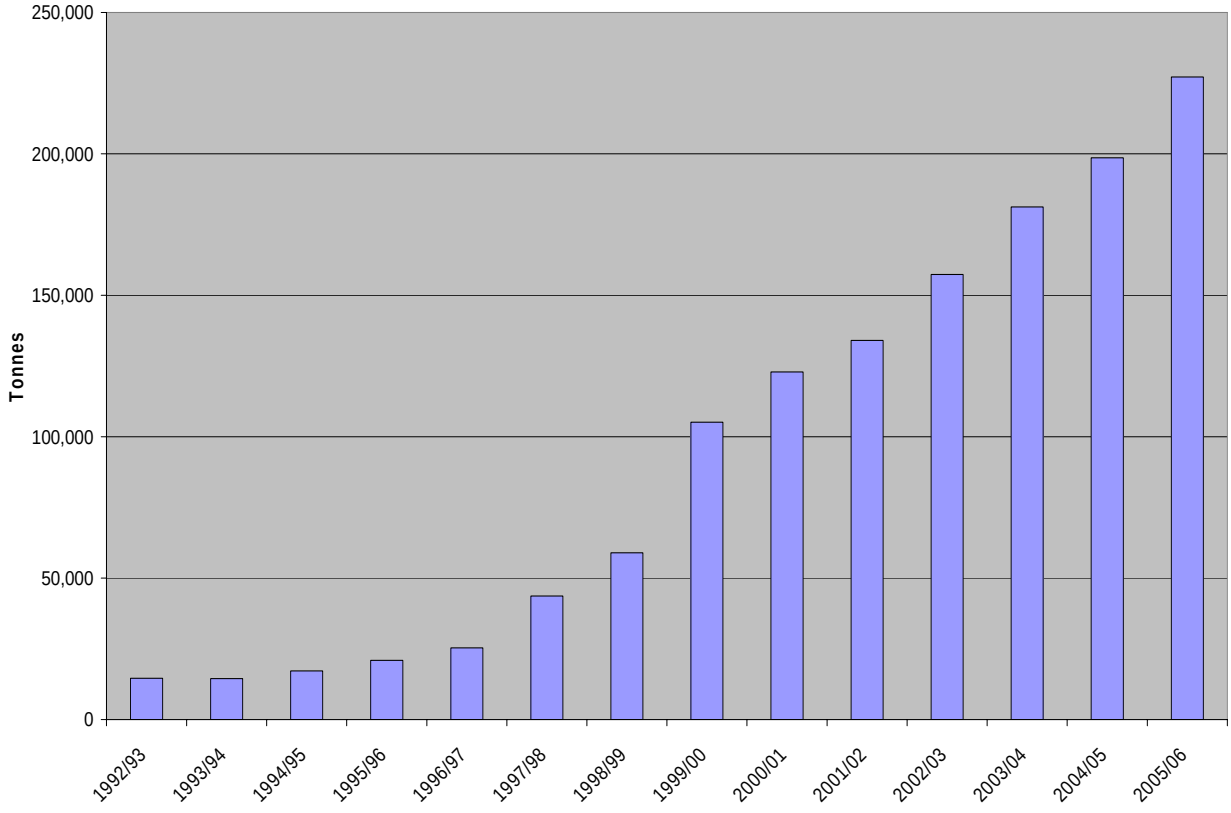
12.3.5 The first graph below shows the amount of waste recycled and composted by the Authority and the Constituent Borough Councils over the past 14 years excluding ash and ash-metal recycling.

FIG. 7 - Amount of household waste recycled and composted excl. ash and ash-metal recycling



12.16 The second graph shows the amount of waste recycled and composted by the Authority and the Constituent Borough Councils over the past 14 years including ash and ash-metal recycling.

FIG. 8 - Amount of household waste recycled and composted incl. ash and ash-metal recycling



12.3.4 As noted previously, the Authority helped to co-ordinate successful bids to the London Recycling Fund to the value of over £4 million in 2003-04 and over £4 million again across 2004-05 and 2005-06. The earlier part was mostly for improved recycling on housing estates, but also for improved re-use and recycling centres, new or improved green waste collections, furniture re-use from re-use and recycling centres and community recycling development support; the latter part has been for organic waste minimisation, collection and composting in North London. This has included building the in-vessel Compost Centre at Edmonton, which is now built and operational and the building of further effective partnerships with the community sector.

