

NORTH LONDON WASTE AUTHORITY

THURSDAY, 25 JUNE 2015 AT 10.00 AM
COMMITTEE ROOM 1, TOWN HALL, JUDD STREET, LONDON WC1H 9JE

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MEMBERS

Councillor Dean Cohen	London Borough of Barnet	C
Councillor Peter Zinkin	London Borough of Barnet	C
Councillor Meric Apak	London Borough of Camden	L
Councillor Theo Blackwell	London Borough of Camden	L
Councillor Daniel Anderson	London Borough of Enfield	L
Councillor Nesil Cazimoglu	London Borough of Enfield	L
Councillor Feryal Demirci	London Borough of Hackney	L
Councillor Geoff Taylor	London Borough of Hackney	L
Councillor Ali Demirci	London Borough of Haringey	L
Councillor Jason Arthur	London Borough of Haringey	L
Councillor Claudia Webbe	London Borough of Islington	L
Councillor Richard Greening	London Borough of Islington	L
Councillor Clyde Loakes	London Borough of Waltham Forest	L
Councillor Gerry Lyons	London Borough of Waltham Forest	L

L = Labour, C = Conservative, LD = Liberal
Democrat, G = Green

Issued on: Wednesday, 17 June 2015

Mike Cooke – Clerk
North London Waste Authority
Camden Town Hall
Judd Street
London, WC1H 9JE

<http://www.nlwa.gov.uk>

NORTH LONDON WASTE AUTHORITY - 25 JUNE 2015

**COMMITTEE ROOM 1, TOWN HALL, JUDD STREET, LONDON WC1H 9JE AT
10.00 AM**

AGENDA

AGM Business (Yellow Papers)

**1. APPOINTMENT OF THE CHAIR OF THE AUTHORITY FOR THE
2015/16 MUNICIPAL YEAR**

The Authority is requested to elect a Chair for the 2015/16 Municipal Year.

**2. APPOINTMENT OF THE VICE-CHAIRS OF THE AUTHORITY FOR
THE 2015/16 MUNICIPAL YEAR**

The Authority is requested to elect up to two Vice-Chairs for the 2015/16 Municipal Year.

3. MEMBERSHIP OF THE AUTHORITY 2015/16

(Pages 7 - 8)

Report of the Managing Director

This report contains details of the membership of the North London Waste Authority for the remainder of the municipal year as notified by the seven constituent Boroughs who are entitled to nominate two representatives.

**4. APPOINTMENT OF MEMBERS TO COMMITTEES AND WORKING
GROUPS**

(Pages 9 -
16)

Report of the Managing Director.

The report outlines the matters that must be taken into account when establishing committees, details procedures relating to attendance at meetings and seeks decisions on appointments to the North London Waste Authority Urgency Committee, the Member/Officer Steering Group, the LondonWaste Ltd Shareholder Group, Finance Working Group, Planning Sounding Board, Recycling Working Group and on arrangements connected with communications.

5. NLWA 2014/15 ANNUAL REPORT

(Pages 17 - 54)

Report of the Managing Director.

This is the Annual Report for the Authority covering the year 2014/ 15 which gives an overview of some of the main issues dealt with by the Authority.

6. DATES OF MEETINGS FOR THE AUTHORITY IN 2015/16

(Pages 55 - 56)

Report of the Managing Director.

This report sets out proposed dates for Authority meetings in 2015/2016.

7. ANNUAL REPORT OF DIRECTORS OF LONDONWASTE LTD

(Pages 57 - 62)

Report of the Managing Director.

This report is the annual report of the Directors of LondonWaste Limited and sets out the performance and activities of the Company in the Authority's financial year 2014/15.

Ordinary Meeting Business - White Papers

8. APOLOGIES

9. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

10. DEPUTATIONS (IF ANY)

11. MINUTES

(Pages 63 - 74)

To approve and sign the public minutes of the meetings held on 12 February & 27 March 2015.

12. 2014/15 REGULAR BUDGET REVIEW

(Pages 75 - 88)

This report provides details of expenditure and income for 2014/15 and

briefly comments on the current financial position and outlook for future years.

13. EXTERNAL AUDIT PLAN FOR THE 2014/15 ACCOUNTS

(Pages 89 - 118)

Report of the Financial Adviser.

This report introduces the Audit Plan for 2014/15 which has been prepared by KPMG in its capacity as the Authority's external auditor. The plan sets out the responsibilities of the external auditor and outlines its approach to the forthcoming audit.

14. OPERATIONS UPDATE

(Pages 119 - 124)

Report of the Head of Operations.

This report informs Members of two noteworthy operational matters. Firstly, the bulky waste recycling services that LondonWaste Ltd was providing on a trial basis when the main waste contract was entered into are to be made permanent. Secondly the Re-use Shop and the Kings Road re-use and recycling centre (Chingford) is to be opened by LondonWaste Ltd.

15. DCO APPLICATION PHASE TWO CONSULTATION UPDATE

(Pages 125 - 128)

Report of the Managing Director.

This report provides an update on Phase Two Consultation on the proposals for a replacement energy recovery facility at the Edmonton EcoPark and associated development. The Authority is recommended to note that Phase Two Consultation on the Proposals for a Development Consent Order has started, and the activity during consultation to date.

16. CONSULTATIONS AND POLICY UPDATE

(Pages 129 - 152)

Report of the Head of Operations.

This report recommends authority is delegated to officers to respond to EU consultations on the circular economy and on waste market distortions, seeks approval for officer responses to consultations from Enfield and Haringey on flood risk and site allocations respectively and updates Members on work being done through the London Waste and Recycling Board with NHS England on arrangements for 'clinical' and

'offensive' wastes.

17. REVIEW OF AUTHORITY STANDING ORDERS

(Pages 153 - 208)

Report of the Managing Director.

This report provides a review of standing orders in the light of legislative change, and proposed updates to Standing Orders for approval.

18. FORWARD PLAN OF DECISIONS

(Pages 209 - 216)

Report of the Managing Director.

This report provides a forward plan of reports for the Authority.

Agenda Part II (Pink Papers)

19. LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

It is drawn to the attention of members of the public and press that the reports relating to the items listed below are considered to be exempt within the meaning of Schedule 12A to the Local Government Act 1972, as amended. The Authority will be asked to pass a resolution, the effect of which is to exclude members of the public and press from the remaining part of the proceedings.

Information contained in the agenda items below is exempt because it falls within: Categories 1, 3 and 5 of Schedule 12A Local Government Act 1972 (as amended). The Proper Officer has considered all the circumstances of the reports and is of the view that on balance the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Proposed resolution:-

"THAT the press and public be excluded from the proceedings of the North London Waste Authority on 25th June 2015 during consideration of the following items on Part II of the agenda, on the basis that, were Members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

Specifically:

Exempt Information Category 1 - Information which relates to an individual: the reason why the public interest favours withholding the information is that the release of such information could constitute or

facilitate an unwarranted interference with the individual's privacy.

Exempt Information Category 3 – Information relating to the financial or business affairs of any particular person, including the authority holding that information, and not required to be registered under various statutes: the reasons why the public interest favours withholding the information are that the release of such information would prejudice the Authority's conduct of a commercial operation OR because the disclosure of the information is likely to prejudice the commercial interests of the Authority and organisations engaged in commercial activities as the information related to commercial activities that are conducted in a competitive environment.

Exempt Information Category 5 - Information in respect of which there is a claim to legal professional privilege: the reasons why the public interest favours withholding the information are that the release of such information could prejudice the safeguarding of openness in all communications between client and lawyer and the Authority's ability to ensure access to full and frank legal advice

20. PRIVATE MINUTES

(Pages 217 - 224)

To approve and sign the private minutes of the meeting held on 12 February & 27 March 2015.

21. GOVERNANCE OF LONDONWASTE LTD.

(Pages 225 - 296)

Report of the Managing Director.

This report is a routine report on the Governance of LondonWaste Ltd.

22. FUTURE RESIDUAL WASTE MANAGEMENT

(Pages 297 - 320)

Report of the Managing Director.

This report provides further information and recommendations on the next steps in pursuing the residual waste management strategy.

23. ANY OTHER ITEMS THE CHAIR DECIDES TO TAKE AS URGENT

AGENDA ENDS

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: MEMBERSHIP OF THE AUTHORITY 2015/16	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO THE NORTH LONDON WASTE AUTHORITY	DATE: 25 th JUNE 2015
SUMMARY OF REPORT This report contains details of the membership of the North London Waste Authority for the remainder of the municipal year as notified by the seven constituent Boroughs who are entitled to nominate two representatives. Local Government Act 1972 – Access to Information Documents used in the preparation of this report: Correspondence with constituent Boroughs relating to membership. Contact Officer: Richard Stratford Committee Services, NLWA Camden Town Hall Judd Street London WC1H 9JE Telephone: 020 7974 6884 alastair.round@camden.gov.uk	
RECOMMENDATION: The North London Waste Authority is recommended to note the report.	

Signed by:



Date: 16 June 2015

NORTH LONDON WASTE AUTHORITY – 25 JUNE 2015

STATEMENT OF MEMBERSHIP

1. Introduction

- 1.1 The Authority comprises two representatives appointed by each of the seven constituent councils and notified to the Authority in writing. No substitute representatives are permitted.
- 1.2 The term of office of appointed members is normally until the next annual meeting of the constituent Council making the appointment, or until notification in writing by a constituent Council of a change in their appointment(s) before their next annual Council meeting.

2. Membership

- 2.1 The Membership of the North London Waste Authority for the municipal year 2015/16 is as follows:

London Borough of Barnet

Councillor Dean Cohen (C), Councillor Peter Zinkin (C)

London Borough of Camden

Councillor Theo Blackwell (L), Councillor Meric Apak (L)

London Borough of Enfield

Councillor Daniel Anderson (L), Councillor Nesil Cazimoglu (L)

London Borough of Hackney

Councillor Feryal Demirci (L), Councillor Geoff Taylor (L)

London Borough of Haringey

Councillor Jason Arthur (L), Councillor Ali Demirci (L)

London Borough of Islington

Councillor Claudia Webbe (L), Councillor Richard Greening (L)

London Borough of Waltham Forest

Councillor Clyde Loakes (L), Councillor Gerry Lyons (L)

3. Financial Adviser Comments

- 3.1 The Financial Adviser has no comments on this report

4. Legal Comments

- 4.1 The Legal Adviser has no comments on this report

REPORT ENDS

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: APPOINTMENT OF MEMBERS TO COMMITTEES AND WORKING GROUPS	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO: NORTH LONDON WASTE AUTHORITY	DATE: 25 JUNE 2015
SUMMARY OF REPORT The report outlines the matters that must be taken into account when establishing committees, details procedures relating to attendance at meetings and seeks decisions on appointments to the North London Waste Authority Urgency Committee, the Member/Officer Steering Group, the LondonWaste Ltd Shareholder Group, Finance Working Group, Planning Sounding Board, Recycling Working Group and on arrangements connected with communications.	
RECOMMENDATIONS That the Authority: 1. Notes the political balance requirements as they affect the Authority for the ensuing municipal year 2. Establishes and appoints an Urgency Committee consisting of seven members as set out in paragraph 3.2 3. Appoints the Chair and Vice-Chairs of the Authority to the LondonWaste Ltd Shareholder Group as identified in paragraph 4.1 4. Agrees to maintain a Member/Officer Steering Group as set out in paragraph 5.2 and appoints the Chair and Vice Chairs and one member from each Constituent Borough not otherwise represented to form its membership 5. Agrees to maintain a Finance Working Group as set out in paragraph 5.3 and appoints one Member from each Constituent Borough to form its membership and appoints one of these Members to chair the Group 6. Agrees to maintain a Planning Sounding Board as identified in paragraph 5.4 and appoints four Members, with one from each of the London Boroughs of Camden, Hackney, Islington and Waltham Forest to form its membership 7. Agrees to maintain a Recycling Working Group as set out in paragraph 5.5 and appoints a member from each Constituent Borough to form its membership and appoints one of these Members to chair the Group 8. Confirms that the Chair of the Authority will guide Officers in connection with the Authority's communication strategy and will be consulted on individual media communications of a sensitive nature 9. Notes the position regarding attendance at meetings	

Managing Director:



DATE: 16 June 2015

1.0 INTRODUCTION

- 1.1 This report sets out the proposed Committee structure for the Authority for the next Municipal year and asks Members to deal with certain appointments in particular to Working Groups. It also deals with the issue of attendance at Authority meetings.

2.0 POLITICAL BALANCE

- 2.1 The Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 deal with the requirement that an Authority allocates places on its Committees, Sub Committees and other Bodies to each political group. The allocation must be in the same proportion as the number of Members of the Group bears to the Authority as a whole. Statutory Joint Waste Disposal Authorities are included in the bodies to be subject to these arrangements, and this Authority has a duty to review its political balance at its Annual Meeting (or as reasonably practical thereafter).
- 2.2 With the nominations made by constituent Councils for 2015/16, the Authority has the following number of members divided by party lines as follows:
- 2 Conservative Members
 - 12 Labour Members

The percentages for each party are therefore 85.7% Labour and 14.3% Conservative.

3.0 COMMITTEE STRUCTURE

Urgency Committee

- 3.1 The Authority's Standing Orders provide for an Urgency Committee to deal with any matters of urgent business which occur between Authority meetings. Its terms of reference (as quoted from the NLWA Standing Orders) are as follows:
- "To act in respect of any matters within the jurisdiction of the Authority (referred to in A.27.2 of Standing Orders) and which will not admit of delay".
- 3.2 In accordance with the Authority's Standing Orders the Urgency Committee shall have a membership of seven to include the Chair and Vice Chairs and so that one Member is from each of the Constituent Boroughs. The quorum for meetings is four Members.

- 3.3 In terms of Member workload it should be noted that whilst the Urgency Committee is necessary, and has been set up each year, it has only met twice in the last ten years.

4.0 LONDONWASTE LTD SHAREHOLDER GROUP

- 4.1 At the Authority Meeting on 10 February 2010, the Members Shareholder Group (consisting of the Chair and Vice-Chairs) was formed to scrutinise the Company's business plan, attend LWL general meetings and vote on matters reserved to the Authority. It is suggested that this arrangement continues in 2015/16.

5.0 WORKING GROUPS

5.1 Introduction

At the Authority meeting on 23rd September 2010 Members considered a report from the Managing Director on the formation of Working Groups. Authorisation was given to the setting up of a Finance Working Group, a Planning Sounding Board and a Recycling Working Group. Additionally the Chair was authorised to guide officers in the development of a communication strategy and it was agreed that the Chair must be consulted on individual media communications of a sensitive nature. The Authority has also operated a Member/Officer Steering Group since midway through the 2012/13 Municipal Year.

The Work Groups, Steering Group and Sounding Board have no decision-making powers and meetings and other arrangements are not subject to the rules which otherwise apply to either full Authority meetings or meetings of the Authority's committees. Decisions which need to be made by the Authority are either made by the Authority itself, one of its duly delegated committees or a delegated Officer.

Members have previously requested that officers consider the possibility of setting up Committees with terms of reference covering the areas considered in some or all of the Working Groups. Officers are not recommending replacing Working Groups with Committees at this time and officers are of the view that all of the currently established Working Groups remain necessary. The Working Groups have the benefit of flexibility in their meeting times and number of meetings, and as they are not decision making groups, all decisions remain to be taken in full Authority meetings where all Members are able to be present.

5.2 Member/Officer Steering Group

The Member/Officer Steering Group was initially established as a mechanism for briefing Members informally regarding a variety of issues affecting the Authority. The Member/Officer working group shall have a membership of seven Members to include the Chair and Vice Chairs and so that one Member is from each of the Constituent Boroughs. However, other Members of the Authority can attend if they wish. It is proposed that the Steering Group continues and that nominations for membership from the Boroughs not represented by the Chair and Vice Chairs are sought from Authority Members. It is anticipated that the officer membership will continue as previously, namely the Managing Director and Head of Finance of the

Authority, and Senior Borough officers including the Director of Finance at LB Hackney and the Director of Environment at LB Islington.

5.3 Finance Working Group

At the Annual meeting in June 2013 it was resolved to maintain the Finance Working Group on the basis of one Member being nominated by each Constituent Borough. The Group meets 2-3 times each year to carry out a number of activities, including a review of the annual budget in advance of presentation to the Authority for approval in February and a review of the annual Statement of Accounts in advance of submission to the September meeting. The Group also reviews the Authority's risk registers and risk management arrangements and reports issued by the internal and external auditors. The Group is also updated at its meetings on the performance of LondonWaste Ltd and any other important matters of a financial nature.

It is proposed that the Finance Working Group continues and that nominations for membership and the Chair of the Group are sought from Authority Members.

It is currently envisaged that the Group will review the 2014/15 draft Statement of Accounts and the Annual Governance Statement before submission to the Authority in September for formal approval. Additionally, the Group will be requested to review the Authority's risk registers ahead of the annual review of risk management at the September meeting.

5.4 Planning Sounding Board

It was agreed at the Annual meeting in June 2013 to maintain a Planning Sounding Board but that it should only meet on an "as and when" basis. As the Authority is pursuing a planning process relating to the Edmonton site and may in future consider an application relating to the Pinkham Way site it remains the position that Members from Haringey, Barnet and Enfield should not be involved in the Planning Sounding Board. Accordingly it is proposed that the Planning Sounding Board be set up with four Members, one from each of London Boroughs of Waltham Forest, Camden, Hackney and Islington.

Based on the current Membership of the Authority this proposal is not in accordance with the requirement for political balance outlined in paragraph 2.1 above, however it is considered acceptable due to the informality of the group and in view of the Authority's interest in sites in specific boroughs.

5.5 Recycling Working Group

At the Annual meeting in June 2013 it was resolved to maintain the Managing Director's authority to establish a Recycling Working Group with three Labour Members and one Conservative Member. This was amended at the Authority's September 2014 meeting to include one Member from each constituent authority.

It is therefore proposed that the Managing Director's authority to maintain a Recycling Working Group is continued and that nominations for membership

and Chair of the Group are sought with one member from each authority being appointed.

6.0 COMMUNICATION

- 6.1 The Authority is engaged in a significant amount of communication activity with often tight deadlines for media information and press releases. It is therefore proposed that the Chair of the Authority continues to guide officers in connection with the Authority's communications strategy and is consulted on media communications of a sensitive nature.

7.0 ATTENDANCE AT MEETINGS

- 7.1 In the absence of regular formal committees it is only attendance at Authority meetings that can count in any assessment of Member attendance/non-attendance. The current arrangements including the mechanism for providing warnings prior to disqualification are as follows:

7.2.1 Under Section 85 of the Local Government Act 1972, if a Member fails to attend meetings throughout a period of six consecutive months from the date of the last attendance, they are disqualified from membership.

7.2.2 IA mechanism has been established to provide prior warning for Councillors at risk from disqualification. The process is for Members and Constituent Councils to be sent an advisory letter if they risk disqualification from the Authority. This also gives the Member the opportunity to correct issues of non-attendance prior to disqualification coming into effect.

7.2.3 The Standing Orders for the Authority state:

"A.3.3 Non-Attendance

(a) Members who do not attend any meeting of the Authority for a period of six months are disqualified from membership of the Authority, unless the reason for their non-attendance was approved by the Authority before the end of the six month period.

(b) Where the Managing Director and Deputy Clerk (in these Standing Orders called "the Managing Director") becomes aware that a Member has failed to attend a meeting of the Authority, its committees and/or its other subsidiary bodies for a period approaching six months, the Managing Director will advise the member concerned and their Constituent Council of their risk of disqualification.

(c) In the event of the Member concerned failing to attend a meeting of the Authority, the Authority will invite the Constituent Council to appoint a replacement representative."

8.0 FINANCIAL ADVISER'S COMMENTS

- 8.1 The Financial Adviser has been consulted in the preparation of this report and has no further comments to add.

9.0 LEGAL ADVISER'S COMMENTS

- 9.1 The Legal Adviser has been consulted in the preparation of this report and has no further comments to add.

Contact officer:

David Beadle

Managing Director

North London Waste Authority

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APPENDIX 1

Urgency Committee	7 Members, one from each borough, to include the Chair & Vice-Chairs
LondonWaste Limited Shareholder Group	3 Members – Chair and Vice-Chairs
Member/Officer Steering Group	7 Authority Members, one from each borough, to include the Chair & Vice-Chairs and officer members
Finance Working Group	7 Members, one from each borough
Planning Sounding Board	4 Members, one from each of the London Boroughs of Camden, Hackney, Islington and Waltham Forest
Recycling Working Group	7 Members, one from each borough

REPORT ENDS

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NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: NORTH LONDON WASTE AUTHORITY – ANNUAL REPORT 2014/15	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 25 th JUNE 2015
SUMMARY OF REPORT: This is the Annual Report for the Authority covering the year 2014/15 which gives an overview of some of the main issues dealt with by the Authority.	
RECOMMENDATION: That the Authority approves the Annual Report attached as Appendix 1.	

Signed by Managing Director:



Date: 16th June 2015

1. BACKGROUND

- 1.1. The Annual Report for the Authority covering the year 2014/15 is attached for approval. It gives an overview of the main issues dealt with by the Authority.

2. 2014/15 HIGHLIGHTS AND 2015/16 EARLY UPDATE

- 2.1. The most noteworthy matters of 2014/15, and others that have occurred since the end of the 2014/15 year covered by the Annual Report, are set out below.

North London Joint Waste Strategy Performance

- 2.2. Preliminary figures indicate that the amount of residual waste per household was 601kg, down 10.1% from the finalised figure in 2013/14 of 667kg however the number of dwellings recorded in 2014/15 has significantly increased from those identified in 2013/14.
- 2.3. Similarly, the overall household waste re-use, recycling and composting rate in the Authority's area (a combination of Authority and borough services) is expected to be 33% (the same as 2013/14), although there has been an increase of 3.03% in the total amount of household waste collected. There is however still some way to go to meet the joint waste strategy target of 50% by 2020.
- 2.4. Due to operational efficiencies the amount of municipal waste sent to landfill has reduced to 13%.
- 2.5. Final figures will be ready for the Annual Monitoring Report of the North London Joint Waste Strategy, which is ordinarily published in December each year.
- 2.6. The Authority has also worked towards securing as favourable a long-term policy framework as possible, and in this regard reviewed 39 consultation documents and responded to 21 of them. A selection of significant consultations is outlined in the Annual Report.

Waste Prevention

- 2.7. During 2014/15 the Authority delivered an extensive programme of waste prevention activities, implementing the first year of the Authority's two year 2014/16 Waste Prevention Plan. The activities are highlighted in the body of the Annual Report and are set out in full at Appendix 3 to the Annual Report.
- 2.8. The work focussed on reducing waste in three key areas:
- Food waste
 - Furniture
 - Textiles
- 2.8. Outreach work formed a key part of the food waste prevention programme in particular. This work involved sharing tips and advice and providing free tools to assist with food waste reduction. Over 10,000 residents were engaged on

food waste prevention with participation in 128 public facing events and in-depth workshops with over 500 residents and 796 people at universities in north London.

- 2.9 Work on furniture re-use included 14 Give and Take days events which attracted of 1,000 people who 'gave' i.e. brought 21.9 tonnes of furniture and other items to the events and 'took' away 14.7 tonnes for re-use, whilst textiles re-use was promoted through a 'swishing' clothing exchange pack which encouraged people to provide the items they no longer wear to others to re-use.
- 2.10 The year's activities culminated in March 2015 with a Waste Prevention Exchange seminar event to share best practice on waste prevention in urban areas. The event was to share information on best practice on waste prevention in urban areas, and included speakers from France, Catalonia and Belgium. There were nearly one hundred attendees. The results of the event will assist in the development of the Authority's own monitoring approach for the next two-year prevention plan and the contacts made will assist with sharing best practice and approaches going forward.

Contracted Services

- 2.11 Household Waste Recycling Centres, or RRCs, at Camden (Regis Road), Islington (Hornsey Street) and Waltham Forest (Gateway Road) transferred to Authority management on 1st April 2012; Waltham Forest's remaining sites (Kings Road and South Access Road) transferred on 7th June 2012; and Haringey's two sites (High Street Hornsey and Park View Road) transferred on 1st November 2012. The overall recycling rate for these sites has improved from 67% in 2013/14 to 72% in 2014/15; at the same time the service was provided £121k below the operational budget (excluding released accruals from 2013/14). Arrangements for the other two sites in the Authority's area continued to be made by the relevant constituent borough council.
- 2.12 The Authority's waste recycling and composting services continued well, with the former returning over £2.5m income from the value of the recyclable wastes (in increasingly challenging market conditions), and the Authority making similar payments to relevant boroughs towards their additional costs of collection (although there is still a net cost of the service). The Authority's waste recovery and disposal services also continued well, as noted in sections 3 and 4 of the Annual Report.
- 2.13 The Authority's contract for waste electrical and electronic equipment (WEEE) continued to perform well with the kerbside collections of WEEE continuing throughout 2014 with over 4,588 collections from residents undertaken throughout the year.

LondonWaste Ltd

- 2.14 LondonWaste Ltd, wholly owned by the Authority since 2009, achieved profit before tax and exceptional items of £6.3m in the calendar year 2014 and paid dividends to the Authority of £5m.

2.15 As noted above, it provided good services to the Authority throughout.

North London Heat and Power Project

- 2.16 The Authority commenced consultation by way of preparation to submit a Development Consent Order (DCO) application to the Secretary of State for the construction of a new Energy Recovery Facility and a Resource Recovery Facility incorporating a Re-use and Recycling Centre at the EcoPark in Edmonton.
- 2.17 The Phase One Consultation took place in November 2014 – January 2015, and the comments received informed the developed design for the next phase of consultation.
- 2.18 Looking forwards, Phase Two Consultation on the Authority's detailed proposals began on 18 May 2015 and will continue until 30 June 2015. The design, including the external appearance, is being presented for comment, together with a considerable amount of additional and more developed information.
- 2.19 The consultations, together with comments received and the Authority's responses, will be included in a Consultation Report which forms part of the application submitted to the PINS in September 2015. On submission the PINS will have 28 days to consider the application for acceptance. After a further period of preparation, the examination of the proposals is expected to start in January/February 2016, and will last for up to six months.
- 2.20 The final decision from the PINS on the DCO is expected in late 2016 or early 2017. If the DCO is granted the Authority will develop a procurement and funding strategy in 2017. Construction is expected to begin with site clearance in 2019.

Communications

- 2.21 In 2014/15 the Authority's communications strategy aimed to consolidate the activity undertaken in 2013/14, building on the work done to raise the profile of the Authority through its consumer facing brand identity, Wise Up To Waste. The communications strategy focused upon:
- promoting waste prevention activity;
 - helping to increase the recycling rate towards the target of 50% by 2020 by encouraging north London residents to reduce waste and recycle more; and
 - raising the profile of the Authority (both within the waste industry and to residents).

- 2.22 Social media was used extensively to promote waste prevention events and activity in particular; the ['Wise Up To Waste' website](#) was updated and the new North London Heat and Power Project communications strategy was launched and implemented. Further developments to the Authority's consumer facing website - wiseuptowaste.org.uk - took place and the site received a total of 27,077 visits, with over 58,000 pages viewed. A new 'Events' sub-section within the community section, listing events that the Authority is attending, was created and received a total of 863 visits in this period.
- 2.23 A separate identity and communications strategy was developed for a Waste Prevention Exchange event on 11 March 2015, and the Authority received a good amount of positive local press coverage about waste prevention and recycling, and made progress on raising the Authority's profile within the industry. Positive press coverage included coverage on our Give and Take day events (including the Waste Electrical and Electronic Equipment repair workshops), the 'Bag it up + Reuse' (reuseable bag) project (ahead of the government's introduction of a 5p per bag charge in the autumn), waste free Christmas art installations and coverage on the new Energy Recovery Facility (the North London Heat and Power Project).
- 2.24 Work commenced on a third annual joint communications recycling campaign but following some initial work it was agreed that it would be better to seek Authority approval for a longer term (three year) campaign that would be likely to attract more interest from agencies and avoid the need for annual procurements which have resulted in breaks in the campaign delivery. It is also hoped that a longer term campaign will allow the Authority to build brand awareness over a longer period. Because of the scale of the campaign it was also agreed to appoint a campaign adviser to assist with the procurement process for creative agencies. This work commenced during the year.
- 2.25 In 2015/16 communications activity will focus on promoting recycling and waste prevention activity, reiterating the Authority's commitment to these areas of work and supporting strategy-focused communications activity. Much of the work on consumer-facing activity established in 2012/13 and developed during 2013/14 and 2014/15 will also need further work and refinement in 2015/16 to continue to raise the profile of waste prevention and recycling.

