



# BEST VALUE

## PERFORMANCE PLAN 2007

*'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 2007**

<b><u>CHAPTER</u></b>	<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
1	BEST VALUE AND PERFORMANCE PLAN STATEMENTS	2
2	INTRODUCTION TO THE AUTHORITY	3
3	INTRODUCTION TO BEST VALUE	5
4	AUDITOR'S COMMENTS ON THE LAST BEST VALUE PERFORMANCE PLAN	7
5	SUMMARY OF THE AUTHORITY'S OPERATIONAL ACTIVITIES AND SERVICE DEVELOPMENTS	8
6	THE NORTH LONDON JOINT WASTE STRATEGY	19
7	FINANCIAL STATEMENT	35
8	BEST VALUE PERFORMANCE INDICATORS AND TARGETS	42
9	UPDATE ON PAST REVIEWS OF SERVICES	50
10	RESOURCES	54
11	EFFICIENCY IMPROVEMENTS	55
12	WASTE TRENDS	56
13	CONSULTATION	61
14	PUBLISHING	62
APPENDIX 1	TABLES 1 – 3 BEST VALUE PERFORMANCE INDICATORS	
APPENDIX 2	AUDITOR'S REPORT ON THE 2006 BEST VALUE PERFORMANCE PLAN	

# **NORTH LONDON WASTE AUTHORITY**

## **BEST VALUE PERFORMANCE PLAN 2007**

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

2.5 The LondonWaste Ltd. board has eight directors. Three of the LondonWaste Ltd. directors are nominated by the Authority, three are nominated by SITA (GB) Ltd. and two non-voting directors are nominated by LondonWaste Ltd. itself. This is representative of the 50%-50% share holdings of both partners within the Joint Venture.

2.6 The Authority does not employ any staff directly, but makes the following cross-borough arrangements for governance, management and support services with the London Boroughs of Camden and Haringey providing the following for the Authority:-

- **London Borough of Camden**

- Clerk
- Deputy Clerk
- Finance Adviser
- Finance Officer
- Legal Adviser

- **London Borough of Haringey**

- Technical Adviser
- Valuation Adviser
- Strategy & Contracts Team (13 full time posts)

2.7 There is also a Strategy Implementation Board which meets as required providing guidance and feedback on strategy implementation. This Board comprises the Executive Member of Environment from each of the seven Constituent Borough Councils and each Council's chosen combination of other supporting Members and officers. The Board elects its own Chair each year.

2.8 Additionally there is a Technical Officer Group, which is comprised of one senior waste manager from each Constituent Borough Council. This Group, which is chaired by the Technical Adviser, provides further officer co-ordination and professional advice.

2.9 The Authority leads the development of, and 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 and resources to achieve all the Partners' statutory performance standards and new national and European Directive targets and obligations. Greater detail on this work is set out in Chapter 6.

2.10 In order to implement the NLJWS, the Authority has taken on additional duties and responsibilities beyond its initial role of waste disposal. In 2006-07 it approved a Joint Waste Prevention Implementation Plan and it also embarked on the process of procuring services post December 2014, when its existing contract with LondonWaste Ltd. ceases.

2.11 A Waste Prevention Officers' Group has been created and various other new joint officer and joint Member groups are being developed for the significant procurement work ahead.

2.12 The Authority has its own statutory recycling and composting performance standards and also has statutory targets in relation to minimising the amount of biodegradable municipal waste it sends to landfill.

### 3.0 INTRODUCTION TO BEST VALUE

- 3.1 The Local Government Act 1999 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 new *Waste Strategy 2007*; 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.
- 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 eighth Best Value Performance Plan in the current format. 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 2007/08. Copies of this and previous plans are available on the Authority's website at [www.nlwa.gov.uk](http://www.nlwa.gov.uk) or in hard copy by writing to the Authority.
- 3.6 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.
- 3.7 Going forward, the Government has also announced that a new set of national indicators will replace several existing sets, including Best Value Indicators (BVPIs) from 1<sup>st</sup> April 2008. Therefore, 2007/08 will be the last year of reporting against the current set of BVPIs and the associated annual report.

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

- 4.1 Last year's "Best Value Performance Plan 2006" produced by the Authority was audited by Deloitte and Touche LLP in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.
- 4.2 The Auditor's full Report is attached as Appendix 2. The Auditor stated the view that the Best Value Performance Plan was prepared and published in all significant respects in accordance with Section 6 of the Local Government Act 1999 and statutory guidance issued by the Government.
- 4.3 The Auditor stated that they considered there were no matters to be brought to the Authority's attention, and that they had no recommendations to make on procedures in relation to the Plan.
- 4.4 There is also a requirement for the Auditor to recommend whether the Audit Commission should carry out a Best Value Audit under Section 10 of the Local Government Act 1999 and/or whether the Secretary of State should issue a direction under Section 15 of the Act. In both instances the Auditor has not recommended these actions.

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

- 5.1 The Authority's statutory duties are arranging:
- the disposal of controlled waste collected by the seven Constituent Borough Councils (see paragraphs 5.2 to 5.4).
  - the transport and disposal of household waste from Constituent Borough 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 (paragraph 5.7).
  - the preparation of a joint waste strategy (see Section 6).
  - the diversion of waste from landfill in order to meet statutory landfill allowance limits and engagement in the 'Landfill Allowance Trading Scheme'(LATS) if required (see paragraph 6.11).

Each of these duties is now considered in turn.

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

The Authority arranges for the disposal of 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. *However, the best value indicators referred to in this report only relate to 'household waste'*. This waste is disposed by the Authority under the 'Main Waste Disposal Contract' with LondonWaste Ltd. The **total amount of household waste** collected by the Constituent Borough Councils and disposed in this way for **2006-07 was 776,728 tonnes**. The waste was delivered to one of four sites:

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

During 2005 the incinerator furnace combustion processes and emission controls were 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 Facility (FPP)** – This facility is a road transfer station at LondonWaste's Edmonton 'Ecopark' where bulky municipal and commercial waste is crudely sorted into separate various fractions for recycling and for energy recovery; the residue (which is the vast majority) is loaded onto articulated lorries and sent to landfill sites, in either Cambridgeshire or Bedfordshire.

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 recycling.

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

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

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

- 5.2.4 **Hornsey Street** – A road transfer station which was opened in July 2004. This site is a replacement for 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. The facility is located in the London Borough of Islington and accommodates both the Authority's waste transfer station and the London Borough of Islington's depot and a 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 and then to reprocessing. During the forthcoming year a trial will take place to determine whether organic material from the London Borough of Islington could also be bulked up at the facility.

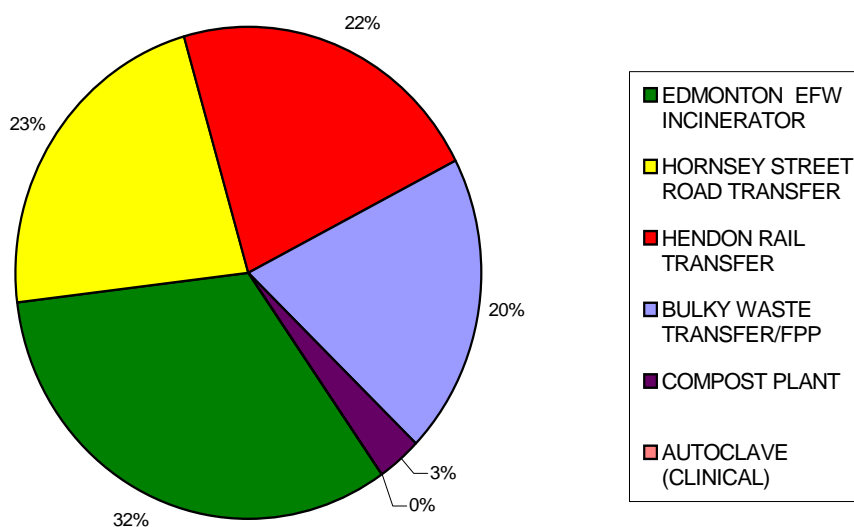
Residual waste is also delivered into the transfer station, where, via chutes from the first floor of the building, it is dropped down and packed into enclosed containers on the lower ground floor. The containers are then loaded onto large lorries for onward transfer to disposal sites. The facility has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

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

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

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

**FIG. 1 - PROPORTION OF WASTE DELIVERED TO EACH OF THE AUTHORITY'S CONTRACTED FACILITIES, 2006-2007**



The above chart is based upon the amount of municipal waste – 817,098 tonnes - delivered to each of the different facilities and is based upon invoiced tonnages of municipal waste (i.e. both household and 'trade' waste) delivered to each facility.

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

- **Asbestos** – Cement asbestos deposited at 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** – During 2006-07 Boroughs were 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 (Waste Electrical and Electronic Equipment) Directive would be implemented in the UK). Six of the constituent boroughs 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. The arrangement was subsequently extended because of a delay in implementing the WEEE Directive into the UK. It is planned that these arrangements will cease on 1<sup>st</sup> July 2007, when the WEEE Directive comes into force in the UK, via the WEEE Regulations. From 1<sup>st</sup> July it is planned that collection of all WEEE (i.e. not just cathode ray tubes) from the constituent boroughs' re-use and recycling centres will be organised by a WEEE 'Producer Compliance Scheme', acting on behalf of electrical and electronic product producers.
  
- **Fridges** – a similar arrangement to cathode ray tubes applies to fridges. This arrangement is also anticipated to cease on 1<sup>st</sup> July 2007, when it is expected that a WEEE producer compliance scheme will take over the collection of WEEE from 'designated collection facilities' and provide a free-of-charge service.

