NORTH LONDON WASTE AUTHORITY

REPORT TITLE: SERVICES UPDATE

REPORT OF: HEAD OF STRATEGY AND SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 25 APRIL 2024

SUMMARY OF REPORT:

This report informs Members about the latest operational activities, including tonnage details for each of the main waste streams, destinations for the Authority's recycling and an update on the specialist recycling initiatives that have been introduced to increase the range of materials which are being recycled in north London.

RECOMMENDATIONS:

The Authority is recommended to note the operational, performance and recycling updates provided.

Signed: .... Head of Strategy and Services

Date: 15 April 2024

1. BACKGROUND

1.1. This report provides Members with an update on service performance in 2023/24. With tonnage information covering the period April 2023 to February 2024 (11 Months).

2. ABOUT NLWA'S SERVICES

2.1. North London Waste Authority (NLWA) treats Local Authority Collected Waste (LACW) collected by all seven of its constituent boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest). Waste disposal services are mainly delivered through a contract with LondonEnergy Ltd (LEL), which is owned by NLWA, with Dry Mixed Recycling (DMR) being treated locally under contract with Biffa.

2.2. The constituent boroughs collect just over 750,000 tonnes of waste and recycling a year, of which circa 675,000 tonnes is from households. NLWA's aim is to preserve the resources and the environment today and for future generations. It is committed to innovation and careful planning to ensure waste resources are managed effectively and sustainably.

3. WASTE PERFORMANCE

Residual Waste

Residual waste Excluding RRC's Apr to Feb

	2022/23 Outturn YTD (1)	2023/24 Budget YTD (2)	2023/24 Outturn YTD (3)	Variance 23/24 YTD V Budget (2v3) %	Variance 23/24 YTD V Budget (2v3) T
Barnet	94932	99388	96641	-2.8%	-2747
Camden	63986	64267	63572	-1.1%	-695
Enfield	77339	77935	84260	8.1%	6325
Hackney	77662	77226	78366	1.5%	1140
Haringey	62540	64048	64199	0.2%	150
Islington	62437	62827	63012	0.3%	186
Waltham Forest	58525	59681	61299	2.7%	1618
NLWA Total	**497421**	**505372**	**511349**	**1.2%**	**5976**

Table 1

3.1. The table above compares the year to date (YTD) budgeted tonnages for the first eleven months (April to Feb) of 2023/24 with the actual tonnages received during the same period and equivalent position in 2022/23.

3.2. Annually, NLWA officers jointly agree with borough counterparts the tonnage budget forecast for inclusion in a Budget and Levy Report that is brought to the Authority in February for approval before the start of the relevant budget period.

3.3. These tonnage forecasts are based on previous performance and are adjusted to account for wider waste trends (economic or legislative) and local factors (changes in services, commercial waste or housing growth).

3.4. The table above shows that while residual waste was expected to rise modestly by 8,000t in 2023/24 YTD compared to the previous year, the actual increase has been higher at almost 14,000t. This follows a general decline in tonnages since 2019/20 where tonnages for the equivalent 11 months were 537,500t.

3.5. NLWA officers are working with officers from LB Enfield to identify the reasons for an above average increase in residual tonnages of 8.1%.

Dry Mixed Recycling

	2022/23 Outturn YTD (1)	2023/24 Budget YTD (2)	2023/24 Outturn YTD (3)	Variance 23/24 YTD V Budget (2v3) %	Variance 23/24 YTD V Budget (2v3) T
Barnet	23011	24353	22810	-6.3%	-1543
Camden	13845	14347	15014	4.6%	666
Hackney	16640	16768	15823	-5.6%	-946
Haringey	15841	16902	15193	-10.1%	-1709
Islington	13702	13414	13370	-0.3%	-44
Waltham Forest	16094	16623	16060	-3.4%	-563
NLWA Total (exc Enfield)	**99134**	**102408**	**98269**	-4.0%	-4139
Enfield	N/A	17849	16162	-9.5%	-1687
NLWA Including Enfield	**99134**	**120257**	**114431**	-4.8%	-5826

Table 2

3.6. The above table 2 details the DMR performance for all constituent boroughs in the first eleven months (April to February) of 2023/24.

3.7. DMR collected by the London Borough (LB) of Enfield was managed directly by LB Enfield in 2022/23 and as such was not included in NLWA performance reporting for last year.

3.8. Year to date DMR tonnages in 2023/24 were expected to increase by 3% compared to the previous year. This expected increase has not materialised; instead we have seen a 1% reduction in tonnages from the previous year and a 4% reduction against the budgeted tonnages. The variance from the YTD budget increases to 4.8% when we include material from LB Enfield.

