

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: CORPORATE PEER CHALLENGE

REPORT OF: MANAGING DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 22 JUNE 2023

SUMMARY OF REPORT:

The Authority requested the Local Government Association to conduct a Corporate Peer Challenge (CPC) assessment. This paper advises on the preparation of the CPC report and includes both the report itself and an action plan as appendices. The report recognises significant strengths in the Authority. This includes political leadership, good working between officers and members, strong delivery partnerships and well managed finances. The report identifies opportunities to build on the Authority's performance. Progress against the actions will be reported to future Authority meetings.

RECOMMENDATION:

The Authority is recommended to:

- A. Note the Corporate Peer Challenge Report and the action plan to take forward its recommendations;
- B. Agree to the appointment of an independent, non-voting member of the Audit Committee
- C. Approve the appointment process for an Independent Member of the Audit Committee;
- D. Delegate authority to the Director of Corporate Services , in consultation with the other members of the interview panel, to appoint an Independent Member of the Audit Committee

SIGNED:  Managing Director
DATE: 12 June 2023

1. CORPORATE PEER CHALLENGE - BACKGROUND

- 1.1. Members are ambitious for the Authority's agenda. This takes account of the importance of providing value for money services to residents, making the most of opportunities to promote positive environmental outcomes such as waste prevention, and the need to provide long term infrastructure reflecting that a quarter of London depends on the Authority.
- 1.2. Consistent with this ambition is an approach which is open to learning from experience elsewhere, adopting best practice and inviting recommendations from peers to achieve a continuous improvement in the Authority's delivery. Members therefore encouraged the Authority to undertake a peer review in the 2022/23 municipal year.
- 1.3. The Local Government Association (LGA) is the national membership body for local authorities. The LGA works on behalf of our member councils to support, promote and improve local government. As part of its services it provides Corporate Peer Challenges (CPC). The CPC is a peer review process, bringing together councillors and officers from other local government organisations who take stock of an authority's activities and performance. The CPC members provide robust, credible and strategic challenge, to benchmark authorities. Their feedback assists authorities in developing future plans.
- 1.4. Five themes form the core components of CPCs. Although the Authority has a more limited remit and delivers a narrower range of services than councils, it was agreed that all five elements would be considered in the CPC, and the peer team would be able to make recommendations in these areas. The scope of the CPC was therefore:
 - 1.4.1. **Local priorities and outcomes.** Are the Authority's priorities clear and informed by the local context? Is the authority delivering effectively on its priorities?
 - 1.4.2. **Organisational and place leadership.** Does the Authority provide effective local leadership? Are there good relationships with partner organisations and local communities?
 - 1.4.3. **Governance and culture.** Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
 - 1.4.4. **Financial planning and management.** Does the Authority have a grip on its current financial position? Does the Authority have a strategy and a plan to address its financial challenges?
 - 1.4.5. **Capacity for improvement.** Is the organisation able to support delivery of local priorities? Does the Authority have the capacity to improve?

2. MANAGEMENT OF THE CPC

- 2.1. The peer review was conducted from 26 to 29 January. It involved a study of documents and meetings with Members, officers from the Authority and constituent boroughs and external stakeholders. The peer review team comprised seven distinguished and experienced representatives who were able to act as critical friends to the Authority and provide a valuable external perspective. The team comprised:
 - 2.1.1. A senior Labour and senior Conservative councillor who both had experience of leading councils with significant responsibilities.
 - 2.1.2. A former local authority chief executive
 - 2.1.3. A local authority treasurer with direct experience of working with waste authorities
 - 2.1.4. A local authority head of communications, marketing and engagement
 - 2.1.5. A local authority head of legal and governance services
 - 2.1.6. A peer review challenge manager from within the LGA.
- 2.2. After intense study before and during the team's time with the Authority, the peer team presented draft recommendations at the end of the review. The peer team then reflected on their recommendations and prepared a complete report which was submitted to the Authority in May.
- 2.3. It is normal practice that a follow up meeting takes place with the peer team around six months after the report is submitted so that the team can consider progress which has been made following the CPC.
- 2.4. The CPC report is attached in full as Appendix A to this document. Key findings are summarised in the eight-paragraph executive summary to the report which is set out below.

North London Waste Authority (NLWA) is a well-led and ambitious authority. It works collaboratively and with purpose with all of its seven member authorities, to deliver day-to-day waste processing and minimisation services, while successfully managing a major redevelopment of the Edmonton EcoPark site to provide innovative new facilities to enable constituent boroughs and residents to meet their waste and recycling ambitions. A passion for the work they do to reduce waste and inform, educate, and influence recycling and reuse behaviours, shines through the organisation, modelled by the commitment of staff, members, and relationships with partners.

The political leadership within the authority is strong and stable, providing the required platform to meet waste targets and continue to innovate, while completing an ambitious development of the EcoPark through the North London Heat and Power Project (NLHPP). This nationally significant infrastructure project includes replacing the energy recovery facility, developing waste management assets and redeveloping a community building. Major contracts are being managed for the NLHPP and the Authority's wider activities with contractors and providers including Acciona, Biffa and wholly owned companies like London Energy Ltd (LEL).

The commitment and enthusiasm of the Chair is widely recognised and praised both internally and externally. There is excellent engagement and buy-in from both members and officers of the constituent boroughs in NLWA's work and the development of the new facility. The purpose and vision of the authority is well understood by the NLWA Members (councillors from the constituent boroughs), who draw on their experience of executive or committee roles in their home boroughs to add valuable strength to NLWA governance. Members demonstrated to the peer team their understanding and appreciation of the scale of the task at hand in their decision-making roles, and their commitment to achieving waste minimisation targets and delivering waste processing facilities that are up to the task to deliver the Authority's future waste ambition and capacity.