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

5.5.1 Within the Authority's area, RRCs (formerly known as Civic Amenity Sites) are provided at nine locations. The Authority has the responsibility for transporting and disposing of residual waste, i.e. anything which is not taken away for recycling or composting, from these sites. In 2006-07 the Authority disposed of **34,545.65 tonnes** of waste from the following RRCs (up from the 33,616 tonnes of waste disposed during 2005-06)<sup>1</sup>:

- Barnet: Summers Lane
- Camden: Regis Road
- Enfield: Barrowell Green
- Haringey: Park View Road and Hornsey High Street<sup>2</sup>
- Islington: Hornsey Street
- Waltham Forest: Gateway Road<sup>3</sup>, Kings Road and South Access Road

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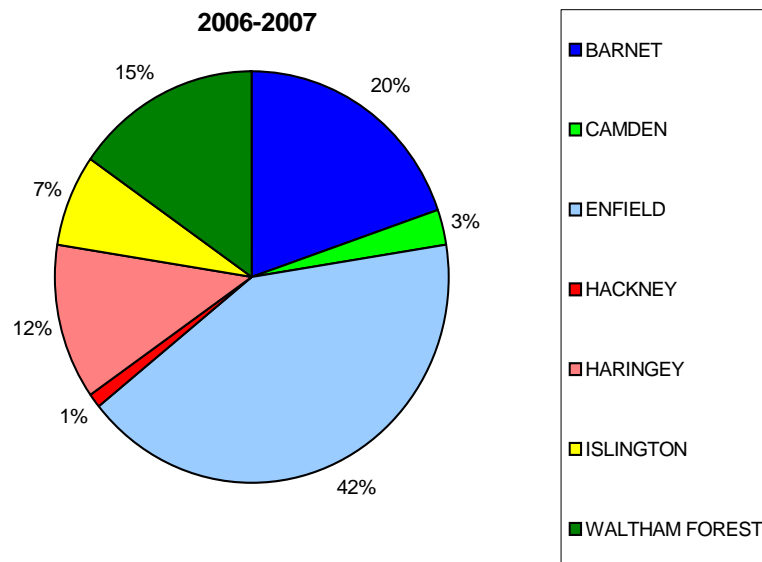
<sup>1</sup> The Regis Road site in Camden was closed for parts of 2005-06 and only open for recycling for parts of 2006-07.

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

<sup>3</sup> 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.

- 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.
- 5.5.3 The Authority took the opportunity of seeking tendered rates for the transportation of recyclable wastes on behalf of the Constituent Boroughs within this contract, as it was considered that such a large contract might achieve greater economies of scale and therefore better value for money. All six Constituent Boroughs with RRC's are now benefiting from this contract in some way.
- 5.5.4 The development of a new RRC in Waltham Forest and upgraded facilities in Camden (with some recent redevelopment of the Regis Road site) means that RRC facilities for recycling in these two boroughs have improved since last year.
- 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 2006-2007**



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

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

- 5.6.1 The Authority has the statutory responsibility under the Refuse Disposal (Amenity) Act 1978 to arrange for the storage and disposal of abandoned vehicles collected by the Constituent Borough Councils.
- 5.6.2 The Authority has always delegated these functions, together with the expenditure and income, to the Constituent Boroughs, but continues to have an interest in the carrying out of its functions. This arrangement was the subject of a Best Value Review in 2001-02, but due to delays in the UK implementation of the End of Life Vehicle Directive (under which the Authority was left with this responsibility longer than anticipated rather than it being transferred to vehicle manufacturers and importers or a wider range of the motor industry) it was not possible to bring this Review to its full conclusion at the time.
- 5.6.3 However, it is now clearly apparent that it is not necessary to let an Authority-wide contract for the de-pollution and disposal of these vehicles in order to attract the necessary private capital investment as Borough contractors installed the necessary equipment. The historic arrangements therefore continue.
- 5.6.4 For **2006-07**, there were **5,648 abandoned vehicles** across the seven Constituent Borough Councils. This figure is reduced from 6,398 in 2005-06 and 11,324 in 2004-05.

## **5.7 Waste recycling and composting**

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

- 5.7.2 However, from the start of 2006-07 this arrangement changed. From 1<sup>st</sup> April 2006, the Authority's duty to pay statutory recycling credits to the Constituent Borough Councils was removed. The reason for this change is that a new method of levying the Boroughs has now been agreed by Government. From 1<sup>st</sup> April 2006 the Authority started to move to a system where it 'levies' each Borough on the basis of tonnes of waste handled, a 'tonnage based levy', (rather than on the previous council tax basis). It is therefore increasingly in Boroughs' best interests to reduce their levy by reducing waste levels as much as possible in order to keep their levy as low as possible. This change also means that the additional incentive of paying statutory credits for increasing recycling is no longer required. However, as the tonnage based levy 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 1<sup>st</sup> April 2006. So, although statutory recycling credits will no longer need to be paid from 1<sup>st</sup> 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 for both recycling and re-use, (the latter from 1<sup>st</sup> April 2007) will not be phased out.
- 5.7.3 The Authority also holds a £1,000,000 dividend from LondonWaste Ltd. which it is holding as a separate fund to assist with boosting its recycling rate. As soon as it is possible to align sufficient Boroughs' contracts and specifications, the Authority will use this money to help finance a suitable new facility. In the meantime, the Authority has established an ear-marked reserve for interest earned on this money, to protect its value from inflation. (At 31<sup>st</sup> March 2007 the projected valued of the Earmarked Reserve is £1.320 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/organic waste.
- 5.7.5 The Authority has been leading the development, and now the implementation, of the North London Joint Waste Strategy, as described fully in Chapter 6. The Strategy sets out a series of actions which the partner authorities will undertake in order to meet statutory recycling and composting targets and also to enable the Authority to meet the requirements of the Waste and Emissions Trading Act 2003.
- 5.7.6 One of the first steps in providing additional capacity to facilitate the increase in recycling and composting of municipal waste in North London was the commissioning of a new 'in-vessel' composting facility from LondonWaste Ltd. The facility commenced operations in September 2005 and was officially opened in March 2006, completing its first full year of operation in 2006-07. The Authority secured £1,700,000 of capital funds towards the construction of the facility from the London Recycling Fund, whilst LondonWaste Ltd. raised the remaining £3.5 million against the security of its income from the Authority.

5.7.7 The composting facility can process 30,000 tonnes per year of green garden waste and organic kitchen wastes in accordance with new, stricter regulations since the outbreak of Foot and Mouth disease. It produces a compost product which is now PAS (Publicly Available Specification) 100 certified. The compost is available free of charge to the constituent boroughs councils by whom it is increasingly being used, following trials in 2006-07. During the forthcoming year the Authority will work closely with LondonWaste Ltd. to improve the operational efficiency of the facility and particularly to ensure that during the peak period of green garden waste production during May and June that the facility has the necessary capacity available or that alternative outlets are secured.

5.7.8 The capital bid 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 2006-07 the £25,000 London Recycling Fund grant was 'match funded' by a further £25,000 from the Authority. These projects and the resultant expansion of a range of composting services are consistent with the actions outlined in the North London Joint Waste Strategy.

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

5.8.1 During the past year, the Authority reviewed the way in which it assesses the amount of non-household waste delivered within mixed municipal waste by the Constituent Borough Councils with a view to updating the system. (This work had originally been planned in 2005-06, but was delayed as a result of the Government's review of the levy system outlined above). Currently the Authority assesses the amount of non-household waste based upon the results of a survey carried out in 1995 and this needs updating.

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

1. Firstly because the Authority charges the Constituent Borough Councils directly for the disposal of appropriate tonnages of non-household waste.

2. Secondly, because the balance between non-household and household waste affects the boroughs' progress towards household waste recycling targets.
3. Thirdly, because the London Mayor's 'Business Waste Strategy' which is currently being developed, takes into account the need to plan for the non-municipal waste stream, so it is important to assess the amount on non-household waste as accurately as possible.

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

1. It will be necessary to establish the number of commercial and industrial or 'trade' waste contracts that each Constituent Borough Council has at a particular point in the year.
2. Secondly the number of collections of particular sizes of waste container for each customer will be itemised and totalled for the year.
3. A 'standard' weight of material will be assigned to each container in direct proportion to its volume.
4. This calculated weight will then be multiplied by the total number of collections for that type of container within each Constituent Borough Council to obtain a figure for the amount (i.e. the weight) of non-household waste collected by each Constituent Borough Council during the year.

5.8.4 Surveys are being undertaken across the whole Authority area to assess a volume:weight ratio of non-household waste collected locally. It is intended that the final proposals will be taken to the Authority in September 2007, so that there is sufficient time to build in the necessary adjustments into all 2008-09 budgets.

## **5.9 Co-operation.**

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

4P's (Public Private Partnerships Programme – within the LGA)  
Association of London Cleansing Officers (ALCO)  
Chartered Institution of Wastes Management (CIWM)  
Department for Environment, Food and Rural Affairs (DEFRA)  
Department of Trade and Industry (DTI)  
Environment Agency (EA)

Government Office for London (GOL)  
Greater London Authority (Mayor and Assembly)  
Groundwork North London  
Household Hazardous Waste Forum (HHWF)  
Local Government Association (LGA)  
London Climate Change Agency (within the LDA)  
London Community Recycling Network (LCRN)  
London Councils (formerly the Association of London Government)  
London Development Agency (LDA)  
Local Authority Recycling Advisory Committee (LARAC)  
London Remade  
National Association of Waste Disposal Officers (NAWDO)  
North London Recycling Forum (NLRF)  
Partnerships UK (PUK)  
Real Nappies for London (RNfL)  
Waste and Resources Action Programme (WRAP)  
Waste Implementation and Development Programme (WIDP – within DEFRA)

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

- 6.1 The Authority 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 has recently been reviewed, (and a new strategy, *Waste Strategy for England 2007*, published), actively encouraged the Authority, and Constituent Boroughs, 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.
- 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. The Review of the Mayor of London's powers which was carried out in 2006-07 and the subsequent GLA Bill, which at the time of writing is progressing through parliament, will, if transposed into the GLA Act, also require London Authorities' waste management strategies to be "in general conformity" with the Mayor of London's municipal waste management strategy, (Clause 36).

<sup>3</sup> Review of England's Waste Strategy, A Consultation Document, February 2006, Defra.

6.4 In North London during this time, the Authority and its Partner Authorities agreed common aims and objectives for wastes management and developed a North London Joint Waste Strategy (NLJWS). The NLJWS is a key foundation for and means by which to improve services in the future. The 'Mayor's Draft' 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 of London then carried out his review of the NLJWS, Mayor's Draft, in 2006, with comments received in December. Because the NLJWS had not been formally adopted by 21<sup>st</sup> July 2006, when the requirements of the Strategic Environmental Assessment (SEA) Directive came into force, it is now necessary to carry out a retrospective SEA of the NLJWS. This work is currently underway and will be completed in 2007-08. The SEA process will require a review of the Best Practicable Environmental Option (BPEO) analysis which was conducted during the Strategy preparation process. It is too early to anticipate what the resultant changes to the NLJWS might be as a result of both the SEA process and of considering the Mayor of London's comments, however it is planned to have the NLJWS completed and adopted during 2007-08 in order that the Authority's procurement process for services post December 2014, takes place within the framework of an approved and adopted NLJWS.

## **6.5 Summary of the North London Joint Waste Strategy**

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

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

6.5.3 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.