Finance and Resources

- 2.26 As reported elsewhere on this agenda the Authority begins 2015/16 in good financial health with a surplus revenue balance at 31 March 2015 of £15.4m which will be used to fund expenditure in 2015/16 and 2016/17.

3 RECOMMENDATION

- 3.1 The Authority is recommended to approve the Annual Report attached as Appendix 1.

4 COMMENTS OF THE FINANCIAL ADVISER

- 4.1 The Financial Adviser has been consulted in the preparation of this report and has no further comments to add.

5 COMMENTS OF THE LEGAL ADVISER

- 5.1 The Legal Adviser has been consulted in the preparation of this report and has no further comments to add.

Local Government Act 1972 – Access to Information:

No documents required to be listed.

Contact Officer:

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NORTH LONDON WASTE AUTHORITY ANNUAL REPORT 2014/15

1. INTRODUCTION TO THE AUTHORITY

1.1 The North London Waste Authority (NLWA) was established in 1986 as a joint statutory waste disposal authority after the abolition of the Greater London Council (GLC). The Authority's prime function is for arranging the disposal of waste collected by its seven constituent boroughs:-

- The London Borough of Barnet
- The London Borough of Camden
- The London Borough of Enfield
- The London Borough of Hackney
- The London Borough of Haringey
- The London Borough of Islington
- The London Borough of Waltham Forest

1.2 The Authority also has a duty to arrange for re-use and recycling centres (RRCs) for its residents, and a number of other duties and powers.

1.3 The Authority has a membership of 14 councillors, with each constituent borough appointing two councillors. The Authority normally meets five times a year, with provision for extraordinary meetings as required.

1.4 In 2014/15, the Chair of the Authority was Cllr Clyde Loakes (LB Waltham Forest) and the Vice Chairs were Cllr George Meehan (LB Haringey) and Cllr Dean Cohen (LB Barnet).

1.5 Arising from the requirements of the Environmental Protection Act 1990, the Authority in 1992 entered into 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 (now called SITA (UK) Ltd) as its preferred partner, and a joint venture company, called LondonWaste Ltd was set up. The Authority subjected its waste disposal needs for twenty years to competitive tender with LondonWaste Ltd being one of the bidders.

1.6 After 18 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 Limited took place on 15th December 1994. At the same time, a twenty-year contract for the incineration and disposal of the Authority's waste was awarded to LondonWaste Ltd; this contract ended during 2014/15.

- 1.7 The requirement for local authorities to contract out waste disposal functions was repealed by Section 47 of the Clean Neighbourhoods and Environment Act 2005. This meant that the Authority could again own and operate waste disposal facilities, and in December 2009 the Authority acquired Sita's shares in LondonWaste and became the sole owner as part of its wider approach to procuring the next generation of waste services for north London (as set out further in section 5).
- 1.8 As noted above, during 2014/15 the original twenty-year contract with LondonWaste ended, and the Authority awarded a new ten-year contract for waste services to LondonWaste.
- 1.9 The Authority has contracts with other companies for the treatment of mixed dry recyclable wastes, waste electrical and electronic equipment and tyres.
- 1.10 The Authority actively promotes waste prevention and recycling.
- 1.11 The Authority is funded almost completely by a levy it places on its constituent borough councils and specific charges for some types of waste.
- 1.12 The Authority does not employ any staff directly, but makes cross-borough arrangements for support services, involving the boroughs of Camden, Enfield, Haringey and (for part of 2014/15) Waltham Forest. The principal officer support and managers in post as at 31st March 2015 are set out below. Structure charts for each of the officer teams are given in Appendix 1.

Clerk – Mike Cooke (part-time NLWA)
Financial Adviser – Mike O'Donnell (part-time NLWA)
Legal Adviser – Andrew Maughan (part-time NLWA)
Environment Adviser – Ian Davis (part-time NLWA)
Planning Adviser – Shifa Mustafa (part-time NLWA)
Managing Director and Deputy Clerk – David Beadle
Head of Operations – Andrew Lappage
Head of Legal and Governance – Ursula Taylor
Head of Finance – Paul Gulliford

2. JOINT MUNICIPAL WASTES MANAGEMENT STRATEGY AND WASTE PREVENTION

Highlights

- Figures indicate that in 2014/15, residual waste per household decreased by 9.9% to 601 kg (however, there was a significant increase in the number of dwellings from those in 2013/14); the household waste re-use, recycling and composting rate remained at 33%; and the amount of local authority collected waste sent to landfill fell by twelve percentage points to 13%.
- Alongside managing waste, an extensive outreach programme was delivered to promote the prevention of waste through:
 - direct engagement with 10,333 north London residents on food waste reduction with participation in 128 public facing events and in-depth workshops with over 500 residents and 796 people at universities in north London;
 - seven Big Free Lunch events engaging 2,063 people and serving over 5,000 free portions of food that would otherwise have become waste;
 - delivery of 14 Give & Take days events which attracted over 1,000 attendees who brought 21.9 tonnes of furniture and other items and took away 14.7 tonnes for reuse;
 - work with local businesses enabling them to provide reusable bags to customers.
- Advertising and communication campaigns to promote food waste reduction and clothing re-use
- Participation in the national Compost Awareness Week and the European Week for Waste Reduction in November 2014 and a year-end Waste Prevention Exchange event to share best practice on waste prevention in urban areas.

Overview

- 2.1 The North London Joint Waste Strategy (NLJWS) sets the strategic framework for the Partner Authorities (the Authority and the seven constituent borough councils). The strategy includes a number of implementation actions and targets including:
- to achieve a 35% recycling and composting target for household waste by 2010, 45% by 2015, and 50% by 2020;
 - reduce municipal waste sent to landfill to 15% of arisings;
 - to provide door-to-door recycling services to 95% of relevant households;

- to provide all residents in multiple occupancy housing with either door-to-door collection services or a minimum of one 'near-entry' recycling site per 500 households as soon as possible; and
 - to achieve 60% recycling and composting diversion rates at all North London Reuse and Recycling Centres by 2015.
- 2.2 During 2014/15 the Authority produced the sixth Annual Monitoring Report of progress made with implementing the Strategy and accompanying Strategic Environmental Assessment; the report presented data up to 2013/14. A copy of the Annual Monitoring Report is available at: <http://www.nlwa.gov.uk/governance/annual-monitoring-reports>.
- 2.3 The Authority used to have a duty to publish three 'National Indicators' (NIs) by 30th June each year in relation to the previous year's performance. Despite the duty no longer existing, the Authority finds it useful to prepare an Annual Report for its Annual General Meeting in June each year, and to have preliminary data on these matters, even though the numbers will be subsequently adjusted as they are finalised with the constituent boroughs for reporting to WasteDataFlow by 30th June each year, and are then validated by WasteDataFlow up to three months later.
- 2.4 Current data and reports from constituent borough councils indicate that the provisional performance in 2014/15 (with 2013/14 for comparison) was as follows:
- 601 kg (667 kg) residual waste per household was collected (NI 191);
 - 33% (33%) of household waste was re-used, recycled or composted (NI 192);
 - 13% (25%) of municipal waste was sent to landfill (NI 193); and
 - 100% (100%) of residents continued to receive a door-to-door or communal recycling service.
- 2.5 The Partners' current performance remains below the 2010 recycling and composting target contained within the NLJWS, however work continues to address this shortfall. On a positive note, the lower levels of landfill rates seen in 2011/12 have broadly continued for the Authority through 2012/13 and 2013/14.
- 2.6 In relation to organic wastes the Authority continued to arrange the composting of six boroughs' mixed food and green waste and four boroughs' pure green waste. LondonWaste processed most of this at its in-vessel composting facility at Edmonton or it took this waste to other suitable facilities outside of London.
- 2.7 In relation to commingled dry recyclables the Authority arranged the sorting of six boroughs' materials at Materials Recovery Facilities, benefiting from low reject rates and from income sharing arrangements.

- 2.8 The longer-term implementation of the NLJWS is set out later in this document at section 5.
- 2.9 A report is available that sets out the Authority's work on these matters over a three year period is also available on the Authority's website: <http://www.nlwa.gov.uk/docs/authority-meetings-and-reports/appendix-a1---from-interim-need-assessment---phase-2-consultation-issue-3.pdf>. The report outlines the development and results of the award winning waste prevention programme in north London since 2006, focussing on work since 2012/13, when additional resources were allocated to deliver the work.

Waste Prevention

- 2.10 During 2014/15, the Authority worked in partnership with the seven constituent boroughs to reduce waste arisings in north London. Three priority waste streams were identified, namely food waste, furniture and packaging complemented by other activities promoting textile reuse, reduction of unwanted mail and promotion of home and community composting.
- 2.11 The report at Appendix 3 presents the results of the year's extensive activity and progress towards implementing north London's Waste Prevention Plan 2012-14, so it is not repeated here.

Working in Partnership

- 2.12 The Authority continues its support for recycling and sustainable waste management practices by working with both the constituent borough councils and by supporting and engaging in active dialogue with a number of other national and regional organisations, including the Greater London Authority, the Chartered Institution of Wastes Management and the Waste and Resources Action Programme.
- 2.13 The Authority is also a member of a number of organisations as follows:
- Association of Cities and Regions for Recycling and Resource Management (ACR+)
 - Local Authority Recycling Advisory Committee (LARAC)
 - London Environmental Education Forum (LEEF)
- 2.14 Additionally, individual officers are members or attend the meetings of a number of other officer based groups.
- 2.15 The Authority also actively engages with the work of London Councils, although for technical reasons cannot be a formal member with voting rights.

Influencing European, National, Regional and Borough policy frameworks

2.16 The Authority has also worked towards securing as favourable a long-term policy framework as possible, and in this regard reviewed 39 consultation documents in the year formally responding to 21 public consultations in 2014/15. In terms of the impact of the Authority's consultation responses during the year, the following four consultations are highlighted as examples of the importance of this activity:

- *London Borough of Enfield Proposed Submission Central Leaside Area Action Plan* – the Authority's response highlighted proposed planning requirements for the Edmonton EcoPark in the Area Action Plan which were more onerous than those contained in the already adopted EcoPark Supplementary Planning Document. The outcome is awaited.
- *North London Waste Plan Nomination for sites/areas considered suitable for the provision of future waste management facilities*. In response to the call for sites the Authority put forward the Pinkham Way site for such purpose. If the site is not included in the plan it will be much more difficult to secure a waste use on it, so an initial nomination of the site for inclusion was critical to it being considered. The consultation on the draft plan (Regulation 18) will take place later in the summer/autumn of this year.
- *DEFRA, Clarifying the applications of the definition of waste to re-use and repair activities - Discussion paper* – this paper set out proposals for clarifying the application of the definitions of re-use and repair. NLWA's response was broadly supportive reiterating the need for clarity in the interpretation of the definitions. On a practical level it is useful to respond to this type of consultation as the outcome potentially affects the ease of Authority operations. A final outcome of this consultation is not yet available, but it did encourage DEFRA to attend the Authority's Waste Prevention Exchange in March 2015.
- *Thames Water Deephams Sewage Treatment Works upgrade* – the Authority's response supported the proposals which are expected to improve the quality of discharges from the sewage treatment works to the River Lee and the Salmon's Brook and to reduce the risk of flooding during storms. Both of these measures would be of benefit to the local environment to the north of the EcoPark. In response to the consultation responses received Thames Water has advised that "as part of (our) planning application for the upgrade, we will discuss and agree with the London Borough of Enfield our detailed plans to minimise waste and improve the environment and landscape of the Deephams Sewage works site." The works are now underway, with the Authority's suggestions incorporated.

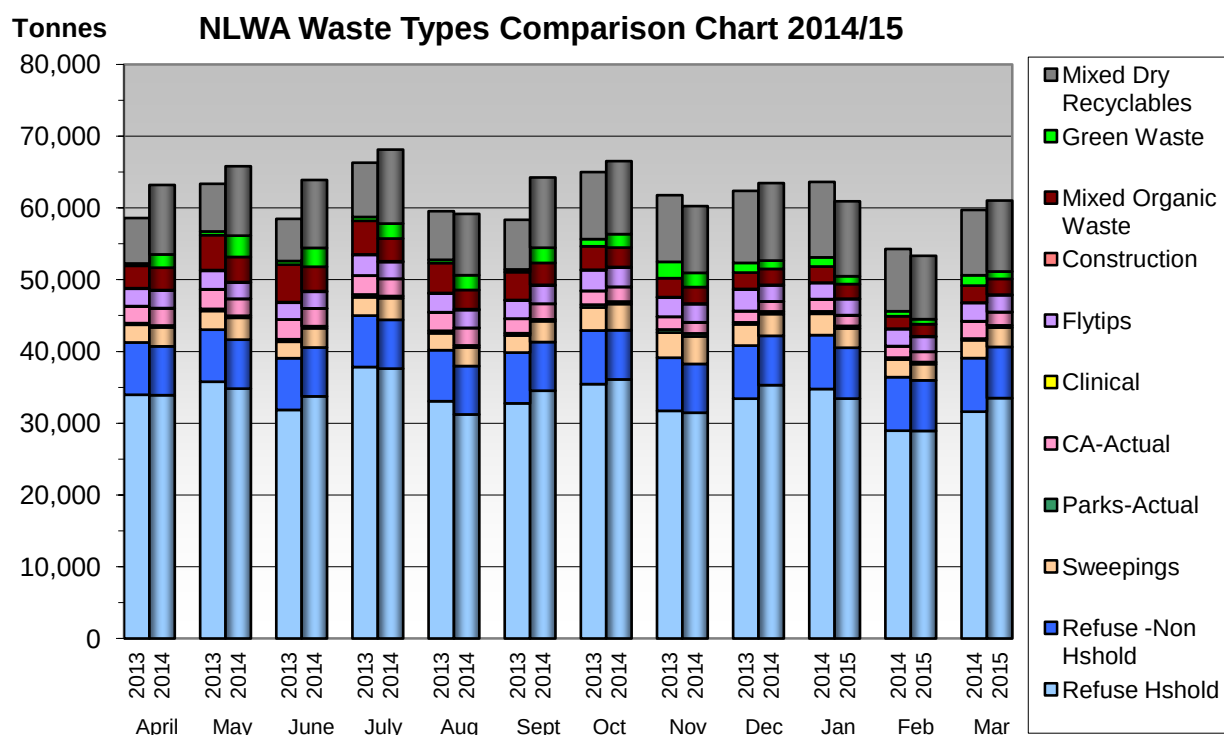
3. CONTRACTED SERVICES

Highlights

- Development and award of 10-year Main Waste Contract to LondonWaste Ltd.
- Operational changes and contractual provisions to reduce costs by approximately £5m per year over the next three years.
- Operational changes resulting in the amount of wastes sent to landfill reducing to 13%, achieving the Strategy target early.
- Materials Recycling Facility (MRF) contracts that returned over £2.5m income from the value of the recyclable wastes, and the Authority's similar payments to relevant constituent borough councils towards their additional costs of collection (although there is still a net cost of the service).
- Successor arrangements for WEEE services procured that are delivering;
 - kerbside collections of all WEEE for all residents across north London.
 - a development budget to be invested in publicity and promotional activity targeting WEEE re-use and recycling activities in north London;
 - continuing provision of 63 bring banks for the collection of sWEEE (small electrical items) in north London; and
 - provision of a dedicated Local Authority Liaison Officer to assist the Authority and the constituent boroughs in the delivery of the above to north London.
- Successor arrangements for the disposal of waste tyres, that continue to deliver 100% recycling, and at the same commercial terms as the previous arrangements.
- Opening of a new re-use and recycling centre at Western Road, Wood Green, as a replacement to the Hornsey High Street facility.

- 3.1 The Authority implements many of the objectives of the NLJWS in the short-term (as well as discharging its statutory duties) through contracted services. This is principally the contractual arrangements for all residual household, commercial and clinical waste collected by the constituent boroughs, and for the residual waste received at all nine re-use and recycling centres (RRCs), but the Authority has for some years been managing most recycling and composting services too. Since 2012/13, the Authority has additionally managed the site operations of seven of the nine RRCs in its area. There are also some relatively minor ancillary contracts.

Tonnage Information



NB. This chart excludes Boroughs' own waste to reprocessors

Main Waste Contract (MWC)

3.2 During 2014/15 the Authority's original 20-year contract with LondonWaste Ltd came to an end and was succeeded during December 2014 by a new main waste contract (MWC). The MWC will prevail until 1st December 2025, and its essential scope is:

- the reception, treatment and disposal of residual wastes;
- the operation of Re-use and Recycling Centres (RRCs), the recycling of wastes and the transfer of residual wastes to a disposal point;
- the reception and treatment of separately collected organic wastes;
- the reception and transportation of other separately collected wastes for recycling by third parties; and
- the reception and transportation of other separately collected clinical and offensive wastes for treatment by third parties.

3.3 The combined effect of changes to operations at the Hendon rail transfer station, RRC residual waste treatment and other contract pricing changes is forecast to be approximately £5m per year over the next three years.

- 3.4 During 2014/15, 749,941 tonnes of municipal waste were treated or disposed. This is 18,453 tonnes more than 2013/14. An additional 22,174 tonnes of recycling were managed under Authority arrangements, whilst residual tonnage reduced by approximately 3,611 tonnes. This contract is monitored using random routine inspections of each LondonWaste site. Authority officers visit each site on a weekly basis but where this is not possible, emphasis is given to the busier sites. During 2014/15 a total of 141 visits were made across the three sites at Edmonton, Hendon and Hornsey Street with a further 28 visits to the Authority's MRF contractors.
- 3.5 These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are running efficiently. Officers have actively worked with contractors to ensure the level of service provided is maintained.
- 3.6 During these visits, the movement of constituent borough council vehicles is monitored by sampling approximately 1100 transactions a month which is approximately 6% of the monthly total and is statistically representative. Performance against this target was met during 2014/15. The vehicle monitoring data is then reconciled against claims for payment by LondonWaste Ltd and other contractors, and cost adjustments were made against these monitored transactions. Provisional next day tonnage data is available through the waste data management system (WDMS) the Authority provides, and in addition tonnage reports are sent to borough technical officers each week, month and quarter so that they may carry out their own checks on transactions and highlight problems for the Authority's contracts team to investigate.
- 3.7 This monitoring includes vehicles delivering organic wastes for composting and mixed dry recyclables for sorting and recycling. This amounted to 170,419 tonnes in 2014/15 (included in the overall tonnage figure at 3.3 above). This is an increase of 22,174 tonnes on tonnage in 2013/14. The waste is reported to the centralised national database, WasteDataFlow by the constituent boroughs mainly from data provided by the contracts team.
- 3.8 Various organic waste services continued in 2014/15, namely the in-vessel composting (IVC) of mixed organic waste, the transfer of oversupply (above the treatment capacity of the IVC treatment facility) of mixed organic waste and of separately collected food waste and green garden waste to appropriate third party facilities for treatment. The Authority received 25,976 tonnes of organic kitchen/garden waste, 6,014 tonnes of food waste (an overall decrease of 8,466 tonnes from 2013/14), and 21,557 tonnes of green waste (an increase of 10,818 tonnes from 2013/14) mainly due to the first full-year impact of Barnet changing their collection system in October 2013 and delivering food and green waste separately from each other.

- 3.9 In 2014/15 116,872 tonnes of mixed dry recyclable waste was treated. This was an increase of 19,822 tonnes from 2013/14, mainly due to first full-year impact of Barnet changing its method of collecting these wastes and at the same time switching from employing its own contractor to using the Authority's contracts for sorting and selling mixed dry recyclables in October 2013. These figures are included in the overall organic waste and mixed dry recycling tonnage figure at 3.8 above.
- 3.10 The two merchant capacity contracts for mixed dry recyclable wastes continue to perform well with officers continuing to work with the contractors to maintain service levels; fifteen defaults relating to slow turnaround times of borough vehicles and one default relating to delays in providing data were issued against these contracts. Since being in receipt of an income-share from the MRF contractors, the Authority has made 'commingled income payments' (CIPs) to contribute to the additional costs of collection of those constituent borough councils delivering mixed (or 'commingled') dry recyclables to the Authority. Each quarter Authority officers audit the income the MRF contractors receive and then pay CIPs to the constituent boroughs; the last quarter of 2014/15 has recently been finalised and the total income for 2014/15 will be in excess of £2.5 million; this has resulted in a net cost to the public purse of under £25 per tonne for MRF services in continually challenging market conditions.

Re-use and Recycling Centres

- 3.11 There are currently nine re-use and recycling centres (RRCs) in the Authority's area generating 23,846 tonnes of residual waste in 2014/15 (a decrease of 2,027 tonnes from 2013/14), which was transported from the RRCs. Under the new main waste contract this is mostly shredded so that, rather than go to landfill sites in the home counties, it can be used to generate electricity in LondonWaste's Energy Centre. The table below shows the year on year tonnage comparisons across the nine RRCs.

RRC:	2013/14	2014/15	Difference
Summers Lane	5,366.88	5,488.30	121.42
Regis Road	2,385.50	1,720.54	-664.96
Barrowell Green	8,686.18	8,457.80	-228.38
Hornsey High Street/Western Road	1,993.84	1,608.16	-385.68
Park View Road	2,362.18	2,197.92	-164.26
Hornsey Street	2,214.42	2,137.28	-77.14
Kings Rd	0.00	0.00	0.00
South Access Road	1,968.58	1,436.65	-531.93
Gateway Road	895.42	798.94	-96.48
Total	25,873.00	23,845.59	-2,027.41

- 3.12 The Authority has always provided a transport and disposal service for RRC residual wastes and has made arrangements for the transport of recyclable wastes. The Authority target is to visit each RRC twice per month on average to ensure service levels remain high and to check the condition of the containers ensuring all health and safety requirements are met. These targets were met, and during 2014/15 a total of 217 visits were made to RRCs.
- 3.13 LondonWaste continues to perform well and the service is of a good standard; no defaults were issued during the period covered by this report.
- 3.14 A budget of £2.521m was set for the operation of the seven Authority-managed RRCs in 2014/15. Actual costs to the boroughs for providing the service in 2014/15 was £2.401m resulting in an overall operational saving of £60k however, the nett cost of recycling increased by almost £204k from that budgeted but due to some RRC costs remaining with the constituent borough councils an overall saving of £120k was achieved. The table below sets out the savings for each borough.

<u>Borough</u>	<u>2014/15 Budget</u>	<u>NLWA actual 2014/15 costs</u>	<u>Difference</u>
Camden	£354,518	£347,044	-£7,474
Haringey	£612,016	£611,525	-£491
Islington*	£609,978	£550,485	-£59,493
Waltham Forest**	£944,436	£891,096	-£53,340
Total***	£2,520,948	£2,400,150	-£120,798

* The Authority was able to negotiate a better operational cost on the expiry of the previously novated contract.

** Some site improvement works were deferred until 2015/16

*** Costs exclude released accruals from 2013/14

- 3.15 Although overall savings have been made, the service levels provided to residents have not been compromised. Improvements across the sites under the Authority's control have included implementing a van acceptance procedure and increasing material streams accepted, with more sites now accepting hard plastics for recycling. Infrastructure improvements have included installation of new signage, steps to access containers, an Automatic Number Plate Recognition (ANPR) system to further control trade waste abuse at the RRCs, and a refit of the shed at Kings Road turning it into a re-use centre scheduled to open during 2015/16.
- 3.16 The new Western Road RRC opened in June 2014 in Wood Green, Haringey, replacing the site at High Street Hornsey. The new site is located less than a mile from the old site, and benefits from accepting additional materials including hard plastic and paint.

- 3.17 In addition to the financial savings mentioned in 3.14 above improved recycling rates have also been achieved across the RRCs operated by the Authority. The table below shows the recycling performance* for each site for 2013/14 and 2014/15.

RRC	2013/14	2014/15
Regis Road	53.35%	68.56%
Western Road (High Street, Hornsey)	63.44%	68.30%
Park View Road	56.65%	64.45%
Hornsey Street	67.28%	68.05%
Gateway Road	61.88%	71.03%
Kings Road**	100.00%	100.00%
South Access Road	68.93%	78.86%
Weighted average of all RRCs	66.69%	71.76%

* Includes rubble sent for recycling, which does not count towards the national indicator

** Kings Road does not accept residual waste

- 3.18 Material suitable for re-use continued to be collected from the sites directly (space permitting) or transferred to a storage area located in the Kings Rd RRC. During 2014/15 over 53 tonnes of re-use material was collected from the RRCs by Restore Community Projects, a local charity based in Tottenham.
- 3.19 During 2014/15 the plans to redevelop the re-use centre at Kings Road progressed with an anticipated opening date of September 2015 expected.
- 3.20 During 2014/15 seven written complaints were received regarding the seven RRCs managed by the Authority. Of these, three complaints related to the van procedures in place and the requirement to pre-book vans to access the RRCs. Two complaints were regarding the lowering of height barriers at two of the sites and two were received regarding site staff. In one week last June over 10,000 vehicles were recorded visiting the seven RRCs
- 3.21 The contracts team continues to reconcile all movements of waste and recyclables out of the sites for tonnage reporting and for invoice reconciliation, as well as auditing the actual operating costs and income received from the sale of recyclates with LWL and other contractors used in providing the service.
- 3.22 The contracts team also staffs the Authority's main telephone line and is now regularly receiving around 300 calls per month, mainly from residents with enquiries regarding the RRCs in their borough.

- 3.23 A report is available that sets out the Authority's work on these matters over a three year period is also available on the Authority's website: <http://www.nlwa.gov.uk/docs/authority-meetings-and-reports/appendix-a1---from-interim-need-assessment---phase-2-consultation-issue-3.pdf>. The report outlines progress on recycling activity, including electrical waste, kitchen and garden waste, dry waste recycling and improvements in performance at Reuse and Recycling Centres. The report also provides an update on communication work to support recycling services across the NLWA area.

Ancillary Services

- 3.24 **Waste Electrical and Electronic Equipment (WEEE)** – Under legislation, derived from the WEEE Directive, producers of electrical and electronic equipment bear the costs of re-use, recycling and/or disposal for this waste stream, once the WEEE has been collected. WEEE is collected from 17 designated collection facilities (DCFs), registered by the Authority on behalf of the constituent boroughs. Approximately 3,935 tonnes of WEEE was recycled during 2014/15 (an increase of 358 tonnes from 2013/14). Other than contract management costs and any marginal costs at the RRCs, this service is free of charge to the Authority as it is a requirement under European 'producer responsibility' legislation. As set out in the Authority report to Members in December 2014, a new contract commenced on 1st January 2015 securing the benefits of; the continued free provision of bring banks for small WEEE; the continuation of a free kerbside collection of WEEE that is available to all residents of north London; and a communications and promotions budget with a dedicated Local Authority Liaison Officer for north London.
- 3.25 **Tyres** – As set out in the Authority's Contracts Activity report to Members in December 2014, the previous tyre contract expired on 31st October 2014 and subsequently the work was awarded to the McGrath Group, which was the incumbent. The service performs well with two sites, one in Hackney and one in Barking, available for constituent boroughs to deliver to. In 2014/15 approximately 53 tonnes of tyres were disposed (a net decrease of 16 tonnes from 2013/14); however some constituent boroughs continued to make their own arrangements.

Other Responsibilities

- 3.26 **Data** – The Authority continued to manage data on residual wastes and over thirty categories of recycling in relation to the national WasteDataFlow system (initially set up for landfill allowances and National Indicator targets) and for the Authority's scheme for the payment of re-use and recycling credits to third parties. Along with the need to verify data so that the Authority can validate each constituent borough's submission to WasteDataFlow and ensure compliance under 'duty of care' legislation of all UK destinations of waste, this has required a significant number of site visits and audit work. The contracts team has also made significant progress in streamlining the data functions. The Authority's new waste data management system (WDMS) gives constituent boroughs direct access for the registration of their vehicles so that they are authorised to deliver wastes to LondonWaste Ltd (LWL) under the Authority's account, and provides a vehicle round recording function to assist boroughs in data reporting and service management. The final stage of the implementation of the WDMS (the completion of a number of management reporting functions) will happen in 2015/16.
- 3.27 During 2014/15 Authority officers continued to conduct surveys of DIY wastes from RRCs and user surveys.

Pinkham Way

- 3.28 In May 2013 the Authority submitted a planning application to LB Haringey in relation to tree management works as some trees had been identified as potentially dangerous. Approval was granted in September 2013 subject to a number of conditions. The potentially dangerous trees along the site border with the railway line were made safe during January 2015. Work to the trees that border the A406 North Circular Road was conducted during June 2015 in cooperation with Transport for London.
- 3.29 A series of ecological surveys were undertaken at the site between 2012 and 2014 to establish the ecological value of the land and identify species that must be protected. Surveys of plants, amphibians, badgers, bats, birds, reptiles and invertebrates were conducted on behalf of the Authority.