3.9. Lower tonnages of DMR do not imply residents are less concerned about recycling. There are many factors that influence DMR performance. DMR is made up substantially of packaging and consumer related materials. These are proportionally more susceptible to economic conditions than residual waste, which tends to contain less discretionary material.

3.10. Producers of packaging are favouring lighter and more easily recyclable materials. This is in part a response to changing consumers buying habits; however, the major factor is the industry preparing for the introduction of Extended Producer Responsibility (EPR) requirements.

3.11. It has also been suggested that 'shrinkflation' (products getting smaller while the prices remain the same) is becoming a more popular tactic by producers and retailers to appear to be keeping prices down. In 2017 the ONS reported over 2,500 predominantly food and other consumer products had been subject to shrinkflation. A recent Ipsos inflation study highlighted that 46% of consumers have noticed shrinkflation.

Organic Waste

3.12. Organic waste is collected in three streams by our constituent boroughs, separate food waste, separate green waste and a combination of green and food waste which is referred to as BioK.

3.13. Separate food waste collections are not currently offered in Barnet or at scale in Islington. Islington provides a comprehensive BioK service while Waltham Forest and Haringey provide a combination of separate food waste and BioK collections and Hackney, Camden and Enfield provide separate food waste services. With such a varied service offering organic waste performance should be looked at holistically.

	2022/23 Outturn YTD (1)	2023/24 Budget YTD (2)	2023/24 Outturn YTD (3)	Variance 23/24 YTD V Budget (2v3) %	Variance 23/24 YTD V Budget (2v3) T
NLWA Food	**9687**	**11851**	**10906**	-8.0%	-944
NLWA Green	**17055**	**18722**	**18309**	-2.2%	-413
NLWA Biok	**10838**	**12445**	**11579**	**-7.0%**	**-865**
NLWA organic Total	**37579**	**43018**	**40795**	**-5.2%**	-2223

Table 3

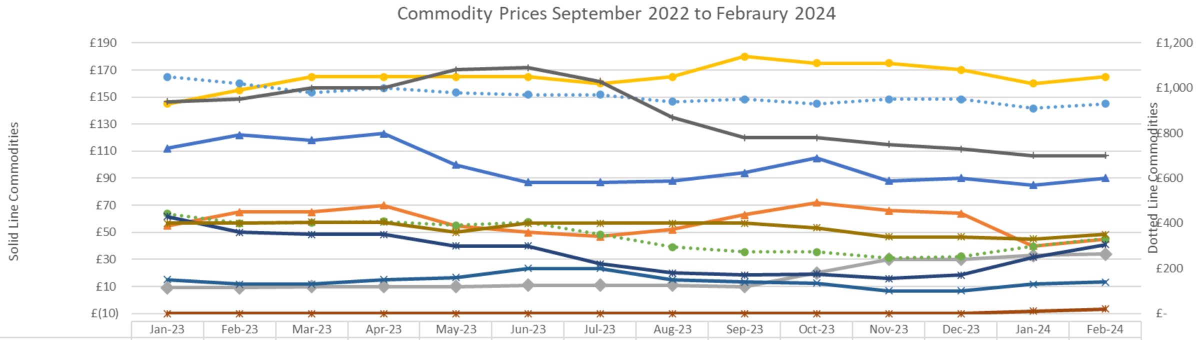
3.14. Table 3 above details the YTD (April to February) variance in outturn versus budget for organic waste streams in 2023/24 (excluding Enfield), with performance in the previous year.

3.15. Organic waste was expected to increase by 14.5% or 5438t in 2023/24 compared to the same period in the previous year. This reflected plans for increased separate food waste collection with appropriate communications and engagement with residents, and also more normal growing conditions for green waste (summer 2022 had been hot and dry which caused a notable reduction in green waste that year). Whilst we have seen increases in all three organic streams, compared to the previous year, combined growth compared to 2023 is 8.6%.

3.16. Improved growing conditions have increased green waste and BioK yields. Boroughs are delivering food waste services to more flats and flash (**fl**ats **a**bove **sh**ops) properties which has seen a slight increase in food tonnages. Food waste makes up approximately 33% of residual waste, reducing this percentage remains a significant challenge particularly in urban areas where a high proportion of dwellings are flats.