6.5.4 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.

6.5.5 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.

6.5.6 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.

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

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

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

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

- 6.5.9 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.
- 6.5.10 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.

6.5.11 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.

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

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

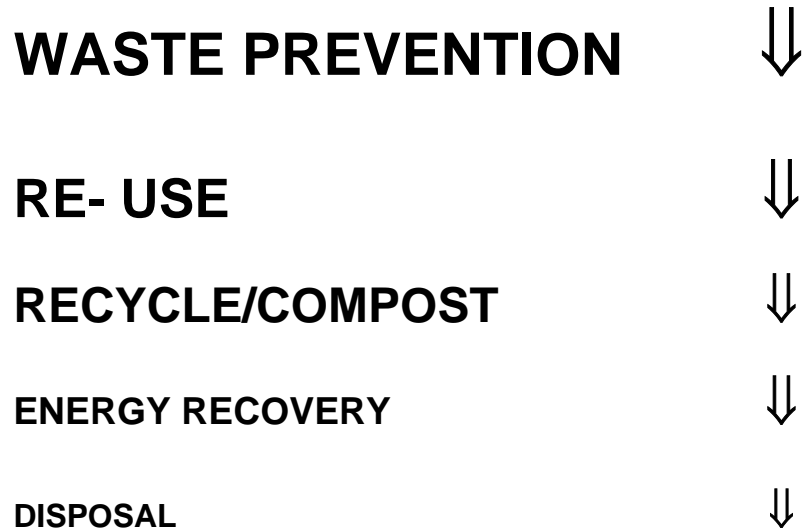
The development of the NLJWS has challenged existing objectives and Authority-wide municipal waste management arrangements and addresses recent developments in waste management policy. The NLJWS gives due consideration to the following principal "technical" issues in addition to key stakeholders' views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

## **6.7 Best Practicable Environmental Option**

- 6.7.1 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.'
- 6.7.2 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. However, it is timely to note that the recently launched *Waste Strategy for England 2007* sets new, higher targets of 40% re-use, recycling and composting by 2010, 45% by 2015 and 50% by 2020. At the time of writing, the Authority does not know how these new national targets might be translated into local indicators, or what elements of re-use might be included in the future.

## 6. 8 Waste Hierarchy

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



## 6. 9 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.

## 6.10 The Government’s National Waste Strategy

**6.10.1** 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 Best Practicable Environmental Option (BPEO) analysis within the draft North London Joint Waste Strategy and the London Mayor’s strategy, “*Rethinking Rubbish in London*”. It is not yet clear how the national targets in the new English Waste Strategy 2007 will be reflected at a local level.

Statutory Performance Standards, Public Service Agreement  
& Waste Strategy 2000 Targets & New Targets from England's Waste Strategy  
2007

Authority	2005-06 performance standard (target)	2006/07 actual performance	2010 Targets	2015 Targets	2020 Targets
Barnet	27% (30% PSA)*				
Camden	33%				
Enfield	27% (30% PSA)*				
Hackney	18%				
Haringey	18%				
Islington	18%				
Waltham Forest	18%				
National recycling/composting	25%				
NLWA recycling/ composting	18%				
North London Joint Waste Strategy Targets	20.89% (actual)	22.82%	35%	45%	
<b>Waste Strategy 2000</b> national household recycling/composting targets	25%		30%	33%	40%
<b>Waste Strategy for England 2007</b> national household re-use, recycling and composting targets	27%		40%	45%	50%
<b>Waste Strategy 2000</b> % municipal waste recovery**	40%		45%	67%	53%
<b>Waste Strategy for England 2007</b> % municipal waste recovery**	38%		53%	67%	75%

\* PSA = Public Service Agreement

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

6.10.2 The Authority's first steps to deliver increased recycling and composting 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. During 2006-07 a contract was also signed between the Authority and LondonWaste Ltd. to deliver 'commingled' or mixed dry recyclable material to a third party materials recycling facility. This facility is now accepting recyclable material from three of the constituent borough councils which collect recyclable material in this way. Plans to build a local materials recycling facility in North London have been reviewed during the year and proposals for the procurement of further capacity for commingled dry recyclables are being developed. Work has also started to identify the most suitable option(s) for facilities to replace the 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.

6.10.3 The Government consulted on a series of changes to the statutory recycling and composting targets in 2005 and has since reviewed the Waste Strategy 2000. This review has resulted in the publication of a new Waste Strategy for England 2007, including the resultant higher recycling and composting targets included in the preceding table. In addition, the London Mayor has been reviewing the municipal waste management strategy for London. The London Mayor published a draft business waste strategy for internal consultation within the GLA group in May 2007 and his updated municipal waste strategy is expected soon. The Authority will take full regard of the changes that both the London Mayor and the Government ultimately decide to make in the future and where possible will incorporate these into a review of the NLJWS being carried out as part of the SEA process.

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

6.11.1 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.

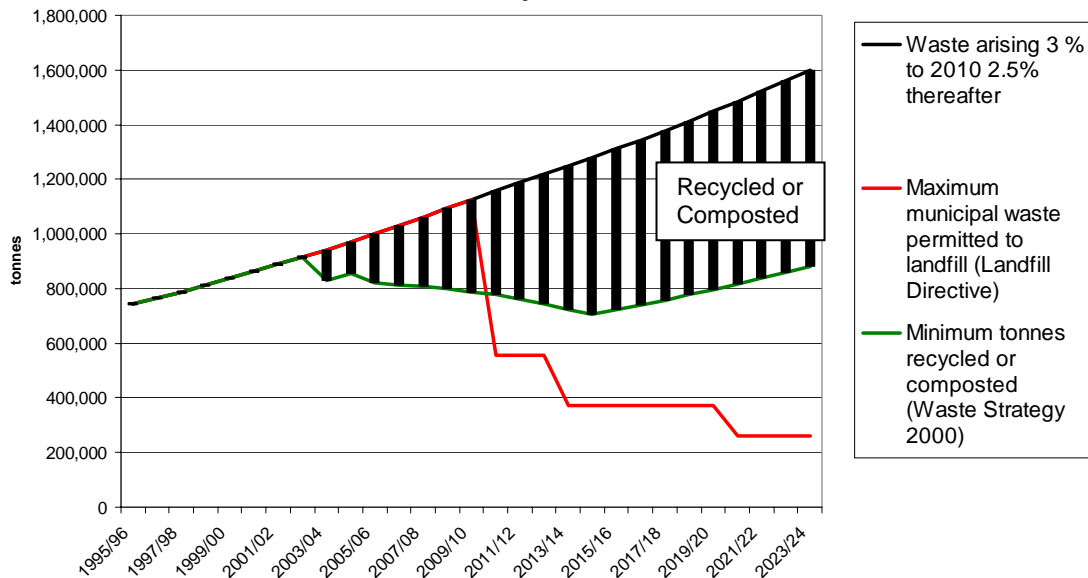
6.11.2 The WET Act is the new primary legislation, and the Government has initiated the Landfill Allowance Trading Scheme (LATS) to minimise the cost of UK compliance and to allow maximum flexibility from 2005-06 onwards. The Authority established a Member Working Group to assess this trading system 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.

6.11.3 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.

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

**FIG. 3**

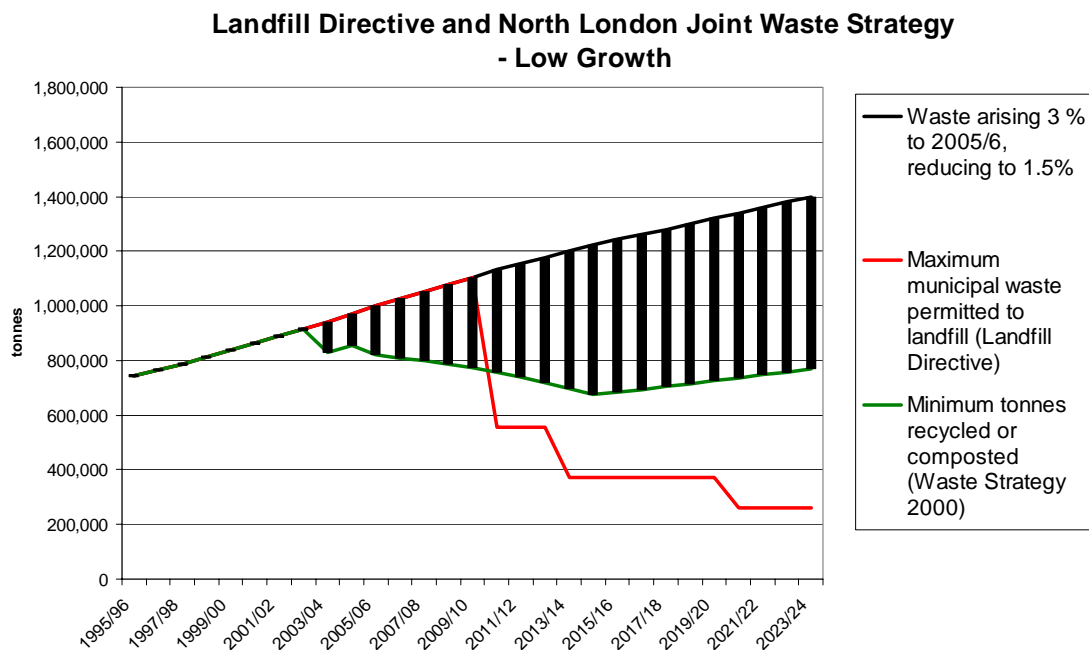
**Landfill Directive and North London Joint Waste Strategy  
- Projected Growth**



6.11.5 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.

6.11.6 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.

**FIG. 4**



6.11.7 During 2006-07, a Waste Prevention Implementation Plan was produced by the eight partners to the NLJWS. This sets out a series of short to medium terms actions to reduce waste growth and to be delivered either by the Authority or the constituent borough councils either together or individually. A Waste Prevention Officer was appointed by the Authority in 2006-07 and work on prevention will continue in 2007-8 in line with the plan.

6.11.8 The Authority is continuing to work with the projections contained within the NLJWS at present. However, work has recently been carried out to reassess the waste tonnage projections originally prepared for the North London Joint Waste Strategy (NLJWS). These show that the amount of waste 'per household' is rising more slowly than originally predicted although this slower rate of increase is partially offset by higher than anticipated growth in household numbers. Over the course of the forthcoming year it is anticipated that the Authority's waste growth projections will be revised.