- 3.30 These found that the site contains a high diversity of plant species with significant variety across the different areas of the site. There is a population of frogs and of Smooth Newts but no Great Crested Newts found at or near the site, and there is a small breeding population of Slow Worms at the site (but no other reptiles) has been found on the open grassy area at the site entrance. There is minimal bat activity with no evidence of bats roosting on the site and no badgers present, and two breeding bird species of Principal Importance (Dunnock and Song Thrush) were found to be breeding at the site but overall the site is considered to be of minimal value for breeding birds. The same area of grassland at the site entrance is considered to be of medium importance for invertebrate conservation.
- 3.31 Throughout 2014/15 work to manage two invasive plant species (Japanese Knotweed and Giant Hogweed) was continued. This is ongoing in 2015/16.

4. RELATIONSHIP WITH LONDONWASTE LTD

Highlights

- A high-quality, reliable service was provided throughout the year.
- £5m dividends paid to the Authority by LondonWaste Ltd.

- 4.1 Whereas the Authority had held a 50% shareholder interest in LondonWaste Ltd since the company's creation in 1994, in December 2009 the relationship fundamentally changed, as set out in section 1 above.
- 4.2 During 2014/15 the Shareholder Group comprising Cllr Loakes, Cllr Cohen and Cllr Meehan, supported by Authority officers, continued to oversee the Authority's interest in LondonWaste Ltd.
- 4.3 Once again, LondonWaste Ltd has provided a high quality, reliable service to the Authority and the constituent borough councils throughout the year, including the transition to the new main waste contract and the corresponding changes to services noted above.
- 4.4 In the year ended 31st December 2014 LondonWaste Ltd made a profit before tax of £6.3m. The annual boiler maintenance outages were generally completed on or ahead of schedule, and boiler availability exceeded expectation, and waste throughput was above budgeted levels. This meant that incineration and electricity export exceeded expectation, disposal costs were minimised and profitability was sufficient for LondonWaste Ltd to pay £5m in dividends to the Authority.

5. NORTH LONDON HEAT AND POWER PROJECT

Highlights

- The Authority is making an application to the Secretary of State for a Development Consent Order for construction of a new Energy Recovery Facility at the EcoPark in Edmonton.
- The Project will also deliver a Resource Recovery Facility including a new Re-use and Recycling Centre for local people.
- As part of the application, the Authority is conducting a two phase consultation process and Phase One took place in November 2014-January 2015.

Overview

- 5.1 The North London Heat and Power Project (the Project) comprises the construction, operation and maintenance of an Energy Recovery Facility (ERF) of around 70 megawatts electricity (MWe). The proposed ERF will replace the existing Energy from Waste (EfW) facility at the Edmonton EcoPark in north London, which is expected to reach the end of its operational life around 2025.
- 5.2 The application will also cover:
- the decommissioning and demolition of the existing EfW;
 - a Resource Recovery Facility (RRF), including a Reuse and Recycling Centre (RRC), and relocated transfer hall, and bulky waste/fuel preparation facility;
 - EcoPark House, an administrative building and visitors' centre where people can find out more about recycling, waste, heat and power, and planned to accommodate the Sea Cadets;
 - new internal weighbridges, roads and parking areas;
 - hard and soft landscaping; and
 - new site access points from the Lee Park Way and Deephams Farm Road.
- 5.3 The ERF will produce renewable heat and power from the residual waste produced from homes across north London. The energy can be directed into the national grid, to provide electricity and generate an income.
- 5.4 Some of the heat generated by the ERF can be delivered through pipes to a local heat network for the area. This requires a local scheme to be put forward, to connect to the ERF. The Lee Valley Heat Network is a local scheme being promoted by Enfield Council which is aiming to use the available heat from the existing EfW facility and then to connect to the replacement for ongoing heat in the future.

Development Consent Order Consultation

- 5.5 As the ERF will produce more than 50 MWe, in planning terms it is a 'Nationally Significant Infrastructure Project'. The Authority is therefore applying to the Secretary of State of Energy and Climate Change for a Development Consent Order (DCO) for the Project, rather than applying to the local borough council for planning permission.
- 5.6 As part of the DCO application process, the Authority is undertaking a pre-application public consultation on the Project proposals in accordance with Section 47 of the Planning Act 2008. The overriding aim of this consultation is to ensure that the community and other interested parties have a chance to understand and influence the proposals.
- 5.7 The Authority has provided the Planning Inspectorate (PINS) with formal notification of the Project, and the Project is noted on the [PINS website](#). There is regular liaison between the Authority and PINS.
- 5.8 Phase One Consultation on the Authority's outline proposals ran from 28 November 2014 to 27 January 2015. A variety of methods were used to ensure that local people and other stakeholders had the opportunity to hear about plans for the proposed ERF and input their ideas and feedback into proposals. A Project website (www.northlondonheatandpower.london) acted as a portal for all information and the online questionnaire for responses to the consultation.
- 5.9 Other means of communication included: newsletters distributed in the vicinity of the EcoPark to businesses and residents; advertising in newspapers and council magazines; leaflets in community venues; social media accounts and consultation exhibitions.
- 5.10 The feedback received in Phase One has been considered by the Authority, and its responses to comments received are set out in the Phase One Consultation Feedback Report (available through nlwa.gov.uk). The comments have informed the developed design which is being consulted on in Phase Two, which started on 18 May 2015.

6. COMMUNICATIONS

Highlights

- Continued use and development of the Authority's consumer campaign called 'wise up to waste', developed to communicate with residents around the waste challenge facing north London.
- Communications and media support to increase awareness of key waste prevention activities.
- Development of and agreement to a three year joint recycling communications campaign to be developed and delivered in conjunction with the seven north London boroughs.

Communications Strategy

- 6.1 In 2014/15 the Authority's communications strategy aimed to consolidate the activity undertaken in 2013/14, building on the work done to raise the profile of the Authority through its consumer facing brand identity, Wise Up To Waste. The communications strategy focused upon:
- promoting waste prevention activity (and the work of the waste prevention team);
 - increasing the recycling rate to 50% by 2020; and
 - raising the profile of the Authority (both within the waste industry and to residents).
- 6.2 In addition a separate and key area of focus was on communicating the Authority's plans for a replacement for the energy-from-waste facility at the Edmonton EcoPark. Details of this separate activity are provided in section 5 of this report.

Overview of communications work

- 6.3 Communications activity was delivered during 2014/15 to raise the profile of the Authority and to encourage north London residents to reduce waste and recycle more. Social media was used extensively to promote waste prevention events and activity in particular; the [Wise Up to Waste website](#) was updated and the new [North London Heat and Power Project](#) communications strategy was launched and implemented. Work took place to consolidate the Authority's consumer activity, and the ongoing 'Wise Up To Waste' campaign, including through media relations, web and social media activity, and via brand management.
- 6.4 **Wise Up to Waste Campaigns**

The Authority's consumer facing campaigns which are designed to encourage north London residents to prevent waste and recycle more are delivered using the Authority's 'Wise Up To Waste' brand. Campaign support for outreach and other waste prevention activity included a promotional plan for food waste prevention ('waste less food, save more money'), 'give and take' days, swishing (clothing exchange), no junk mail and composting campaigns. Communications activity focused on communicating the financial benefits of wasting less, and on providing residents with practical tips and advice to enable them to do so through advertising campaigns, media relations and digital communications (web and social media). Communications activity was also delivered to achieve a decrease in recycling contamination through an animated video about not contaminating recycling, which was shown in cinemas in April 2014 and again in March 2015.

6.5 Joint Recycling Communication Campaign

Work commenced on a third annual joint communications recycling campaign. It was decided that it would be better to operate a longer term (three year) campaign, which would be likely to attract more interest from agencies and would enable the Authority to build greater brand awareness. Because of the scale of the campaign it was also decided to appoint a campaign adviser to assist with the procurement process for creative agencies. This work was ongoing at the end of 2014/15. Alongside this, the schools waste element of the joint recycling communications work continued. The charity ecoACTIVE was appointed and visited 19 schools during 2014/15 to promote recycling to parents and guardians through coffee mornings and family recycling competitions, and to children through assemblies and follow up sessions; the closing visits at nine schools were carried over into 2015/16.

6.6 Social Media and Websites

Further work was undertaken to promote the Authority's work and communicate with residents (providing practical advice on wasting less and recycling more) via the Authority's Twitter feeds and Facebook pages. Through social media activity the 'Wise Up To Waste' brand has achieved 83 Facebook 'likes' and 318 new Twitter followers with 138 people 'favouriting' our tweets. Further developments to the Authority's consumer facing website - wiseuptowaste.org.uk - took place during the year and the site received a total of 27,077 visits, with over 58,000 pages viewed. A new 'Events' sub-section within the community section, listing events that the Authority is attending, was created and received a total of 863 visits in this period.

6.7 Events

The corporate brand was extended to support the Waste Prevention Exchange in March 2015 (see Appendix 3) and social media were used to provide updates to Twitter followers during the event.

6.8 Public relations and press activity

At a local level, and in the trade press, the Authority received a good amount of positive press coverage about waste prevention and recycling, and made progress on raising the Authority's profile within the industry. Positive press coverage included coverage of Give and Take day events (including the Waste Electrical and Electronic Equipment repair workshops) and the 'Bag it up + Reuse' (reuseable bag) project which was delivered ahead of the government's introduction of a 5p carrier bag charge which comes into force in England in autumn 2015. Positive media coverage was also received for the Authority's waste free Christmas art installations and coverage on the North London Heat and Power Project. A series of photographs was also commissioned to update the Authority's photographic library – photographs to be used in future publications and online.

6.9 North London Heat and Power Project communications

A new project brand and communications strategy were developed for the Authority's North London Heat and Power project to replace the existing waste treatment plant at the Edmonton EcoPark with a new Energy Recovery Facility as detailed in section 5 above.

Looking Ahead

- 6.10 To maintain and build awareness and to drive behaviour change in support of achieving targets, the three-year campaign noted above will start, and will need to bear in mind pan-London communications work being commissioned by the London Waste and Recycling Board with national support from WRAP (the Waste and Resources Action Programme). The development of the campaign will be carried out with the involvement of the seven constituent borough councils.
- 6.11 The Phase 2 consultation of the North London Heat and Power project is on-going into 2015/16; this includes communicating the need for and benefits of this project and listening to the responses received so that any appropriate changes can be made to the project. A consultation report setting out how this has been done will be produced.

7. GOVERNANCE

Highlights

- During the year, the processes for ensuring compliance with the Bribery Act 2010 and for meeting requirements of the Data Protection Act put in place the previous year have continued and allow for effective monitoring.
- The Equality Objective has been considered in light of this year's activities and measurable outcomes set out.
- Relevant Authority and LWL staff have been given training on the new Public Contracts Regulations which make changes to the procurement processes for public contracts.
- The annual risk review took place in September 2014 and no risk levels were increased as a result of that review.

Related Party Transactions and Hospitality

- 7.1. Related party transactions of officers and Members will be reported as necessary in the Authority's statutory accounts in September 2015.
- 7.2. Any offer of hospitality and whether it was accepted or refused must be declared. During 2014/15 there were 22 declarations from staff; 14 were accepted and 8 refused.

Data Protection

- 7.3. The Authority renewed its registration as a data controller with the Information Commissioner's Office in January. Registration is done annually and the Authority continues to meet the statutory definition of a data controller. The Authority has not received any data subject access requests for personal information held.

Freedom of Information and Environmental Information

- 7.4. 37 requests for information under the Freedom of Information Act and/or the Environmental Information Regulations were responded to by the Authority in 2014/15 with an average response time of 13 working days – the legal requirement is that the average should be no more than 20 days. Two enquiries were still open at the year end and 26 responses were sent within the 20 day time period, with nine responses being sent outside of the 20 day time period. There was one appeal against refusal to release information.
- 7.5. A complaint was made to the ICO (Reference ICO: FER0537471) about the Authority's refusal to release documents in response to an EiR request (NLWA reference 2014-11). Following correspondence

with the ICO, NLWA revisited the request and agreed to issue redacted versions of the documents requested, the appeal with the ICO was therefore not pursued.

Information Transparency Code

- 7.6. Members were briefed on the Transparency Code 2014 in last year's annual report and during the year information was made available on <http://www.nlwa.gov.uk/governance-and-accountability/transparency-and-supplier-payments> as a result.
- 7.7. The government published a revised Transparency Code 2015 on 27 February 2015; which is at <https://www.gov.uk/government/publications/local-government-transparency-code-2015> and applies to the Authority. The revised Code is based on the same principles as the previous code: that the provision of information should be "demand led", "open" and "timely". The Code is split into three parts. Part 1 of the Code is the introduction; Part 2 is information which must be published as a statutory requirement under Section 3 of the Local Government, Planning and Land Act 1980. Part 3 of the Code sets out information recommended for publication.
- 7.8. The Authority publishes the information required to be published by the revised Code on its website. This information includes details of all payments to suppliers for invoices greater than £500, the Authority's Standing Orders and information on land and building assets the Authority uses to deliver services. Information on senior employee salary details is also available in the annual statements of accounts.
- 7.9. Officers have assessed the Authority's current compliance with the revised Code and can confirm full compliance with the mandatory provisions.

Equality Objective

- 7.10. The Authority has set a single equality objective in compliance with the Equality Act 2010 (Specific Duties) Regulations 2011. The objective is then broken down so that it reflects the broad categories of activity across the Authority, with measurable outcomes for each category of activity. The objective is:

Equality Objective	We will aim to ensure that we provide a waste disposal service that is fair, open to all and promotes equality of opportunity.
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The measurable outcomes are:

Authority's Activity	Measurable Outcomes
Waste disposal procurement and contract management	Ensuring that any contractors appointed are capable of complying with the duty, understand their obligations, and meet the duty in practice.
Communications and partnership working with boroughs	Ensuring that communications from the Authority are accessible to people with disabilities.
Waste prevention outreach and campaign work	Ensuring accessibility of activities and events to the relevant protected characteristic and encouraging participation from underrepresented groups.
RRCs, visitor centres and other public facing services	Ensuring accessibility of sites and that reasonable adjustment is made for disabilities.

7.11. The equality objective will be reviewed every four years as required by the Regulations and is next due for review in 2018.

7.12. The Authority's activities in the last year for meeting the above outcomes and the equality objective have been reviewed. The following activities or actions have contributed towards meeting the equality objective:

- the new LWL contract and the other contracts entered into in the last year by the Authority have contained suitable equality obligations on the contractors to not discriminate in relation to the provision of service to the public and to employment practices in relation to their staff;
- where appropriate, procurement procedures include a check of tenderers' equality policies;
- the website for the North London Heat and Power Project (NLHPP) www.northlondonheatandpower.london is compliant with Royal National Institute of Blind People (RNIB) guidelines and utilises audio and visual communication. The translation of consultation materials to other languages will be available if requested;
- face to face presentations, road shows and exhibitions have been delivered in both phases of the public consultation for the NLHPP. This has allowed people without internet access to get involved and have their say;
- the corporate website www.nlwa.gov.uk is also compliant with RNIB guidelines and all videos on this website have subtitles; however, one of the three videos on the NLHPP website does not have subtitles (but it contains the architect's visualisation of the proposed replacement facility so there is less need); and
- a ramp is available at Berol House to aid wheelchair users to access the Authority's offices.

7.13. The following activities are planned for the following year:

- periodic monitoring of key contracts will include a review of equality issues that could impact on the provision of services and of the measures taken by contractors to assist the Authority to comply with the public sector equality duty and meet the Authority's equality objective;
- a review of relevant Authority policies, e.g. the equality policy and the corporate brand guide, to ensure compliance with the public sector equality duty and compatibility with the Authority's equality objective; and
- following the above review of policies, staff training on the relevant policies that impact on equalities, e.g. complaints policy, FOIA and EIR request procedure and procurement procedures.

Public Contracts Regulations 2015

7.14. The 2015 Regulations have replaced the 2006 Regulations and make a number of changes to procurement processes for contracts above and below the EU thresholds. Training on the new Regulations for both NLWA and LWL staff has been delivered by external solicitors. Internal guidance documents and templates are being updated for staff who regularly commission services. The Contract Standing Orders are also being updated to reflect changes to the tendering process and are the subject of a separate report to the annual general meeting of the Authority.

Risk

7.15. The Authority has a high level risk register which is reviewed annually by the Authority in September. The Authority's arrangements for managing risk are fully reviewed each year by the Members Finance Working Group and were reported to the 29 September 2014 meeting of the Authority (the report can be viewed on the Authority's website). As the report documents, the risk review led to a new risk to reflect the requirements of the Bribery Act 2010, and a new risk covering the possibility that replacement residual waste management facilities are not in place when needed.

8. FINANCE AND RESOURCES

Highlights

- 2013/14 levy increase restricted to £41.829m, (an increase of £1.215m (2.99%)).
- 2014/15 levy increase restricted to £46.452m (an increase of 11.05%)
- 2015/16 levy held at £46.452m (no increase)

Budget

- 8.1 The net revenue budget of the Authority for 2014/15 has been funded mostly by a levy on constituent boroughs that covers the cost of disposal of household waste and the core costs of running the Authority. There is separate charging arrangement in place for non-household waste and for certain categories of household waste.
- 8.2 The Authority agreed an original budget of £67.055m for 2014/15, to be financed by estimated revenue balances of £6.907m, charges to boroughs for non-household waste of £10.691m, household waste of £2.005m and a levy of £46.452m. In addition, the Authority was able to release a reserve of £1.000m. In setting the 2014/15 budget and levy it was recognised that, subject to the crystallisation of favourable circumstances outside of its control, the Authority might enjoy a small level of surplus revenue balances by the time the Authority would need to take decisions on the 2015/16 budget and levy.
- 8.3 The 2014/15 final outturn reported as part of the ordinary business of the June 2015 Authority meeting, indicates that the Authority's total expenditure for the year was £54.707m and that charges for non-household and chargeable household wastes were £9.966m and £1.969m respectively. As the levy is fixed at the start of the year, this resulted in the Authority having a revenue surplus of £15.422m at 31 March 2015. This is £3.479m better than previously forecast in February 2015 (£11.943m). The in-year financial improvement arose mainly from a smaller increase to the residual waste stream than was forecast, lower RRC running costs, savings on corporate and support services and non-use of the contingency.

- 8.4 The 2014/15 expenditure comprised:

	£m
Waste disposal & recycling services (including landfill tax)	44.497
Reuse & Recycling Centres (operational costs)	2.350
Corporate & support services	2.393
Waste prevention initiatives (including work with community groups and constituent councils)	3.068
North London Heat & Power project (development costs)	2.859

Revenue cost of funding the capital programme	7.313
Expenditure	62.480
Less	
Sale of recyclates	(2.549)
Dividend Received	(5.000)
Other Income	(0.224)
Net Expenditure	54.707

- 8.5 Looking forward, in February 2015 the Authority set the budget for 2015/16 at £66.173m. The Authority decided that of the £11.943m revenue balance forecast to be available, a sum of £8.311m would be used to help fund the budget and ensure that there was no increase in the 2015/16 levy. The remaining £3.632m will be retained in reserve to help fund expenditure anticipated in 2016/17. As a consequence the 2015/16 budget has been financed as follows:-

	£m
Use of revenue balances	8.311
Charges to boroughs for non-household waste	9.607
Charges to boroughs for household waste	1.803
Levy	46.452
Total	66.173

- 8.6 The levy for the 2015/16 financial year of £46.452m has been apportioned between constituent councils as follows:-

	£m
Barnet	9.462
Camden	5.566
Enfield	5.191
Hackney	5.868
Haringey	7.182
Islington	5.426
Waltham Forest	7.757
Total	46.452

- 8.7 The 2015/16 budget of £66.173m is lower than 2014/15 by £0.882m. Savings have been made through a new contract with LondonWaste Ltd, which began in December 2014, and also by making operational changes to ensure that more waste will be directed away from landfill (reducing landfill tax charges). These savings are partially offset by continuing development of the North London Heat and Power project and an expected reduction in the dividend receivable from LondonWaste Ltd.

Tonnage Levels

- 8.8 Allowing for a continuation of borough recycling and composting activity (c.236,500 tonnes in 2015/16) the 2015/16 budget allows for the disposal of some 597,000 tonnes of residual waste, composting arrangements for 55,600 tonnes of green/kitchen wastes and a bulking and sorting arrangement for some 118,500 tonnes of dry-recyclable wastes.

Apportionment of the Levy

- 8.9 The decision on the apportionment of the levy is a matter for the Authority's constituent councils. Unless all seven councils can agree unanimously on the way the levy is to be apportioned, the levy is to be calculated in accordance with the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006. These regulations provide for the household delivered element of the levy to be apportioned on a tonnage basis and the other costs element of the levy on a council tax basis.
- 8.10 From 2012/13, a change was agreed that facilitated the transfer of Reuse and Recycling Centres from most NLWA constituent councils to the Authority. The constituent councils agreed a further change to the levy apportionment arrangements as of the 2014/15 levy year. This addressed the apportionment arrangements for recyclable wastes previously retained by constituent councils but which would now be treated by the Authority.

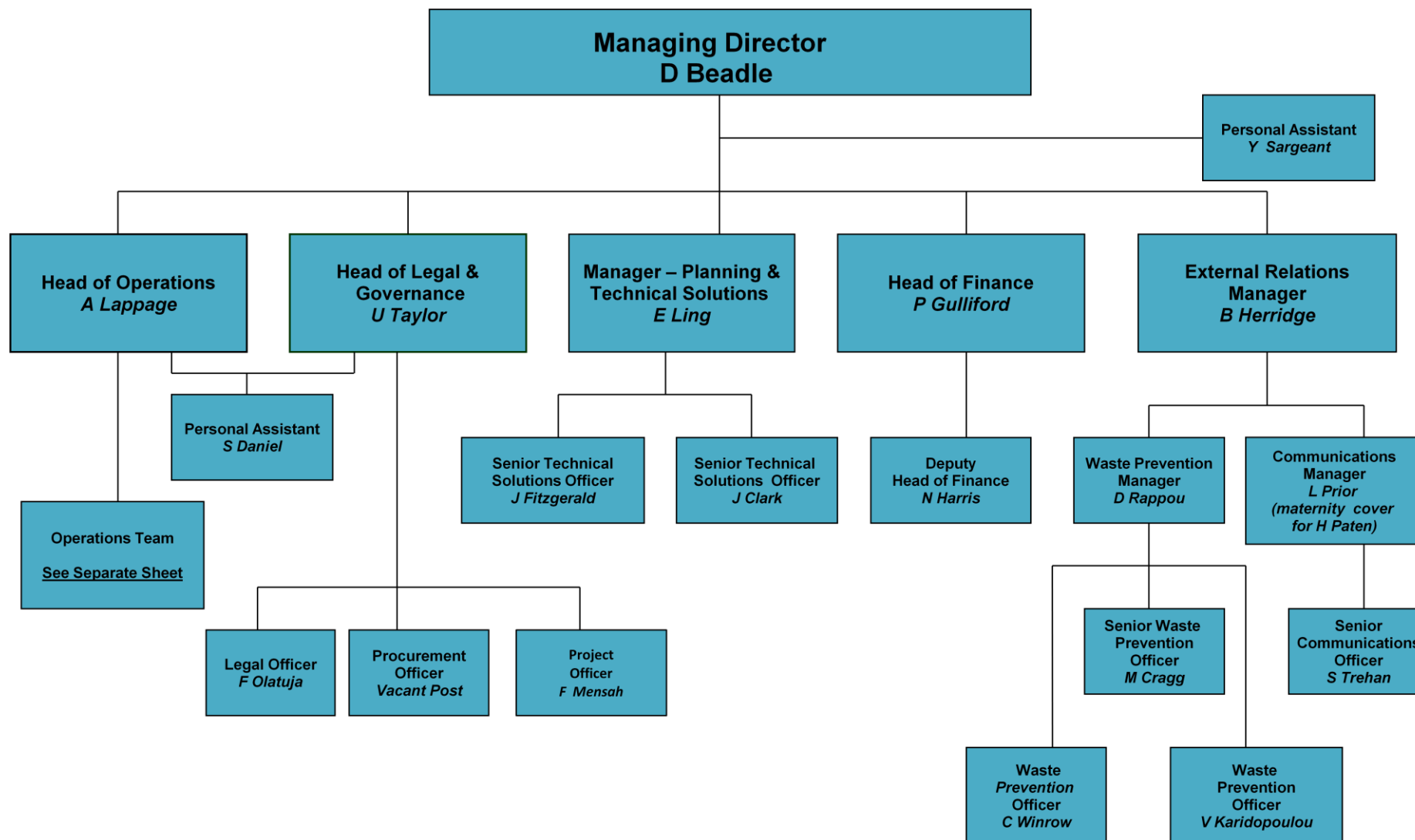
Value for Money

- 8.11 Like all public bodies, the Authority seeks to get the best value from its contracts through tendering and also working with contractors to keep prices low. The Authority's largest contract, the main waste contract, was awarded during the year to LondonWaste Ltd for a 10 year period. Officers have worked closely with LWL to ensure that wherever possible the costs of services are either improved upon or are linked to appropriate indexation mechanisms so that costs to the Authority, and then the constituent borough councils, are kept to a minimum.
- 8.12 By reviewing processes operated as part of the contract, some savings have been identified. Waste from the Hendon rail transfer station has been transferred to the energy-from-waste (EfW) facility at the EcoPark and non-recyclable waste from RRCs has been shredded so that it too can be treated at the EfW. These changes have both prevented waste from going to landfill and incurring tax at £80 per tonne in 2014/15. A lower price for organic waste treatment has been negotiated, reflecting the fact that the Authority will have fully funded the cost of the IVC facility. There is also a decrease in the overall cost of clinical waste services.

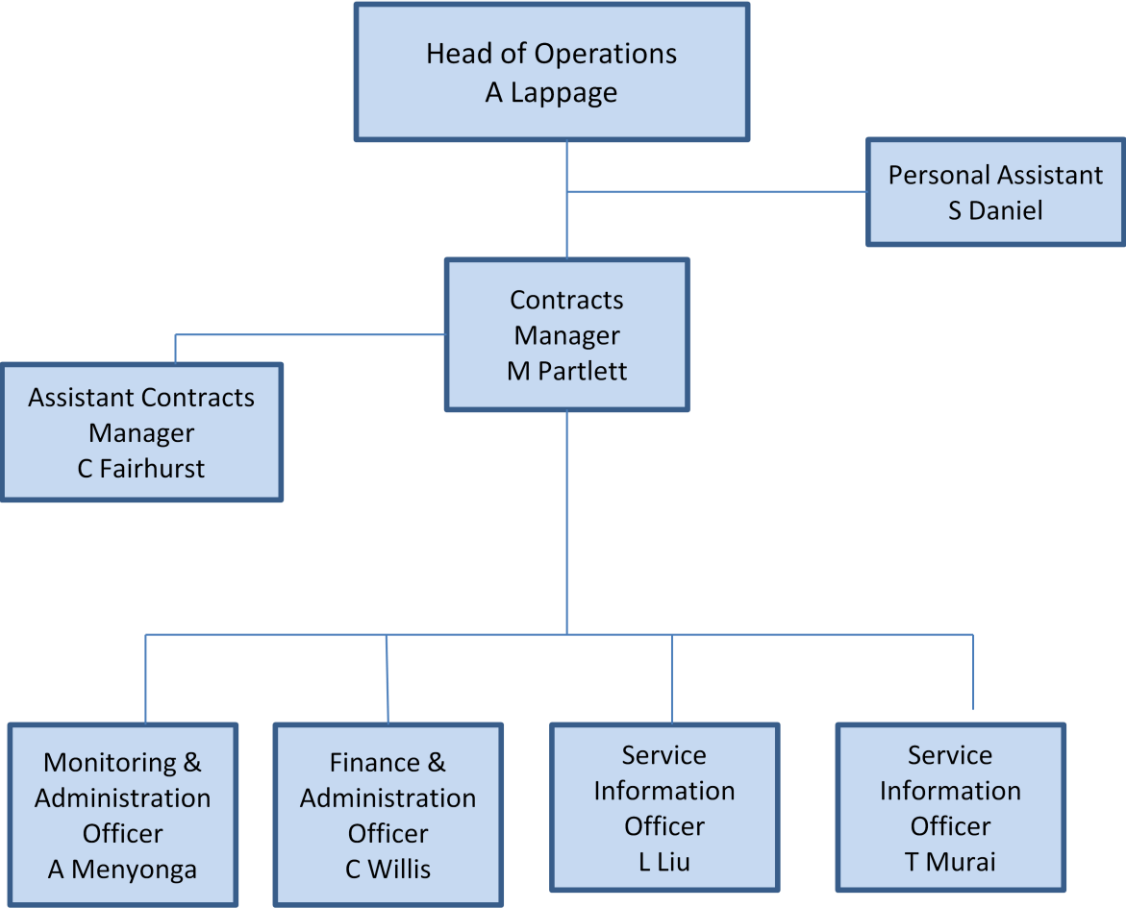
- 8.13 The combined effect of these changes to services, captured in the contract is forecast to be approximately £5m per year over the next three years.