The Managing Director has been praised by staff, members and partners for successfully reshaping NLWA structures and leading effectively to enable NLWA to deliver both business-as-usual waste processing services and an ambitious redevelopment programme. The staff team at NLWA is focused, clear on the values of the organisation, and highly regarded by partners and stakeholders, who described the team as high calibre, professional, and highly responsive to queries. The staff group has grown and been reconfigured over recent years to meet the needs of the organisation and increasing demands to deliver the North London Heat and Power project (NLHPP).

Partners working with NLWA both strategically and on the delivery side feel well supported and engaged with the business of the authority. NLWA is working with communities. This includes through the NLHPP Community Liaison Group, in addition the North London Community Fund provides valuable support, information and funding to promote and facilitate locally based reuse and recycling projects. NLWA also provides consistent and regular updates to partners and the community on the development progress at the EcoPark. Progress on the North London Heat and Power Project (NLHPP) is prominent in the external communications from the NLWA, which also includes showing how the new facilities will be environmentally beneficial.

NLWA finances are well managed, and the peer team heard that the relationship between NLWA and the boroughs is strong, especially around financial management, and has positively developed over the past 12-14 years. Members

and officers from the constituent boroughs feel that the current financial charging mechanism works and enables them to manage their budgets well. NLWA is gaining financially this year from increases to wholesale energy prices for the energy created from the heat and power plant, and income from recyclate sales being twice as high as budgeted due to increased demand, resulting in projected headroom in the 2022/23 budget. The result of this is a rebate to the constituent councils of the levy.

The peer team felt that NLWA is in a good position to work through the changes in overall project cost of the EcoPark that the current financial situation of high inflation has caused. Finance leads in the constituent boroughs reported being well-briefed and informed on project costs and delivery timescales. Work to understand the impact of levy changes once the new facility is operational in 2026 has begun and must continue to ensure that boroughs are prepared for the significant financial changes.

NLWA has welcomed the opportunity for their work to be held up to scrutiny and the peer team has identified opportunities that the authority may wish to consider for additional transparency, including changes to working group structures and a refresh of the audit committee function, exploring the opportunity to inject input from external specialists.

- 2.5. While this is a positive report, the peer team also made 10 recommendations for attention, particularly in taking work forward over the coming years. Implementing these would assist the Authority in our programme of continuous improvement. The recommendations are as follows:
- 2.5.1. Consider taking the opportunity to lead and coordinate on waste reduction and recycling activity, including increased engagement with communities.
 - 2.5.2. The current arrangements provide a level of technical challenge to its plans, but the Authority may benefit from more opportunities for wider oversight and challenge.
 - 2.5.3. Build on relationships with the boroughs to collaborate more on communications and engagement activity for greater impact.
 - 2.5.4. The Authority would benefit from a wider dissemination of outturn cost of the NLHPP and on how to manage the inevitable maintenance and replacement costs involved in the life cycle of the facilities
 - 2.5.5. While the major project is demanding, it is important to keep resource allocation under review and ensure the Authority is driving progress across its full agenda.

- 2.5.6. Consider the potential benefits of having some independent membership on the audit committee.
 - 2.5.7. Look to deepen and add structure to working groups and briefing sessions to provide records that aid the transparency of the work of the Authority.
 - 2.5.8. More work could be done with collection authorities on how to minimise recyclable materials in residual waste.
 - 2.5.9. Build more robust campaign targets for behaviour change together with the boroughs linked to the waste prevention plan.
 - 2.5.10. Continue to build and enhance the knowledge and engagement of the wider council membership across the seven boroughs.
- 2.6. Officers are taking actions on all recommendations and an action plan is attached at Appendix B.
 - 2.7. An approach to the recommendation at paragraph 2.5.6 above is attached at Appendix C.
 - 2.8. Many people gave up their time and offered their views to provide insightful information to the peer team. The Authority also benefited from having a peer team with significant knowledge and experience, who were able to advise authoritatively on best practice in local government. This has therefore been an extremely helpful process in terms of preparing the Authority to plan for the future and building on the positive elements which were identified in the report.

3. EQUALITIES IMPLICATIONS

- 3.1. There are no direct equalities implications from this report. The aim of the peer review and its recommendations is to provide the best services to all communities in north London.

4. COMMENTS OF THE LEGAL ADVISER

- 4.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

5. COMMENTS OF THE FINANCIAL ADVISER

- 5.1. The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

List of documents used:

No documents required to be listed.

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LGA Corporate Peer Challenge

North London Waste Authority

January 2023

Feedback report



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1. Executive summary

North London Waste Authority (NLWA) is a well-led and ambitious authority. It works collaboratively and with purpose with all of its seven member authorities, to deliver day-to-day waste processing and minimisation services, while successfully managing a major redevelopment of the Edmonton EcoPark site to provide innovative new facilities to enable constituent boroughs and residents to meet their waste and recycling ambitions. A passion for the work they do to reduce waste and inform, educate, and influence recycling and reuse behaviours, shines through the organisation, modelled by the commitment of staff, members, and relationships with partners.

The political leadership within the authority is strong and stable, providing the required platform to meet waste targets and continue to innovate, while completing an ambitious development of the EcoPark through the North London Heat and Power Project (NLHPP). This nationally significant infrastructure project includes replacing the energy recovery facility, developing waste management assets and redeveloping a community building. Major contracts are being managed for the NLHPP and the Authority's wider activities with contractors and providers including Acciona, Biffa and wholly-owned companies like London Energy Ltd (LEL).

The commitment and enthusiasm of the Chair is widely recognised and praised both internally and externally. There is excellent engagement and buy-in from both members and officers of the constituent boroughs in NLWA's work and the development of the new facility. The purpose and vision of the authority is well understood by the NLWA Members (councillors from the constituent boroughs), who draw on their experience of executive or committee roles in their home boroughs to add valuable strength to NLWA governance. Members demonstrated to the peer team their understanding and appreciation of the scale of the task at hand in their decision-making roles, and their commitment to achieving waste minimisation targets and delivering waste processing facilities that are up to the task to deliver the Authority's future waste ambition and capacity.