6.11.9 It should be noted that whilst the Landfill Directive does not limit in any way the amount of non-biodegradable municipal waste that can be landfilled, all of the municipal waste that cannot be sent to landfill must be composted, recycled or recovered. If the waste stream does increase at the predicted 3% rate to over 1.6m 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.

## **6.12 The Landfill Tax**

6.12.1 The Landfill Tax is levied on all waste going for disposal to landfill sites. "Inactive" (or inert) wastes that pose no threat to the environment are charged a tax of just £2 per tonne, whereas other wastes are charged the full tax (£21 per tonne in 2006-07). In the 2007 Budget, the Chancellor of the Exchequer announced that whilst the Landfill Tax would rise, as anticipated, to £24 per tonne for 2007-08. However, the annual increase from 1<sup>st</sup> April 2008 and thereafter until at least 2010 – 2011, will be £8 per tonne each year until it reaches £48 per tonne (the formerly indicated rise was by £3 per tonne annually until it reached £35 per tonne). He announced too that the lower rate for inert wastes would rise to £2.50 per tonne from 2008-09.

6.12.2 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.

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

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

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

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

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

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

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

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

6.14.3 The North London constituent borough councils have agreed to the Authority registering their re-use and recycling centres as designated collection facilities for WEEE. Authority officers have approached seven out of the thirty seven registered Producer Compliance Schemes (PCSs) to determine which would be most suitable for it to contract with for the collection of WEEE from these facilities. The Authority focussed on those schemes which will collect all five of the designated streams of WEEE. The collections coming into force on 1<sup>st</sup> July 2007 will include the collection of cathode ray tubes and fridges which are already subject to the controls imposed by the Hazardous Waste Regulations and collected separately. Whilst the WEEE collection and recycling process is free from 1st July 2007 (so there are no financial economies of scale to be gained by a single contract), it is hoped that the joint working arrangements on WEEE will bring operational benefits to all parties.

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

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

6.15.2 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.

6.15.3 A consultation carried out by the Office of the Deputy Prime Minister (ODPM) on the Single London Waste (Disposal) Authority took place during 2005-06 as part of a wider review of the powers of the Mayor. The Authority submitted a response to this review along the lines outlined above. The result of the review and subsequent GLA Bill propose wider planning powers for the Mayor of London in relation to waste facilities, but do not propose a Single London Waste Authority. However, until the resultant GLA Act is passed, the full detail is subject to change.

6.15.4 As noted in 6.10.3, the London Mayor published a draft business waste strategy in May 2007, with draft revisions to this municipal waste strategy to follow. The Authority will respond to these as appropriate.

## **6.16 Other Legislative Requirements**

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

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

- 6.17.1 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. It has approved a Waste Prevention Implementation Plan and a Procurement Strategy, both of which will proceed following Best Value principles (and other relevant legislation). The Strategy Implementation Board meetings will identify further key improvement priorities where there is the greatest need or opportunity for improvement, and the specific outcomes that the Authority and its Partners expect to achieve as a result.
- 6.17.2 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.
- 6.17.3 The former Strategy Project Board prepared a comprehensive analysis of various potential funding sources for new services and facilities in North London. At the time, the most accessible of these was the London Recycling Fund, which was London's share of the £140m fund provided by the Government nationally. In addition to £4,139,000 which was awarded to North London authorities in 2003/2004 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 bid for and secured for the North London Integrated Compost Project over financial years 2004- 05 and 2005-06.
- 6.17.4 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 and an Expression of Interest for PFI (Public Finance Initiative) credits has recently been submitted (and now approved) as a result. The next step is for the Authority to proceed to the next stage of the application process by preparing an Outline Business Case (OBC) for credits.
- 6.17.5 The Authority and four of its constituent borough councils (Camden, Enfield, Hackney and Waltham Forest), were also successful in securing funding through a joint bid to the Waste and Resources Action Programme's Behavioural Change Local Fund in 2006-07. Funding of £300,000 over financial years 2006-07 and 2007-08 has been awarded for a communication campaign to help increase recycling participation in calendar year 2007. Barnet and Hackney were also successful in securing additional local financial support from the Fund.

- 6.17.6 The NLJWS has started to help the Authority and its Constituent Boroughs to meet the targets for composting, recycling and recovery that have been set by the Government, and also to provide Best Value through flexibility in its waste management options. This will allow the Authority and Constituent Boroughs to take advantage of new technology and exploit new recycling and recovery options as they appear.
- 6.17.7 The Authority and its Constituent Boroughs have achieved further improvements to the level of recycling and composting in 2006-07. The Authority has always sent a large proportion of its residual waste for energy recovery through incineration, and the use of this waste management option is likely to continue alongside increasing recycling services. Flexibility in the NLJWS will help the Authority to maintain and build on this past performance.
- 6.17.8 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 by the end of 2006-07 all the posts identified in the approved structure had either been filled or were in the process of recruitment. However, as a key focus in forthcoming years will be the Authority's procurement of new services post 2014, a review is also underway regarding the potential need for further investment in the Procurement Section and the creation of additional new positions within this area of activity. The Authority has been consulting with other authorities which have carried out similar procurement exercises in recent years to learn from their experiences and approved a Procurement Strategy in December 2006.
- 6.17.9 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 Department for Environment, Food and Rural Affairs' Waste Implementation Programme, and commissioned a piece of work from consultants to assist them. The consultants' work, provided 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.
- 6.17.10 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.

6.17.11 As a result of the consultants' work, all boroughs have committed the necessary financial resources to take the work forward and a Programme Manager has been appointed in 2006-07 and subsequently a new group of consultants has been commissioned to produce and deliver the JWDPD and community consultation accompanying it. A further submission to the Department for Environment, Food and Rural Affairs' Waste Implementation Programme in 2006-07 resulted in £100,000 of funding being awarded (spread over financial years 2006-07 and 2007-08) to help deliver the community consultation element of the programme. Planning delays and/or refusals could significantly impact upon the ability of the Authority and its Constituent Boroughs to deliver on the targets in the NLJWS so the importance of this work cannot be underestimated.

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

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

## **7.0 FINANCIAL STATEMENT**

- 7.1 The services provided by the Authority are paid for by the seven London boroughs that make up the Authority's area, who then include this expenditure in their own budgets and council tax calculations. The payment comprises of two elements. A payment for household waste which is paid as a result of a levy on each borough and a separate charge for non-household waste, i.e. industrial and commercial wastes.
- 7.2 The Authority's net expenditure requirements for the year ahead and the basis for apportioning the levy are determined each year at the February meeting of the Authority. All constituent borough councils must agree the method of apportioning the levy unanimously. In the event of failure to reach unanimous agreement a default arrangement is applied.
- 7.3 Since the formation of the Authority in 1986, there has never been unanimous agreement on an alternative method of apportioning the levy and therefore the Authority has relied upon the statutory default arrangements for apportioning the levy. For 2005-06 this meant that the levy was apportioned in proportion to each borough's council tax base. As this may not fairly reflect the real cost of disposal for boroughs, the Authority and its constituent borough councils previously made representations to Government urging a change to a tonnage basis for apportioning the levy as part of the development and implementation of the North London Joint Waste Strategy. Following further consultation the Government changed the default arrangements for apportioning the levy to a tonnage basis from 1<sup>st</sup> April 2006. It should, however, be noted that whilst the default arrangements provide for the majority of the Authority's expenditure (household waste) to be apportioned on a tonnage basis there remain some items of expenditure and income (other costs) that will continue to be apportioned on a council tax basis. For 2006-07 the household waste element represented 78% of the Authority's budget (excluding non-household waste) and 84% in 2007-08. The other costs element represents 22% in 2006-07 and 16% in 2007-08. Due to the additional cost that the change would bring to some constituent councils, the Government introduced a transitional arrangement that would enable the 'tonnage based levy' to be phased in over a three-year period. (In practice, this means that in year one (2006-07), one-third, i.e. 33.3% of the household waste levy was apportioned on a per tonne basis and two-thirds on a council tax basis; in year two (2007-08), two-thirds, i.e. 66.6% and one third respectively, and in year three (2008-2009) the full household waste levy will be allocated on a per tonne basis). The 2006-07 and 2007-08 levy has therefore been apportioned in line with the new statutory default arrangements.

- 7.4 In parallel with the Government's decision to change the default arrangements for apportioning the levy the Government has also removed the duty for the joint waste disposal authorities to pay recycling credits to their constituent borough councils as from 1<sup>st</sup> April 2006. The Authority, however, 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. The aim is to help constituent councils to adjust to both the levy changes and the cessation of the recycling credit scheme over the three-year transition period. This has 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 2007-08 of £48.593 million is financed as follows:

**Financing of Authority's Net Budget for 2007- 08**

	<b>£'000</b>
Charges for non-household waste	8,884
Use of balances	4,808
Levy for 2007/2008	34,901
 Total Income	 48,593

- 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. This is likely to change in the future years as the Authority embarks on a major procurement exercise to meets its future waste management requirements.
- 7.8 Further details of the Authority's budget for 2007-08, together with details of actual expenditure and income for 2005-06 and the 2006-07 final outturn (subject to audit) are set out below:

### Authority Budgets

	<b>2005-06 Actual</b>	<b>2006-07 Original Budget</b>	<b>2006-07 Final Outturn</b>	<b>2007-08 Budget</b>
	£'000	£'000	£'000	£'000
<b>Expenditure</b>				
Transport and Disposal	30,059	31,887	30,832	32,131
Other Treatment Costs	626	2,921	2,157	2,953
Fridges and Freezers	463	482	494	218
WEEE Directive etc	0	859	229	82
Landfill Tax <sup>1</sup>	5,673	6,592	6,245	7,073
Recycling Credits	8,655	5,680	5,525	3,477
Other Recycling Initiatives	20	532	461	771
Other Costs	1,004	1,965	1,411	2,259
LATS – Use of Allowances	6,182	6,477	4,104	5,875
LATS – Transfer to reserve	139	0	1,660	808
<b>Total Expenditure</b>	<b>52,821</b>	<b>57,395</b>	<b>53,118</b>	<b>55,647</b>
<b>Income</b>				
Rents	(79)	(82)	(81)	(83)
Interest on Balances	(1,258)	(850)	(1,219)	(788)
Dividend Income	(0)	(0)	(0)	(0)
Bad Debt Provision	0	0	147	0
LATS Grant	(6,321)	(6,477)	(5,764)	(6,683)
<b>Total Income</b>	<b>(7,658)</b>	<b>(7,409)</b>	<b>(6,917)</b>	<b>(7,554)</b>
<b>Net Expenditure</b>	<b>(45,163)</b>	<b>49,986</b>	<b>46,201</b>	<b>48,093</b>
<b>Contingency</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>
<b>Total Net Expenditure</b>	<b>45,163</b>	<b>50,486</b>	<b>46,201</b>	<b>48,593</b>
<b>Financed by:</b>				
Balances b/fwd	(6,354)	(8,609)	(9,987)	(4,808)
Non-household Charges	(6,959)	(8,646)	(8,103)	(8,884)
Levy	(41,837)	(33,231)	(33,231)	(34,901)
<b>Total</b>	<b>(55,150)</b>	<b>(50,486)</b>	<b>(51,321)</b>	<b>(48,593)</b>
Estimated Balances c/fwd	(9,987)	0	(5,120)	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, from £18 to £21 per tonne in April 2006 and has risen to £24 per tonne from 1<sup>st</sup> April 2007.