Property Issues

- 8.14 **Overview** - In relation to the Hendon rail transfer station the Authority had a tenancy with Freightliner Heavy Haul that was taken over by Network Rail (the original superior landlord). The Authority has an interest in a part of a 6.97 hectare site at Pinkham Way in Haringey and, in purchasing the shares of Sita in LondonWaste, became the sole owner of this company which in turn owns the c.15 hectare site at Edmonton in Enfield.
- 8.15 **Property Holdings** - The Authority has varying property interests at:
- Hornsey Street, Islington
 - A406, Edmonton (residual land)
 - Tilling Road, Hendon
 - Hendon Waste Transfer Station
 - Pinkham Way - Land at part of the former Friern Barnet Sewage Treatment Works
 - Berol House, Tottenham Hale

NORTH LONDON WASTE AUTHORITY – STAFFING ARRANGEMENTS AT 31ST MARCH 2015

NLWA Operations Team – June 2015



Appendix 2

NORTH LONDON WASTE AUTHORITY LEVIES AND NON-HOUSEHOLD CHARGES 1986/87 TO 2015/16

	Levy	Non-household Charges	Total
	£'000	£'000	£'000
1986/87	13,872	-	13,872
1987/88	11,301	-	11,301
1988/89	12,962	-	12,962
1989/90	13,602	-	3,602
1990/91	14,180	-	14,180
1991/92	13,250	-	13,250
1992/93	11,646	-	11,646
1993/94	9,370	-	9,370
1994/95	10,221	-	10,221
1995/96	13,006	-	13,006
1996/97	11,675	3,335	15,010
1997/98	15,342	3,573	18,915
1998/99	18,229	3,644	21,873
1999/00	22,187	3,913	26,100
2000/01	24,677	4,007	28,684
2001/02	26,229	4,711	30,940
2002/03	29,744	5,370	35,114
2003/04	35,094	6,393	41,487
2004/05	38,374	6,776	45,150
2005/06	41,837	7,450	49,287
2006/07	33,231	8,647	41,878
2007/08	34,901	8,884	43,785
2008/09	37,829	10,880	48,709
2009/10	43,647	12,146	55,793
2010/11	43,512	12,388	55,900
2011/12	43,512	10,061	53,573
2012/13	40,614	9,981	50,595

	Levy	Chargeable Household	Non-Household Charges	Total
		£'000	£'000	£'000
2013/14	41,829	1,738	9,570	53,137
2014/15	46,452	2,005	10,691	59,148
2015/16	46,452	1,803	9,607	57,862

- During the period 1986/87 to 1995/96 the cost of non-household waste disposal was recovered through the levy from constituent councils.
- From 2013/14, as a result of a legislative change, the Authority charges the constituent borough councils for some types of household waste.

WASTE PREVENTION SUMMARY REPORT 2014/15

Separate document

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: DATES OF MEETINGS FOR THE AUTHORITY IN 2015/16	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO THE NORTH LONDON WASTE AUTHORITY	DATE: 25 June 2015
SUMMARY OF REPORT This report sets out proposed dates for Authority meetings in 2015/2016. Local Government Act 1972 – Access to Information : No documents required to be listed. Contact Officer: Richard Stratford, Committee Services, NLWA Camden Town Hall Judd Street, London WC1H 9JE (020 7974 6884) Email: richard.stratford@camden.gov.uk	
RECOMMENDATION: That the Authority agrees the proposed dates and times for ordinary meetings during the Municipal Year and the annual general meeting in 2015/16.	

Signed by:



Date:

16 June 2015

DATES FOR MEETINGS OF THE AUTHORITY IN 2015/16

1. Introduction

- 1.1 In accordance with Standing Order A.4, the North London Waste Authority holds five scheduled meetings a year, plus extraordinary meetings which are called if there are important urgent matters requiring the decision of the full Authority.
- 1.2 The meeting dates are proposed on the basis of an even spread throughout the year but taking account of statutory deadlines imposed in relation to various Authority functions as detailed below.
- 1.3 Members are asked therefore to note that the Levy must be notified to boroughs before 15th February 2016 which requires the Authority to meet prior to that date, but late enough to allow officers to prepare the budgetary information needed for Members to make the decision.
- 1.4 Members should also note that it is necessary for the Authority to approve the final 2014/15 Statement of Accounts prior to the end of September. Again, this requires the Authority to meet prior to that date, but late enough to allow officers and the External Auditors to prepare the Accounts and audit opinions.
- 1.5 Taking account of the above, the proposed dates are as follows:
 - Friday 25th September 2015 at 10am in Committee Room 1, Camden Town Hall
 - Thursday 10th December 2015 at 10am in Committee Room 1
 - Thursday 11th February 2016 at 10am in Committee Room 1
 - Thursday 14th April 2016 at 10am in Committee Room 1
 - Thursday 23rd June 2016 at 10am in Committee Room 1

All meetings will be held at Camden Town Hall, Judd Street, London, WC1H 9JE.

2. Financial Adviser Comments

- 2.1 The Financial Adviser has no comments to make

3. Legal Comments

- 3.1 The Legal Adviser has no comments on this report

REPORT ENDS

NORTH LONDON WASTE AUTHORITY

REPORT TITLE ANNUAL REPORT OF DIRECTORS OF LONDONWASTE LTD	
REPORT OF MANAGING DIRECTOR	
FOR SUBMISSION TO THE NORTH LONDON WASTE AUTHORITY	DATE: 25 JUNE 2015
SUMMARY OF REPORT This report is the annual report of the Directors of LondonWaste Limited and sets out the performance and activities of the Company in the Authority's financial year 2014/15.	
RECOMMENDATION That the Authority notes the report.	
Signed by: Managing Director:  Date: 16 June 2015	

ANNUAL REPORT OF THE DIRECTORS OF LONDONWASTE LIMITED

1. Introduction

- 1.1 This report is an annual report from the directors of LondonWaste Limited to the Authority summarising the performance and activities of LondonWaste Limited over the Authority's financial year 2014/15.

2. Background to NLWA's Interest In LondonWaste Limited

- 2.1 Section 32 of the Environmental Protection Act 1990 required waste disposal authorities to divest themselves of their waste disposal operations and submit their waste disposal needs to competitive tender. In 1992 a tendering process took place leading to the formation of a Local Authority Waste Disposal Company. Subsequently LondonWaste Limited, was formed as a joint venture company, and NLWA and SITA (UK) Ltd each took a 50% interest in the Company. LondonWaste successfully tendered for a 20-year waste disposal contract which was awarded to the Company in December 1994.
- 2.2 The requirement for local authorities to contract out waste disposal functions was effectively repealed by section 47 of the Clean Neighbourhoods and Environment Act 2005. This meant that the NLWA could again own waste disposal facilities and on 22 December 2009 NLWA bought the 50% of the share capital which was owned by SITA. Since that date LondonWaste Limited has been owned 100% by NLWA.
- 2.3 The Company entered a new 10-year contract with the NLWA which commenced on 16 December, 2014 on the expiry of the previous 20-year contract.

3. Directors and Board Meetings

- 3.1 The following non-executive directors, appointed by NLWA, served throughout the Authority year:

Mr. John Boast (Chairman)
Dr. Chris Elliot
Mr. Ray Georgeson
Mr. Mike Dunn

The current service contracts for the non-executive directors were due to expire in June 2014. The Authority agreed at its April 2014 meeting to renew the service contracts of the Non-Executive Directors until 30 June 2017 with the exception of Dr Elliot who will leave in June 2015 to pursue other commitments.

- 3.2 The following executive directors, who are responsible for the day-to-day activities of the Company, served throughout the Authority year:

Mr. David Sargent (Managing Director)
Mr. Matt McGeehan (Finance Director)
Mrs. Nazneem Grogan (Technical Director)

Mr Sargent is scheduled to retire on 31st July 2015. The recruitment process to appoint a new managing director has been completed.

- 3.3 Directors attend LondonWaste board meetings which are usually monthly. Signed copies of confidential board minutes are submitted to each NLWA meeting for information. These appear on the exempt part of the agenda (the Part II section). The NLWA as shareholder is also advised of the Company's progress through updates to the Shareholder Group (consisting of the Chair and Vice Chairs of the Authority).
- 3.4 The audited statutory accounts were adopted at the Company's Annual General Meeting on 21 May, 2015.

4. Finance and Operations

- 4.1 In the year ended 31 December 2014 LondonWaste made a profit before tax of £6.2 million. Excellent waste throughput and boiler availability contributed to the Company's above-budget performance. This profit was lower than in 2013 reflecting the fact that the Company ceased to process commercial waste in order to focus on processing municipal waste for the NLWA.
- 4.2 In the year ended 31 December the Energy Centre exported 251,000 Mwh of electricity or enough electricity to power 72,000 homes. The Company recycled 106,000 tonnes of material and our tonnes landfilled fell from 208,000 tonnes in 2013 to 129,000 tonnes in 2014.
- 4.3 Articulated lorries are used to transport large loads of waste either to the EcoPark or to landfill and hooklift vehicles provide bin exchanges to the Re-use and Recycling Centres. The following statistics summarise the transport activity undertaken by the Company's fleet of vehicles. Some statistics for 2014 are estimated as these key performance indicators were developed during the year.

	2014	2015		
Articulated Vehicles	Full Year	January	February	March
Actual Mileage (KMs)	591,088	40,054	50,437	44,732
Average MPG	5.16	4.46	5.75	5.65
Average Fuel Price	104.48	87.66	93.28	91.95
Vehicle Off Road Days - Spare	1600 (est)	39	29	40

Vehicle Off Road Days - Maintenance		62	65	45
Vehicle Off Road Days (%)	31.08%	23.54%	21.91%	19.81%
Number of Loads Completed	18,752	1570	1115	1483
Outsourced Loads	1,414	58	111	143

	2014	2015		
Hooklift Vehicles	Full Year	January	February	March
Actual Mileage (KMs)	170,850	10,665	10,326	14,532
Average MPG	3.94	3.75	3.85	3.75
Average Fuel Price	104.48	87.66	93.28	91.95
Vehicle Off Road Days - Spare	419 (est)	12	9	6
Vehicle Off Road Days - Maintenance		6	15	12
VOR Days (%)	16.44%	8.48%	11.30%	8.48%
Number of Loads Completed	9000 (est)	614	654	806

Dividends totalling £5.0 million were paid to the Authority in the year ended 31 December 2014. The directors are confident that the results for the year ended 31 December 2015 will achieve or exceed budget targets.

- 4.4 The Company remained debt-free throughout the year.
- 4.5 Electricity prices have been contracted forward to September 2015 through an agreement signed on 16 September, 2014. This provides a degree of budget certainty by fixing revenue at prices which meet or exceed the targets set in the budget.

5. Business Review

- 5.1 LondonWaste has continued to provide a high level of service to NLWA under the new contract which commenced on 16 December, 2014. The Company manages all the waste delivered by the boroughs to its centres in Hornsey Street, Hendon and the Edmonton EcoPark. This waste is either recycled, turned into electricity in the Energy Centre, or landfilled. Ash from the Energy Centre is used in roadbuilding and other construction projects. Green and kitchen waste from the boroughs is turned into compost at the Compost Centre and returned to parks, garden, residents and allotments, as well as a number of farms and horticultural users.
- 5.2 The Company supports the NLWA in developing the North London Heat and Power Project. LondonWaste is reviewing its operational and maintenance regimes to ensure that the Energy Centre can continue to operate safely and efficiently until its potential replacement in 2025.

- 5.3 LondonWaste has taken over operational responsibility for running the Hendon rail transfer facility from FCC. It has also commenced transferring by road some of the waste from Hendon to the EcoPark Energy Centre and this will have the combined effect of reducing landfill and increase NLWA's utilisation of capacity at the Energy Centre following the ending of commercial waste activity.
- 5.4 The Bulky Waste Recycling Facility at the EcoPark continued to maximise the amount of recyclable material the Company can extract from this type of waste. In addition the residual waste shredder continued to maximise the amount of waste which can be processed through the Energy Centre and reduce the amount of waste going to landfill. The Company remains committed to exploring technologies to improve its waste management infrastructure in a manner consistent with the requirements of the NLWA waste strategy.
- 5.5 Increased recycling percentages were achieved across all of the Re-use and Recycling Centres during the year. Rates range from 67% to 75% and the sites handle a combined volume of over 2,000 tonnes per month. The South Access Road site was shortlisted as a finalist for Civic Amenity Site of the Year at the Excellence in Recycling and Waste Management Awards 2015.
- 5.6 The compost produced at the Company's Compost Centre is accredited to the British Standards Institute's Standard No. 100 (PAS100). The majority of the product is used in agriculture but significant amounts are returned to North London boroughs and local allotments. The local community is given the opportunity to learn about composting through the Company's communication programme.

6. Health & Safety

- 6.1 RIDDOR stands for the **R**eporting of **I**njuries, **D**iseases and **D**angerous **O**ccurrences **R**egulations. A RIDDOR accident is one which results in an absence of at least seven days and which is reportable to HSE under these regulations. There were three RIDDOR reportable accidents in 2014 compared to two in 2013.
- 6.2 The Company investigates all incidents, reviews its practices and procedures, and gives appropriate and regular training to employees.

7. Human Resources

- 7.1 The Company remains committed to the development of its employees and invested heavily in training and development during the year. Sickness absence rates compare favourably with waste industry benchmarks and are actively managed through the application of formal absence management systems. The Company employs over 250 permanent and temporary employees. About a third of these operate and maintain the Energy Centre which is a 24 hour per day, 7 day per week operation. Half of the employees are engaged in handling or transporting waste at the various transfer stations and Re-use and Recycling Centres. The

remainder are engaged in corporate functions such as health & safety, IT, corporate communications etc.

- 7.2 The last triennial valuation of the pension scheme as at 1 January 2012 showed that the pension scheme deficit had increased to £6.6m from £5.6m in the previous triennial valuation. However the last summary funding update as at 31 December 2013 showed that the scheme was fully funded on a technical provisions basis due to the effect of stock market recovery on equity values. The latest triennial valuation as at 1 January 2015 is in progress.
- 7.3 The Company's Equal Opportunities Policy prohibits unfair discrimination in the recruitment, training, continuing employment, career development and promotion of staff.

8. Community Awareness

- 8.1 The Company continues to use local newspapers and borough communications in the North London area to raise community awareness of its waste management and recycling activities.
- 8.2 The Company holds an annual Compost Awareness Week featuring workshops, tours and discussions. Visitors are encouraged to take home EcoPark compost.
- 8.3 LondonWaste continued links with local community groups including secondary schools, local colleges, community groups, the Edmonton Sea Cadets as well as many local residents and allotment groups. There were over 450 visitors to the EcoPark. The Company is involved in initiatives to offer work experience to local schools and colleges and provides apprenticeships in engineering. The Company sponsors gardens at Capel Manor College which uses compost from the EcoPark for horticultural purposes.

9. Comments of the Legal Adviser

- 9.1 The Legal Adviser has no comments on this report.

10. Comments of the Financial Adviser

- 10.1 The contract that commenced in December 2014 has reduced the cost incurred by the Authority for waste services. This will reduce LondonWaste's profits and, as a wholly owned subsidiary of the Authority, the dividend that is returned will also be lower.

REPORT ENDS

NORTH LONDON WASTE AUTHORITY

At a meeting of the **NORTH LONDON WASTE AUTHORITY** held on **THURSDAY, 12TH FEBRUARY, 2015** at 10.00 am in the Committee Room 1, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE AUTHORITY PRESENT

Councillors Bond, Cohen, Gimson, Greening, Loakes, McNamara, Meehan, Stafford and Geoff Taylor

MEMBERS OF THE AUTHORITY ABSENT

Councillors Blackwell, Demirci, Hull, Limbajee and Shooter

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the North London Waste Authority.

MINUTES

1. APOLOGIES

Apologies for absence were received by Councillors Blackwell, Demirci, Hull, Limbajee and Shooter.

2. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

Councillors Meehan and McNamara declared for the purposes of transparency that they were Members of the London Borough of Haringey, which was the planning authority for the Pinkham Way site.

Councillor Cohen declared a non-pecuniary interest in all relevant business as a Member of the London Borough of Barnet, which had sold part of the Pinkham Way site to the Authority.

3. DEPUTATIONS (IF ANY)

There were none.

4. MINUTES

RESOLVED

THAT the minutes of the meeting held on Friday 12th December 2014 be agreed and signed as a correct record.

5. 2015/16 REVENUE BUDGET AND LEVY

Consideration was given to a report of the Financial Adviser. The Head of Finance introduced the report. He advised that the proposed budget had taken into account the costs of meeting the Authority's statutory obligations in the coming year as well as a number of project based activities. After allowing for a prudent level of contingency he further advised that the budget was soundly based and could be recommended for approval. In terms of the Authority's 2015/16 resource requirements he advised that the Authority was in good financial health and that, as suggested in December, Members were in a position to agree a standstill levy and retain some balances to help fund the 2016/17 budget. As a consequence Members were advised that revenue balances were forecast to be £11.943m at 31st March 2015 and that by using revenue balances of £8.311m to help fund the 2015/16 budget it would be possible to agree a standstill levy for the year and retain revenue balances of £3.632m.

Members stated that there was a strong argument for holding funds back for an invest to save project and to seek to provide benefits beyond 2015/16. The Managing Director stated that money had been included elsewhere in the budget that could be lead to projects being brought forward, and added that if Members wished to pursue this, then this was something that the Finance Working Group would be able to explore. Members requested that officers explore whether there was a viable project, but stated that the recommendations be agreed as detailed in the report.

The Chair stated that he wished to record his sincere thanks to Head of Finance for his work for and commitment to the NLWA after it was reported that he would be retiring at the end of March 2015. The Chair added that he believed that the Head of Finance had been an excellent champion for the Authority and the public sector in general, and had been a keen advocate in ensuring that funds were spent effectively and efficiently. Members added that they fully supported the Chair's comments and wished to extend their thanks also. The Head of Finance thanked Members for their words.

RESOLVED

1. THAT the Authority agrees that for 2015/16 the charge for non-household and chargeable household residual waste be based upon the LondonWaste Ltd base gate fee plus a reduced landfill tax charge as set out in paragraph 6.15.1 of the report;
2. THAT the Authority agrees the 2015/16 charges for non-household and chargeable household waste as follows:
 - a) Residual £105.26 per tonne
 - b) Dry Recyclable £53.69 per tonne

- c) Food £56.40 per tonne
 - d) Green £36.72 per tonne
3. THAT it be accepted that the proposed budget should be sufficient to meet the net expenditure requirements for the year ahead and that the 2015/16 budget be agreed;
 4. THAT the Authority agrees to use revenue balances of £8.311m to help fund the 2015/16 budget and thereby retain balances of £3.632m to help ease pressures on the 2016/17 budget;
 5. THAT the levy for 2015/16 be determined at £46.452m;
 6. THAT the medium-term budget forecasts for 2016/17, 2017/18 and 2018/19 be noted;
 7. THAT the Authority notes that the 2015/16 levy will be apportioned in accordance with the alternative levy arrangements agreed by the constituent councils with effect from 2014/15.
 8. THAT the Authority authorises the Financial Adviser to make arrangements for collection of the levy and charges for household and non-household waste;
 9. THAT the Authority approves the Prudential Indicators and agrees the basis for calculating the Minimum Revenue Provision as set out in sections 9 and 10 respectively.

6. RECYCLING PROPOSALS

Consideration was given to a report of the Managing Director.

The Head of Operations introduced the report. It was stated that it was the intention to divert more waste away from landfill sites and that the Authority was seeking to utilise the potentially wider knowledge base from projects around London. The Managing Director noted that ideas proposed at the meeting of the Member Recycling Working Group held in November 2014 were being looked at and would be brought forward in future. The Managing Director also added that meetings with the London Waste and Recycling Board (LWARB) had indicated the possibility of financial support for potential projects.

A Member enquired about the criteria for identifying and evaluating recycling improvement projects, and how the Authority could develop an understanding of what the real barriers were to increasing recycling activity and bringing about real change in practices of residents. The Managing Director stated that it would be possible to signpost work that had been done in this regard, including work by other relevant authorities, and distribute this to Members as background information. In particular it was necessary to identify areas of the community where progress seemed limited and to devise approaches to tackle this. In response to a Member

query, the Managing Director stated that the proposed budget was to provide an opportunity to carry out initial work, but that more detailed proposals would be brought back in future once they had been developed and when the level of any funding from LWARB was known.

RESOLVED

1. THAT the Authority agrees to assess the opportunities for recycling improvements, working in partnership with London Waste and Recycling Board and with borough support, with a further report to be brought back to a future meeting.
2. THAT the Authority notes that a budget of up to £75,000 is provided in the draft 2015/16 budget in order to deliver this report.
3. THAT background information signposting work that had been done previously in this regard, including work by other relevant authorities be circulated to Members, for the purposes of understanding the barriers to increasing recycling.

7. PROPOSALS FOR THE NEXT (2015-18) JOINT RECYCLING COMMUNICATIONS CAMPAIGN

Consideration was given to a report of the Managing Director.

The Managing Director introduced the report and invited Members to comment. Members stated that there was a concern that as the constituent boroughs were so different, any campaign may become too generic to be effective. A Member added that while tendering for a longer period made sense, it was not convincing that there was sufficient justification for the Authority doing this work instead of the constituent boroughs. It was requested that clear cost-benefit analysis of different schemes, including examples of effective work elsewhere, should be included in future reports. In response, the Managing Director stated that the original concept was to seek to benefit from economies of scale, but without diluting to such an extent that the campaign was pointless. Bus advertising was an example of cross boundary advertising that could prove effective if co-ordinated on Authority level. The Managing Director stated that the a cost-benefit analysis would be included in future reports where this was appropriate.

RESOLVED

1. THAT the Authority approves extending the annual Joint Recycling Communications Campaign previously delivered by the Authority to a three year programme of activity;
2. THAT the Authority notes that the campaign will be delivered by the Authority commencing 2015/16;

3. THAT the Authority delegates authority to the Managing Director in consultation with the Chair and Vice Chairs to carry out a procurement exercise to appoint a consumer creative agency to develop the campaign, taking into account the results of soft market testing for the service, with the results of the procurement to be brought to the June Authority meeting for contract award;
4. THAT the Authority agrees that the involvement of boroughs in the development of the campaign should be as outlined in section 7.1 of the report;
5. THAT the Authority notes that any updates about the campaign will additionally be brought to Members at the Members' Recycling Working Group meetings to review the progress of the campaign on an ongoing basis.

8. THIRD PARTY RE-USE AND RECYCLING CREDITS REGISTRATIONS

Consideration was given to a report of the Head of Operations.

RESOLVED

THAT the Authority approves the applications from all the organisations listed at Appendix 2 to the report for registration for re-use and recycling credits payments during the financial year 2015/16.

9. CONSULTATIONS AND POLICY UPDATE

Consideration was given to a report of the Head of Operations. The Head of Operations introduced the report and noted the consultation responses attached as appendices to the report which were for approval by the Authority, and were subject to external deadlines for submission.

RESOLVED

1. THAT the Authority approves the response to the DEFRA discussion paper on clarifying the applications of the definition of waste to re-use and repair activities;
2. THAT the Authority approves the draft authority response to the Department for Communities and Local Government consultation on charges at Household Waste Recycling Centres;
3. THAT the Authority approves the draft response to the Central Leaside Area Action Plan;

4. THAT the Authority notes proposals for an NLWA waste prevention exchange event on 11 March 2015 about monitoring and evaluation of waste prevention activity;
5. THAT the Authority notes proposals for the London Borough of Enfield Community Infrastructure Levy draft charging schedule;
6. THAT the Authority notes the update on the implementation of new regulations by the Authority and its contractors in relation to recycling services.

10. DEVELOPMENT CONSENT ORDER PROCESS FOR REPLACEMENT ERF

Consideration was given to a report of the Managing Director.

The Head of Legal and Governance introduced the report and noted that since its publication, the final consultation responses in phase 1 consultation have been received. The final number was 67. Of these, about two thirds were received from individuals and the remainder from organisations (such as regulatory authorities, other local authorities, and local Friends of the Earth). Analysis of the responses was continuing and would be reported at the next Authority meeting. On the basis of a brief review of consultation responses, comments received fall into themes covering Need, Landscape and Design, Environment, the Cooling System, Transport and Traffic, Community Benefits, Consultation and Other. These themes reflected the questions raised in consultation, and the information provided. Overall, the analysis covered over 700 comments on specific topics and there was a general level of support for the project and there did not appear to be a fundamental objection to the principal of the proposals.

RESOLVED

1. THAT the Authority notes the emerging outcomes of the consultation;
2. THAT the Authority notes that a report on the consultation responses and proposed action to take account of those responses will be presented to the Extraordinary Authority Meeting on 27th March 2015.

11. FORWARD PLAN OF DECISIONS

Consideration was given to a report of the Managing Director.

RESOLVED

THAT the Authority notes the report.

12. LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

RESOLVED

THAT the press and public be excluded from the proceedings of the North London Waste Authority on 12th February 2015 during consideration of the following items on Part II of the agenda, on the basis that, were Members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

Specifically:

Exempt Information Category 1 - Information which relates to an individual: the reason why the public interest favours withholding the information is that the release of such information could constitute or facilitate an unwarranted interference with the individual's privacy.

Exempt Information Category 3 – Information relating to the financial or business affairs of any particular person, including the authority holding that information, and not required to be registered under various statutes: the reasons why the public interest favours withholding the information are that the release of such information would prejudice the Authority's conduct of a commercial operation OR because the disclosure of the information is likely to prejudice the commercial interests of the Authority and organisations engaged in commercial activities as the information related to commercial activities that are conducted in a competitive environment.

Exempt Information Category 5 - Information in respect of which there is a claim to legal professional privilege: the reasons why the public interest favours withholding the information are that the release of such information could prejudice the safeguarding of openness in all communications between client and lawyer and the Authority's ability to ensure access to full and frank legal advice.

13. PRIVATE MINUTES

RESOLVED

THAT the private minutes of the meeting of the Authority held on 12th December 2014 be signed and agreed as a correct record.

14. GOVERNANCE OF LONDONWASTE LTD

Consideration was given to a report of the Managing Director.

RESOLVED

THAT the recommendations be agreed as set out in the report.

15. RESIDUAL WASTE MANAGEMENT

Consideration was given to a report of the Managing Director.

RESOLVED

THAT the recommendations be agreed as set out in the report.

16. INTER AUTHORITY AGREEMENT

Consideration was given to a report of the Managing Director.

RESOLVED

THAT the recommendations be agreed as set out in the report.

17. ANY OTHER ITEMS THE CHAIR DECIDES TO TAKE AS URGENT

There were none.

The meeting ended at 11:00am

CHAIR

Contact Officer: Richard Stratford

Telephone No: 020 7974 6884

E-Mail: richard.stratford@camden.gov.uk

MINUTES END

NORTH LONDON WASTE AUTHORITY

At a meeting of the **NORTH LONDON WASTE AUTHORITY** held on **FRIDAY, 27TH MARCH, 2015** at 10.30 am in the Committee Room 1, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE AUTHORITY PRESENT

Councillors Cohen (Vice-Chair), Gimson, Hull, Loakes (Chair) and Taylor

MEMBERS OF THE AUTHORITY ABSENT

Councillors Bond, Blackwell, Demirci, Greening, Limbajee, McNamara, Meehan and Stafford

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the North London Waste Authority.

MINUTES

1. APOLOGIES

Apologies for absence were received from Councillors Blackwell, Bond, Demirci, Greening, Limbajee, McNamara, Meehan and Stafford.

2. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

Councillor Cohen declared a non-pecuniary interest in all relevant business as members of the London Borough of Barnet, which had sold part of the Pinkham Way site to the Authority.

3. DEPUTATIONS (IF ANY)

There were no deputations.

4. DEVELOPMENT CONSENT ORDER CONSULTATION

Consideration was given to a report of the Managing Director. The Head of Legal and Governance introduced the report and noted that the 68 responses to the consultation had been received and these, along with responses were broken down into themes as an appendix to the report and presented to Members for comments and agreement to the proposed responses. The report set out the proposed themes for consultation in Phase Two, starting in May, and these themes reflected the developed design that would be presented for comment in Phase Two consultation. Members were asked to consider whether any further community groups should be

contacted prior to the start of consultation, and offered a presentation on the Authority's proposals.