The Managing Director has been praised by staff, members and partners for successfully reshaping NLWA structures and leading effectively to enable NLWA to deliver both business-as-usual waste processing services and an ambitious

redevelopment programme. The staff team at NLWA is focused, clear on the values of the organisation, and highly regarded by partners and stakeholders, who described the team as high calibre, professional, and highly responsive to queries. The staff group has grown and been reconfigured over recent years to meet the needs of the organisation and increasing demands to deliver the North London Heat and Power project (NLHPP).

Partners working with NLWA both strategically and on the delivery side feel well supported and engaged with the business of the authority. NLWA is working with communities. This includes through the NLHPP Community Liaison Group, in addition the North London Community Fund provides valuable support, information and funding to promote and facilitate locally based reuse and recycling projects. NLWA also provides consistent and regular updates to partners and the community on the development progress at the EcoPark. Progress on the North London Heat and Power Project (NLHPP) is prominent in the external communications from the NLWA, which also includes showing how the new facilities will be environmentally beneficial.

NLWA finances are well managed, and the peer team heard that the relationship between NLWA and the boroughs is strong, especially around financial management, and has positively developed over the past 12-14 years. Members and officers from the constituent boroughs feel that the current financial charging mechanism works and enables them to manage their budgets well. NLWA is gaining financially this year from increases to wholesale energy prices for the energy created from the heat and power plant, and income from recycle sales being twice as high as budgeted due to increased demand, resulting in projected headroom in the 2022/23 budget. The result of this is a rebate to the constituent councils of the levy.

The peer team felt that NLWA is in a good position to work through the changes in overall project cost of the EcoPark that the current financial situation of high inflation has caused. Finance leads in the constituent boroughs reported being well-briefed and informed on project costs and delivery timescales. Work to understand the impact of levy changes once the new facility is operational in 2026 has begun and must continue to ensure that boroughs are prepared for the significant financial changes.

NLWA has welcomed the opportunity for their work to be held up to scrutiny and the peer team has identified opportunities that the authority may wish to consider for

additional transparency, including changes to working group structures and a refresh of the audit committee function, exploring the opportunity to inject input from external specialists.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the authority:

- 2.1. Consider taking the opportunity to lead and coordinate on waste reduction and recycling activity, including increased engagement with communities.
- 2.2. The current arrangements provide a level of technical challenge to its plans, but the Authority may benefit from more opportunities for wider oversight and challenge.
- 2.3. Build on relationships with the boroughs to collaborate more on communications and engagement activity for greater impact.
- 2.4. The authority would benefit from a wider dissemination of outturn cost of the NLHPP and on how to manage the inevitable maintenance and replacement costs involved in the life cycle of the facilities
- 2.5. While the major project is demanding, it is important to keep resource allocation under review and ensure the Authority is driving progress across its full agenda.
- 2.6. Consider the potential benefits of having some independent membership on the audit committee.
- 2.7. Look to deepen and add structure to working groups and briefing sessions to provide records that aid the transparency of the work of NLWA.
- 2.8. More work could be done with collection authorities on how to minimise recyclable materials in residual waste.

- 2.9. Build more robust campaign targets for behaviour change together with the boroughs linked to the waste prevention plan.
- 2.10. Continue to build and enhance the knowledge and engagement of the wider council membership across the seven boroughs.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Rob Tinlin, Lead Officer peer
- Cllr Simon Henig, Member peer, Durham County Council
- Cllr Alan Jarrett, Member peer, Leader of Medway Council
- Chris Buss, Treasurer (sec 73 officer) Western Riverside Waste Authority
- Kerry Middleton, Head of Communications, Marketing & Engagement, Oxfordshire County Council
- Daniel Dickinson, Head of Legal & Governance Services, Newcastle-under-Lyme Borough Council
- Rebecca Ireland - LGA Peer Challenge Manager

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to an authority's performance and improvement.

1. Local priorities and outcomes - Are the authority's priorities clear and informed by the local context? Is the authority delivering effectively on its priorities?
2. Organisational and place leadership - Does the authority provide effective local leadership? Are there good relationships with partner organisations and local communities?

3. Governance and culture - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. Financial planning and management - Does the authority have a grip on its current financial position? Does the authority have a strategy and a plan to address its financial challenges?
5. Capacity for improvement - Is the organisation able to support delivery of local priorities? Does the authority have the capacity to improve?

3.3. The peer challenge process

Peer challenges are improvement-focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw, and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with the authority and the challenges it is facing. The peer team then spent three days onsite during which they:

1. Gathered information and views from more than 35 meetings, including a visit to the Edmonton EcoPark, in addition to further research and reading.
2. Spoke to more than 52 people including a range of authority staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

NLWA provides essential waste services for 2 million people across their constituent boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington, and Waltham Forest. NLWA has a clear, published vision and a set of priorities, with its mission described in four broad goals:

- Reduce residual waste
- Manage waste disposal
- Secure long-term waste management
- Support members and ensure effective decision making

The authority in its business plan offers that its wider purpose should reflect that waste represents lost or depleted resources to the planet and NLWA's 'ultimate mission is, therefore, to preserve resources and the environment for future generations'.

This vision and priorities of NLWA are understood and appreciated by the senior NLWA executive team and by the fourteen NLWA Members, who are drawn from across the seven constituent boroughs. There is clear buy-in from the wider members in the constituent boroughs, with both the Authority and the NLWA executive team working hard to keep boroughs linked to their mission and values, and to make progress against stated priorities and performance targets.

Regular meetings with the environment and finance directors from the local authorities are considered useful and effective to disseminate information and discuss policy areas that affect the seven constituent boroughs.

The Authority is right to be proud of the success in managing the complexity of the waste management operation and a major construction project. The NLHPP is well managed and set to deliver a facility that will meet the demands of the future and connect to a heat network to reduce carbon intensity and produce lower-cost heat and hot water for residents.