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 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, whereby the Authority arranges for the recycling of 'commingled' recyclable material collected by its constituent borough councils at a third party materials recycling facility. These 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). Greater use of these services has been allowed for in 2007-08.
- The Authority's landfill tax liability is directly influenced by changes in the waste stream, the level of ash recycling activity achieved by LondonWaste Ltd., and also the stepped increase in the landfill tax rates set by Central Government as set out in the table footnote above (see also future years below).
- The cost of the recycling credit scheme has and will continue to reduce significantly over this period, in part to reflect the migration of recycling and composting service provision by the Authority and the phasing out of the recycling credit scheme both referred to above. Discretionary payments to third parties will continue as previously but are expected to increase in number in line with the Government's expansion of the scheme to allow for re-use payments and to promote third party recycling.
- The Landfill Allowance Trading Scheme, which limits the amount of biodegradable waste that can be sent to landfill for final disposal came into effect on 1 April 2005, for financial year 2005-06. In its first year of operation the accounts show that the Authority had surplus allowances with a book value of £139,000. This figure rises to £262,000 if allowance is made for the post-year audit reconciliation (this has been adjusted during the 2006-07 final accounts process). Allowances have been re-valued at £17.98 each to reflect the current average price paid nationally in 2006-07 by those authorities that have needed to buy additional allowances to cover their landfill usage. Excess allowances will be carried forward for use in future years or sold. If surplus allowances are sold the price obtained will depend upon the actual market price prevailing at that time. In 2006/07 and 2007/08 the Authority is projected to have additional surplus allowances with a book value of £1,537,000 and £719,000 (£808,000 as referred to in the original 2007-08 budget as reduced to reflect the current value allowances, i.e. reduced from £20.20 to £17.98) respectively.

- The implementation of the WEEE Directive in the UK is expected to come into effect during 2007-08 and therefore the costs currently born by the Authority should reduce significantly after 1 July 2007; this is reflected in the 2007-08 budget.

7.10 The Authority also receives a net income from the temporary investment of its cash balances. The income from interest on balances was £1.219m in 2006-07 reflective of a favourable cash flow, higher than anticipated balances retained, and an increase in interest rates. The cash flow advantage is expected to stabilise in 2007-08 and therefore net income is expected to be lower.

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 final outturn experienced a 1.28% increase in the waste stream, and the 2007-08 budget allows for a further 1% 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 2007-08 compared with the cost to boroughs in 2006-07 are set out below:

### Waste Disposal Costs

	2006-07 Non - Household Charges (Final Outturn)	2006-07 Levy	2006-07 Total cost to Boroughs	2007-08 Non - Household Charges	2007-08 Levy	2007-08 Total cost to Boroughs
	£	£	£	£	£	£
Barnet	1,017,680	6,850,696	7,868,376	1,113,137	6,900,756	8,013,893
Camden	1,760,996	4,645,670	6,406,666	1,940,740	4,775,052	6,715,792
Enfield	662,750	5,385,547	6,048,297	729,785	5,439,507	6,169,292
Hackney	1,223,243	3,775,584	4,998,827	1,330,420	4,409,679	5,740,099
Haringey	1,099,506	4,462,986	5,562,492	1,202,466	4,785,359	5,987,825
Islington	1,333,693	4,124,231	5,457,924	1,468,288	4,349,561	5,817,849
Waltham Forest	1,004,918	3,986,286	4,991,204	1,099,977	4,241,086	5,341,063
<b>Total</b>	<b>8,102,786</b>	<b>33,231,000</b>	<b>41,333,786</b>	<b>8,884,813</b>	<b>34,901,000</b>	<b>43,785,813</b>

### 7.13 Financial Forecast for 2008-09, 2009-10 and 2010-11

7.13.1 At the Authority's budget meeting in February 2007 Members were advised that assuming a year-on-year increase in the waste stream of 1% 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 during 2007-08, the percentage increase in the cost to constituent boroughs in 2008-09 was estimated to rise by 10.9% (largely due to the use of balances in funding the 2007/08 budget as offset by the saving on the Authority's recycling credit scheme which applied for 2006-07 and 2007-08 only), an increase of 6.7% in 2009-10, and an increase of 6.5% in 2010-11. These forecasts were based upon known and quantifiable changes including proposed changes to the landfill tax rates during this period (where the standard rate of tax was expected to rise by stepped increases of £3 per year until a rate of £35 per tonne was reached). In the light, however, of the Government's 2007 Budget Report, the standard rate of landfill tax will be escalated in this period by annual increases of £8 per tonne per annum. This will have a significant impact on the Authority's costs and therefore the increase in the cost to boroughs has been revised to allow for this change. Allowing also for a further review of the likely procurement costs of implementing the North London Joint Waste Strategy and an improvement in the level of balances expected to be available at 31<sup>st</sup> March 2008 the costs to constituent boroughs, as at June 2007, is currently forecast to rise by 14.3% in 2008-09, a further 11.5% in 2009-10 and by a further 7.8% in 2010-11.

7.13.2 Although the current budgets allow for the early transfer of some recycling and composting and activities from constituent boroughs to the Authority in accordance with the agreed North London Joint Waste Strategy, and the engagement of consultants over this period no other costs have been allowed for the costs of delivering the strategy. The Authority, however, is about to embark on a major procurement process to meet its long-term facility needs. Until the facility and procurement options are determined in the early stages of the process it is not possible to accurately reflect the likely impact on the Authority's budgets in the medium term. This will be the subject of a detailed report in the coming year. It should, however, be noted that preliminary work over the past year suggests that the Authority's revenue budget could almost double by 2015-16 (at current prices).

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 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 Boroughs (Camden and Haringey) provide officer support through both part-time and full-time employees instead.
- 8.2.2 Under these circumstances the Authority considers that it remains inappropriate to publish these indicators.
- 8.2.3 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**

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

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

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

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

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

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

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

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

## **8.5 Best Value Performance Indicator Targets**

- 8.5.1 Legally binding targets for recycling and composting were set by the Government as statutory performance standards for 2005-06 and 2006-07 for all Waste Disposal Authorities. The North London Waste Authority is pleased to have exceeded these standards. Targets have also been set for 2007-08 of 20%, which has also been exceeded in 2006-07. Other targets continue to be set locally by the Authority.
- 8.5.2 Historically the Government also required targets to be set which would improve the Authority's services to a level in line with the performance set by the top 25% of Local Authorities. The Government said in the guidance that it expected best value authorities to set targets for BVPIs with the aspirations of reaching the top quartile of current performers over five years. The Authority has therefore published the Government's most recent (2005 – 06) upper quartile data for metropolitan areas (shown at Appendix 1) for comparative purposes.
- 8.5.3 The comparative figures in Appendix 1 show the Authority as being comfortably above the average comparator for combined recycling and composting (with a combined recycling and composting rate 22.82% in 2006-07 compared to the average of 19.83%) for metropolitan areas in 2005-06. However, the Authority is below the upper quartile performance of 23.3%. The Authority is also some way below the upper quartile for recovery of waste, (with 39.8% of the Authority's household waste treated in this way, compared to the metropolitan upper quartile figure of 49.29%), but this is believed to be the result of the energy-from-waste facility in south-east London serving single, unitary boroughs, whereas the Authority's performance is necessarily an average across our seven boroughs. The same principle applies to waste sent to landfill, but in reverse.
- 8.5.4 The Authority's average kilogrammes of household waste per head of population figure (463.66 kg/head) is also outside of the upper quartile, and also worse (i.e. greater than) the metropolitan average of 461.2kg. These figures are however subject to many different methods of calculation. Also, because unitary authorities operate in different ways and to different legislation in some cases to the statutory joint waste disposal authorities such as NLWA, comparative analysis can be used only as an approximate guide to relative performance.
- 8.5.3 The targets set for 2004-05, 2005-06, 2006-07 and 2007-08 represent an even transition to the combined recycling and composting rate of 35% in 2010 contained within the draft North London Joint Waste Strategy (NLJWS). The Authority's targets are set to ensure continuous improvement. In the light of the new national waste strategy and its higher re-use, recycling and composting targets, the Authority and its borough partners may also need to amend the targets contained within the NLJWS, but this cannot be done until we know how the new higher national targets will be transposed to a local level, and how re-use might be incorporated.

## **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, this information has recently been updated and will be shared between the Constituent Borough Councils. 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 had 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 The challenge for 2006-07 was to hit and remain ahead of targets in the face of increased waste growth, cessation of the London Recycling Fund and therefore London specific infrastructure funding and the need for continued promotion in the face of high population turnover and the requirement to make the majority of residents regular and 'committed recyclers'. The indicators for 2006-07 show that continued small improvements have been made in recycling, composting and energy recovery, with 0.54, 1.39 and 5.45 percentage point increases respectively between 2005-06 and 2006-07.