12.3.5 The Authority's contract for the transportation of re-use and recycling centre waste was also written to assist the Constituent Borough Councils with their recycling operations at these sites, and is achieving this objective.

13.0 CONSULTATION

13.1 The Authority places 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 relevant, a press release is issued to relevant newspapers to encourage wider input.

13.3 The North London Recycling Forum is also informed, so that a broad range of relevant and interested stakeholders can express views.

13.4 The draft Best Value Performance Plan is also sent to neighbouring waste disposal authorities and the London Mayor.

13.5 As a result of the consultation process there were no comments received on the draft 2006 plan as a result of placing it on the Authority website or the notification to others as a result of the Authority meeting to discuss the same.

13.6 Comments were received however from the Development Officer of the North London Recycling Forum. These comments noted that whilst it is not possible for a member of the Forum or the Forum Steering Group to speak on behalf of the group, because it is not a constituted body, that the plan was relevant to the Group's work.

13.7 The comments suggested that:

- The Authority consider presenting the plan (possibly in a workshop) at the next Forum meeting, (as happened for the draft NLJWS).
- There were a number of aspects of the Best Value Performance Plan which would interest Forum members, particularly involvement in the process of competition and the opportunities for smaller organisations to be involved a sub-contractors in the delivery of services for the Authority, the impact of changing legislation on service delivery and changes to the system of discretionary recycling credits payments to third parties in particular.
- The Forum may be interested in having debates about future legislation, particularly new targets for recycling, and composting and actions to reduce the kilograms of household waste collected per head.
- That the Plan be made available with the facility for comment via a new Forum website which is being developed.
- That the North London Recycling Forum would be a useful mechanism for obtaining detailed feedback from individual delegate organisations.

13.8 These matters will be taken forward into the preparation of the Best Value Performance Plan 2007.

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 is published annually. Copies are placed in Constituent Borough Councils' public buildings as required above. Service users can also obtain a copy of the Plan 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 web site on the Internet, where all the Authority's public reports are now published. The address of the web site is:

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

APPENDICES

APPENDIX 1 - TABLE 1

STATUTORY ENVIRONMENTAL SERVICE BEST VALUE PERFORMANCE INDICATORS

CODE	INDICATOR	2001/02	2002/03	2003/04	2004/05	2005/06	2004/05 London & Mets Upper Quartile	2004/05 London and Mets 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 ARISINGS - PERCENTAGE RECYCLED	7.24%	7.66%	10.81%	14.02%	15.27%	14.30%	12.24%	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 ARISINGS - PERCENTAGE COMPOSTED	1.09%	est 2.45%	2.41%	4.26%	5.62%	6.55%	4.69%	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 ARISINGS - PERCENTAGE USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES	44.02%	43.42%	40.43%	39.62%	34.35%	52.74%	21.77%	none set	none set	none set	none set	Future targets have not been set due to the up-grading of the energy-from waste incinerator to new European standards. 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	HOUSEHOLD WASTE ARISINGS - PERCENTAGE LANDFILLED	47.65%	46.46%	46.35%	42.11%	44.75%	30.11%	61.56%	none set	none set	none set	none set	Future targets have not been set for the same reason as above too, with similar aspirations prevailing regarding diversion from landfill to recycling and composting first, then to energy recovery.
BVPI 84	Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD	458	477.53	476.35	470	480.23	460.1	478.1	483.495	490.748	498.109	505.581	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. 2005/06 saw an increase in the amount of household waste collected per head indicating a need to focus more attention on prevention.
BVPI 87	COST OF WASTE DISPOSAL PER TONNE OF MUNICIPAL WASTE	35.43	38.17	42.35	49.86	49.61	N/A	N/A	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 on the recycling of domestic fridges & freezers, 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 average comparative data http://www.audit-commission.gov.uk/Performance/Downloads/2004Best Value Data(revised30March06).xls

APPENDIX 1 - TABLE 2

NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS

CODE	INDICATOR	2001/02	2002/03	2003/04	2004/05	2005/06	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	48.31%	51.40%	54.25%	55.47%	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 arangements, 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 BOROUGHS - 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 ARISINGS - PERCENTAGE RECYCLED EXCLUDING INCINERATOR RESIDUES.	7.24%	7.66%	10.81%	14.02%	15.27%	11.00%	Excludes composted material - recycling only
5	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISINGS - PERCENTAGE RECYCLED INCLUDING INCINERATOR RESIDUES.	15.17%	19.50%	22.52%	25.20%	24.62%	None set	Excludes composted material - recycling and incinerator residue recycling only

NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS								
CODE	INDICATOR	2001/02	2002/03	2003/04	2004/05	2005/06	2004/05	COMMENT
		Actual	Actual	Actual	Actual	Actual	Target	
6	TOTAL KG WASTE COLLECTED PER HEAD	458	478	476	470	480	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)	33	37	52	86	73		
8	KG PER HEAD RECYCLED INCLUDING INCINERATION RESIDUES)	68	88	105	120	118		
9	KG PER HEAD COMPOSTED	5	12	11	20	27		
10	KG PER HEAD USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES	202	207	193	237	165		
11	KG PER HEAD DIRECTLY LANDFILLED	218	222	221	158	215		
12	KG PER HEAD LANDFILLED (I.E. INCLUDING INCINERATION RESIDUES)	237	236	221	214	216		

NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS								
CODE	INDICATOR	2001/02	2002/03	2003/04	2004/05	2005/06	2004/05	COMMENT
		Actual	Actual	Actual	Actual	Actual	Target	
13	TOTAL KG WASTE COLLECTED PER HOUSEHOLD	1,077	1,081	1,089	901	1,097	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)	78	83	118	195	167		
15	KG PER HOUSEHOLD RECYCLED INCLUDING INCINERATION RESIDUES)	159	200	240	274	269		
16	KG PER HOUSEHOLD COMPOSTED	12	26	26	46	62		
17	KG PER HOUSEHOLD USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES	474	469	440	540	377		
18	KG PER HOUSEHOLD DIRECTLY LANDFILLED	513	502	505	360	491		
19	KG PER HOUSEHOLD LANDFILLED (I.E. INCLUDING INCINERATION RESIDUES)	556	534	505	489	493		

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	2001-02	**7.24%**	10.58%	6%	8.36%	6.70%	5.43%
		2002-03	**7.66%**	11.70%	tba	10.69%	5.87%	5.79%
		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%**	TBC	11.08%	20.23%	15.64%	11.88%
BVPI 82b	% OF HOUSEHOLD WASTE COMPOSTED	2001-02	**1.09%**	1.54%	1.60%	0.35%	0.022	1.55%
		2002-03	**2.45%**	2.18%	tba	0.77%	1.61%	2.75%
		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%**	TBC	4.00%	1.83%	6.86%	6.76%
BVPI 82c	% OF HOUSEHOLD WASTE USED TO RECOVER HEAT AND POWER	2001-02	**44.02%**	0.08%	7%	0.06%	6.10%	0.10%
		2002-03	**43.42%**	0.09%	tba	0.06%	8.04%	0.07%
		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%**	TBC	6.29%	0.07%	9.00%	0.06%
BVPI 82d	% OF HOUSEHOLD WASTE LANDFILLED	2001-02	**47.65%**	87.80%	86%	92.17%	84.60%	92.92%
		2002-03	**46.46%**	86.03%	tba	88.48%	84.47%	91.39%
		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%**	TBC	78.63%	77.88%	68.00%	81.30%
BVPI 84	Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD	2001-02	**458**	439	522	419	580	554
		2002-03	**478**	466	553	382	628	574
		2003-04	**476**	444	537	386	594	569
		2004-05	**470**	454	490	387	539	581
		2005-06	**480.22**	TBC	473	374	TBC	566
BVPI 87	COST OF MUNICIPAL WASTE DISPOSAL PER TONNE	2001-02	**£35.43**	£32.37	£39.34	£29.49	£44.31	£34.18
		2002-03	**£38.17**	£34.70	tba	£32.53	£45.24	£33.34
		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**	TBC	TBC	TBC	TBC	TBC
BVPI 157	% INTERACTIONS ENABLED FOR 'E-DELIVERY'	2005-06	100%	TBC	100%	100%	83%	100%

APPENDIX 2 – AUDITOR'S REPORT

Auditor's Report to the North London Waste Authority on its Best Value Performance Plan 2005/2006

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.

Report and recommendations

We certify that we have audited the Authority's 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 council. 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.

Deloitte & Touche LLP
15 December 2005
St Albans