Ensuring social value as part of NLWA delivery is very important to the Authority. Its commitment to this is demonstrated through its ambitious job creation activity, utilising the contracts it has with Acciona, its lead contractor for the new Energy Recovery

Facility and relationships with other partners to support more job opportunities, including a target of creating 100 skilled apprenticeships and access to 225 on-site skills training placements. Delivery against these targets at the time of the review stood at 28 apprenticeships underway and 141 on-site training placements.

Education is also at the heart of the work of the authority and the new EcoPark will include the redevelopment of a space to be used by the Sea Cadets including space for community engagement and education. This complements the outreach activity done by NLWA into schools and communities providing information about reuse, recycling, and waste minimisation.

A recent development for the authority has been the expansion of the North London Community Fund to £250,000 this year, with community groups receiving grants of up to £15k. The peer team spoke to some of those projects in receipt of funding and all were grateful to receive the support and complementary about the ease with which the grant-making process could be navigated. The peer team recommends that now this grant system is established NLWA could look at how it can promote the success and positive outcomes achieved back to both the constituent boroughs and more widely across London and the South East.

Looking at how to share best practice and take an even more proactive and coordinating role leading on delivering key messaging on waste reduction and recycling activities across North London was an area the peer team felt NLWA might wish to consider. Stepping into that space is already something that members have wanted to do more of through communications and engagement activity.

The carbon capture and storage work being done by NLWA was highlighted by the peer team as impressive and ambitious. NLWA must continue to be successful in navigating the difficult task of managing and understanding new and emerging technologies while keeping a balance with other authority priorities.

The peer team heard of the difficulties of achieving the recyclable materials targets when the stock type of the boroughs includes a high number of flats and housing in multiple occupation. This difficulty will be felt within the boroughs and the peer team suggested that the authority could do more work with them on minimising recyclable material in residual waste. The reality is that the building composition type is unlikely to change and therefore a combined approach to seeking solutions that work locally

would benefit all members boroughs. Working together to research and implement innovative solutions to this issue could benefit all constituent members.

The authority is already in a good place to expand upon its work with boroughs as demonstrated by the request from members in 2022 to create the Waste Prevention Plan 2022-25. In this case, members requested more collaboration, which led to an expansion of authority activity with community groups and included additional workshops facilitated by NLWA staff with community organisations.

The peer team was of the view that the NLWA is in a unique position to build and enhance the knowledge and engagement of the wider council membership across the seven boroughs. NLWA Members and the staff in the working groups are ambassadors for the Authority and can attest to the totality of the work at NLWA. Examples were shared with the peer team of occasions where NLWA have been asked to attend council meetings and that these requests were met enthusiastically and quickly by NLWA staff. These meetings have been well-received by constituent councils, and the peer team would suggest that NLWA might want to engage even more proactively with boroughs to inform and advise on waste authority activity, and to discuss opportunities for wider waste minimisation activity all boroughs could undertake.

4.2. Organisational and place leadership

The NLWA benefits from strong and recognised leadership from both the Chair and the Managing Director. The peer team heard of how the Chair's length of tenure has provided a continuity of focus, drive, and ambition and is seen as a major positive contributing factor to the positive future direction of the authority.

NLWA also has an experienced and well-respected staff team, which is resourced to provide good core services and manage the creation of an innovative and ambitious new heat and power facility on the existing site. The peer team identified that ensuring the right balance between the North London Heat and Power Project (NLHPP) and the core NLWA business is critical and an area they would recommend the authority reviews regularly.

The senior executive team has worked hard to create a staff team that meets the business need, including realigning sections to achieve a better and more open

relationship with boroughs.

The peer team heard about the improvements to the communications team around its responsiveness and the quality of its communication products. It was felt that there had been a marked improvement in this area, noted by members and staff in the constituent boroughs and by partners and stakeholders. The peer team noted that more could be done to further hone NLWA's messaging and more closely monitor engagement levels and the impact of communications activity. For example, data driven insight and segmented audience research could be used to build more robust campaign targets and metrics for behaviour change linked to the waste prevention plan. Building on successes and lessons learned from campaigns such as 'Not a minute to waste' and the 2022 stakeholder workshops, might involve commissioning deeper analysis of social media engagement of video content, such as going beyond reach and impression numbers, to length of time viewed in relation to key message placement, for example. Similarly, closer working with the constituent boroughs could enhance the effectiveness of campaigns.

NLWA's brand has developed and improved in the past 12 months across its partnership networks. Communications about the NLHPP are clear and regular. There is a clear opportunity for further brand development and recognition, not only locally with residents and communities, but also regionally and nationally. NLWA could consider a wider media strategy to build an external profile, including with residents, and position NLWA as a sector leader in its field, supported by a digital strategy across all channels with a clear growth plan for wider audience reach. The peer team felt that the constituent boroughs could do more to assist with the external profile of NLWA by setting out on their individual council websites information about NLWA including information and links to the work NLWA does on behalf of the authority, and across North London.

4.3. Governance and culture

The Chair and the Managing Director of NLWA have established a strong and positive relationship and work hard alongside the board members from the constituent boroughs to deliver a good stable waste disposal service while managing a major site redevelopment.

The authority's governance structures are robust with formal and informal structures to

agree on priorities and the delivery of projects. NLWA holds five full Authority meetings a year where strategic decisions are made. These meetings are open to members of the public and available online. In addition, a Programme Committee meets with similar frequency, to ensure there is regular oversight of progress and issues on the North London Heat and Power Project (NLHPP). There is also an Audit Committee. Meetings of the committees are also held in public and streamed online. The frequency and easy access to these meetings assists NLWA to manage their decisions effectively and demonstrates their aim to be open, transparent, and accountable to members, staff, and stakeholders. Both members and staff described these meetings to the peer team as well-run and productive.