RESOLVED

1. THAT the Authority notes the issues raised in consultation and agrees the responses as set out in Appendix A;
2. THAT the Authority agrees the proposed themes for consultation and the draft questions for finalisation for the phase 2 consultation, starting on 18 May 2015;
3. THAT the Authority notes the groups which officers intend to contact to offer a presentation or further information;
4. THAT the Authority notes that it is proposed to arrange a session in mid-April for Members to review the consultation materials and comment, prior to finalisation of those materials;
5. THAT the Authority agrees to consultation Phase Two being carried out on the basis set out in the report.

5. LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

RESOLVED

THAT the press and public be excluded from the proceedings of the North London Waste Authority of 27th March 2015 during consideration of the following items on Part II of the agenda, on the basis that, were members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

Specifically:

Exempt Information Category 1 – Information which relates to an individual: the reason why the public interest favours withholding the information is that the release of such information could constitute or facilitate an unwarranted interference with the individual's privacy.

Exempt Information Category 3 – Information relating to the financial or business affairs of any particular person, including the authority holding that information, and not required to be registered under various statutes: the reason why the public interest favours withholding the information are that the release of such information would prejudice the Authority's conduct of a commercial operation OR because the disclosure of the information is likely to prejudice the commercial interests of the

Authority and organisations engaged in commercial activities as the information related to commercial activities that are conducted in a competitive environment.

Exempt Category 5 - Information in respect of which there is a claim to legal professional privilege: the reasons why the public interest favours withholding the information are that the release of such information could prejudice the safeguarding of openness in all communications between client and lawyer and the Authority's ability to ensure access to full and frank legal advice.

6. FUTURE RESIDUAL WASTE MANAGEMENT

Consideration was given to a report of the Managing Director.

RESOLVED

THAT the recommendations in the report be agreed as amended by the Authority.

7. ANY OTHER ITEMS THE CHAIR DECIDES TO TAKE AS URGENT

The meeting ended at 11:27

CHAIR

Contact Officer: Richard Stratford

Telephone No: 020 7974 6884

E-Mail: richard.stratford@camden.gov.uk

MINUTES END

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NORTH LONDON WASTE AUTHORITY

REPORT TITLE	
2014/15 REVENUE AND CAPITAL BUDGETS FINAL OUTTURN AND 2015/16 FIRST BUDGET REVIEW	
REPORT OF	
FINANCIAL ADVISER	
FOR SUBMISSION TO	DATE
AUTHORITY MEETING	25 JUNE 2015
1. SUMMARY OF REPORT	
This report provides details of expenditure and income for 2014/15 and briefly comments on the current financial position and outlook for future years. The report indicates that revenue balances at 31 March 2015 were £15.422m, i.e. an increase of £3.479m compared with the February forecast. The improvement arises from a lower than forecast residual waste stream, a number of operational savings and underspends as well as non-use of the contingency. The first review of the 2015/16 budget discusses a number of variances which taken together have only a small impact on the budget. Allowing for the improvement in the revenue balances at 31 March 2015 and the 2015/16 budget variances, the first review indicates that the Authority's forecast at 31 March 2016 reserves have increased by £3.296m compared with the February report. This improvement strengthens the Authority's ability to manage its services within budget and accommodate potential budget pressures. If this situation is maintained, the Authority will have reserves of £6.928m available to support the 2016/17 budget and as a consequence reduce the amount that will need to be recovered from boroughs through the levy.	

2. RECOMMENDATIONS

The Authority is requested to:-

- (i) Note the 2014/15 outturn (subject to audit).
- (ii) Note the over and under payments by boroughs in respect of non-household and chargeable household waste in 2014/15 and the arrangements for repayment to and collection from the boroughs.
- (iii) Note that the 2014/15 draft Statement of Accounts will be reviewed by the Members' Finance Working Group before consideration by the Authority at its September meeting.
- (iv) Note the first review of the 2015/16 budget and that a second review will be submitted to the Authority in September.
- (v) Note that an update on the budget and resource requirements for 2016/17 and future years will be reported to the Authority in future budget reviews.

Signed by the Financial Adviser:

Agreed by Mike O'Donnell

Date: 16th June 2015

3. **Introduction**

3.1 At its meeting on the 12th February 2015 the Authority was provided with an up-to-date assessment of its financial position. This included the fourth review of the 2014/15 budget. The latter formed the basis of the 2014/15 approved revised budget and provided guidance on the level of surplus resources available to assist with the funding of the 2015/16 budget.

3.2 The accounts for 2014/15 are now closed and therefore the main purpose of this report is to provide details of the 2014/15 outturn (subject to audit). The opportunity is also taken to provide details of the 2015/16 first budget review and to briefly comment on the outlook for future years.

4. **2014/15 Outturn**

4.1 At its meeting on 13th February 2014 the Authority agreed an original budget of £67.055m to be financed by estimated revenue balances of £6.907m, charges to boroughs for non-household and chargeable household waste of £10.691m and £2.005m respectively and a levy of £46.452m.

4.2 In subsequent reviews, Members have been advised of:

	£m
Higher level of surplus balances brought forward from 2013/14	(3.835)
Transfer of residual waste from Hendon to Edmonton (net saving)	(3.020)
Reduction in Electricity Income Claim* payments to LWL	(1.803)
Shredding and incineration of RRC waste (net saving)	(1.444)
Reduction in MRF and composting tonnages	(0.496)
Reduction in other site maintenance costs	(0.160)
Increased RRC operating and recycling costs	0.152
Reduced corporate and administration costs	(0.430)
Deferment of waste condition survey	(0.200)
Additional sites and planning process costs	1.882
Capital programme slippage and use of cash balances in lieu of borrowing	(0.928)
Reduced non-household and household income	0.748
Improved dividend from LondonWaste Ltd	(2.500)
Other (net)	0.091
Total	<u>(11.943)</u>

4.3 As a consequence the Authority was advised in February that it would be reasonable to assume that forecast revenue balances of £11.943m at 31 March 2015 could be considered when determining its budget and levy requirements for 2015/16.

4.4 The actual revenue surplus for the year ended 31st March 2015 is £15.422m, i.e. an increase of £3.479m compared with the February 2015 forecast.

4.5 Comparison of the revised budget and final outturn is shown in Table 1 followed by a commentary on the most significant changes and issues arising.

Table 1	2014/15 Original Budget	2014/15 Fourth Review	2014/15 Outturn	Variance between Fourth Review & Outturn
	£'000	£'000	£'000	£'000
Expenditure				
Main Waste Disposal Contract (ex CA Waste)	26,073	25,086	24,667	(419)
Civic Amenity (RRC) Residual Waste	1,382	1,417	1,388	(29)
Landfill Tax	13,809	8,728	8,358	(370)
Composting Services	2,967	2,722	2,691	(31)
MRF Services	6,126	5,875	5,986	111
Transfer Stations and Other Sites	1,585	1,430	1,407	(23)
Re-use and Recycling Centre Operations	2,520	2,691	2,350	(341)
Corporate and Other Support Service Costs	2,843	2,531	2,004	(527)
Operations Team	703	506	481	(25)
Waste Reduction Programme – New Initiatives	316	316	294	(22)
Technical and Planning Team	259	309	269	(40)
Joint Communications Initiative	298	108	5	(103)
Recycling Initiatives	297	245	220	(25)
Commingle Income Payment Scheme	2,974	2,528	2,549	21
Sites and Planning Process Costs	1,000	2,882	2,590	(292)
Revenue Funding – Capital Programme	8,242	7,314	7,313	(1)
Excess Creditor – Previous Year	0	(92)	(92)	0
	71,394	64,596	62,480	(2,116)
Less				
Income				
Rents	(105)	(104)	(104)	0
Sale of Recyclates	(2,974)	(2,528)	(2,549)	(21)
Interest on Balances	(75)	(80)	(120)	(40)
Dividend (LondonWaste Ltd)	(2,500)	(5,000)	(5,000)	0
	(5,654)	(7,712)	(7,773)	(61)
Net Expenditure	65,740	56,884	54,707	(2,177)
Contingency	1,315	1,315	0	(1,315)
Total Net Expenditure	67,055	58,199	54,707	(3,492)
Financed by:				
Balances b/fwd	(6,907)	(10,742)	(10,742)	0
Return of Earmarked Reserve to Revenue	(1,000)	(1,000)	(1,000)	0
Charges to Boroughs (non-household waste)	(10,691)	(9,978)	(9,966)	12
Charges to Boroughs (household waste)	(2,005)	(1,970)	(1,969)	1
Levy – Base Element	(44,375)	(44,375)	(44,375)	0
Levy – RRC Element	(2,077)	(2,077)	(2,077)	0
Total Levy	(46,452)	(46,452)	(46,452)	0
Total Resources Available	(67,055)	(70,142)	(70,129)	13
Revenue Balance as at 31 March 2015	0	(11,943)	(15,422)	(3,479)

4.6 Details of the most significant variances that have occurred since the budget meeting in February are set out below.

4.7 **Residual Waste Disposal and Landfill Tax: (- £0.818m)**

4.7.1 In February, Members were advised that tonnage data for the period up to December 2014 indicated a decrease of 0.50% in the 2014/15 residual waste stream compared with 2013/14. This was a lower reduction than the 1.02% reported in December (based upon six months data) and suggested that the downward trend in tonnage had started to reverse. As a consequence an allowance was made for a possible further upturn in the waste stream in the 2014/15 fourth quarter. On this basis the total residual waste stream for the year was estimated be 584,203 tonnes, i.e. a reduction of 1,281 tonnes compared with the original budget (585,484 tonnes), and an increase of 1,071 tonnes compared with 2013/14 (583,132 tonnes).

4.7.2 Outturn tonnage figures for 2014/15 indicate that the upward pressure in the residual waste stream reported in February continued but at a slightly lower rate than allowed for in fourth review. The actual residual waste stream for the year was 579,521 tonnes, i.e. a reduction of 3,611 tonnes (0.62%) compared with 2013/14, and a reduction of 4,682 tonnes compared with the fourth budget review. As a result, compared with the revised budget, the cost of residual waste disposal and landfill tax is lower by £0.648m. Nevertheless, after a number of years of falling residual waste tonnages, the 2014/15 outturn data suggests that the Authority may be entering a period of residual waste growth.

4.7.3 The Authority also benefited from a rebate of £0.170m from LondonWaste Ltd negotiated in respect of the picking station sited at the EcoPark.

4.7.4 Details of the actual percentage movement in 2014/15 residual tonnage levels for each borough compared with 2013/14 may be summarised as follows:-

Table 2	2014/15 September Forecast	2014/15 December Forecast	2014/15 February Forecast	2014/15 Actual	Variance between Actual and February forecast
	(Second Review)	(Third Review)	(Fourth Review)		
	%	%	%	%	%
Barnet	- 3.70	- 3.01	- 3.32	- 3.75	- 0.43
Camden	+ 0.01	- 0.57	- 0.30	- 0.69	- 0.39
Enfield	- 0.25	- 0.60	+ 0.75	+ 0.90	+ 0.15
Hackney	+ 1.74	+ 1.73	+ 1.91	+ 1.97	+ 0.06
Haringey	+ 0.63	- 0.19	+ 0.18	+ 0.27	+ 0.09
Islington	- 0.12	+ 0.69	+ 1.73	+ 1.31	- 0.42
Waltham Forest	- 3.90	- 5.06	- 3.96	- 3.69	+ 0.27
Overall Position	-0.86	-1.02	-0.50	- 0.62	- 0.12

4.8 **Composting and Materials Recovery Facility (MRF) Services: (+ £0.080m)**

4.8.1 In October 2014 the Authority was advised by the boroughs of their latest forecasts of recycling activity and the amount of recyclate that would be passed to the Authority for bulking and treatment. This helped form the basis of the Authority's 2014/15 fourth budget review assumptions for these services. The actual level of compostable material sent to the Authority was 0.8% less than advised in October resulting in a £0.031m saving to the Authority. Dry recyclable waste tonnages were some 2.9% higher resulting in an additional cost of £0.111m in respect of the MRF services.

	Composting Services			MRF Services		
	2014/15 Revised Budget Tonnes	2014/15 Actual Tonnes	Variance Tonnes	2014/15 Revised Budget Tonnes	2014/15 Actual Tonnes	Variance Tonnes
Barnet	23,220	21,133	(2,087)	27,102	26,884	(218)
Camden	3,831	4,119	288	17,084	18,191	1,107
Enfield	0	0	0	0	0	0
Hackney	5,350	5,928	578	14,200	14,666	466
Haringey	7,300	7,811	511	20,700	21,814	1,114
Islington	4,078	4,052	(26)	14,500	14,594	94
Waltham Forest	10,200	10,505	305	20,000	20,723	723
Total	53,979	53,548	(431)	113,586	116,872	3,286

4.9 **Transfer Stations and Other Sites: (- £0.023m)**

4.9.1 This budget includes the costs of the Hornsey Street and Hendon waste transfer stations. Also included is an allowance for costs in respect of the Pinkham Way site. During 2014/15 only minor property maintenance and insurance costs were incurred at Pinkham Way resulting in a saving of £0.023m.

4.10 **Reuse and Recycling Centres (RRCs): (- £0.341m)**

4.10.1 The Authority manages seven RRCs on behalf of constituent boroughs. The costs of operating each RRC is ring-fenced to the relevant borough, such that any under or over spend is carried forward to the levy calculation for that borough in the next available levy year.

4.10.2 Table 4 indicates that the cost of operation was £0.349m lower than forecast in February. The principal reasons for this are: the decision by boroughs to continue to bear utility costs and business rates directly (a saving of £0.151m), expenditure on site improvement works (some of which will slip into 2015/16) of (£0.071m) and reduced net recycling costs (£0.075m).

Table 4

	2014/15 Original Budget	2014/15 Revised Budget	2014/15 Outturn	2014/15 Variance With Revised Budget
	£	£	£	£
Barnet	725	49	0	(49)
Camden	354,562	383,051	323,688	(59,363)
Enfield	453	31	0	(31)
Hackney	226	15	0	(15)
Haringey	727,828	695,091	613,430	(81,661)
Islington	610,929	579,593	550,485	(29,108)
Waltham Forest	944,528	1,041,247	862,000	(179,247)
Total	2,639,251	2,699,077	2,349,603	(349,474)

4.10.3 Table 5 provides details of the revenue balances position for each borough at 31st March 2015. The additional balances of £0.349m will be taken into account when determining the 2016/17 levy.

Table 5

	Additional Balances b/fwd from 2013/14	In-year Change in Balances (Variation between Original and Revised Budgets)	Total Forecast Balances as at 31 March 2015	Additional Balances 2014/15 from Table 4	Total Actual Balances at 31 March 2015
	£	£	£	£	£
Barnet	0	(676)	(676)	(49)	(725)
Camden	(40,496)	28,489	(12,007)	(59,363)	(71,370)
Enfield	0	(422)	(422)	(31)	(453)
Hackney	0	(211)	(211)	(15)	(226)
Haringey	(63,276)	(32,737)	(96,013)	(81,661)	(177,674)
Islington	(3,153)	(31,336)	(34,489)	(29,108)	(63,597)
Waltham Forest	(17,131)	96,719	79,588	(179,247)	(99,659)
Total	(124,056)	59,826	(64,230)	(349,474)	(413,704)

4.11 **Corporate and Other Support Service Costs: (- £0.527m)**

4.11.1 This heading captures a wide-range of services provided to the Authority by Camden and Haringey and a number of external providers. Savings have arisen principally as a result of lower spend on external support (£0.183m), no call on the new initiatives budget (£0.094m), lower than envisaged external audit costs (£0.066m), and lower expenditure on communications of (£0.087m).

4.12 **Joint Communications Initiative: (- £0.103m)**

4.12.1 Work commenced on the procurement of a long term campaign, as previously agreed by the Authority in February 2015. While some school recycling activity was delivered in year, other elements of the campaign will begin in 2015/16.

4.13 **Commingled Income Payment Scheme (CIPS)/Income from the sale of Recyclates: (cost neutral)**

4.13.1 The value of payments made under this scheme is in practice limited to the value of income received by the Authority from the sale of recyclates, i.e. there is no net cost to the Authority. Market prices for recyclates have been falling for some time and have fallen further since the preparation of the revised budget. Income for the fourth quarter was £19.17 per tonne and could fall still further in 2015/16. Overall tonnage was 3,286 more than advised by the boroughs and used by the Authority for budget purposes. The actual income and therefore the CIPS cost in 2014/15 was £2.549m (includes 4th quarter provisional figures), i.e. an increase of £0.021m. The average value of payments in 2014/15 is £21.81 per tonne compared with £22.25 included in the revised budget. The overall impact on the 2014/15 outturn is neutral to the Authority and for the boroughs is summarised as follows:

Table 6	2014/15 Revised Budget Tonnes	2014/15 Revised Budget £'000	2014/15 Actual Tonnes	2014/15 Actual* £'000
Barnet	27,102	603	26,884	587
Camden	17,084	380	18,191	396
Enfield	0	0	0	0
Hackney	14,200	316	14,666	319
Haringey	20,700	461	21,814	477
Islington	14,500	323	14,594	318
Waltham Forest	20,000	445	20,723	452
Total	113,586	2,528	116,872	2,549

*Includes 4th Quarter provisional figures

4.14 **Sites and Planning Process Costs: (- £0.292m)**

4.14.1 The underspend has arisen largely through the need to reschedule some expenditure which will now be incurred in 2015/16.

4.15 **Contingency: (- £1.315m)**

4.15.1 At its February meeting the Authority continued to adopt a prudent approach and decided to retain a contingency in the 2014/15 revised budget that would be available to accommodate possible unforeseen additional costs in the closing months of the year. There has been no call on the contingency.

4.16 Charges to Boroughs for Non-Household Waste: (+£0.012m)

- 4.16.1 At the budget meeting in February Members were provided with an up-to-date assessment of the estimated cost to boroughs of non-household waste in 2014/15.
- 4.16.2 The meeting was also reminded that the final charges would be calculated as part of the 2014/15 final accounts process and that this would be reported to the Authority in June 2015. Any under or over payment by boroughs would be collected from or repaid to boroughs at that time.
- 4.16.3 Overall, income for the year is broadly in line with the 2014/15 revised budget. Looking at the position at an individual borough level however, there are some significant variances between the original budget and the outturn. Although the table indicates that Barnet, Camden and Enfield will be entitled to a refund (£0.954m in total), Hackney, Haringey, Islington and Waltham Forest will be required to make an additional payment to the Authority (£0.230m in total). The position for each borough is set out in Table 7 below.
- 4.16.4 Compared with the original budget assumption of 92,267 tonnes of residual waste there has been a reduction of 8,441 tonnes and a price decrease of £0.17 per tonne to £114.83.
- 4.16.5 Three Boroughs (Camden, Haringey and Islington) have also delivered recyclable non-household waste to the Authority for treatment at a cost of £51.24 for dry-recyclable waste (6,544 tonnes) and £55.29 for food waste (96 tonnes). In the case of dry-recyclable waste these tonnages are also eligible for a payment under the Authority's Commingled Income Payment Scheme and this has the effect of substantially offsetting the initial gate fee.
- 4.16.6 Details of the original, revised and actual costs of non-household waste are shown in Table 7 below.

Table 7	2014/15 Original Budget	2014/15 Revised Budget	2014/15 Actual Cost	Repayment due (to)/from Borough (Column 3 - 1)
	1	2	3	
Cost per Tonne	£115.00	£114.85	£114.83	
	£	£	£	£
Barnet	1,412,890	1,179,624	1,177,237	(235,653)
Camden*	3,746,125	3,057,609	3,053,763	(692,362)
Enfield	1,018,900	992,993	993,165	(25,735)
Hackney	1,844,600	1,854,828	1,854,504	9,904
Haringey *	248,185	341,485	337,195	89,010
Islington *	2,256,810	2,388,368	2,387,224	130,414
Waltham Forest	163,070	163,202	163,288	218
Total	10,690,580	9,978,109	9,966,376	(724,204)

* Includes the cost of treating recyclable wastes.

4.17 **Charges to Boroughs for Household Waste: (+ £0.001m)**

4.17.1 The outturn shows little change from the revised budget. The actual charge per tonne at £114.83 is the same as for non household waste.

4.17.2 Four boroughs (Camden, Hackney, Haringey and Islington have also delivered recyclable chargeable household waste to the Authority for treatment at a cost of £51.24 per tonne for dry recyclable waste (2,729 tonnes) and £55.29 for food waste (150 tonnes). The dry recyclable tonnages are eligible for a payment under the Authority's Commingled Income Payment Scheme.

4.17.3 Details of the original, revised and actual costs of chargeable household waste are shown in Table 7 below:

Table 8	2014/15 Original Budget	2014/15 Revised Budget	2014/15 Actual Cost	Repayment due (to)/from Borough
	1	2	3	(Column 3 - 1)
Cost per tonne	£115.00	£114.85	£114.83	
	£	£	£	£
Barnet	262,200	261,858	261,812	(388)
Camden*	497,720	465,834	465,405	(32,315)
Enfield	164,565	164,350	164,322	(243)
Hackney *	596,007	591,470	590,858	(5,149)
Haringey *	274,717	274,120	273,744	(973)
Islington *	210,184	212,536	212,278	2,094
Waltham Forest	0	0	0	0
Total	2,005,393	1,970,168	1,968,419	(36,974)

* Includes the cost of treating recyclable wastes.

4.18 **Ring Fencing of Balances**

4.18.1 With effect from 31 March 2013 balances have been ring fenced to each element of the levy. Paragraph 4.10.3 above provides an analysis of the Household Waste Recycling Centre balance of £0.414m at 31 March 2015. Of the remaining balance of £15.008m, £8.815m is attributable to the household tonnage element of the levy and £6.193m to the council tax element.

4.19 **Conclusion**

4.19.1 The outturn shows that the Authority has a revenue surplus of £15.422m at 31 March 2015, i.e. an additional revenue surplus of £3.479m compared with the February forecast of £11.943m.

5. **Capital Budget 2014/15**

5.1 The Authority incurred capital expenditure in respect of the development of the Western Road RRC totalling some £9,000. This sum, along with the other development and land acquisition costs (to be incurred in 2015/16) will be recovered through future years' HWRC levy, principally from LB Haringey where Western Road is located.

5.2 At 1 April 2014 the Authority held usable capital receipts of £1.439m. No receipts of a capital nature were received in 2014/15 and none were used. Capital receipts can only be used to fund capital expenditure or to repay debt.

6. **Final Accounts Preparation and Audit**

6.1 The 2014/15 outturn discussed in the preceding paragraphs forms the basis of the Authority's statutory statement of accounts which at the time of writing is in preparation. The Financial Adviser must certify that the accounts present a true and fair view of the financial position of the Authority at the end of the year and of the Authority's income and expenditure for the year and must sign the statement by 30 June. It will then be passed to KPMG for audit.

6.3 The draft statement audited by KPMG will be presented to the Authority at its September meeting so that the Authority may consider and approve it and duly authorise the statement to be signed and dated by the Chair of the Authority. The Authority must then publish the final audited statement of accounts by 30 September 2015. With this in mind it is recommended that the draft statement of accounts is reviewed by the Members' Finance Working Group at its September meeting ahead of submission to the September meeting of the Authority. KPMG will report the findings of its audit to the Authority at its September meeting.

7. **First Review of the 2015/16 Revenue Budget**

7.1 At its meeting on 12 February 2015 the Authority agreed the 2015/16 budget at £67.173m, to be financed by estimated balances of £8.311m, charges to boroughs for non-household and chargeable household waste of £9.607m and £1.803m respectively, and a levy of £46.452m.

7.2 **General**

7.2.1 At this early stage of the financial year, tonnage data collected about the waste stream for April and May does not warrant a change to the budget assumptions for the cost of transport and disposal in 2015/16. This applies equally to other areas of the budget which are influenced by changes in tonnage data. A greater appreciation of any trends that may be developing should become apparent when data is available for the four-month period to the end of July which will be reported to the September meeting of the Authority. A number of other issues that emerged during the closure of the 2014/15 accounts will affect 2015/16 and these are discussed below:

7.3 Reuse and Recycling Centres

- 7.3.1 Improvement works with an estimated value of £0.043m that were budgeted to have been undertaken in 2014/15 will slip into 2015/16.

7.4 Commingled Income Payment Scheme

- 7.4.1 As discussed elsewhere in this report market prices for dry recyclable material continue to fall. The average price for the final quarter of 2014/15 was £19.17 per tonne. The 2015/16 budget assumed a price of £21.00. Were £19.17 to prevail throughout 2015/16 the total payable to boroughs would fall by some £0.220m. The scheme is cost neutral to Authority but boroughs may wish to revise their own income forecasts.

7.5 Planning Process Costs

- 7.5.1 Work costing £0.292m that was budgeted to have been undertaken in 2014/15 will slip into 2015/16.

7.6 Revenue Funding – Capital Programme

- 7.6.1 In April 2015 the Authority refinanced part of a maturing loan from the Public Works Loans Board with London Borough of Camden at a favourable rate. The arrangement will be reviewed in July 2015. The saving in interest cost for the three month period compared with the budget is £0.152m.

7.7 Overview

- 7.7.1 Members will recall that the Authority agreed a standstill levy for 2015/16 which enabled balances of £3.632m at 31 March 2016 to be retained and be available to support the 2016/17 budget. Subject to further budgetary pressures that may emerge during the year, the first review of the 2015/16 suggests that a further £3.296m of balances could be available.

Table 9

	2015/16 Original Budget £'000	2015/16 First Review £'000	Variance £'000
Expenditure			
Main Waste Disposal Contract (ex CA Waste)	25,305	25,305	0
Civic Amenity Waste	1,472	1,472	0
Landfill Tax	9,058	9,058	0
Composting Services	2,480	2,480	0
MRF Services	6,362	6,362	0
Transfer Stations and Other Sites	1,516	1,516	0
Reuse and Recycling Centres	2,523	2,566	43
Corporate and other Support Service Costs	2,611	2,611	0
Operations Team	544	544	0
Waste Reduction Programme – New Initiatives	373	373	0
Technical and Planning Team	479	479	0
Joint Communications Initiative	305	305	0
Recycling Initiatives	305	305	0
Commingled Income Payment Scheme	2,370	2,150	(220)
Sites and Planning Process Costs	3,566	3,858	292
Next Steps – Strategy and Options Review	250	250	0
Revenue Funding – Capital Programme	7,906	7,754	(152)
	67,425	67,388	(37)
Less			
Income			
Rents	(107)	(107)	0
Sale of Recyclates	(2,370)	(2,150)	220
Interest on Balances	(55)	(55)	0
Estimated Dividend Stream	(1,000)	(1,000)	0
	(3,532)	(3,312)	220
 Net Expenditure	 63,893	 64,076	 183
Contingency	2,280	2,280	0
 Total Net Expenditure	 66,173	 66,356	 183
 Financed By			
Use of Balances	(8,311)	(11,790)	(3,479)
Charges to Boroughs (Non-household waste)	(9,607)	(9,607)	0
Charges to Boroughs (Chargeable Household Waste)	(1,803)	(1,803)	0
2015/16 Levy - Base Element	(43,629)	(43,629)	0
- HWRC Element	(2,823)	(2,823)	0
 Total Resources Available	 (66,173)	 (69,652)	 (3,479)
 Estimated Additional Revenue Balances at 31 March 2016	 0	 (3,296)	 (3,296)

8. Review of the Outlook for 2016/17 and Future Years

- 8.1 Other than higher revenue balances at 31 March 2016, the 2015/16 budget variance items discussed above are unlikely to have any impact on 2016/17 and future years. Moreover, since the data and assumptions underpinning the forecasts presented to the February

meeting remain unchanged, it is proposed to update Members on the 2016/17 budget and levy prospects after the September meeting.

9. **Conclusion**

- 9.1 Subject to member decisions, the improvement in the revenue balances at 31 March 2015 and the 2015/16 variations first review indicates that the Authority's reserves at 31 March 2016 will have increased by £3.296m to £6.928m.

10. **Comments of the Legal Adviser**

- 10.1 The Legal Adviser has been consulted and has no comments to add.