- 8.6.5 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.
- 8.6.6 During the past financial year (2006-07) the quantity of household waste collected per head of population decreased from 480kg per person in 2005-06 to 476.04 kg per person in 2006-07. Although this figure is within the 2004-05 target level of 483.5 kg of household waste collected per head of population, it is still far higher than the 2001-02 figure of 458 kg per head and above the 2004-05 figure of 470 kg per head which is the best of the last five years. The Authority, as already outlined, has developed a Waste Prevention Implementation Plan with the aim of reducing both household and local authority collected non-household waste growth.
- 8.6.7 However, because the measurement method for calculating the amount of household waste within the municipal waste stream is changing in North London, the initial priority is to update the calculations and then to start monitoring using the new updated methodology.
- 8.6.8 Opportunities to research the impact of more 'restrictive' measures to encourage residents to throw away less, such as minimising bin sizes or moving to alternate weekly collections will also be available into the future. The Waste Prevention Implementation Plan specifically identifies an action to carry out a piece of research on this issue, which will take place in 2007-08. However, it is believed that further improvements beyond those in the Waste Prevention Implementation Plan and the NLJWS will need additional Government action including continuation of work being carried out by the Waste and Resources Action Programme (WRAP) to minimise packaging waste on a range of household products.
- 8.6.9 Finally, when comparing the figures for the amount of household waste produced per person, between different disposal authorities, it should be noted that different methods of calculating the amount of household waste within the municipal waste stream prevail between different waste disposal authorities. Secondly, as noted before, the method by which the household element of the municipal waste stream in North London is calculated is being updated. This means that comparisons must be treated with caution.
- 8.6.10 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 2006-07 are included in Appendix 1. The amount of household waste collected by the Boroughs for recycling and composting and separated from the residual waste stream by the Authority's contractors decreased from 796,847 tonnes in 2005-06 to 776, 728 tonnes in 2006-07, a decrease of 2.5%.
- 8.7.2 The percentage of waste used to generate electricity (39.8%) increased in 2006-07, compared to 2005-06 (34.35%). This was due, in part, to the completion of the upgrade work to modify boilers at the Edmonton incinerator, required in order that they comply with the European Union Waste Incineration Directive, which was completed at the end of 2005, but which had resulted in some down time of each boiler during the financial year 2005-06.
- 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 fourth and our composting rate ranks third based upon the data available.
- 8.8.2 Past comparisons of BVPI 82a (the percentage of the total tonnage of household waste recycled) are difficult because of different circumstances in each area, some of which have now changed, some of which have not. As examples, whilst the NLWA's indicator benefited from ash and ash metal recycling in the past, others benefited from the recycling of abandoned cars (which is a delegated function in the NLWA area, and not included). Differences still remain because of differing definitions of "household waste" making year-on-year comparisons difficult. There also still remain very different methods of calculating the proportion of the municipal stream that is classified as "household waste", and that which is "non-household waste", which still affect the figures published by waste disposal authorities.
- 8.8.3 The development of new recycling and composting facilities is a key objective of the Mayor's Draft North London Joint Waste Strategy, discussed in detail in Chapter 6. The construction of a bulky waste recycling facility and the in-vessel composting facility, both through LondonWaste Ltd. at their Edmonton site, as well as the interim bulking agreement whereby LondonWaste Ltd. is transporting commingled recyclables to a third party materials recycling facility, are the first steps in this direction.
- 8.8.4 The relative performance on BVPI 82c, the percentage of household waste tonnage used for heat or power generation, varies tremendously according to the availability of a suitable facility. The NLWA is contracted to LondonWaste Ltd., owners and operators of the Edmonton Solid Waste Incineration Plant, and consequently delivers a relatively high proportion of its waste to this facility. Greater Manchester also has some access to a nearby facility so consequently shows a BVPI 82c indicator which is relatively high. The variations on BVPI 82d, the percentage of household waste sent to landfill sites, are effectively a mirror image of this.
- 8.8.5 The amount of household waste collected per head of population also varies considerably between the different statutory joint waste disposal authorities, (the highest is 1.5 times greater than the lowest), indicating outstanding differences in the way in which each waste disposal authority has calculated the household element of the municipal waste stream to reflect local operational differences and historical precedents, as already noted above.

8.8.6 Variations in the cost of disposing of municipal waste may also be a further reflection of the methods of identifying the “non-household” element of the municipal waste stream, and the consequent amounts charged to the Constituent Boroughs for their disposal. In North London, this is coming under close consideration as we assess how to allocate costs more fairly and how to jointly introduce new co-ordinated services and facilities through the NLJWS.

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

9.1 Whilst the most significant work in the last three years has been on the development of the 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 Boroughs with their own direct RRCs are now benefiting from these.

9.3.3 This contract was awarded to LondonWaste Ltd. As the contracting process pre-dated the Code of Practice on Workforce Matters in Local Authority Service Contracts (issued as Annex C to ODPM Circular 03/2003 to regulate the transfer of staff), it was not assessed against the requirements of the Code. The Code also applies at present only to principal local authorities but the Authority will follow the Code or tailored guidance for statutory joint waste disposal authorities 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 Boroughs, whereas the collection and disposal of fly-tipped tyres remains an issue for both the Boroughs 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 Boroughs, 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 sets targets for re-use, recycling and recovery, and introduces storage and treatment standards for ELVs.

9.4.3 The targets set in the Directive are:

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

9.4.4 The Directive also 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 Whilst the arrangements for compliance with the ELV Directive have been uncertain, it has been concluded that the Authority's delegation to the Constituent Borough Councils regarding the destruction of relevant vehicles should continue for the foreseeable future. It should also be noted that the related work on tyres in particular is now progressing and the Authority is reviewing the current arrangements with a view to tendering a new tyre contract during the forthcoming year.

9.5 The Authority has co-dependency with its Constituent Boroughs, whose services for the 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 Boroughs as well as other stakeholders and interest groups.

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

- The re-location of the Rail Transfer Station at Hendon as part of a major redevelopment of the Cricklewood area.
- The provision and operation of 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.
- The Government's review of the English Waste Strategy.
- The Mayor of London's review of his strategy for all waste in the Capital.
- The outcome of the GLA Bill.
- 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 recycling credits out 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.

9.7 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 Boroughs, 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, initially with waste prevention, then further recycling and composting, and subsequently our needs when the current contract with LondonWaste Ltd (LWL) comes to an end in December 2014.

- 9.8 Opportunities for improved value for money will be kept under review, but it has to be recognised that there is now only one local service provider, LWL, and that the 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 the focus is on delivering new waste recycling, composting and recovery infrastructure to support the NLJWS, particularly post 2014 when the Authority's contract with LondonWaste Ltd. comes to an end. This must all be done in consultation with stakeholders and using the full rigour of the Best Value regime and the relevant procurement legislation – 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 2006-07 was resourced mostly by officers of the Authority and the Constituent Boroughs but with specific external resources for the review of the recycling tonnage projections and performance previously mentioned and recently appointed consultants to help with the procurement process to ensure service delivery post 2014 when the current 'main waste disposal contract' comes to an end. The Authority funded the development of the NLJWS and continues to coordinate its implementation. 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 Adequate budgets have been established for the principal forthcoming work areas in 2006-07 and going forwards into 2007-08 and beyond; the major procurement work has required the establishment of a budget of £700k in 2007-08 for additional internal and consultancy support
- 10.4 The use of a mixture of external, Borough and Authority expertise is intended to give an independent approach to the process and critical analysis of the findings. This approach is expected to continue.

## **11.0 EFFICIENCY IMPROVEMENTS**

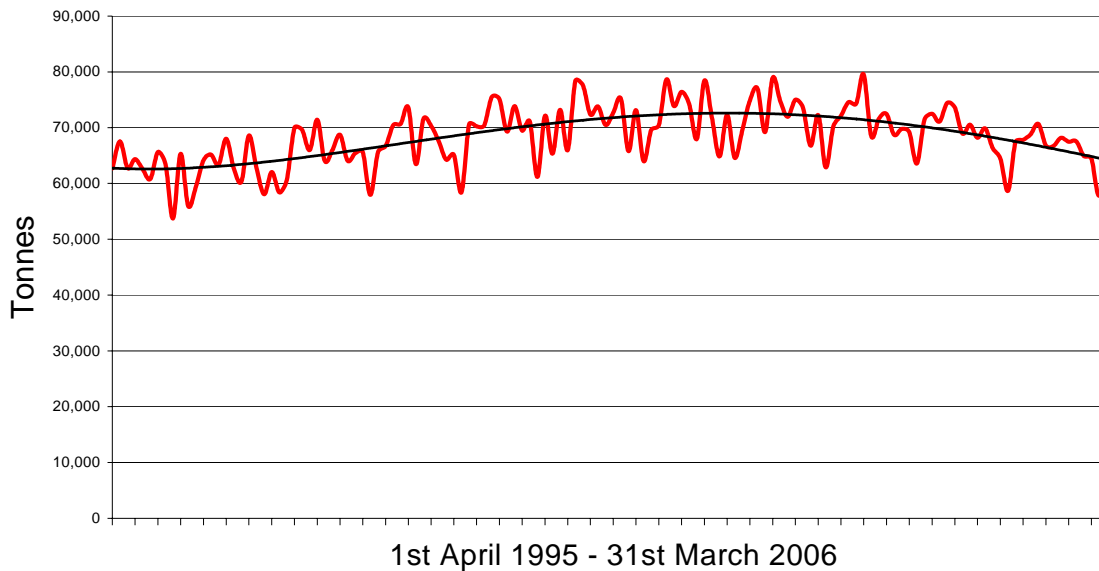
- 11.1 The commencement of the new contract for the transport of civic amenity wastes brought improvements to this service in as efficient a manner as possible, and provides stability and opportunity for at least five years. Arranging for the disposal of this waste stream through the Main Waste Disposal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

## 12.0 WASTE TRENDS

### 12.1 Total Residual Municipal Waste Disposed

12.1.1 In order to evaluate future waste trends the Authority has analysed 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 further decreases to 796,847 tonnes in 2005-06, (including material presented for composting) and 776,728 tonnes in 2006-07. Over the 4 year period from 2002-03 to 2006-07 this represents a 10.4% decrease in tonnage for disposal, although the longer term trend from 1995-96 to 2006-07 is equivalent to a 4.4% increase. The long term increase and more recent decrease in residual tonnage must also be looked upon in the context of increased recycling and composting by the Constituent Borough Councils. The amount of waste being generated per person also increased from 2002-03 to 2005-06, but has then decreased. Table 1, Appendix 1 shows the increase in the kg of household waste collected per head which shows an increase from 477.53 kg per head in 2002-03 to 480.23 kg per head in 2005-06 and then the decrease to 463.66 kg per head in 2006-07. 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 percent. 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.