In addition to these public meetings, there are informal structures that sit behind the formal ones, including two member working groups meeting regularly to inform and shape the Authority's work, and meetings where groups of borough and NLWA officers meet. The peer team heard from members and staff how useful these meetings are to aiding understanding of the decisions that need to be made. The peer team was of the view that additional benefits could be achieved by adding some structure around these meetings, to further enhance the authority's work and commitment to being open, transparent, and accountable. For example, though opportunities for scrutiny and challenge are available in current meeting structures, the peer team heard that in some meetings there is insufficient time to do more than review the reports and briefings presented for consideration. Adding more structure to the informal meetings may enable space to be carved out for more strategic thinking and constructive challenge. Additionally, NLWA may wish to look at refreshing the current format of the Audit Committee to allow time to inject more opportunities for wider oversight and challenge.

In addition to this, the peer team would recommend a refresh of the Audit Committee focus, with the aim of increasing transparency and bringing in different perspectives. NLWA might wish to consider the opportunity for having independent members. Given the unusual category of NLWA and the rules governing this type of local authority, the ability to make such changes will need to be explored with the support of the monitoring officer.

4.4. Financial planning and management

NLWA has a set annual budget of £76.7m for 2022/23, with most of the income for the authority coming from a levy paid by each council. The year-end position is likely to come in under budget, with the authority citing contract efficiencies, lower waste volumes, income from recyclable materials and higher electricity prices from LondonEnergy Ltd, which is wholly owned by NLWA, as the reasons for this.

Borough finance representatives reported that there has been an increase in transparency and openness over the past few years, and this has been achieved through the hard work and willingness of the constituent boroughs to cooperate to achieve NLWA and borough ambition, vision, and needs.

Boroughs reported feeling well-informed about the routine costs but also on the NLHPP. In meetings with the peer team, they demonstrated being involved in borrowing decisions, were supportive of the authority's strategic direction, and aware of the future financial pressures and increase in the levy. Borough representatives were clear that they are making arrangements to dampen the impact of the increase in the levy.

The authority could benefit from a wider dissemination of the likely outturn costs of the NLHPP which are still being reported at 2019 prices and how to manage the inevitable maintenance and replacement costs involved in the life cycle of the facilities. This is important to maintain high levels of trust, transparency and accountability with member boroughs and ensure that long-term planning continues to be based on the latest information to ensure adequate funds are available.

NLWA would also benefit from having an asset management strategy that is integrated into the organisation's capital strategy. The peer team would recommend this be a priority for the organisation to ensure there is a clear roadmap for asset-related decisions, optimising the use of authority resources while minimising risks and helping to ensure regulatory compliance of all assets.

4.5. Capacity for improvement

NLWA Members are an asset and strength of the organisation with their imagination and ambition to enhance the authority, this should be appreciated and celebrated, and then built upon for future success. The appetite within NLWA and LEL to improve is clear and commendable.

The workforce is very skilled and staff feedback was comparable to that of an organisation with a healthy, busy, and ambitious culture. Ensuring all staff – whether those involved in the NLHPP, the staff at recycling centres, or core business staff – feel connected and part of the wider organisation and its mission is a challenge, but one the peer team felt the authority appreciates and can continue to work on.

The innovation explored and harnessed by NLWA is very impressive. Examples of work to recycle mattresses and polystyrene were praised by the peer team. The carbon capture technology is again an area that will bring great benefit locally but also globally. NLWA prides itself on continuously looking at ways to improve the performance of its facilities and is working hard at futureproofing demand and technology through the NLHPP. It's important that NLWA continue seek out and trial innovative approaches to boost waste recovery and recycling.

NLWA is working hard on ways to engage effectively with local communities and the North London Community Fund is an example of its desire to support good, innovative, and grassroots schemes that help NLWA achieve its ultimate vision of preserving resources and the environment for future generations. As mentioned above, the peer team heard from the fund benefactors about the ease of application and support with the grant-making and monitoring process. It was discussed, however, that the short length of the grants, currently a year, made it difficult for the organisations supported to manage their projects and have the confidence that the project might continue and risk personal investment (time and money) in year-on-year improvements. The peer team felt that it would be worth NLWA looking again at this grant process and whether longer grants might be beneficial to the projects and the aims of NLWA, appreciating the plans NLWA already have to increase the grant pot.

NLWA might also want to consider how these groups work and communicate with each other and with similar projects in neighbouring areas. There might be a role for NLWA to play in connecting the project makers and thinkers, sharing learning and best

practices, and looking at opportunities to encourage more recycling and reuse. The peer team heard of a strong appetite for this from the organisations they met with who had benefited from the grants.

As noted above, the change in approach and leadership for communications over the last couple of years has been noted positively by partners. The external communications team is on a journey of improvement. To support this journey, the peer team made suggestions on collaborating more with the boroughs on campaign and community engagement activity to maximise impact, including building more robust campaign targets and metrics to measure these impacts and create real and lasting behaviour change. The peer team also suggested utilising wider media and digital opportunities to build brand recognition and grow its audience reach. Using insights gained from campaign activity and stakeholder workshops will be beneficial here. The peer team would recommend NLWA develops a strategy to capture this activity, linked to the waste prevention plan.

NLWA is looking at ways to support the workforce with training and development opportunities that are appropriate for the staff team. They are supplementing the support from their shared HR and OD with Camden Council with a resource dedicated to the current needs of NLWA. Reviewing the arrangement in the longer term is already on the authority's radar. Supporting this impressive staff team will better ensure a stable workforce.

Having the capacity to meet external challenges and change driven in part by the emerging government-led waste reform is an issue NLWA is alive to. They are already strong in lobbying for change and for policies to assist the sector in achieving waste reduction and reuse objectives.

There is clear evidence that NLWA has been learning and adapting its structures and processes over the last 5 years to meet the changing demands of the business and achieve the innovation they aspire to. It was evident to the peer team that this change and transformation is led by the Chair and the Managing Director and his team, with the authority benefitting from a positive and committed workforce.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the authority's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Kate Herbert, Principal Adviser for London, is the main contact between your authority and the Local Government Association. Kate is available to discuss any further support the council requires. Kate.Herbert@local.gov.uk.