Local Government Act 1972 - Section 100 as amended

Documents used in the preparation of this report:-
Report to the Authority 12 February 2015 – Revenue Budget and Levy 2015/16
2014/15 final accounts Working Papers
2015/16 budgetary control working papers

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Agenda Item 13

NORTH LONDON WASTE AUTHORITY

AGENDA ITEM NO

REPORT TITLE	
EXTERNAL AUDIT PLAN FOR THE 2014/15 ACCOUNTS	
REPORT OF	
FINANCIAL ADVISER	
FOR SUBMISSION TO	DATE
AUTHORITY MEETING	25 JUNE 2015
1. SUMMARY OF REPORT	
This report introduces the Audit Plan for 2014/15 which has been prepared by KPMG in its capacity as the Authority's external auditor. The plan sets out the responsibilities of the external auditor and outlines its approach to the forthcoming audit. The external auditor will be in attendance at the meeting to deal with queries.	
2. RECOMMENDATIONS	
The Authority is requested to note this report.	
Signed by the Financial Adviser: Agreed by Mike O'Donnell Date: 16th June 2015	

3. Introduction and Background

- 3.1 The purpose of the Audit Plan is to set out the how KPMG LLP, the Authority's external auditor, will deliver the audit of the Authority's financial statements and its approach to Value for Money work for 2014/15.

4. Contents of the Plan

- 4.1 The Plan for 2014/15 sets out the three stages of the audit process – Planning, Substantive Procedures and Completion. Key to the Authority is the opinion on the accounts (including the Authority's Annual Governance Statement) and the Whole of Government Accounts return. This will be presented to the Authority's September 2015 meeting. Additionally, KPMG will publish two reports to the Authority: the Report to Those Charged with Governance (also referred to as the ISA 260 Report) and the Annual Audit Letter. The ISA 260 Report will include the findings of KPMG's final accounts work and will be presented to the September 2015 meeting of the Authority. The Annual Audit Letter summarises the outcomes and the key issues arising from KPMG's audit work for the year and will be presented to the Authority's December meeting.
- 4.2 For 2014/15, KPMG's approach in their Value For Money (VFM) work has been summarised into two themes:
- The organisation has proper arrangements in place for securing financial resilience.
 - The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.
- 4.3 The planned audit fee of £18,270 is in line with KPMG's 2014/15 Audit Fee Letter. The fee is based on the assumption that that no additional work will be required. If KPMG have to undertake more work than was envisaged, additional fees will be charged.
- 4.4 The audit opinion is planned to be made by no later than 30 September 2015 and therefore arrangements will be made to report this to the Authority at its September meeting. In accordance with normal practice the external auditor will be invited to attend this meeting and present the audit findings.

5. Prior years

- 5.1 The audits for the previous two years have not yet been closed and this work continues outside the 2014/15 process. The 2012/13 audit has not been closed because of objections raised by a local pressure group. The 2013/14 audit remains open as work to conclude the Value for Money section of the audit continues. This follows the Authority's decision not to proceed with the procurement process for Waste Services and Fuel Use contracts. The Authority's officers are actively working with KPMG.

5. Comments of the Legal Adviser

- 5.1 The Legal Adviser has been consulted and has no comments to add.

Local Government Act 1972 - Section 100 as amended

Documents used in the preparation of this report:-

KPMG – 2014/15 Audit Plan and 2014/15 Annual Audit Fee letter.

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cutting through complexity

External Audit Plan 2014/15

North London Waste Authority

June 2015

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Report Sections

Page

Appendices

Page

- Introduction

2

- 1. Independence and objectivity requirements

19

- Headlines

3

- 2. Quality assurance and technical capacity

20

- Our audit approach

4

- Key financial statements audit risks

10

- 3. Assessment of Fraud Risk

22

- VFM audit approach

12

- 4. Transfer of Audit Commissions functions

23

- Audit team, deliverables, timeline and fees

16

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.audit-commission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This document describes how we will deliver our audit work for the London Borough of Camden and its associated pension fund.

Scope of this report

This document supplements our *Audit Fee Letter 2014/15* presented to you on 29 April 2014. It describes how we will deliver our financial statements audit work for the North London Waste Authority ('the Authority'). It also sets out our approach to value for money (VFM) work for 2014/15

We are required to satisfy ourselves that your accounts comply with statutory requirements and that proper practices have been observed in compiling them. We use a risk based audit approach.

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary

Statutory responsibilities

Our statutory responsibilities and powers are set out in the *Audit Commission Act 1998* and the Audit Commission's *Code of Audit Practice*.

The Audit Commission ceased to exist on 31 March 2015. However, our audit responsibilities under the *Audit Commission Act 1998* and the *Code of Audit Practice* in respect of the 2014/15 financial year remain unchanged.

The *Code of Audit Practice* summarises our responsibilities into two objectives, requiring us to audit/review and report on your:

- *financial statements (including the Annual Governance Statement):* providing an opinion on your accounts; and
- *use of resources:* concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The Audit Commission's *Statement of Responsibilities of Auditors and Audited Bodies* sets out the respective responsibilities of the auditor and the Authority.

The Audit Commission ceased to exist on 31 March 2015. Details of the new arrangements are set out in Appendix 4. This plan restricts itself to reference to the existing arrangements.

Structure of this report

This report is structured as follows:

- Section 2 includes our headline messages, including any key risks identified this year for the financial statements audit and Value for Money arrangements Conclusion;
- Section 3 describes the approach we take for the audit of the financial statements;
- Section 4 provides further detail on the financial statements audit risks;
- Section 5 explains our approach to VFM arrangements work; and
- Section 6 provides information on the audit team, our proposed deliverables, the timescales and fees for our work.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

This table summarises the headline messages. The remainder of this report provides further details on each area.

Page 96

Audit approach	Our overall audit approach remains similar to last year with no fundamental changes. Our audit strategy and plan remain flexible as risks and issues change throughout the year. We will review the initial assessments presented in this document throughout the year and should any new risks emerge we will evaluate these and respond accordingly.
Key financial statements audit risks for the Council	We have completed our initial risk assessment for the financial statements audit and have identified the following significant risks: ■ Fraud risk from management override of controls (required by ISAs) ■ Fraud risk over revenue recognition (required by ISAs) These risks and other areas of audit focus are described in more detail on pages 10 to 11. To support our audit work on the Authority's group accounts, we will place reliance on the work of PKF who are the auditors to London Waste Limited.
VFM audit approach	We will review the Authority's processes for ensuring effective Use of Resources in line with Audit Commission Guidance.
Audit team, deliverables, timeline and fees	Our audit team is the same as last year. Philip Johnstone will continue to be the Director with responsibility for the delivery of the audit, Antony Smith will continue as Audit Manager and Emily Tiernan will continue as your Assistant Manager for this audit. Our main year end audit is currently planned to commence on 10 August 2015. Upon conclusion of our work we will present our findings to you in our <i>Report to Those Charged with Governance (ISA 260 Report)</i>. The planned fee for the 2014/15 audit is £18,270 for the audit of the Authority financial statements. This is unchanged from the position set out in our <i>Audit Fee Letter 2014-15</i>.

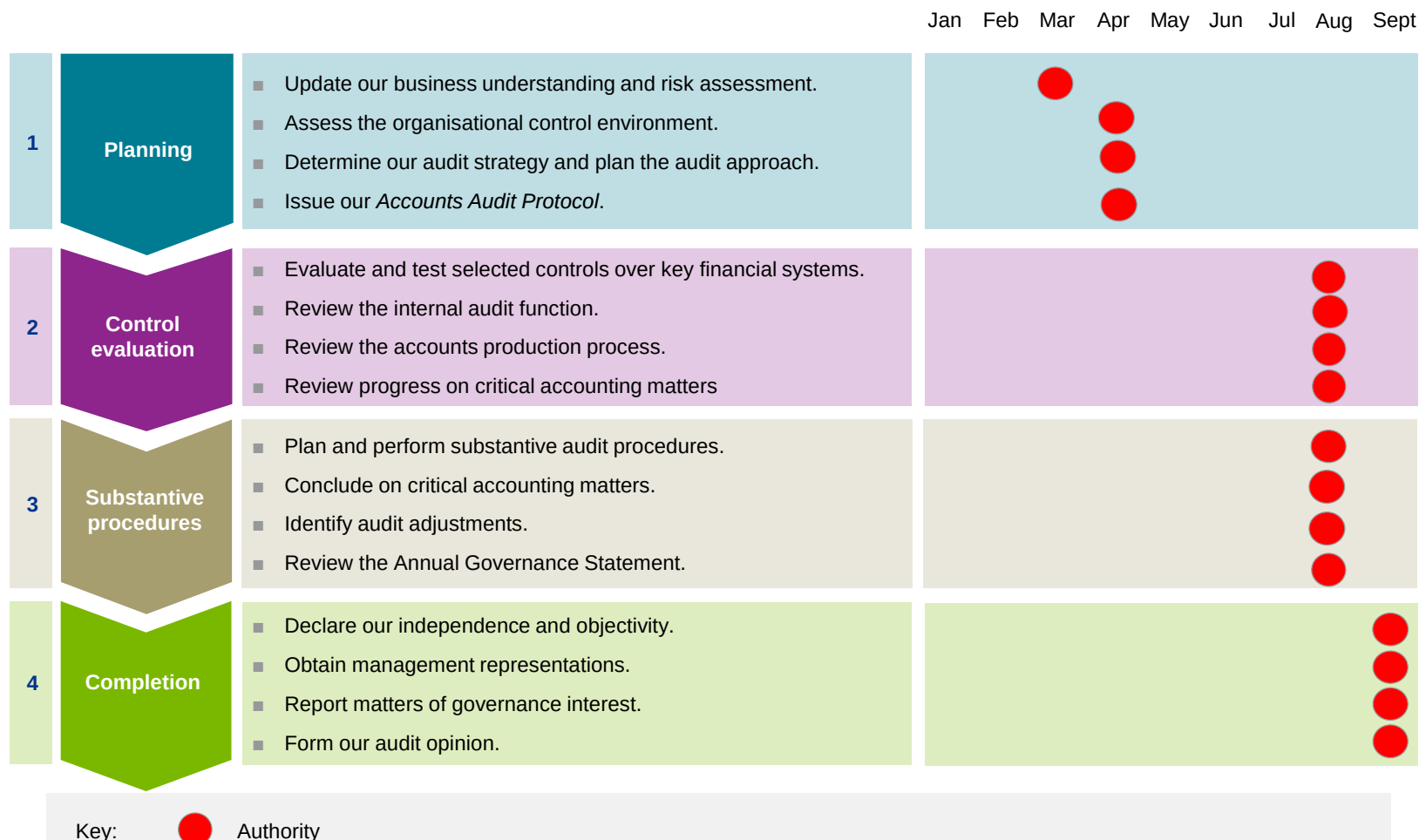
Section three

Our audit approach

We undertake our work on your financial statements in four key stages during 2015:

- Planning (March to April).
- Control Evaluation (August).
- Substantive Procedures (August).
- Completion (August to September).

We have summarised the four key stages of our financial statements audit process for you below.



Section three

Our audit approach – planning

During March and April 2015 we complete our planning work.

We assess the key risks affecting the Authority's financial statements and discuss these with officers.

We assess if there are any weaknesses in respect of central processes that would impact on our audit.

Our planning work takes place in March and April 2015. This involves the following aspects:

Planning

- Update our business understanding and risk assessment including fraud risk.
- Assess the organisational control environment.
- Determine our audit strategy and plan the audit approach.
- Issue our *Accounts Audit Protocol*.

Business understanding and risk assessment

We update our understanding of the Authority's operations and identify any areas that will require particular attention during our audit of the Authority's financial statements.

We identify the key risks including risk of fraud affecting the Authority's financial statements. These are based on our knowledge of the Authority, our sector experience and our ongoing dialogue with Authority staff. Any risks identified to date through our risk assessment process are set out in this document. Our audit strategy and plan will, however, remain flexible as the risks and issues change throughout the year. It is the Authority's responsibility to adequately address these issues. We encourage the Authority to raise any technical issues with us as early as possible so that we can agree the accounting treatment in advance of the audit visit.

We liaise regularly with the finance team to consider issues and how they are addressed during the financial year end closedown and accounts preparation.

Organisational control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would impact on our audit.

In particular risk management, internal control and ethics and conduct have implications for our financial statements audit. The scope of the relevant work of your internal auditors also informs our risk assessment.

Audit strategy and approach to materiality

Our audit is performed in accordance with International Standards on Auditing (ISAs) (UK and Ireland). The Engagement Lead sets the overall direction of the audit and decides the nature and extent of audit activities. We design audit procedures in response to the risk that the financial statements are materially misstated. The materiality level is a matter of professional judgement and is set by the Engagement Lead.

In accordance with ISA 320 (UK&I) '*Audit materiality*', we plan and perform our audit to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. Information is considered material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Further details on assessment of materiality is set out on page 6 of this document.

Section three

Our audit approach – planning

When we determine our audit strategy we set a monetary materiality level for planning purposes.

For 2014/15 we have set this at £1.2 million for the Authority.

We will report all audit differences over £60,000 to the Authority Board.

Page 99

Materiality

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.

Materiality for planning purposes has been set at £1.2 million, which equates to approximately 2 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

Group audit

In addition to the Authority we deem London Waste Limited to be significant in the context of the group audit.

To support our audit work on the Authority's group accounts, we seek to place reliance on the work of PKF who are the auditors to London Waste Limited. We will liaise with them in order to confirm that their programme of work is adequate for our purposes and they satisfy professional requirements.

We will report the following matters in our *ISA 260 Report*:

- any deficiencies in the system of internal controls or instances of fraud which the subsidiary auditors identify;
- any limitations on the group audit, for example, where the our access to information may have been restricted; and
- any instances where our evaluation of the work the subsidiary auditors gives rise to concern about the quality of that auditor's work

Reporting to the Authority

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Authority any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) '*Communication with those charged with governance*', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 (UK&I), '*Evaluation of misstatements identified during the audit*', requires us to request that uncorrected misstatements are corrected.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £60,000 for the Authority.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Authority to assist it in fulfilling its governance responsibilities.

During August 2015 we will complete our controls evaluation work.

We work with your finance team to enhance the efficiency of the accounts audit.

We will report any significant findings arising from our work to the Authority Board.

Our on site work will be completed during August. During this time we will complete work in the following areas:

Control Evaluation

- Evaluate and test controls as appropriate over key financial systems identified as part of our risk assessment.
- Review the work undertaken by the internal audit function on controls relevant to our risk assessment.
- Review the accounts production process.
- Review progress on critical accounting matters.

Critical accounting matters

We will discuss the work completed to address the specific risks we identified at the planning stage. Wherever possible, we seek to review relevant workings and evidence and agree the accounting treatment as during the year, prior to our on-site work.

Controls over key financial systems

We update our understanding of the Authority's key financial processes where our risk assessment has identified that these are relevant to our final accounts audit and where we have determined that this is the most efficient audit approach to take. We confirm our understanding by completing walkthroughs for these systems. We then test selected controls that address key risks within these systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Review of internal audit

During our audit we will seek to place reliance on the Authority's high level controls, and as part of our assessment of the overall control environment we will review and discuss the work carried out by Internal Audit.

Where any internal audit findings suggest weaknesses in key controls that could impact on significant account balances, we will adjust our approach to reflect these findings and where necessary perform additional testing to ensure that we can gain sufficient, appropriate audit evidence over those significant associated balances. We don't plan to rely directly on the work of Internal Audit.

During August 2015 we will be on site for our substantive work.

We complete detailed testing of accounts and disclosures and conclude on critical accounting matters, such as specific risk areas. We then agree any audit adjustments required to the financial statements.

We also review the Annual Governance Statement for consistency with our understanding.

We will present our ISA 260 Report to the Authority in September 2015.

Our final accounts visit on site has been provisionally scheduled for August for the Authority. During this time, we will complete the following work:

Substantive Procedures

- Plan and perform substantive audit procedures over the significant balances contained within the Authority and Pension Fund financial statements.
- Conclude on critical accounting matters.
- Identify and assess any audit adjustments.
- Review the Annual Governance Statement.

Substantive audit procedures

We complete detailed testing on significant balances and disclosures. The extent of our work is determined by the Engagement Lead based on various factors such as our overall assessment of the Authority's control environment, the effectiveness of controls over individual systems and the management of specific risk factors.

Critical accounting matters

We conclude our testing of key risk areas identified at the planning stage and any additional issues that may have emerged since.

We will discuss our early findings of the Authority's approach to address the key risk areas with Mike O'Donnell, Chief Finance Officer, and his team in August 2015, prior to reporting to the Authority in September 2015.

Audit adjustments

During our on site work, we will meet with the Head of Finance on a weekly basis to discuss the progress of the audit, any differences found and any other issues emerging.

At the end of our on site work, we will hold a closure meeting, where we will provide a schedule of audit differences and agree a timetable for the completion stage and the accounts sign off.

To comply with auditing standards, we are required to report uncorrected audit differences to the Authority. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Annual Governance Statement

We are also required to satisfy ourselves that your Annual Governance Statement complies with the applicable framework and is consistent with our understanding of your operations. Our review of the work of internal audit and consideration of your risk management and governance arrangements are part of this.

We report the findings of our audit of the financial statements work in our *ISA 260 Report*, which we will issue in September 2015.

In addition to the financial statements, we also review the Authority's Whole of Government Accounts pack.

We may need to undertake additional work if we receive objections to the accounts from local electors.

We will communicate with you throughout the year, both formally and informally.

Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified audit approach for 2014/15 have not yet been confirmed.

Elector challenge

The Audit Commission Act 1998 gives electors certain rights. These are:

- the right to inspect the accounts;
- the right to ask the auditor questions about the accounts; and
- the right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the Audit Commission's fee scales.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team. Our deliverables are included on page 17.

Independence and objectivity confirmation

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Authority.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 *Integrity, Objectivity and Independence* requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Appendix 1 provides further detail on auditors' responsibilities regarding independence and objectivity.

Confirmation statement

We confirm that as of June 2015 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.

In this section we set out our assessment of the significant risks or other key areas of audit focus of the Authority's financial statements for 2014/15.

For each significant risk area and area of audit focus, we have outlined the impact on our audit plan.

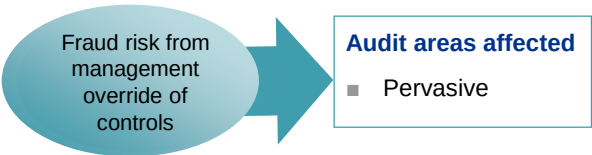
Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our *ISA 260 Report*.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Appendix 3 covers more details on our assessment of fraud risk.

The table below sets out the significant risks we have identified through our planning work that are specific to the audit of the Authority's financial statements for 2014/15.

We will revisit our assessment throughout the year and should any additional risks present themselves we will adjust our audit strategy as necessary.

Significant risks that ISAs require us to raise	Impact on audit
	The risk ISA 240 requires us to communicate the fraud risk from management override of controls as significant, because management is typically in a unique position to perpetrate fraud due to their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit. Our proposed audit work Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we will carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

Section four

Key financial statements audit risks – the Authority

This section sets out the significant risks that ISA's require us to raise for the Authority.

Page 104

Significant risks that ISAs require us to raise	Impact on audit
	The risk Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Our proposed audit work We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Our approach to VFM work follows guidance provided by the Audit Commission.

Background to approach to VFM work

In meeting their statutory responsibilities relating to economy, efficiency and effectiveness, the Commission's *Code of Audit Practice* requires auditors to:

- plan their work based on consideration of the significant risks of giving a wrong conclusion (audit risk); and
- carry out only as much work as is appropriate to enable them to give a safe VFM conclusion.

To provide stability for auditors and audited bodies, the Audit Commission kept the VFM audit methodology unchanged from last year. There are only relatively minor amendments to reflect the key issues facing the local government sector.

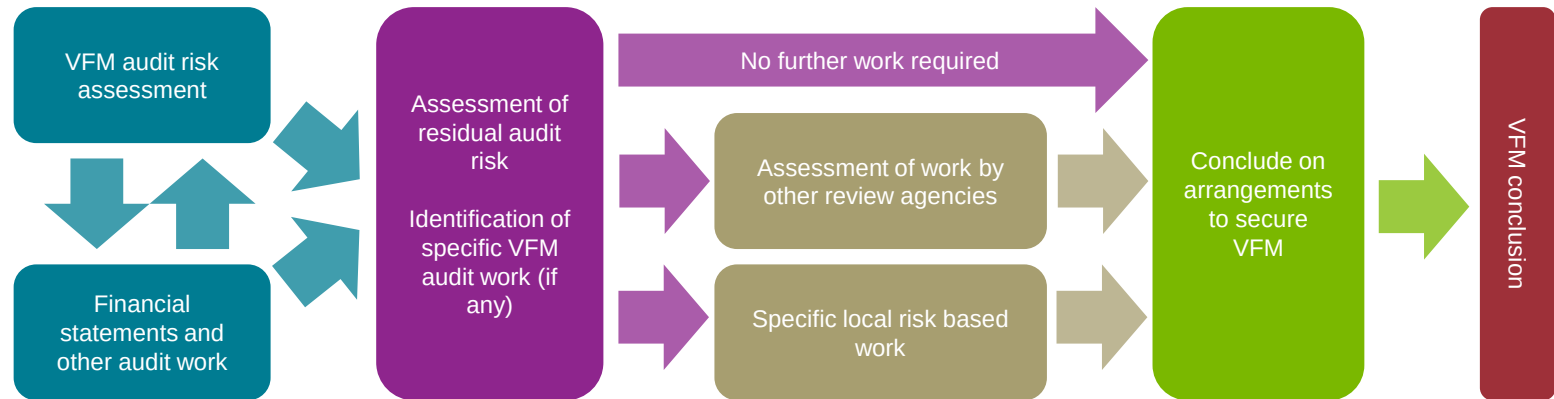
The approach is structured under two themes, as summarised below.

Specified criteria for VFM conclusion	Focus of the criteria	Sub-sections
The organisation has proper arrangements in place for securing financial resilience .	The organisation has robust systems and processes to: ■ manage effectively financial risks and opportunities; and ■ secure a stable financial position that enables it to continue to operate for the foreseeable future.	■ Financial governance ■ Financial planning ■ Financial control
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness .	The organisation is prioritising its resources within tighter budgets, for example by: ■ achieving cost reductions; and ■ improving efficiency and productivity.	■ Prioritising resources ■ Improving efficiency and productivity

We will follow a risk based approach to target audit effort on the areas of greatest audit risk.

Overview of the VFM audit approach

The key elements of the VFM audit approach are summarised below.



Each of these stages are summarised further below.

VFM audit stage	Audit approach
VFM audit risk assessment	We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>. In doing so we consider: - the Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks; - evidence gained from previous audit work, including the response to that work; and - the work of other inspectorates and review agencies.

Our VFM audit will draw heavily on other audit work which is relevant to our VFM responsibilities and the results of last year's VFM audit.

We will then form an assessment of residual audit risk to identify if there are any areas where more detailed VFM audit work is required.

VFM audit stage	Audit approach
Linkages with financial statements and other audit work	There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities. We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.
Assessment of residual audit risk	It is possible that further audit work may be necessary in some areas to ensure sufficient coverage of the two VFM criteria. Such work may involve interviews with relevant officers and/or the review of documents such as policies, plans and minutes. We may also refer to any self assessment the Authority may prepare against the characteristics. To inform any further work we must draw together an assessment of residual audit risk, taking account of the work undertaken already. This will identify those areas requiring further specific audit work to inform the VFM conclusion. At this stage it is not possible to indicate the number or type of residual audit risks that might require additional audit work, and therefore the overall scale of work cannot be easily predicted. If a significant amount of work is necessary then we will need to review the adequacy of our agreed audit fee.
Identification of specific VFM audit work	If we identify residual audit risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including: ■ considering the results of work by the Authority, inspectorates and other review agencies; and ■ carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Where relevant, we may draw upon the range of audit tools and review guides developed by the Audit Commission.

We will conclude on the results of the VFM audit through our ISA 260 Report.

Page 108

VFM audit stage	Audit approach
Delivery of local risk based work	Depending on the nature of the residual audit risk identified, we may be able to draw on audit tools and sources of guidance when undertaking specific local risk-based audit work, such as: ■ local savings review guides based on selected previous Audit Commission national studies; and ■ update briefings for previous Audit Commission studies. The tools and guides will support our work where we have identified a local risk that is relevant to them. For any residual audit risks that relate to issues not covered by one of these tools, we will develop an appropriate audit approach drawing on the detailed VFM guidance and other sources of information.
Concluding on VFM arrangements	At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources. If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.
Reporting	We will report on the results of the VFM audit through our <i>ISA 260 Report</i>. This will summarise any specific matters arising, and the basis for our overall conclusion. The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.

Your audit team has been drawn from our specialist public sector assurance department. Contact details are shown on page 1.

The audit team will be assisted by other KPMG specialists as necessary.



Philip Johnstone
Director

"My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.

I will be the main point of contact for the Authority and Managing Director."



Antony Smith
Manager

"I am responsible for the management, review and delivery of the whole audit and providing quality assurance for any technical accounting areas. I will work closely with Philip to ensure we add value. I will liaise with the Head of Finance and the Finance team."



Emily Tiernan
Assistant Manager

"I will be responsible for the on-site delivery of our work. I will liaise with the Finance Team. I will also supervise the work of our audit assistants."

At the end of each stage of our audit we issue certain deliverables, including reports, statements and opinions.

Our key deliverables will be delivered to a high standard and on time.

We will discuss and agree each report as appropriate with the Authority's officers prior to publication.

Deliverable	Purpose	Authority dates
Planning		
External Audit Plan	■ Outlines our audit approach. ■ Identifies areas of audit focus and planned procedures.	June 2015
Control evaluation and Substantive procedures		
Report to Those Charged with Governance (ISA 260 Report)	■ Details the resolution of key audit issues. ■ Communicates adjusted and unadjusted audit differences. ■ Highlights performance improvement recommendations identified during our audit. ■ Comments on the Authority's value for money arrangements.	September 2015
Report to Those Charged with Governance (ISA 260 Report) – Pension Fund	■ Details the resolution of key audit issues. ■ Communicates adjusted and unadjusted audit differences. ■ Highlights performance improvement recommendations identified during our audit.	September 2015
Completion		
Auditor's Report	■ Provides an opinion on the Authority's and Group accounts (including the Annual Governance Statement). ■ Concludes on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2015
Whole of Government Accounts	■ Provide our assurance statement on the Authority's WGA pack submission.	September 2015
Annual Audit Letter	■ Summarises the outcomes and the key issues arising from our audit work for the year.	November 2015

The main fee for 2014/15 audit of the Authority is £18,270. The fee has not changed from that set out in our *Audit Fee Letter 2014/15* issued in April 2014.

Our audit fee remains indicative and based on you meeting our expectations of your support.

Meeting these expectations will help the delivery of our audit within the proposed audit fee.

Audit fee

Our *Audit Fee Letter 2014/15* presented to you on 29 April 2014 set out our fees for the 2014/15 audit. We have not considered it necessary to make any changes to the agreed fees at this stage.

Element of the audit	2014/15 (planned)	2013/14 (actual)
Main audit fee	£18,270	* £18,270

* The fee for 2013/14 does not include the additional work that we are undertaking in relation to the Authority's decision to stop the procurement of new waste disposal facilities. We expect this additional fee to be around £50,000, but are awaiting final approval from PSAA.

Our main audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements..

Audit fee assumptions

The fee is based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. In setting the fee, we have assumed:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2013/14;
- you will inform us of any significant developments impacting on our audit;
- you will identify and implement any changes required under the *CIPFA Code of Practice on Local Authority Accounting in the UK 2014/15* within your 2014/15 financial statements;
- you will comply with the expectations set out in our *Accounts Audit Protocol*, including:
 - the financial statements are made available for audit in line with the agreed timescales;

- good quality working papers and records will be provided at the start of the final accounts audit;
- requested information will be provided within the agreed timescales;
- prompt responses will be provided to queries and draft reports;
- internal audit meets appropriate professional standards;
- internal audit adheres to our joint working protocol and completes appropriate work on all systems that provide material figures for the financial statements and we can place reliance on them for our audit; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Meeting these expectations will help ensure the delivery of our audit within the agreed audit fee.

The Audit Commission requires us to inform you of specific actions you could take to keep the audit fee low. Future audit fees can be kept to a minimum if the Authority achieves an efficient and well-controlled financial closedown and accounts production process which complies with good practice and appropriately addresses new accounting developments and risk areas.

Changes to the audit plan

Changes to this plan and the audit fee may be necessary if:

- new significant audit risks emerge;
- additional work is required of us by the Audit Commission or other regulators; and
- additional work is required as a result of changes in legislation, professional standards or financial reporting requirements.

If changes to this plan and the audit fee are required, we will discuss and agree these initially with Mike O'Donnell, Finance Advisor.

This appendix summarises auditors' responsibilities regarding independence and objectivity.