3.17. Organic Performance for individual Boroughs is included in Appendix A.

4. COMMODITY PRICES



	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Cardboard	£112	£122	£118	£123	£100	£87	£87	£88	£94	£105	£88	£90	£85	£90
Paper	£55	£65	£65	£70	£55	£50	£47	£52	£63	£72	£66	£64	£40	£45
Glass	£9	£9	£10	£10	£10	£11	£11	£11	£10	£20	£30	£30	£33	£34
Steel Cans	£145	£155	£165	£165	£165	£165	£160	£165	£180	£175	£175	£170	£160	£165
Aluminium Cans	£1,050	£1,020	£980	£1,000	£980	£970	£970	£940	£950	£930	£950	£950	£910	£930
Plastics (weighted average)	£443	£401	£404	£408	£391	£405	£352	£295	£273	£273	£247	£252	£298	£332
Clear & light blue PET	£430	£360	£350	£350	£300	£300	£220	£180	£170	£175	£155	£170	£250	£305
Coloured PET	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£10	£20
HDPE natural	£940	£950	£1,000	£1,000	£1,080	£1,090	£1,030	£870	£780	£780	£750	£730	£700	£700
HDPE mixed colour	£400	£400	£405	£405	£360	£400	£400	£400	£400	£380	£340	£340	£330	£350
Mixed Plastic Bottles	£150	£130	£130	£150	£160	£200	£200	£150	£140	£135	£100	£100	£130	£140

Table 4

4.1. Table 4 above sets out the movement in Recycling Commodity prices since January 2023. The Authority receives a net basket rebate based on the average performance of commodities in the previous quarter.

4.2. Paper and Card have a significantly lower value now compared to April 2023, with Paper decreasing by £25 a tonne (a 36% decrease in value) and Carboard by £33 a tonne (a 27% decrease in value).

4.3. On a positive note, we have seen a significant increase in the price of glass, with NLWA receiving on average £27 a tonne for quarter Q3 2023/24 (October to December), compared to an average of £8 a tonne in the same period last year. Glass prices continued to increase during the first two months of Q4 (January to March), which will provide a boost to the Q1 (April to June) net basket value that NLWA will receive 2024/25.

DMR Net Basket Price			
	Forecast 23/24	Actual 23/24	Forecast 24/25
Q1	£43.00	£43.26	£39.00
Q2	£43.00	£41.89	£39.00
Q3	£43.00	£40.48	£35.00
Q4	£43.00	£41.11	£35.00

Table 5

5. DESTINATIONS UPDATE

5.1. NLWA recognises the importance of dealing with our waste and materials as close as possible to the point where they are collected (the Proximity Principle). For residual and organic waste streams, 100% of materials are treated within the UK. DMR materials are managed on our behalf under contract with Biffa from their Edmonton Materials Recovery Facility (MRF). Officers have been working with Biffa to reduce our reliance on far east markets and are working towards treating all our materials in the UK by 2030.

5.2. Table 6 below details the progress that has been made since 2020 and the continuing challenges we face particularly in relation to fibre (cardboard and paper).

Material	Baseline March 2020			Q1 - Q4 21/22			Q1 - Q4 22/23			Q1-Q3 23/24		
	UK	Europe	Far East	UK	Europe	Far East	UK	Europe	Far East	UK	Europe	Far East
Cardboard			100%	20%	11%	69%	7%	86%	7%	8%	64%	28%
Mixed Paper	43%	19%	38%	44%	56%		31%	69%		44%	56%	
Glass	68%	32%		79%	21%		74%	26%		100%		
Aluminium Cans	100%			100%			100%			100%		
Steel Cans	100%			100%			100%			100%		
Plastic Bottles	100%			100%			100%			100%		
Other Plastics	100%			100%			100%			100%		

Table 6

5.3. There has been an improvement in the amount of material we have successfully placed in the UK domestic market compared to the previous year. However, as previously reported, reprocessing capacity for fibre in the UK is significantly below the volume of material being generated.

5.4. It is disappointing that lower fibre prices (see section 4) are driving a reduction in European processing capacity. As such we have seen material that would normally have gone into Europe being treated in the far east. European processors have been struggling with increased energy prices leading to closures and partial closures of processing facilities, and although energy prices have started to reduce, commodity prices have also fallen. A 30% reduction in prices for paper and a 25% reduction for cardboard are creating more uncertainty and less capacity.

5.5. On a positive note, due to the increase in glass prices, it has become economic for UK reprocessors to expand their capacity and 100% of NLWA glass is now being processed within the UK.

6. RECYCLING CREDITS

6.1. The NLWA has a long-standing arrangement that pays reuse and recycling credits to not-for-profit organisations operating in north London on the basis that they remove items from the municipal waste stream for reuse or recycling.

6.2. The current charities registered with the scheme are a mixture of local and national organisations with local operating sites.