North London Waste Authority Corporate Peer Challenge Action Plan

North London Waste Authority (NLWA) is delivering an ambitious agenda to address the climate emergency by working to reduce waste, ensuring waste is managed responsibly and safely and building long term infrastructure to maintain services in a low carbon way. To assist with this, we want to make sure we capture best practice and share our positive experiences for the benefits of others. We therefore asked the Local Government Association (LGA) to arrange a corporate peer challenge.

The review was carried out in January 2023. The peers reviewed a range of information to ensure they were familiar with the Authority, the challenges we facing and our plans for the future. The team visited the Edmonton EcoPark for a briefing on the North London Heat and Power project and site tour. They gathered information and views at more than 35 meetings, speaking to more than 50 people including a range of council staff, councillors and external stakeholders. We would like to thank everyone who took part in this valuable exercise.

The final report was received from the LGA in May 2023 and includes ten recommendations. The report is overwhelmingly positive, asserting that we are a “well-led and ambitious authority” with strong leadership and staff who are committed to our agenda of preserving resources and protecting the environment.

Our ambition is to provide excellent public services whilst constantly improving and developing, and we are pleased that this is recognised by the LGA peer team. Peer challenges are a valued way for us to identify areas for improvement, and to be sure that the very best practice is being adopted for benefit of our residents. The recommendations made by the peer team have been carefully considered by NLWA officers, and this action plan sets out how we will ensure the recommendations are put into practice.

We thank the LGA and its peer team for providing valuable insight and look forward to providing a further update on progress. The Corporate Peer Challenge included 10 recommendations, all of which are accepted. The following section sets out the Authority’s action plan in response to each of those recommendations.

1. CONSIDER TAKING THE OPPORTUNITY TO LEAD AND COORDINATE ON WASTE REDUCTION AND RECYCLING ACTIVITY, INCLUDING INCREASED ENGAGEMENT WITH COMMUNITIES.

Actions completed and in progress

- The Authority has worked with Islington and Hackney on trials to provide a food waste service to residents living in flats above shops

- In addition to its mattress recycling programme and its expanded polystyrene recycling programme, the Authority has begun to collect hard plastics for recycling (eg garden furniture, toys etc). These initiatives involve the Authority using our scale to make recycling of these hard-to-process items viable.

Further measures planned

- The Authority's has issued a large scale and ambitious waste prevention plan, "Preserving Resources, Driving Change". .
<https://www.nlwa.gov.uk/ourauthority/our-strategies/preserving-resources-driving-change> This sets out a series of actions between now and 2025, including action on education, action to support increased provision of repair and reuse services. In terms of working with communities, a key initiative is an expanded community fund. 17 community groups are benefitting from NLWA funding to take forward initiatives which will promote repair, reuse and recycling in their areas. Taking forward the activities in the waste prevention plan will address this recommendation.
- The Authority will use its data about waste volumes and composition to inform plans and costings for the application of potential waste reforms including the provision of more consistent waste collections across England and the extended producer responsibility.
- The Authority and our wholly owned waste management company, LondonEnergy Ltd will continue to identify opportunities to develop specialist recycling arrangements for hard-to-process materials.

2. THE CURRENT ARRANGEMENTS PROVIDE A LEVEL OF TECHNICAL CHALLENGE TO AUTHORITY PLANS BUT THE AUTHORITY MAY BENEFIT FROM MORE OPPORTUNITIES FOR WIDER OVERSIGHT AND CHALLENGE.

Actions completed and in progress

- The Authority has developed increased engagement with councillors and residents' groups in developing plans. For example the waste prevention plan mentioned above was prepared after a series of discussions and focus groups with residents which help to ensure that it reflects the ideas and aspirations of partners.
- Following the elections in 2022 Authority officers attended a range of council briefings and meetings to explain NLWA's work and to hear first-hand the concerns and question of elected representatives.
- The Authority has a positive agenda to maximise the social value delivered through the North London Heat and Power Project. With Acciona, the Authority's main construction contractor, a social value governance board has been set up which

includes involvement senior officers from boroughs. This both provides a challenge and also a support to promote strong progress in the interests of all constituent boroughs.

Further measures planned

- NLWA is working with constituent boroughs to develop a long term strategy moving towards a zero waste north London. This is intended to set out a long term ambition for 2040. As well as local authority actions, achieving progress on this depends on the contribution of Government through regulation, manufacturers and retailers through developing more sustainable products and residents through their consumption and behaviours. The Authority is consulting and involving residents – and the strategy will ultimately need to be approved by all authorities. The development of the strategy will therefore involve consideration of long terms goals and provide a way policy forward taking account of perspectives of interested groups and individuals.

3. BUILD ON RELATIONSHIPS WITH THE BOROUGHs TO COLLABORATE MORE ON COMMUNICATIONS AND ENGAGEMENT ACTIVITY FOR GREATER IMPACT.

Actions completed and in progress

- When campaigns are developed, as in the recent case of a [poster and social media initiative promoting pedestrian and cycling access to reuse and recycling centres](#), the Authority team has worked with boroughs to ensure that messages are reinforced though their communication channels

Further measures planned

- Recognising the benefits of coordinated activity, NLWA has taken a leading role on behalf of north London in supporting well designed pan-London campaigning. For example the recent “[Eat like a Londoner](#)” media and social media campaign. This was led by ReLondon who have a capital-wide remit, with NLWA ensuring that the design of the campaign and supporting activities in north London successfully amplified the message. Building on the success of this NLWA will look to repeat this way of working for future London-wide campaigns.
- Successful development of a circular economy depends on Government regulation which incentives activities across the economy to reduce resource use and incentivise positive environmental behaviours. North London councils represent a population of over 2 million residents. The Authority will work with boroughs to raise the profile of our experience and expertise to influence Government plans.