Independence and objectivity

Auditors are required by the Code to:

- carry out their work with independence and objectivity;
- exercise their professional judgement and act independently of both the Commission and the audited body;
- maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
- resist any improper attempt to influence their judgement in the conduct of the audit.

In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Authority invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under section 35 of the Audit Commission Act 1998.

The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of Commission-related work, and senior members of their audit teams should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Firms are expected to comply with the requirements of the Commission's protocols on provision of personal financial or tax advice to certain senior individuals at audited bodies, independence considerations in relation to procurement of services at audited bodies, and area wide internal audit work.
- Auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission.
- Auditors are expected to comply with the Commission's policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the Commission's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the standing guidance.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG.

The diagram summarises our approach and each level is expanded upon.

At KPMG we consider audit quality is not just about reaching the right opinion, but how we reach that opinion. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. It is about the processes, thought and integrity behind the audit report. This means, above all, being independent, compliant with our legal and professional requirements, and offering insight and impartial advice to you, our client.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG. We use our seven drivers of audit quality to articulate what audit quality means to KPMG.

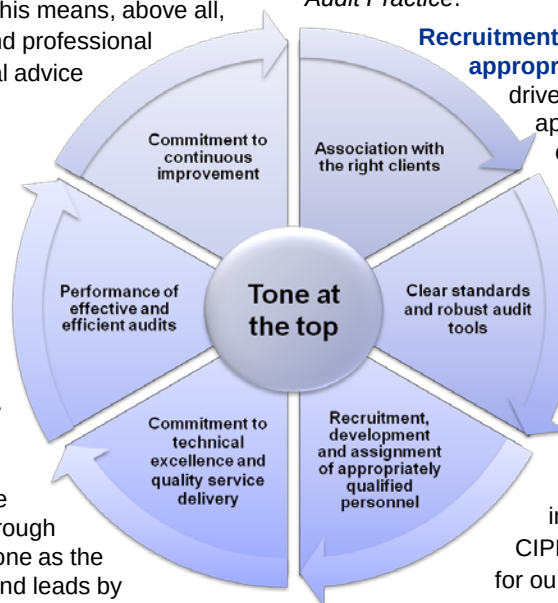
We believe it is important to be transparent about the processes that sit behind a KPMG audit report, so you can have absolute confidence in us and in the quality of our audit.

Tone at the top: We make it clear that audit quality is part of our culture and values and therefore non-negotiable. Tone at the top is the umbrella that covers all the drives of quality through a focused and consistent voice. Philip Johnstone as the Engagement Lead sets the tone on the audit and leads by example with a clearly articulated audit strategy and commits a significant proportion of his time throughout the audit directing and supporting the team.

Association with right clients: We undertake rigorous client and engagement acceptance and continuance procedures which are vital to the ability of KPMG to provide high-quality professional services to our clients.

Clear standards and robust audit tools: We expect our audit professionals to adhere to the clear standards we set and we provide a range of tools to support them in meeting these expectations. The global rollout of KPMG's eAudit application has significantly enhanced existing audit functionality. eAudit enables KPMG to deliver a highly

technically enabled audit. All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.



Recruitment, development and assignment of appropriately qualified personnel:

One of the key drivers of audit quality is assigning professionals appropriate to the Authority's risks. We take great care to assign the right people to the right clients based on a number of factors including their skill set, capacity and relevant experience.

We have a well developed technical infrastructure across the firm that puts us in a strong position to deal with any emerging issues. This includes:

- A national public sector technical director who has responsibility for co-ordinating our response to emerging accounting issues, influencing accounting bodies (such as CIPFA) as well as acting as a sounding board for our auditors.
- A national technical network of public sector audit professionals is established that meets on a monthly basis and is chaired by our national technical director.
- All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.
- A dedicated Department of Professional Practice comprised of over 100 staff that provide support to our audit teams and deliver our web-based quarterly technical training.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

Quality must build on the foundations of well trained staff and a robust methodology.

Commitment to technical excellence and quality service delivery:

Our professionals bring you up- the-minute and accurate technical solutions and together with our specialists are capable of solving complex audit issues and delivering valued insights.

Our audit team draws upon specialist resources including Forensic, Corporate Finance, Transaction Services, Advisory, Taxation, Actuarial and IT. We promote technical excellence and quality service delivery through training and accreditation, developing business understanding and sector knowledge, investment in technical support, development of specialist networks and effective consultation processes.

Performance of effective and efficient audits: We understand that how an audit is conducted is as important as the final result. Our drivers of audit quality maximise the performance of the engagement team during the conduct of every audit. We expect our people to demonstrate certain key behaviors in the performance of effective and efficient audits. The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are outlined below:

- timely Engagement Lead and Senior Manager involvement;
- critical assessment of audit evidence;
- exercise of professional judgment and professional scepticism;
- ongoing mentoring and on the job coaching, supervision and review;
- appropriately supported and documented conclusions;
- if relevant, appropriate involvement of the Engagement Quality Control reviewer (EQC review);
- clear reporting of significant findings;
- insightful, open and honest two-way communication with those charged with governance; and
- client confidentiality, information security and data privacy.

Commitment to continuous improvement: We employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for improvement.

Our quality review results

We are able to evidence the quality of our audits through the results of Audit Commission reviews. The Audit Commission publishes information on the quality of work provided by KPMG (and all other firms) for audits undertaken on behalf of them (<http://www.audit-commission.gov.uk/audit-regime/audit-quality-review-programme/principal-audits/kpmg-audit-quality>).

The latest Annual Regulatory Compliance and Quality Report (issued June 2014) showed that we are meeting the Audit Commission's overall audit quality and regularity compliance requirements.

We are required to consider fraud and the impact that this has on our audit approach.

We will update our risk assessment throughout the audit process and adapt our approach accordingly.

Page 115

Managements responsibilities

- Adopt sound accounting policies.
- With oversight from those charged with governance, establish and maintain internal control, including controls to prevent, deter and detect fraud.
- Establish proper tone/culture/ethics.
- Require periodic confirmation by employees of their responsibilities.
- Take appropriate action in response to actual, suspected or alleged fraud.
- Disclose to Authority and auditors:
 - any significant deficiencies in internal controls.
 - any fraud involving those with a significant role in internal controls.

KPMG's identification of fraud risk factors

- Review of accounting policies.
- Results of analytical procedures.
- Procedures to identify fraud risk factors.
- Discussion amongst engagement personnel.
- Enquiries of management, the Authority, and others.
- Evaluate controls that prevent, deter, and detect fraud.

KPMG's response to identified fraud risk factors

- Accounting policy assessment.
- Evaluate design of mitigating controls.
- Test effectiveness of controls.
- Address management override of controls.
- Perform substantive audit procedures.
- Evaluate all audit evidence.
- Communicate to Authority and management.

KPMG's identified fraud risk factors

- We will monitor the following areas throughout the year and adapt our audit approach accordingly.
 - Revenue recognition.
 - Management override of controls.

The Audit Commission will be writing to audited bodies and other stakeholders in the coming months with more information about the transfer of the Commissions' regulatory and other functions.

Page 116

From 1 April 2015 Public Sector Audit Appointments Limited (PSAA) was established by the Local Government Association (LGA) as an independent company to oversee the Commission's audit contracts until they end in 2017 (or 2020 if extended by DCLG). PSAA's responsibilities will include setting fees, appointing auditors and monitoring the quality of auditors' work. The responsibility for making arrangements for publishing the Commission's value for money profiles tool will also transfer to PSAA.

From 1 April 2015, the Commission's other functions transferred to new organisations:

- responsibility for publishing the statutory Code of Audit Practice and guidance for auditors transferred to the National Audit Office (NAO) for audits of the accounts from 2015/16;
- the Commission's responsibilities for local value for money studies transferred to the NAO; and
- the National Fraud Initiative (NFI) transferred to the Cabinet Office.



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Agenda Item

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: OPERATIONS UPDATE	
REPORT OF: HEAD OF OPERATIONS	
FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 25 June 2015
SUMMARY OF REPORT This report provides information relating to the development of the Authority's operational services.	
RECOMMENDATIONS: The Authority is recommended to i) delegate authority to the Managing Director, in consultation with the Legal Adviser, to enter into a lease with LB Barnet for the Summers Lane re-use and recycling centre and an underlease or licence with LondonWaste Ltd (LWL), which will operate it, and to note the associated contractual work; and ii) note the information concerning bulky waste recycling, the Kings Road re-use centre, work with the London Waste and Recycling Board and other general operational matters.	

Signed by the Head of Operations:



Date: 15 June 2015

1. Introduction

- 1.1. The Authority has been working with LondonWaste Ltd (LWL) in finding opportunities to further promote re-use and recycling across the Authority area. The opportunities identified below in sections 1 and 2 were not included within the new Main Waste Contract as, at the time the contract was being finalised, the opportunities were either happening on a trial basis (bulky waste recycling) and therefore the benefits were still being understood; or they were at discussion stage (Kings Road re-use centre) and it was too early to implement within the new contract.
- 1.2. The Authority has also been asked by LB Barnet to take over the operation of the Summers Lane re-use and recycling centre (RRC).
- 1.3. Other matters covered in this report are developing work with the London Waste and Recycling Board (LWaRB) and general operational service matters.

2. Bulky Waste Recycling

- 2.1. Following the cessation of its commercial waste a year ago LWL concluded that its activities to separate recyclables from general bulky wastes (commercial and municipal) were uneconomic, and LWL therefore stopped doing this. However, in discussion with LWL and borough officers, Authority officers arranged a trial of increased direct deliveries by boroughs to the Edmonton EcoPark of wastes the boroughs categorised as 'bulky waste' in order to identify with certainty the amounts of recyclable material that could be recovered and ascertain the costs of such recovery, i.e. whether the recycling separation service could again be provided cost-effectively.
- 2.2. Initially the trial did not generate sufficient wastes for the LWL operation to be economically viable, but since Authority officers amended the trial so that LWL staff can identify and process additional suitable loads (that may have been delivered by the boroughs as street cleansing or fly-tipped wastes), LWL has accepted that it can operate economically and can promise to achieve a recycling rate of around 50%, based on 9,000 tonnes of material being processed.
- 2.3. In addition suitable loads delivered to Hornsey Street by boroughs are now being identified, bulked and then transferred to Edmonton for processing; and LWL is investigating if it can similarly arrange the transfer of suitable wastes from the Hendon transfer station.
- 2.4. During the period 6th July to 31st March 2015 LWL processed 5,459 tonnes and successfully separated 48.58% of the materials from the bulky waste. There are two nuances however. Firstly, the wood waste element is currently not 100% recyclable as the reprocessor sends the lowest quality element of the waste as biomass for energy recovery. Secondly, the hardcore (rubble) element can only count towards the Authority's recycling rate and not to the boroughs'.

- 2.5. In regard to borough recycling rates, as the vehicle (and therefore the borough) is being recorded as having delivered a load of suitable material the recycling benefit can be directly apportioned to boroughs. Given that the trial took place at the Edmonton EcoPark, the boroughs that ordinarily deliver bulky waste there showed higher levels of recycling during the trial, but as noted above work is underway to identify and divert loads from other boroughs that use a transfer station.

Bulky Waste Recycling Trial Tonnages

Material	Barnet	Camden	Enfield	Hackney	Haringey	Islington	Wal Forest
Wood	26.38	15.08	374.87	7.49	459.35	147.67	291.53
Paper/Card	1.83	1.29	32.08	0.71	38.69	12.52	24.07
Hardcore	10.93	6.76	159.08	3.47	196.41	64.64	123.47
Metal	7.91	4.76	108.64	2.39	135.52	45.09	85.34
Green Waste	0.40	0.28	9.95	0.16	11.12	3.13	7.03
Textiles	0.00	0.04	3.03	0.04	2.95	0.64	1.85
Hard plastics	0.25	0.22	6.62	0.14	7.56	2.28	4.67
Total	47.72	28.43	694.26	14.40	851.60	275.96	537.97

- 2.6. The trial identified that the cost of the service, including the net cost of recycling, is £18.98 for every tonne of waste processed. The annual cost of processing 9,000 tonnes through the picking station is therefore expected to be £170,820, but this may vary depending on any increases or decreases to the net cost of recycling. This has been discussed with borough officers, and it compares favourably with additional costs of recycling incurred by the boroughs.
- 2.7. In overall terms the amount in tonnes being apportioned amongst the boroughs should be in line with the previous residual recycling levels before the cessation of the bulky waste recycling activity last year noted above. This added around 0.5% to the Authority-wide recycling rate; however the benefit to individual boroughs may vary. Boroughs will be reminded that if the arrangement is to remain cost effective then materials that have a positive income must remain with the loads that are delivered and then processed.
- 2.8. LB Hackney already undertakes a similar operation at its Millfield depot from bulky wastes collected in the borough, and in tonnage terms achieves similar recovery to those allocated to those boroughs that can deliver the higher proportions of bulky wastes set out in the table above.
- 2.9. Officers will prepare a variation to the Main Waste Contract to regularise this new service.

3. Kings Road Re-use Centre

- 3.1 Prior to the transfer of the Kings Road RRC to the Authority in June 2012 a small re-use centre operated from the site. This centre was closed as LB Waltham Forest's previous RRC operations contract came to an end, and its contractor removed all its equipment from the premises.
- 3.2 As noted in the 2013/14 Annual Report, plans have been developed and started to be implemented for the provision of a new re-use centre at Kings Road, Chingford. During 2014/15 design proposals were drafted following best WRAP guidance and planning permission sought for a re-use centre. Work commenced in February 2015 and the centre will be finished very soon. The centre is expected to be operational in September 2015.
- 3.3 The shop will be stocked from re-use items collected from the RRCs under the Authority's control and LWL will employ two suitably experienced and trained staff to run the centre. The centre staff will be full time and the shop is expected to be open Thursday to Saturday between 9.00am -4.30pm. This will allow a further two days for staff to record and prepare all suitable items for sale. It will also provide scope for the centre to open a further one day a week should there be sufficient items to sell or the preparation of items is not as time consuming as anticipated.
- 3.4 It is proposed that LWL manages the re-use centre for 18 months during which time a full review will be carried out and a decision made on whether the re-use centre stays under LWL control or a contract sought with the third sector, and a procurement commenced for a separate organisation to operate the centre if that is the path chosen. In the meantime income received from the centre will be used to offset the re-use centre's operational costs, with any surplus amounts used to enhance the Authority's wider waste prevention work or other initiatives as agreed by Members from time to time.
- 3.5 Officers are developing a business plan, operational procedures and a communications plan for the re-use centre. LWL's work is initially being commissioned through the Main Waste Contract for this first period of operation of the re-use centre, and whilst LWL will be tasked with at least covering its own costs during the first 18 months there will be an exposure to some £55,000 of otherwise unbudgeted costs. Because the re-use centre will be drawing on items deposited at multiple RRCs, the operation will be treated as a general Authority project so that re-use tonnages and costs will both be shared between the constituent borough councils by reference to the same proportions (i.e. the 'other costs' element of the levy based on the council tax).

4. SUMMERS LANE (BARNET) RRC

- 4.1 On 11th June 2015 LB Barnet's Environment Committee considered a report that recommended the transfer of the operation of the Summers Lane Re-use and Recycling Centre (RRC) to the Authority. It is understood that LB Barnet agreed to the transfer.

- 4.2 The cost to the Authority of operating the Summers Lane RRC is estimated to be £751,000 full-year equivalent, based on information from LB Barnet. Unbudgeted expenditure in the current financial year will be recovered from LB Barnet.
- 4.3 It is therefore recommended that authority is delegated to the Managing Director, in consultation with the Legal Adviser, to enter into a lease with LB Barnet for the RRC and an underlease or licence with LondonWaste Ltd (LWL), which will operate it. The Main Waste Contract between the Authority and LWL permits new RRCs to be added; this will be done by the Head of Operations and the Legal Adviser.

5. LONDON WASTE AND RECYCLING BOARD

- 5.1 The Authority is seeking to engage support from the London Waste and Recycling Board (LWaRB) to assist with the development of a vision of how in practice a 50% re-use and recycling rate will be achieved in north London, and how the Authority and the constituent borough councils can be sure that their service planning will indeed lead progressively closer towards a more harmonised service offering that our relatively mobile population will find easier to follow. LWaRB will also be helping identify the most cost-effective way of doing this.

6. GENERAL OPERATIONAL SERVICES UPDATE

- 6.1 Services with all the Authority's waste services contractors have been good, with operations under the new main waste contract with LondonWaste Ltd having gone well. General contract monitoring activity is on target and tonnages are within budget.
- 6.2 In relation to the services for mixed dry recyclables, the two contractors have implemented the MRF code of practice¹ and are now supplying more detailed data about the quality of materials delivered. This is enabling the Authority to report borough-specific contamination rates for their delivered mixed dry recyclables, which will then feed through into the boroughs' published recycling rates.
- 6.3 The Authority continues to publish end destination information on its website, but officers are starting to record more detailed information on the national WasteDataFlow system in relation to end destinations of recyclable materials; this will feed through into nationally published data.

¹ Formally the Environmental Permitting (England and Wales) (Amendment) Regulations 2014

7. COMMENTS OF THE FINANCIAL ADVISER

- 7.1 The Financial Adviser has been consulted in the drafting of this report. It should be noted that the full costs of the bulky waste recycling proposals are not yet fully built into the Authority's budget as presented elsewhere on this agenda. They will however be incorporated into future budget reviews if approved by Members.

8. COMMENTS OF THE LEGAL ADVISER

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

Contact Officers:

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and Mark Partlett (Contracts Manager)
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REPORT ENDS

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: DCO CONSULTATION PHASE TWO UPDATE	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 25 JUNE 2015
SUMMARY OF REPORT: This report provides an update on Phase Two Consultation on the proposals for a replacement energy recovery facility at the Edmonton EcoPark and associated development.	
RECOMMENDATIONS: The Authority is recommended to note that Phase Two Consultation on the Proposals for a Development Consent Order has started, and the activity during consultation to date.	
SIGNED: DATE: 16 June 2015 	

1. BACKGROUND

- 1.1 The Authority is preparing to submit an application for the necessary planning permission for a replacement energy recovery facility (ERF) at the Edmonton EcoPark, as the existing energy from waste facility nears the end of its operational life. The anticipated timescale for moving from the existing facility to the new one is in 2025, following a transition period, with the decommissioning and demolition of the existing facility following in 2026/2028.
- 1.2 As the proposed ERF will produce more than 50 megawatts of electricity, the process for obtaining this permission is through an application to the Secretary of State for Energy and Climate Change, via the Planning Inspectorate (PINS), who run the process of consideration of the application. If approved, the application will lead to a Development Consent Order (DCO) which will include permission for the construction of the replacement ERF, the associated works, and the demolition of the existing facility.
- 1.3 Consultation with the public and with specific consultees is an essential part of the preparation of the application.
- 1.4 Responses received to the first phase of consultation, which took place between 28 November 2014 and 27 January 2015 were reported to the Authority meeting on 27 March, together with the Authority's responses. The Phase One Consultation Feedback Report is available through the North London Heat and Power project website.

2. PHASE TWO CONSULTATION

- 2.1 Phase Two consultation started on 18 May, and runs till 30 June, allowing just over six weeks for members of the public and statutory consultees to consider the Authority's proposals and provide comment. This section sets out the main issues raised under each theme, and the proposed responses.
- 2.2 The Consultation Booklet describes the scheme, and sets out the questions being asked, and the ways in which responses can be submitted. The Consultation Booklet is available online through the project website, and to all those who attend the exhibitions.
- 2.3 The questions in this round of consultation focus on seeking comments on the scheme as a whole, including the need for the proposals, in particular the replacement ERF, and on the new information contained in the Preliminary Environmental Information Report. The questions are set out in full in Appendix A to this report.
- 2.4 Consultee engagement for Phase Two has included:
For the local community:
 - Newsletter sent to over 28,000 residents and businesses in the vicinity of the EcoPark notifying them of the start of consultation;

- Leaflets in libraries and community centres in a wider area and throughout north London;
- Advertisements in local papers and through north London Council communications;
- Mobile community unit during the week 25 – 30 May near local shopping centres to raise awareness of exhibitions;
- Eight exhibitions during the period 3 to 13 June, at five different locations;

For Statutory consultees:

- Letters notifying them of the start of consultation and providing all the documentation which is relevant for the consultation (also available through the website);
- Meetings for consultees with specific interests in the site, such as LB Enfield, GLA, Environment Agency, Lee Valley Regional Park Authority, Thames Water.

Through social media, which is being monitored regularly:

- Facebook page;
- Twitter feed.

3.0 RESPONSES IN PHASE TWO

- 3.1 At the date of this report 27 responses have been received to the consultation. It is common for responses to be received late in a consultation period, and so far no substantive responses have been received from statutory consultees. It is too early to say whether any specific themes are emerging from consultation response.
- 3.2 The analysis of the responses will take place during July, and the suggested responses will be reported to Members for approval. A briefing note on the outcomes and the proposed responses will be supplied to Members following the analysis of the responses.

4.0 COMMENTS OF THE LEGAL ADVISER

- 4.1 Section 42 of the Planning Act 2008 requires the Applicant for a Development Consent Order to carry out consultation, and subsequent sections set out those who must be consulted. Section 49 requires the Applicant to take account of responses. PINS is required to consider the adequacy of consultation as part of its initial acceptance of the DCO application.

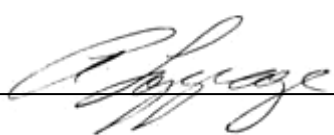
5.0 COMMENTS OF THE FINANCIAL ADVISER

- 5.1 The Financial Adviser has no comments on this report.

Contact:
Ursula Taylor
Head of Legal and Governance
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London N17 9LJ

APPENDIX A: PHASE TWO CONSULTATION QUESTIONS

- 1a: What are your views on our proposals, in particular the Energy Recovery Facility, Resource Recovery Centre and EcoPark House?
- 1b: What are your views on the need for the Project?
- 2: Do you have any comments on the information provided in the Preliminary Environmental Information Report?
- 3: What are your views on the design principles and the external appearance of the buildings?
- 4: What are your views on our proposed approach to landscaping?
- 5: Do you have any comments on which cooling system we should use?
- 6a: What are your views on our proposals to make additional site access points?
- 6b: What are your views on our proposals for a temporary laydown area to the east of the site?
- 6c: What are your views on our proposed approach to dealing with traffic during operation?
- 7: Do you have any comments on the information provided in the Water Transport report?
- 8: Is there anything else you think we should consider relating to the management of the construction period?
- 9: What are your views on our proposals for a Visitors' Centre?
- 10a: What are your views on the information we have provided during this phase of consultation?
- 10b: What more information would you have liked to have seen?
- 11: Do you have any other comments in relation to our proposals for a replacement facility?

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: CONSULTATIONS AND POLICY UPDATE	
REPORT OF: HEAD OF OPERATIONS	
FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 25 June 2015
SUMMARY OF REPORT: The report provides Members with the regular update on consultations and policy issues which have the potential to impact on Authority operations or activities.	
RECOMMENDATIONS: The Authority is recommended to: i) delegate authority to the Managing Director in consultation with the Chair and Vice Chairs to respond to the European Commission consultations on the 'circular economy' and on waste market distortions; ii) approve the draft Authority response to London Borough of Haringey commenting upon the Pinkham Way Alliance's response to London Borough of Haringey's Preferred Option Site Allocations Development Plan Document for the Pinkham Way site as attached as Appendix 1; iii) approve the officer response attached as Appendix 2 to this report to London Borough of Enfield's Local Flood Risk Management Strategy and to delegate authority to the Head of Operations in consultation with the Chair and Vice Chairs to respond to any other draft Local Flood Risk Management Strategies which are issued for consultation by the other six constituent north London boroughs; and iv) note the developments on LB Enfield's planning policy for decentralised energy, regional clinical waste management, regional recycling communications and using swept-up leaves to make compost as set out in this report.	
SIGNED:  Head of Operations DATE: 15 June 2015	

1. Purpose of Report

- 1.1 This report provides an update for Members on consultations and policy issues that are relevant to the Authority such that the proposals have the potential to affect the Authority's operations and/or costs. The report additionally seeks approval for responses where appropriate.

For decision

- European Commission consultations on the 'circular economy' and on waste market distortions (section 2).
- LB Haringey's Preferred Option Site Allocations Development Plan Document for the Pinkham Way site – Pinkham Way Alliance response (section 3).
- LB Enfield's Local Flood Risk Management Strategy, and other draft Local Flood Risk Management Strategy consultations (section 4).

For noting

- LB Enfield Draft Decentralised Energy Network Technical Specification Supplementary Planning Document (SPD) (section 5).
- Possible pan-London framework contract for the collection of residential clinical waste from self medicating and home (section 6).
- Joint recycling communications campaign and communications plans by Resource London (section 7).
- Issues around the suitability of leaves swept from pavements and streets to produce a quality compost (section 8).

2. European Commission Consultations on the Circular Economy Consultation and on Waste Market Distortions *(for decision)*

- 2.1 On 28 May the European Commission launched a 12-week public consultation on the main policy options which it says will feed into the development of an "ambitious new approach" on the circular economy.
- 2.2 The circular economy is one which "aims to maintain the value of the materials and energy used in products in the value chain for the optimal duration, thus minimising waste and resource use. By preventing losses of value from materials flows, it creates economic opportunities and competitive advantages on a sustainable basis." (EC Circular Economy Questionnaire, 28 May 2015).
- 2.3 The open-ended questionnaire which forms the consultation seeks views from interested parties across Europe on what should be included in its revised Circular Economy package, to be tabled by the end of the year. The questionnaire covers key elements likely to feature in the new package – production, consumption, the market for secondary raw materials, key industry sectors, and circular economy enablers such as innovation and investment. The Commission will also host a stakeholders' conference in Brussels on 25 June 2015 which it says will feed into the consultation process.

- 2.4 Proposed new recycling targets were originally put forward in July 2014 alongside a series of circular economy proposals drawn up by the former Environment Commissioner Janez Potočnik, but these were abandoned by the new Commission later in 2014 in favour of developing a 'more ambitious' policy package. The previous package included a target to boost the re-use and recycling of municipal waste to a minimum of 70% by 2030, a target to reuse or recycle 80% of packaging waste by 2030, and targets to ban the landfilling of recyclable plastics, metals, glass, paper and cardboard, and biodegradable waste by 2025.
- 2.5 The objective of the current consultation according to the Commission website is as follows; "to present a new, more ambitious circular economy strategy late in 2015, to transform Europe into a more competitive resource-efficient economy, addressing a range of economic sectors, including waste. The strategy will be fully aligned with the priorities of the new Commission. It will comprise a revised legislative proposal on waste and a Communication setting out an action plan on the circular economy for the rest of this Commission's term of office. The action plan will cover the whole value chain, and focus on concrete measures with clear EU added value, aiming at 'closing the loop' of the circular economy. The Commission is engaged in a thorough reflection on how the objective of circular economy can be reached in an efficient way that is fully compatible with the jobs and growth agenda."
- 2.6 Launching the current consultation, Environment Commissioner Environment Karmenu Vella said that "The circular economy is what we should aspire to. And it will be a big step forward. But let's remember that it is part of a bigger picture." He went on to urge participation in the consultation saying that "... this is a massive challenge, and that no sector of society can opt out of it. But it will be worth it. As already mentioned, the timetable for our consultation is clear. We need you to engage with us. That will help us produce the ambitious and useful proposal later this year, as we had promised."
- 2.7 The consultation does not repeat the previous targets noted above. Rather it comprises a questionnaire that is organised into sections including one on the production phase, one on the consumption phase and another on markets for secondary raw materials. Many of the consultation questions are closed questions asking consultees to rate priorities for action at an EU level in each area. The consumption phase section of the questionnaire asks consultees to prioritise products for action to promote more sustainable consumption patterns. Officers suggest that furniture, textiles and food and beverages would be key priorities for action, given the relatively high carbon contributions that a more sustainable approach would provide. Whilst furniture and textiles can be re-used, in the case of food and beverages, 'circularity' would be at the level of nutrients being returned to soils to aid the growth of new crops. These three material streams are NLWA priorities in our 2014-16 waste prevention plan.