6.3. Table 7 below shows the current statement of payments made YTD to the local companies.

23/24 Third Party Credit payments				
Party Name	**Q1**	**Q2**	**Q3**	**Total**
AGE UK	1,398.04	2,018.41	£1,464.29	4,880.74
ALL ABOARD SHOPS LIMITED	5,738.62	5,502.14	£5,450.45	16,691.21
BARNET FURNITURE CENTRE	2,346.55	1,890.39	£1,782.62	6,019.56
BRITISH HEART FOUNDATION	6,402.41		£4,800.79	11,203.20
NORTH LONDON HOSPICE	6,312.81	7,492.29	£6,371.48	20,176.58
OXFAM	8,764.04	8,530.57	£6,070.13	23,364.74
PDSA	89.42	93.15	£114.32	296.89
SCOPE	1,127.68	1,198.60	£648.97	2,975.25
TRAID	17,750.95	14,538.33	£17,393.00	49,682.28
Grand Total	**49,930.52**	**41,263.88**	**44,096.05**	**135,290.45**

Table 7

6.4. Officers have recently reviewed the administrative process and will be implementing a revised digital application and data sharing scheme from April 2024. The current process is labour intensive relying on sharing of evidence and applications for funding by post.

7. SPECIALIST RECYCLING UPDATE

7.1. This section provides an update on specialist recycling streams collected primarily at the Authority's Reuse and Recycling Centre sites (RRCs). These provide residents with solutions for materials which are difficult or impractical to collect as part of the normal kerbside service offered by boroughs.

7.2. Officers are continuing to expand the range of materials and locations where hard-to-recycle materials can be processed to reduce north London's residual waste and deliver better environmental outcomes.

Hard Plastics

7.3. The hard plastic trial has been well received by north London residents with over 90 tonnes of plastics collected from Hornsey Street and Regis Road for processing by a local partner.

7.4. Colleagues at LondonEnergy Limited (LEL) have, due to the complex make-up of hard plastics, commenced a procurement exercise to improve resilience for the existing service with additional off-taker arrangements expanding the scope of hard plastics that the RRCs will accept.

Expanded Polystyrene

7.5. The expanded polystyrene scheme has diverted 6.2 tonnes of a light but difficult to manage material from the residual waste stream.

7.6. LEL have recently appointed another processor to handle and recycle north London’s expanded polystyrene.

7.7. This arrangement provides the same recycling outcome but as there is no requirement to compact the polystyrene on site, LEL is able to save valuable operating time and cost by removing the on-site compactors at Summer Lane and South Access Road.

Mattresses

7.8. At the end of February 2024, NLWA had recycled over a quarter of a million mattresses since the summer of 2021 when the trial began.

7.9. For 2024, NLWA continues to recycle just under 9,000 mattresses a month across all the London boroughs, with Hackney, Waltham Forest and Barnet contributing over 60% to the combined total.

Carpets

7.10. The carpet recycling trial is proceeding well with 20 tonnes collected since November 2023. From April this scheme will be provided at both Hornsey Street and Summers Lane RRCs.

7.11. Of the 20 tonnes of carpets processed, LEL have managed to recycle an average of 95% with the remaining 5% disposed of through energy recovery.

7.12. Table 8 below shows the composition and breakdown from the recent carpet loads removed from site.

Material	Percentage	Method of disposal
Polypropylene	35%	Recycled
Polyethylene Terephthalate (PET)	10%	Recycled
Nylon	30%	Recycled
Wool	20%	Recycled
Underlay	3%	Energy recovery
Other	2%	Energy recovery

Table 8

DIY Reuse

7.13. North London residents have collected 90.73 tonnes of DIY materials from two of our RRCs situated in Waltham Forest and Barnet.

7.14. In 2024 the most popular products taken by residents are internal doors, hardcore materials, unused bricks, tiles and paving slabs and ceramic items such as sinks and toilets.

7.15. Officers are reviewing with LEL colleagues, opportunities to expand this service to other operational sites.

Vapes (E-cigarettes)

7.16. In February officers submitted a Regulation 34 letter to the Producer Balancing System (PBS) that requires the scheme administrator to appoint a collection contractor for the free collection of vapes from our RRCs.

7.17. We envisage this scheme will be in in operation in during the first quarter of 2024/25 and officers will run a dedicated marketing campaign to support awareness and mobilisation.

8. EQUALITIES IMPLICATIONS

8.1. There are no equalities implications associated with this report.

9. COMMENTS OF THE LEGAL ADVISER

9.1. The Legal Adviser has been consulted in the preparation of this report.

10. COMMENTS OF THE FINANCIAL ADVISER

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

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