4. THE AUTHORITY WOULD BENEFIT FROM A WIDER DISSEMINATION OF OUTTURN COST OF THE NLHPP PROJECT AND ON HOW TO MANAGE THE INEVITABLE MAINTENANCE AND REPLACEMENT COSTS INVOLVED IN THE LIFE CYCLE OF THE FACILITIES

Actions completed and in progress

- The NLHPP had a project budget set at £1.22 billion in 2019 prices, reflecting that it is more than decade-long project and cost performance needs to be assessed against a constant background. This assessment against a transparent and constant baseline has promoted strong cost control and enabled the Authority to be able demonstrate that the NLHPP is being effectively managed.
- The Authority has confirmed that taking account of inflation the expected outturn cost of the project is between £1.42bn and £1.52bn. The outturn price and outline operating/maintenance costs had already been used when projecting forecasts of future levy costs to boroughs.

Further measures planned

- The Authority will continue to produce regular updates on the expected outturn costs for delivery of the project.
- As the specific infrastructure and components of facilities are developed by the Authority's construction contractors, it will be possible to plan with greater certainty for the lifecycle and maintenance requirements of new assets, with an asset management plan which sets clear expectations for the performance of the facilities. Working with LondonEnergy Ltd, the operator of the facilities, The Authority will develop more specific lifecycle costings and a long term capital investment plan as the details of new facilities are finalised.

5. WHILE THE MAJOR PROJECT IS DEMANDING, IT IS IMPORTANT TO KEEP RESOURCE ALLOCATION UNDER REVIEW AND ENSURE THE AUTHORITY IS DRIVING PROGRESS ACROSS ITS FULL AGENDA.

Actions completed and in progress

- The NLHPP is one of London's largest capital programmes. It is essential it has the necessary focus to be delivered successfully and to communicate the project's part in a sustainable long term waste strategy. It has also been the subject of deputation requests to Authority Members and local protests and that may have given a misleading impression that it represents the sole area of activity for officers and Members
- As described elsewhere in this action plan, and as recognised in the peer review report, the Authority devotes significant energy and people to promoting waste

prevention and ensuring that a high quality waste disposal service is delivered so that north Londoners can be confident that their waste is being managed in an environmentally responsible and good value way. The Authority budget and progress across its range of activities is reported publicly.

Further measures planned

- When new facilities are operational, they will give exciting opportunities to enhance the service. These include offering a new public reuse and recycling facility at the EcoPark, managing increased volumes of recyclable materials in the new resource recovery facility and providing a pavilion for education and community use and occupation by the Sea Cadets. The Authority and LondonEnergy Ltd are developing plans to make the most of the investment being undertaken.
- The Authority will continue to learn from, and build on, initiatives across its areas of responsibility. For example in relation to the already-expanded community fund, we will understand how the larger allocation has enhanced delivery and what challenges it has caused. This will enable future rounds of the fund to see further growth in impact.
- The Authority will develop further capital projects as needed to align action to tackle the Climate Emergency. The Government's independent advisers, the Climate Change Committee, have recommended that energy from waste facilities should be fitted with carbon capture to reduce net emissions from the waste sector and achieve net zero carbon emission targets. The Authority will continue to develop carbon capture and storage solutions for the new energy recovery facility currently under construction.

6. CONSIDER AUDIT COMMITTEE TRANSPARENCY AND POTENTIAL BENEFITS OF HAVING SOME INDEPENDENT MEMBERSHIP

Actions completed and in progress

- Liaising with constituent borough teams, officers have developed a proposal for the appointment of an independent audit committee member. Subject to approval by the Authority, this will be taken forward.

Further measures planned

- This recommendation has been implemented.

7. LOOK TO DEEPEN AND ADD STRUCTURE TO WORKING GROUPS AND BRIEFING SESSIONS TO PROVIDE RECORDS THAT AID THE TRANSPARENCY OF THE WORK OF NLWA

Actions completed and in progress

- With Authority meetings, Programme Committee meetings and Audit Committee meetings, the Authority already holds more sessions in public than any comparable authority. We estimate that over 1000 pages of information from these meetings are published on the governance section of the website every year.
- Informal working groups and briefing sessions with Members and officers provide a valuable space for discussion, challenge and to help make sure that officers' activities follow an agenda in alignment with Members' priorities. It would be disadvantageous to lose the ability to have such discussions in private. Discussions ultimately lead to the preparation of papers for reporting and consideration at publicly open Authority meetings

Further measures planned

- While respecting the points above, it recognised that it can be beneficial to involve specialist input which enables discussions to be comprehensively informed. For example recycling discussions have involved hearing from Biffa executives to understand the company's plans and opportunities for maximising reprocessing of recyclate in the UK and discussions have involved the Greater London Authority to share plans. The Authority will consider further opportunities for involving third parties in discussions to aid Members' awareness and the development of Authority plans.
- The Authority will consider proactive release of agendas and discussion summaries from working groups.

8. MORE WORK COULD BE DONE WITH COLLECTION AUTHORITIES ON HOW TO MINIMISE RECYCLABLE MATERIALS IN RESIDUAL WASTE.

Actions completed and in progress

- Tackling "contamination" in recycling has already been an area of attention. This has included recent campaigns such as the 2021 "Thanks for trying" activity. This was intended to recognise the good intentions of many residents while also highlighting the importance of only trying to recycle material which is genuinely recyclable <https://www.nlwa.gov.uk/campaigns-and-projects/thanks-trying#:~:text=To%20everyone%20who%20spends%20their,And%20that's%20amazing>. Direct messaging to households has also been undertaken.
- The Authority's contract for management of recycling has a wide range of material in scope meaning that where an item is recyclable, we aim to ensure that it can be processed successfully.