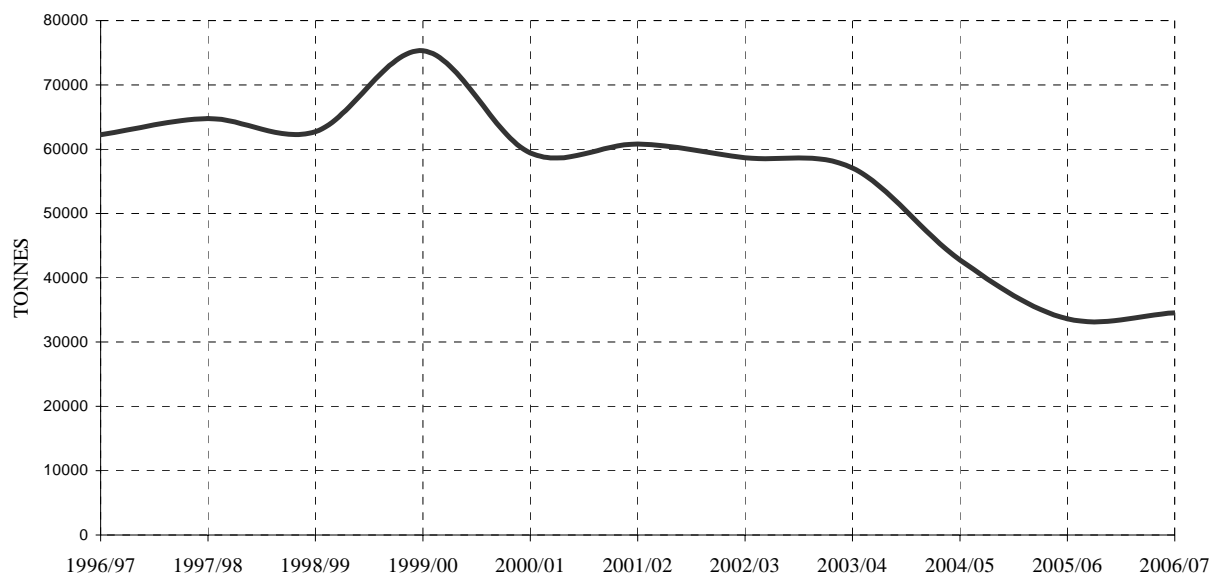
## **12.2 Re-use and Recycling Centre (Civic Amenity) Waste**

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 Boroughs. The figures show an ongoing decrease in the tonnage of waste arising from these sites. This has been due to a combination of:

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

12.2.2 In 2006-07 34,545.65 tonnes of RRC residual waste was handled. RRC residual waste showed a slight increase compared to 2005-06, but the long term trend is downwards as a result of higher recycling rates and more rigorous access restrictions.

**FIG. 6 - 10 YEAR TREND IN RE-USE AND RECYCLING CENTRE RESIDUAL WASTE 1996/1997 TO 2006/2007**



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

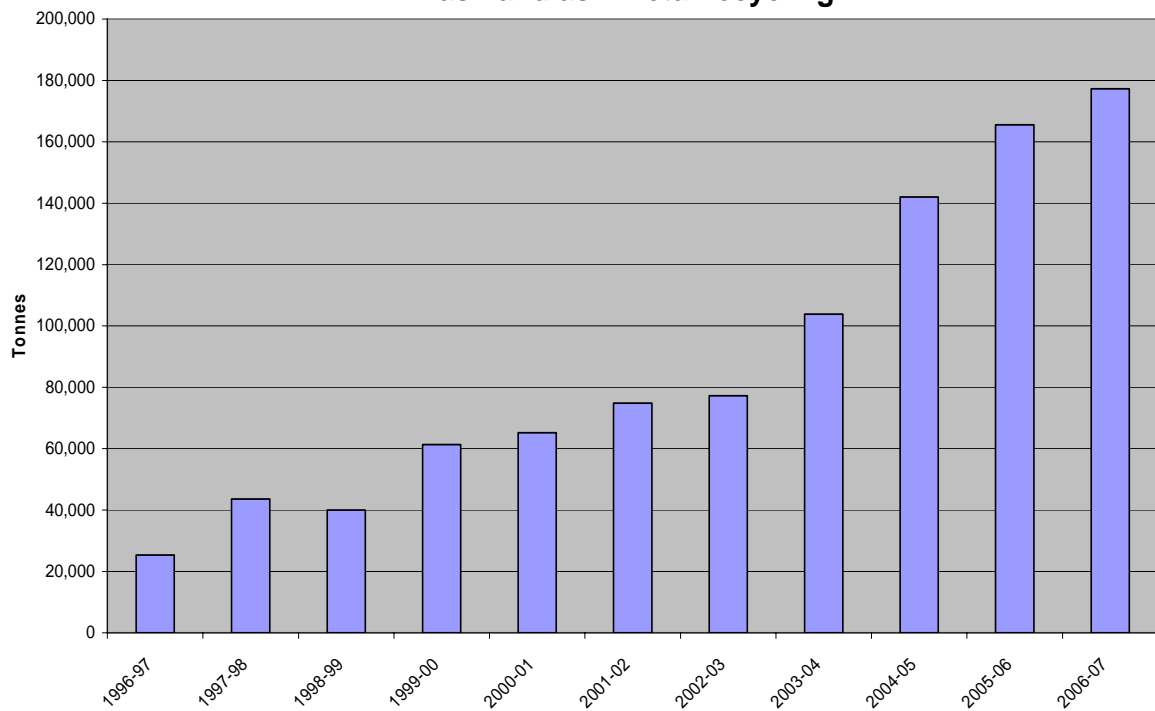
### 12.3 Recycling Waste

12.3.1 The total amount of **household waste recycled and composted** by the Authority and the Boroughs has increased more than 10 times from 1992-93 (14,584 tonnes) to 2006-07 (**177,286 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 2006-07 by achieving a rate of 18.28% in 2004-05 and **22.82 % in 2006-07**. This figure rises to 26.14% recycling if incinerator residues were able to be included.

12.3.2 Recycling and composting across the Authority area has increased rapidly in recent years. This has been mainly due to the Constituent Boroughs introducing and expanding kerbside recycling schemes, and to improvements in the design and operation of Re-use and Recycling Centres. In percentage terms the composting figures for 2006-07 show a greater improvement than dry (paper, glass etc) recycling, although the tonnage amounts are smaller.

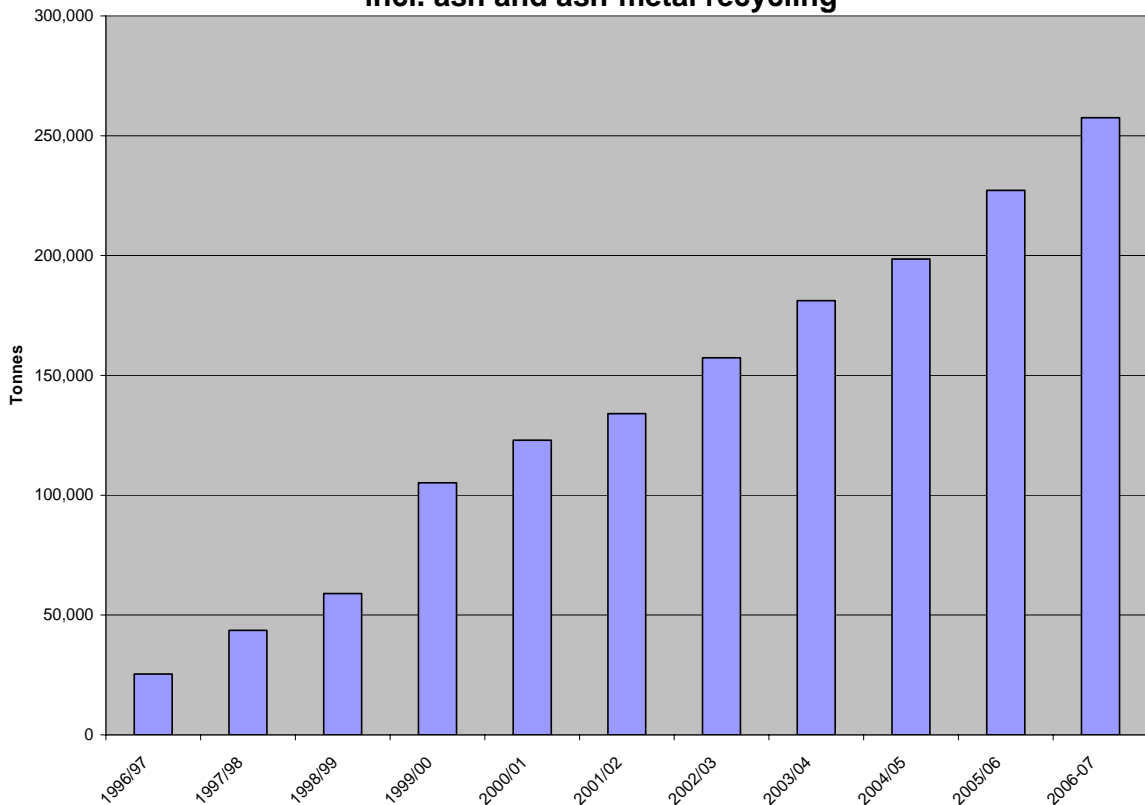
12.3.3 The first graph below shows the amount of waste recycled and composted by the Authority and the Constituent Boroughs over the past 10 years excluding ash and ash-metal recycling.

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



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

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



12.3.5 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.

12.3.6 The Authority's contract for the transportation of re-use and recycling centre waste was also written to assist the Constituent Boroughs 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 and if 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 As a result of the consultation process there were no comments received or resultant changes made to the draft 2007 plan. However, some changes were incorporated following the publication of the new English 'Waste Strategy 2007' in addition to changes resulting from the provision of final data and figures.
- 13.5 Comments had been received on last year's draft plan from the Development Officer of the North London Recycling Forum which were incorporated into last year's plan. These included a number of suggestions for engaging Forum members in discussing the Plan at Forum meetings.
- 13.6 The Forum only held one meeting in 2006-07, which focused on business waste and sustainable design. It was therefore inappropriate to discuss the the Authority's Best Value Performance Plan. Should a suitable opportunity arise during 2007-08 then the Development Officer's suggestions will be considered as they are still relevant.
- 13.7 The Best Value Performance Plan is also sent to neighbouring waste disposal authorities and the London Mayor.