Further measures planned

- Experience in north London and elsewhere shows that this issue doesn't have a simple answer – it requires regular messaging and engagement, finding new ways to grab people's attention while making them aware of the potential consequences of putting the wrong material in recycling bins. This will therefore be an ongoing focus of communications and coordination with boroughs.
- The Department for Environment, Food and Rural Affairs (Defra) has also commented on this issue in the context of plans for national waste collection reforms. <https://deframedia.blog.gov.uk/2023/05/31/coverage-on-recycling-collections/> While Government proposals for waste reforms are awaited, further reporting on the contamination issue helps to raise residents' awareness.
- A separate problem is residual waste containing items which could be recycled. We already provide easy to understanding information about what can be recycled; and our website reports on recycling destinations so that residents can be confident about where materials are sent. We will continue to consider additional ways to raise awareness of what can be recycled and will consider opportunities for new facilities to include equipment which allows some waste sorting take place so that we extract increased amounts of recyclable material north London's waste.

9. BUILD MORE ROBUST CAMPAIGN TARGETS FOR BEHAVIOUR CHANGE TOGETHER WITH THE BOROUGHES LINKED TO THE WASTE PREVENTION PLAN.

Actions completed and in progress

- The Authority's waste prevention plan is informed by best practice and experience in promoting behaviour change. A specific role in the organisation has been created to embed behaviour change science in the Authority's communications initiatives.

Further measures planned

- The Authority will develop and monitor targets for the effectiveness of campaigns to understand how increased focussed on behaviour change is affecting output.
- The Authority will also ensure that work on behaviour change does not come across as lecturing or criticising residents – data shows activities perceived as instructing or blaming can create a resistance to change. Instead the focus will be on helping and encouraging positive behaviours.

10. CONTINUE TO BUILD AND ENHANCE THE KNOWLEDGE AND ENGAGEMENT OF THE WIDER COUNCIL MEMBERSHIP ACROSS THE SEVEN BOROUGHES

Actions completed and in progress

- Following the elections in 2022, Authority officers attended a range of council briefings and meetings to explain NLWA's work and to hear first-hand the concerns and questions of elected representatives. In addition officers have been available to appear – and have accepted requests to appear - before borough scrutiny committees. This is a voluntary offer to enhance communication and engagement. (It should be noted that scrutiny committees formally have a role where authorities have Cabinet systems. However, NLWA operates as a committee and therefore all decisions involve a quoracy of Members. This is why there is not a scrutiny committee in the Authority itself.)

Further measures planned

- Authority officers will continue to liaise with constituent boroughs to participate in relevant borough forums with Councillors. Waste reflects society's consumption and is a key indicator of the sustainability of the economy. It is also an issue which residents deal with on a daily basis. Therefore maximising the shared understanding of the opportunities and challenges in waste management helps to promote consensus on actions to deliver better environmental outcomes.

APPENDIX C: APPOINTMENT OF AN INDEPENDENT MEMBER OF THE AUDIT COMMITTEE

1. INTRODUCTION

- 1.1. The purpose of this Appendix is to provide the details of a proposed appointment process for an independent non-voting member on the Audit Committee.

2. BACKGROUND

- 2.1 As part of the Corporate Peer Challenge that took place in January 2023, a key recommendation involved consideration of an independent audit committee member as part of the Audit committee.
- 2.2 This report therefore seeks approval of an updated appointment process for a new independent non-voting member of the Audit Committee. As part of these arrangements, the report seeks permission to delegate authority to the Director of Corporate Services to make an appointment in consultation with the other members of the interview panel – including Members as described in para 4.1.4 - to select a successful candidate.

3. EFFECTIVENESS OF THE AUDIT & CORPORATE GOVERNANCE COMMITTEE

- 3.1 An external perspective can often bring a new approach to committee discussions as well as other benefits:
- 3.1.1 They can bring additional knowledge and expertise to the committee.
 - 3.1.2 They help to reinforce the political neutrality and independence of the committee.
 - 3.1.3 They can help to maintain continuity of committee membership where membership is affected by the electoral cycle.
- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) endorses the approach having an Independent Member involved in the audit of local authorities. However, it also provides some cautionary considerations.
- 3.3 Potential drawbacks to the use of independent members which should be borne in mind are:
- 3.3.1 over-reliance on the independent members by other committee members can lead to a lack of engagement across the full committee.
 - 3.3.2 lack of organisational knowledge or 'context' among the independent members when considering audit reports.
 - 3.3.3 effort is required from both independent members and officers to establish an effective working relationship and establish appropriate protocols for briefings and access to information.

4. APPROACH

- 4.1 Subject to agreement of the recommendations contained in this report, the Director of Corporate Services will commence a recruitment process to appoint a new Independent Member to provide professional advice and assurance at committee meetings, including taking the following steps:
- 4.1.1 The role specification will be reviewed considering the updated guidance and with reference to a refreshed “skills audit” to ensure that the Independent Member has the relevant skills and experience that would complement the existing membership.
 - 4.1.2 The vacancy will be advertised on the Camden website, Public Finance and LinkedIn, in addition to other sites advised by Camden Council’s recruitment team. This may include the use of executive recruitment companies.
 - 4.1.3 Any interested candidates will be required to complete an application form and submit a supporting statement to demonstrate their suitability for their role. Shortlisted candidates will be invited for an interview.
 - 4.1.4 It is proposed that the interview panel includes the Chair of the Audit Committee or other member approved by him, the Financial Advisor, Managing Director and the Director of Corporate Services.
- 4.2 The Director of Corporate Services will engage with Directors of Finance in all constituent boroughs as appropriate during the process.

5. VOTING RIGHTS AND REMUNERATION

- 5.1 An Independent Member would not be able to vote but would otherwise be a full member of the Committee.
- 5.2 Camden Council’s statutory Independent Persons are remunerated at £1110 per year. It is suggested that, should the Authority agree the appointment, the same amount accompanies this post. While a modest amount, it is designed to ensure all reasonable expenses of the individual are adequately covered. The funding will come from within existing resources.

6. TIMETABLE

- 6.1 If the proposal is agreed, the Director of Corporate Services will commence the recruitment process before the next Authority meeting, with a view to making an appointment by the Autumn. Assuming there is a successful recruitment to this role, Financial Standing Orders would need to be updated to refer to the role. Delegated authority is requested to the Director of Corporate Services to amend Financial Standing Orders accordingly.