## **14.0 PUBLISHING**

- 14.1 From a legal perspective it is a duty under the Local Government Act 1999 for all councils to produce an annual plan, and to make a summary of the plan available to the households and business within its administrative area.
- 14.2 From 2002 councils are expected to put a summary of performance against the plan within the annual council tax statements that are distributed to each house. As the Authority does not issue council tax statements this requirement is not applicable.
- 14.3 The other requirement for all Best Value Authorities is to produce a full performance plan, which is not distributed to every household. The requirement in this instance is for the 'council' to make this plan available at key public buildings such as libraries, town halls and council information points within its area.
- 14.4 In the case of the Authority, the Best Value Performance Plan is published annually. Copies are placed in Constituent Boroughs' 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 website, where all the Authority's public reports are published, including the current and previous Best Value Performance Plans. The address of the website is:

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

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

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

**APPENDIX 1 - TABLE 1**

**STATUTORY ENVIRONMENTAL SERVICE BEST VALUE PERFORMANCE INDICATORS**

CODE	INDICATOR	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06 Mets Upper Quartile	2005/06 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 ARISING - % RECYCLED	7.66%	10.81%	14.02%	15.27%	15.81%	15.01%	12.85%	11.00%	14.00%	17.00%	19.00%	The NLWA 2005/06 standard for the Authority was already exceeded in 2004/05. Future targets are set to lead to the Joint Waste Strategy target for 2010.
BVPI 82b	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % COMPOSTED	est 2.45%	2.41%	4.26%	5.62%	7.01%	8.29%	6.98%	3.00%	4.00%	6.00%	7.00%	The Authority's contractor provides bulking facilities to transfer green wastes to a central composting facility outside the Authority's area. The new, local in-vessel facility began operation in September 2005. Targets have been set as for recycling.
BVPI 82c	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES	43.42%	40.43%	39.62%	34.35%	39.80%	49.29%	19.71%	none set	none set	none set	none set	The percentage of waste incinerated in 2005/2006 was reduced due to works being undertaken (and therefore additional planned downtime) at the plant to ensure its compliance with the Waste Incineration Directive by December 2005. The Authority will continue to aim for high diversion from landfill. It will then aim to manage within its allocations of Landfill Allowances.
BVPI 82d	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - % LANDFILLED	46.46%	46.35%	42.11%	44.75%	37.38%	29.63%	59.88%	none set	none set	none set	none set	The Authority will continue to aim for high diversion from landfill. It will then aim to manage within its allocations of Landfill Allowances.
BVPI 84	Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD	477.53	476.35	470	480.23	463.66	433.6kg	461.20kg	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. 2006/07 saw a small decrease in the amount of household waste collected per head compared to 2005/06, but the figure was still higher than in 2004/05, the lowest of the last 5 years.
BVPI 87	COST OF WASTE DISPOSAL PER TONNE OF MUNICIPAL WASTE	38.17	42.35	49.86	49.61	49.52	£36.49	£41.23	54.12	57.19	59.81	63.29	The current target was achieved. Future targets are based on achieving budget provisions & forecasts for the next 3 years, & provide for significant increased expenditure as a result of growth in waste arisings, general inflation, higher rates of landfill tax, higher costs of rail transportation and disposal, the higher cost of the new Hornsey Street waste transfer station with reduced environmental impacts, and the possible relocation of the Hendon facility.

**APPENDIX 1 - TABLE 2**
**NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS**

CODE	INDICATOR	2002/03	2003/04	2004/05	2005/06	2006/07	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	51.40%	54.25%	55.47%	44.58%	44.58%	None set	The Authority uses rail transport and is keen to explore water-borne transport. This is a more expensive overall disposal route under current contractual arrangements, so striving towards it is in direct conflict with BVPI 87 (cost/tonne). The Authority will nevertheless continue to report it for public information.
2	THE NUMBER OF DISPOSAL FACILITIES AVAILABLE FOR THE RECEIPT OF WASTE FROM THE CONSTITUENT BOROUGHES - 24 HOURS A DAY, 365 DAYS OF THE YEAR	2	2	2	2	2	2	The Edmonton energy-from-waste plant and the FPP road transfer station continue to offer a 24 hour, 365 days service.
3	THE PERCENTAGE OF BOROUGH VEHICLES THAT EXCEED A 20 MINUTE TURNAROUND TIME WHEN DEPOSITING WASTE AT THE AUTHORITY'S DESIGNATED DISPOSAL FACILITIES	<0.5%	<0.5%	<0.5%	<0.5%	<0.5%	<0.5%	In order to maintain the efficient services of the constituent boroughs' waste collection services. The target has been amended to add meaning, as an absolute NIL is unlikely.
4	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - PERCENTAGE RECYCLED EXCLUDING INCINERATOR RESIDUES.	7.66%	10.81%	14.02%	15.27%	15.81%	11.00%	Excludes composted material - recycling only
5	TOTAL TONNAGE OF HOUSEHOLD WASTE ARISING - PERCENTAGE RECYCLED INCLUDING INCINERATOR RESIDUES.	19.50%	22.52%	25.20%	24.62%	26.14%	None set	Excludes composted material i.e. = recycling and incinerator residue recycling only

APPENDIX 1 - TABLE 2

NLWA LOCAL BEST VALUE PERFORMANCE INDICATORS								
CODE	INDICATOR	2002/03	2003/04	2004/05	2005/06	2006/07	2004/05	COMMENT
		Actual	Actual	Actual	Actual	Actual	Target	
6	TOTAL KG WASTE COLLECTED PER HEAD	478	476	470	480	463.66	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)	37	52	86	73	73.29	N/A	
8	KG PER HEAD RECYCLED INCLUDING INCINERATION RESIDUES)	88	105	120	118	120.54	N/A	
9	KG PER HEAD COMPOSTED	12	11	20	27	32.53	N/A	
10	KG PER HEAD USED TO RECOVER HEAT, POWER AND OTHER ENERGY SOURCES	207	193	237	165	184.52	N/A	
11	KG PER HEAD DIRECTLY LANDFILLED	222	221	158	215	173.32	N/A	
12	KG PER HEAD LANDFILLED (I.E. INCLUDING INCINERATION RESIDUES)	236	221	214	216	173.42	N/A	

**APPENDIX 1 - TABLE 3**

<b>BVPIs - COMPARISON WITH OTHER STATUTORY JOINT WASTE DISPOSAL AUTHORITIES</b>								
<b>CODE</b>	<b>INDICATOR</b>	<b>YEAR</b>	<b>NORTH LONDON</b>	<b>WEST LONDON</b>	<b>EAST LONDON</b>	<b>WESTERN RIVERSIDE</b>	<b>GREATER MANCHESTER</b>	<b>MERSEYSIDE</b>
<b>BVPI 82a</b>	% OF HOUSEHOLD WASTE RECYCLED	2002-03	<b>7.66%</b>	11.70%	tba	10.69%	5.87%	5.79%
		2003-04	<b>10.81%</b>	13.35%	6.40%	13.68%	7.41%	6.79%
		2004-05	<b>14.02%</b>	14.12%	8.90%	16.48%	11.61%	9.19%
		2005-06	<b>15.40%</b>	15.91%	11.08%	20.23%	15.64%	11.88%
		2006-07	<b>15.81%</b>	19.76%	13.52%	22.07%	26.80%	13.70%
<b>BVPI 82b</b>	% OF HOUSEHOLD WASTE COMPOSTED	2002-03	<b>2.45%</b>	2.18%	tba	0.77%	1.61%	2.75%
		2003-04	<b>2.41%</b>	3.69%	1.60%	1.09%	2.69%	3.21%
		2004-05	<b>4.26%</b>	5.94%	3.60%	1.12%	4.92%	4.21%
		2005-06	<b>5.49%</b>	8.68%	4.00%	1.83%	6.86%	6.76%
		2006-07	<b>7.01%</b>	10.16%	4.73%	1.73%	Included in 82a	8.60%
<b>BVPI 82c</b>	% OF HOUSEHOLD WASTE USED TO RECOVER HEAT AND POWER	2002-03	<b>43.42%</b>	0.09%	tba	0.06%	8.04%	0.07%
		2003-04	<b>40.43%</b>	0.09%	7.60%	0.06%	8.24%	0.07%
		2004-05	<b>39.62%</b>	0.09%	8.10%	0.06%	8.40%	0.06%
		2005-06	<b>34.35%</b>	0.01%	6.29%	0.07%	9.00%	0.06%
		2006-07	<b>39.80%</b>	0.01%	9.47%	0.22%	10.52%	0.05%
<b>BVPI 82d</b>	% OF HOUSEHOLD WASTE LANDFILLED	2002-03	<b>46.46%</b>	86.03%	tba	88.48%	84.47%	91.39%
		2003-04	<b>46.35%</b>	82.86%	84.10%	85.17%	81.63%	89.93%
		2004-05	<b>42.11%</b>	79.84%	79.40%	82.34%	75.07%	86.54%
		2005-06	<b>44.75%</b>	75.31%	78.63%	77.88%	68.00%	81.30%
		2006-07	<b>37.38%</b>	69.98%	64.11%	75.79%	62.63%	77.65%
<b>BVPI 84a</b>	Kg OF HOUSEHOLD WASTE COLLECTED PER HEAD	2002-03	<b>478</b>	466	553	382	628	574
		2003-04	<b>476</b>	444	537	386	594	569
		2004-05	<b>470</b>	454	490	387	539	581
		2005-06	<b>480.22</b>	440.5	473	374	TBC	566
		2006-07	<b>463.66</b>	434.7	468.9	387	513	TBC
<b>BVPI 84b</b>	HOUSEHOLD WASTE COLLECTION (% CHANGE IN Kg PER HEAD)	2006-07	<b>-3.50%</b>	-4.18%	+0.24%	+1.29%	-2.90%	TBC
<b>BVPI 87</b>	COST OF MUNICIPAL WASTE DISPOSAL PER TONNE	2002-03	<b>£38.17</b>	£34.70	tba	£32.53	£45.24	£33.34
		2003-04	<b>£42.35</b>	£35.35	£52.86	£37.25	£47.65 (est.)	£38.22
		2004-05	<b>£49.86</b>	£37.66	£56.63	£41.40	N/A	£41.09
		2005-06	<b>£49.61</b>	£39.92	£56.16	£48.33	£57.92	£46.67
		2006-07	<b>£49.52</b>	TBC	TBC	£50.78	£76.35	TBC
<b>BVPI 157</b>	% INTERACTIONS ENABLED FOR 'E-DELIVERY'	2006-07	100%	TBC	100%	100%	83%	100%





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**Independent Auditors’ Report to the North London Waste Authority  
on its Best Value Performance Plan 2006/2007**

**Authority’s Responsibilities**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999 (the Act) the Authority is required to prepare and publish a best value performance plan summarising the Authority’s assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

**Auditors’ Responsibilities**

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

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

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

Member of  
**Deloitte Touche Tohmatsu**

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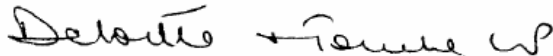
## Report and recommendations

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 authority. Our work, therefore, comprised a review and assessment of the plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the plan complied with the requirements of the legislation and statutory guidance.

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

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



Deloitte & Touche LLP  
21 December 2006  
St Albans