- 2.8 In terms of end markets for secondary raw materials in the EU the consultation seeks comment on a series of suggested barriers to the development of secondary raw materials markets. From a technical perspective, quality standards can be a positive way of bringing the waste industry together with manufacturers (or farmers in the case of compost), as such standards give a trusted common point of reference for transacting. The Waste and Resources Action Programme (WRAP) in the UK has done much work in this area, and the former European programme of 'end of waste' criteria was aimed at the same outcomes. Key practical barriers are however likely to be the relative cost to manufacturers of recycled substitutes for their normal raw materials, and the acceptability to manufacturers' customers of products made from recycled materials. And the key barrier at the EU-level is likely to be achieving consensus amongst the Member States to the nature and speed of the changes to manufacturing, consumption and waste management systems that are required for an economy where resources cease to be harvested, used and disposed to one where they are used and recovered, reused and recovered time after time.
- 2.9 The Authority is recommended to delegate authority to the Managing Director in consultation with the Chair and Vice Chairs to respond to the consultation.
- 2.10 As this report was being finalised, the European Commission launched a separate consultation on waste market distortions, saying that "According to existing rules, waste to be prepared for re-use, recycled or subject to other recovery activities should move freely within the EU, without any unjustified restrictions. In some cases, however, the regulatory environment may hamper the efficient functioning of waste markets and fail to ensure optimal implementation of the waste hierarchy. Such regulatory failures may result from policy and legislative actions taken at EU, national, regional or local levels. Some may arise in connection with the application and interpretation of EU legal requirements or the Waste Shipment Regulation; others may be the result of national, regional or local rules and requirements which are not directly linked to EU legislation." A verbal update on this will be given at the meeting.
- 2.11 The Authority is therefore recommended to delegate authority to the Managing Director in consultation with the Chair and Vice Chairs to respond to this consultation.

3. London Borough of Haringey Preferred Option Site Allocations Development Plan Document (DPD) *(for decision)*

- 3.1 In March 2015 the Authority responded to the London Borough of Haringey's Local Plan Preferred Option Site Allocations Development Plan Document (DPD) consultation. The draft DPD introduces the key development sites which will accommodate the majority of development in the borough over the next 11 years. The document describes each site and sets out the proposed planning designation for those sites going forward.

- 3.2 Of specific relevance to the Authority was the Pinkham Way site which is included in the Site Allocations DPD. Pinkham Way is part owned by the Authority and part by London Borough of Barnet. Pinkham Way currently has dual planning designation for employment use and as a Site of Importance for Nature Conservation (SINC), borough grade 1. The Authority's response to the DPD consultation sought to retain the employment designation so that the site might be available for waste use.
- 3.3 Pinkham Way Alliance (PWA), which is a local group that opposes the development of the site for waste management, also responded to the Sites Allocation DPD. The PWA response seeks removal of the employment designation for the site.
- 3.4 Prior to completing its report on the consultation, London Borough of Haringey has supplied NLWA and London Borough of Barnet with a copy of the PWA's response (which concludes that the Pinkham Way site is unsuitable for development and that the employment designation should be removed). London Borough of Haringey has asked both owners to comment on the PWA response to the consultation. PWA has also been supplied with NLWA's and London Borough of Barnet's responses and similarly been asked to comment. London Borough of Haringey will take all the responses into consideration in coming to its conclusions about the future designation of the site.
- 3.5 If the employment designation for the site is removed and the site is only designated as a SINC, NLWA officers consider it unlikely to pass any screening assessment that might be used for sites to be included as an approved site for development for wastes management in the North London Waste Plan (NLWP). If Pinkham Way is excluded from the NLWP it will be very difficult for NLWA to seek a waste use on the site as it will have no planning designation for such use at either borough or sub-regional level. NLWA's draft response to London Borough of Haringey on this matter, which seeks to protect the employment status of the site, is enclosed at Appendix 1. Members are recommended to approve this draft response. In the 2013/14 accounts the part of the site in NLWA's ownership is valued at £11.1 million.

4. London Borough Enfield Local Flood Risk Management Strategy (LFRMS) – Draft (*for decision*)

- 4.1 The Government has recently given local authorities new powers to manage local flood risk in a more coordinated way. Enfield Council is now a Lead Local Flood Authority (LLFA) with responsibilities relating to local flood risk from surface water runoff, groundwater and small rivers, streams and ditches. Flooding from main rivers remains the responsibility of the Environment Agency.
- 4.2 On 31 March, i.e. after the last Authority meeting, London Borough of Enfield's Local Flood Risk Management Strategy (LFRMS) – Draft was issued for Public Consultation until 30 May. The Council was seeking the

views of residents and other risk management authorities to improve the suitability and effectiveness of this strategy, and to help ensure it meets the expectations and needs of local communities and other partners.

- 4.3 Officers asked the Authority's technical advisers AMEC Foster Wheeler to review the draft LFRMS, in particular to identify any potential impacts on the Edmonton EcoPark and the Authority's plans for the redevelopment of the site.
- 4.4 It was noted that many of the objectives of the Enfield LFRMS were standard, rather than Enfield specific and that the broad aims seem well thought through and well intentioned. Accordingly officers subsequently drafted a response. In areas in which officers consider the Authority should be broadly supportive, no comment has been made. The response has been submitted by the consultation deadline of 30 May as an officer response. Members are now recommended to approve the officer response enclosed as Appendix 2 to this report, in order that it can be confirmed as the Authority's formal response to the consultation.
- 4.5 As the other six north London boroughs in the Authority's area are also now 'Lead Local Flood Authorities' the Authority is additionally recommended to delegate authority to the Head of Operations, in consultation with the Chair and Vice Chairs, to respond to any other draft Local Flood Risk Management Strategies which are issued for consultation by the other six constituent boroughs.

5. London Borough of Enfield Draft Decentralised Energy Network Technical Specification Supplementary Planning Document (SPD)
(for noting)

- 5.1 London Borough of Enfield has published a Draft SPD for consultation which is intended to provide more technical guidance to those developments required to deliver a decentralised energy network (DEN) or connecting to an existing DEN in accordance with the policy objectives in Enfield's Development Management Document. The consultation document states that it is expected that Enfield's DEN proposal, the Lee Valley Heat Network, will use 'heat and steam from the Energy from Waste (EfW) facility at the Edmonton EcoPark'.
- 5.2 As a result of the above officers have reviewed the consultation and believe that it does not put constraints upon the development of the EcoPark site for waste use for the North London Heat and Power project. Officers have however written to LB Enfield to confirm that this is the case.

6. Clinical Waste *(for noting)*

- 6.1 Feedback from residents suggests that the current position is unclear regarding the disposal of clinical and offensive waste generated by self-medicating residents (individuals who are not receiving an on-going home

care service from the NHS) and home patients (individuals who are receiving ongoing clinical care from an employee of a healthcare provider organisation in the form of community nursing visiting and delivering clinical care in the home environment). Examples of the difficulties quoted include:

- no information from GP/pharmacy healthcare worker;
- access to local authority web information not easily accessible;
- GP/pharmacy who will not accept responsibility; and
- some research also suggests that local authority contact centres/customer services are giving variable information inconsistent with web information and in many cases it is unclear whether there would be a charge for the service to dispose of the waste.

As a result of the lack of clarity self medicating individuals often have difficulty in disposing of sharps and use their residual household bins for disposal.

6.2 NHS England and 'Resource London', which is a new jointly-funded support programme for London waste authorities delivered in partnership by the London Waste and Recycling Board and the Waste and Resources Action Programme, have been investigating whether it would be possible to develop a single access model across London which would also allow a single set of information to be available and would reduce confusion.

6.3 It is proposed that a broad specification for residential clinical waste be developed and tendered across the capital with the award of a framework contract that all could access. This could be supported by a management agent or hosted by one authority. Information is being collected currently, e.g. on local authority clinical waste collections, to assess the potential for this type of arrangement, and with the support of Resource London. If progressed, the proposal could impact upon the arrangements for clinical waste collection (and disposal) in north London. A future report will be brought back to Members as the work progresses.

7. Joint Recycling Communications Campaign (*for noting*)

7.1 The joint recycling communications campaign was launched in 2012 to address low recycling and composting performance across the NLWA area and support constituent boroughs' activity to promote recycling and our joint strategic vision of reaching 50% recycling rate by 2020. To date the campaign has been developed annually following approval of the Authority's budget, and a creative agency has been sought and appointed on an annual basis too. However, in February Members delegated authority to the Managing Director (in consultation with the Chair and Vice Chairs) to carry out a procurement exercise to appoint a consumer creative agency to develop a longer term, three year campaign in anticipation of thereby providing greater continuity in messaging for residents. Ricardo-AEA has been appointed as the campaign adviser to assist with this procurement, and work on the specification for the consumer creative agency is progressing as below.

- 7.2 Soft market testing has been undertaken by Ricardo-AEA and a number of consumer creative agencies have expressed interest in developing and delivering the joint recycling communication campaign.
- 7.3 As part of the initial research to identify agencies, London Waste and Recycling Board (LWARB) was also approached. LWARB explained their new partnership (Resource London) with WRAP which is designed to support and achieve the Mayor of London's 2020 recycling targets. They also provided more detail on their five year programme of work including a re-launch of the 'Recycle for London' (RfL) campaign in autumn 2015. Additional meetings between NLWA and Resource London officers have taken place and whilst Resource London's proposals are still being formulated it is clear that the Authority will need to consider how the joint recycling communications campaign plans will be impacted by the RfL campaign including in terms of messaging, branding and timescales.
- 7.4 To date, the RfL campaign has three priority areas:
- increasing recycling from flats;
 - reducing contamination and improving the quality of recycling; and
 - improving food waste reduction.
- It is anticipated that messages about recycling will be delivered using Recycle for London branding, and food waste reduction using Love Food, Hate Waste branding.
- 7.5 At the February Authority meeting Members decided that any updates about the joint recycling communications campaign would be brought to the Members Recycling Working Group to review the progress of the campaign on an ongoing basis. Given the developments with RfL, Authority officers will provide further details to the Members Recycling Working Group with a view to determining the best way forward for the north London campaign. The procurement work to appoint a creative agency to deliver the north London campaign has been paused until an agreed way forward is determined.

8. Recycling of Street Leaves (*for noting*)

- 8.1 Other local authorities are seeking to develop an evidence base by which it might become possible again to include leaves swept from pavements and streets as feedstock into compost facilities such as that at the EcoPark that are certified to produce a quality compost. Officers will engage in this work to establish whether this might apply in north London.

9. COMMENTS OF THE LEGAL ADVISER

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

10 COMMENTS OF THE FINANCIAL ADVISER

- 10.1 The Financial Adviser has been consulted in the preparation of this report and has no comments to add.

Local Government Act 1972 - Access to Information

Documents used:

Public Consultation on the Circular Economy, European Commission, 28 May 2015

http://ec.europa.eu/environment/consultations/closing_the_loop_en.htm

Public Consultation on the Functioning of Waste Markets in the European Union, 12 June 2015

http://ec.europa.eu/environment/consultations/waste_market_en.htm

Haringey's Local Plan Preferred Option Site Allocations DPD Consultation Document February 2015 Pinkham Way Alliance Representations, March 2015

<http://www.pinkhamwayalliance.org/#!/pwa-submissions/4579645927>

Local Flood Risk Management Strategy - Draft, London Borough of Enfield, March 2015

http://www.enfield.gov.uk/downloads/download/3384/local_flood_risk_management_strategy

Draft Decentralised Energy Network Technical Specification Supplementary Planning Document, For public consultation, London Borough of Enfield, May 2015

www.enfield.gov.uk/download/downloads/id/11868/draft_den_spd

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Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

1 Introduction

LB Haringey contacted the North London Waste Authority (NLWA) on 21 May 2015 and invited NLWA to comment on the Pinkham Way Alliance (PWA) submission to the Site Allocations DPD consultation. NLWA understands that this is reciprocal, and that PWA has been invited to comment on the NLWA's formal submission.

NLWA submitted their initial thoughts to LB Haringey on 28 May 2015. This document contains NLWA's further comments to assist LB Haringey.

The note responds to the points set out in the representations submitted by the PWA, comprising:

- PWA Representations on the Site Allocations DPD Consultation Document February 2015 (March 2015);
- Preliminary Ecological Appraisal Report (2013);
- Preliminary Invertebrate Survey 2014-2015 (2015);
- PWA Pinkham Way Strategic Risk Assessment (2015);
- Site Constraint Plans 1, 2 and 3 (2015);
- Haringey Green Corridor Aerial View (2015).

Where appropriate the LB Haringey Site Allocations DPD documents, including supporting evidence base, are referenced. These documents include:

- Site Allocations DPD Reg 18 Consultation Document (2015)
- Workspace Viability Assessment (December 2014)
- Site Allocation Viability Assessment (February 2015)
- Haringey Employment Land Study (2015)
- Local Plan: Strategic Policies 2013 – 2016 (2013)
- Unitary Development Plan - saved policies (2013)
- Haringey Biodiversity Action Plan (2009)
- Haringey Open Space and Biodiversity Study (2015)

1.1 Background

The NLWA and London Borough of Barnet own the site known as Pinkham Way. The NLWA owns the majority of the site. LB Haringey is familiar with the site's history and the NLWA's likely use of the site for waste management, and as such this is not repeated here.

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

NLWA has submitted representations to the Site Allocations DPD, which support retention of the site allocation for employment and acknowledge that any development would need to mitigate any likely significant effects on the Borough Grade I SINC.

1.2 Overview

The note is broken down into three sections – employment and viability, site suitability, and biodiversity and ecological value – following a similar structure to the PWA Representations document. In relation to these themes, it is concluded:

- **Employment and Viability:** There is negligible evidence to suggest the removal of employment status of the site and it is recommended that the Pinkham Way site remains designated as a Local Employment Area. The development of the site for owner occupier use, as would be the case if developed by NLWA for waste management uses, presents a viability picture different to that which would be faced by a speculative developer.
- **Site Suitability:** The majority of the site constraints identified can be overcome with a suitable design response.
- **Ecology designation:** The ecological designation is not inconsistent with employment designation and there are a range of options to deliver development that maintains biodiversity value.

NLWA strongly recommend that the Pinkham Way site remains designated as a Local Employment Area to ensure that the Borough maintains a supply of employment land to meet the needs of different employment uses. This upholds the recommendation set out in the Atkins Employment Land Study that the existing employment designation of the site should remain. The Atkins study states that the continuation of this designation should be subject to the results of a detailed development viability assessment. The NLWA do not believe that viability is a factor which currently prevents the delivery of the site for employment development.

2 Employment and Viability

2.1 Employment Site Allocation

The Pinkham Way site is currently designated as a Local Employment Area (LEA) within the Local Plan: Strategic Policies 2013 – 2016 (adopted March 2013) and a Defined Employment Area (DEA) and Employment Location (EL) within the Unitary Development Plan's saved policies (March 2013).

The site is also designated as a Draft Site Allocation within the Site Allocations DPD Reg 18 Consultation Document (February 2015) where it is listed as a Local Employment Area (LEA).

2.2 PWA Submission

The PWA submission to the Site Allocations DPD consultation concludes that *“the Pinkham Way site is unsuitable for development, that the employment designation should be removed”* (Paragraph

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

2.5 of the PWA Representations). The PWA representations are focused on its review of three documents prepared to support the DPD:

- Workspace Viability Assessment (GVA, December 2014);
- Site Allocation Viability Assessment (GVA, February 2015);
- Haringey Employment Land Study (Atkins, 2015).

2.3 Workspace Viability Assessment

Reference is made by the PWA to the Workspace Viability Assessment (GVA, December 2014).

Paragraph 1.2 of the Assessment states *“This study is not intended to replace the employment land review, rather it provides a more detailed assessment of the opportunity to deliver particular small business workspace types within a number of sites identified by LB Haringey officers. It seeks to establish, based on this sample, a broader set of principles to direct future workspace delivery within existing employment areas.”*

The study considers how the value of land across the borough affects potential workspace delivery and how employment can be intensified in a viable way (Paragraph 1.4). It sets a baseline understanding of the existing opportunities for small business workspaces on specific sites in Haringey along with setting a viability position of these sites. This is set within the context of the wider market for a range of workspaces in London, with a particular focus of multi-tenant spaces and those focused on new and emerging small businesses (Paragraph 1.7). Chapter 2 of the study provides a high level overview of the small workspace market context in London noting:

- Small business workspaces have their origins in creative industries and have now evolved into a range of types with more specialised spaces involving different industries, operators and sectors;
- There is a driving need for smaller workspaces in locations accessible to major corporate activity;
- An increase in creative, technology and design activity has resulted in a new wave of business and entrepreneurs that are seeking and favouring ‘non-traditional’ spaces; and
- Transport accessibility is a key factor that is likely to impact workspace growth in outer London - workspaces located here are usually located in area with the highest PTAL ratings.

Paragraph 3.10 of the Workspace Viability Assessment notes that the report does: *“not present an assessment of the general commercial space typologies of B1a office and B1c/B2 industrial premises, which are the dealt with within the Employment Land Review. The market for these types of space is well established with the core site drivers being linked to accessibility and the availability of good quality premises”*.

The PWA representations state that *“there was no mention of any work’s having been done on the Pinkham Way; indeed any mention of the site is omitted”* (Paragraph 3.2) and note *“PWA can only assume that the negative remarks in the Workspace Assessment mean either a) that the idea of assessing the site for mixed use was too impractical to be worth pursuing, or b) that an assessment was done but was too damning to be published”* (Paragraph 3.3).

Subject NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation

Date 5 June 2015

Job No/Ref 235271-05

The Workspace Viability Assessment is clear that it is not reviewing all types of employment floorspace and that it is focussed on the 'workspace' rather than B1a office and B1c/B2 industrial premises. On this basis it is understood that the sites included in the report have been selected for assessment where they are considered (by the Council) to be appropriate for workspace. Furthermore, Paragraph 6.4 of the Workspace Viability Assessment notes that Pinkham Way has "*limited workspace drivers to support future workspace delivery*" setting out the site would not be suitable for successful delivery of workspace. However, the report does not state that the Pinkham Way site is not suitable for other employment uses.

2.4 Site Allocation Viability Assessment

Reference is made by the PWA (see paragraph 3.2) to the Site Allocation Viability Assessment (GVA, February 2015). The representation queries the sites that have been assessed and the lack of information on the Pinkham Way site.

The Site Allocation Viability Assessment sets out a high-level assessment of 12 residential led sites within LB Haringey, to provide guidance on whether the proposed quantum and mix of floor-space indicates a viable scheme based on the current understanding of development capacity and site constraints (Paragraph 1.5). It is important to note that only 12 of the 62 sites contained in the Site Allocations DPD Consultation Document (LB Haringey, February 2015) have been considered within the Assessment, all of which are residential led sites. The Pinkham Way site did not form one of the 12 assessed sites and has not been included in the document as it is not a residential led development.

2.5 Employment Land Study

Reference is made by the PWA to the Employment Land Study (Atkins, 2015) where it references the Pinkham Way site (paragraphs 5.40-5.43). The Atkins study updates key elements of the 2012 Haringey Employment Study. The update provides up to date analysis of the Borough's overall employment land supply as well as an assessment of the likely demand for employment land and premises up to 2031. It also sets out recent changes to the strategic policy context for economic development and their implications for the supply and demand for employment land in Haringey.

2.5.1 Development Viability

Paragraph 3.6 of the PWA representations make direct reference to the Employment Land Study which sets out that the Pinkham Way site has been "*vacant / derelict for many years reflecting the difficulties in bringing it forward for development*" (Paragraph 5.40). They also make reference to Paragraph 5.42 of the Study which "*recommends a study should be undertaken to determine the feasibility and viability of the site for redevelopment for employment use*" and as the site has not yet been developed, make reference to the "*possibility that some form of cross subsidy will be required in order to bring the land forward for development*" (Paragraph 3.9 of the PWA representations).

The PWA query the availability of cross subsidy and reference the lack of assessment in the viability studies. The representation states "*cross subsidy therefore should no longer be considered an option for the [Pinkham Way] site.*"

Subject NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation

Date 5 June 2015 Job No/Ref 235271-05

The Atkins study simply states that cross subsidy may be required to make development for employment viable. However, the report does not state that cross subsidy is required and as such the point made in the representation is not relevant. Furthermore, no evidence has been provided by the PWA to illustrate why commercial employment development on the site would not be viable inclusive of site enabling costs. The development of the site for owner occupier use, as would be the case if developed by NLWA (with its statutory duties), presents a viability picture different to that which would be faced by a speculative developer. NLWA would not seek to develop the site through the form of a cross-subsidy, so although viability is always a consideration in the delivery of development proposals it is not felt that viability is an issue that prevents delivery of this site.

As part of its former procurement process to deliver new waste management facilities for north London, the NLWA explored proposals for waste use of the Pinkham Way site. The proposals were put on hold when the procurement process was abandoned (for reasons unrelated to the Pinkham Way site), but it is worth noting that the NLWA did not consider development of the site for waste management to be unviable.

2.5.2 Site Access

The Atkins Study notes:

“The site is located immediately adjacent to the North Circular Road (A406) and is accessed directly from this major arterial route via a junction with the B550 approximately 200 metres to the west (Paragraph 5.39)”.

The PWA disputes this description of access to the site noting *“there is no ‘direct access’ to the ‘major arterial road’”* (Paragraph 3.11 of the Representations).

The site’s proximity to the A406 which forms part of the strategic trunk road network has been a key factor for the NLWA in assessing the suitability of the site for waste use, and was also a criterion that was used by the NLWP in identifying and assessing potential new sites.

Vehicular access to the site exists via the existing roundabout at the junction of Pegasus Way / Orion Road, which is accessed from Atlas Road. These access roads to and from the site are non-residential slip-roads off a major dual carriageway to a site that is immediately adjacent to that dual carriageway.

The Atkins Study also notes:

“The site does not appear to be an attractive B1 location. It is not close to any London Underground stations and the nearest railway station (New Southgate) is approximately 15 minutes away on foot (Paragraph 5.41)”.

The site has not been promoted as suitable for Class B1 development. As outlined above it has a role to play in meeting the need for other employment uses.

The site is readily accessible by car, foot and bicycle, train, and bus:

- Vehicular access to and from the site is achieved from Pegasus Way and Orion Road.

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

- Pedestrian routes are available on the surrounding street network and a footbridge, located approximately 150m to the west of the site, provides a pedestrian connection between Orion Road and Atlas Road across the A406.
- New Southgate railway station is approximately 15 minutes (and 0.5km) away on foot and Arnos Grove Underground Station and Bounds Green Underground Station are approximately 1km away on foot.
- The nearest bus service to the site operates along the A406 (route 232) with stops located immediately to the west of the Pegasus Way bridge. Additional bus services (routes 43, 134 and 234) operate on Colney Hatch Lane with stops some 900m west of the site, and on Station Road / Bounds Green Road (route 221) with stops some 950m east of the site. National Rail services are available at New Southgate station which is approximately 900m north of the site.

2.5.3 Preserving Land for Waste Uses

Paragraph 3.15 of the PWA representations note *“There is no such current evidence on which to base any such assumptions for the Pinkham Way site”* in relation to the suitability of the site for waste.

The need to accommodate waste use in particular is reinforced by Policy 5.17 F Waste Capacity of the London Plan 2015 which states: *“Boroughs must allocate sufficient land and identify waste management facilities to provide capacity to manage the tonnages of waste apportioned in this Plan. Boroughs may wish to collaborate by pooling their apportionment requirements.”* The Policy also supports the improvement of “London’s net self-sufficiency through reducing the proportion of waste exported from the capital over time”.

This process is to take place in the form of the North London Waste Plan for which consultation on a draft plan is due in the Summer/Autumn of 2015. In the previous submission draft of the North London Waste Plan the site was allocated for waste use, and it would be premature to assume a different outcome at this stage.

What is relevant to acknowledge in response to the PWA representations is that municipal waste management in particular is an employment use that benefits from proximity to the areas served. Within North London there are limited site options available to offer proximity to the population served.

3 Suitability of the Site

The NLWA has reviewed Section 4 of the representations made by the PWA and the associated documents they make reference to (Risk Assessment, Site Constraints Plans 1, 2 and 3 and Haringey Green Corridor Aerial view). Set out below is a response to the key issues highlighted by the PWA. Firstly it is relevant to note that the PWA is quoting the NLWA’s own document prepared for the site, specifically a scoping report that was prepared to agree the scope of an environmental impact assessment for the site. Any application for development would be likely to require an environmental impact assessment and the findings of that process would inform design

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

development and mitigation measures to address site constraints. The NLWA note that many of the site constraints identified can be overcome with a suitable design response.

Ground levels: The difference in ground levels on the site does not make the site unviable/unsuitable for development and can be overcome with a suitable design response. Mitigation could include the re-use of on-site materials to re-grade parts of the site would keep the import/export of soil to a minimum. For waste related uses, some variations in height can be helpful as bunkers would have to be provided for waste delivered to the site.

Land contamination: Historically the site was a sewage treatment works and subsequently it was used for landfill by the London Borough of Barnet. The remnants of the sewage treatment works which closed in the 1960s are visible at the northern end of the site. There is also evidence of uncontrolled fly tipping following closure of the sewage treatment works. This includes abandoned cars, empty oil drums, tyres and electrical appliances which are found across the site. The existing land contamination precludes the use of the site as a public amenity unless remediation works are undertaken. Ground remediation works would need to take place prior to any development on the site. Remediation is undertaken on many sites as part of development and there is a large body of evidence which sets out best practice. Any development proposals for the site would need to demonstrate how remediation would be achieved.

Existing culvert: A culvert has been identified as running across the site on an approximately south east to north west axis. The culvert is in very poor condition and shows evidence of blockages and collapse. The culvert is fully covered and designed to take runoff from an open culvert on Muswell Hill Golf Course down into Bounds Green Brook which runs along the north side of the A406. The existing culvert does not prevent or constrain development of the site and could be incorporated into scheme proposals.

Impact to Pinkham Way SINC: Refer to Section 4 for further detail on the perceived impact to the Pinkham Way SINC.

Impact on adjacent SINC and MOL: Refer to Section 4 for further detail on the perceived impact on the adjacent SINC and MOL.

Site Access (strategic road network and public transport): The site's proximity to the A406 which forms part of the strategic trunk road network has been a key factor for the NLWA in assessing the suitability of the site for waste use. Furthermore, the site is accessible by car, foot and bicycle, train, and bus. Refer to Section 2.3.3 for further detail on site access.

Employment Benefit: There are no current development proposals for the site so employment figures are not known. Employment land is required for a range of employment functions, such as for sites for industrial, warehousing and waste to ensure that there is opportunity for a range of employment uses. Any planning application for the site would consider likely employment generation by the proposed development.

Air Quality: Air quality would be assessed as part of an Environmental Impact Assessment submitted with a planning application.

Noise Pollution: The impact of noise can be mitigated through good design. Through development of proposals for the site it would be possible to locate the waste facility closest to existing noise

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

sources and changes of levels and bunding within the site can assist in minimising any noise associated with operation of the site.

4 Biodiversity and Ecological Value

The NLWA has reviewed Section 5 of the representations made by the PWA and sets out below a response to each of the points.

4.1 Changing Emphasis to Policy

Paragraphs 5.1 to 5.2: NLWA's position upon purchasing the site does not have a bearing on the independent assessment of the ecological value of the site and its feasibility for development.

Paragraphs 5.3 to 5.17: Planning policy and biodiversity guidelines, including those described above, would inform the design of the future development of the site. It is recognised that some habitats would need to be cleared to facilitate a level of development, meaning that it would not be possible to retain all areas of the SINC. However, in order to gain planning permission, it would be necessary to provide an overall net gain in biodiversity value, where possible, in accordance with the National Planning Policy Framework¹ (NPPF), appropriately balanced against employment needs given the dual designation of the site. Any future proposals for the site would need to provide the relevant ecological baseline and assessment, following the principles of the mitigation hierarchy, in order to inform a planning decision.

While not questioning the existing ecological value of the site, a number of the habitat areas present are in sub-optimal condition that could be improved upon through active management. Therefore, the delivery of net gain, as part of a planning application, could be achieved through a combination of new habitat creation, plus enhancements to and management of retained habitat areas, together with the provision of off-site offsetting, if required to address additional residual impacts. As outlined in a Scoping Report submitted to LB Haringey in March 2011 for the site, "*consultation with Haringey Council is required in order to agree appropriate on-site or off-site mitigation options, to offset the loss of all or part of this non-statutory site.*" These combined measures would, in part, aim to support notable plant species for which the SINC is designated.

4.2 Haringey Open Space and Biodiversity Study (Land Use Consultants, 2015)

Paragraph 5.18: The Pinkham Way site is a SINC 1 Borough Importance.

Paragraphs 5.19 to 5.23: Ecological connectivity and fragmentation could be addressed by a planning application by maintaining and enhancing the ecological corridor along the northeast boundary. Any future proposals impacting upon connectivity and/or causing fragmentation would need to address this issue. The protection and enhancement of SINCs, as well as the connectivity between them, is not for the NLWA to comment upon.

¹ Department for Communities and Local Government, (2012); 'National Planning Policy Framework.

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

No criteria for ecological value is provided in the methodology for the biodiversity assessment within the Haringey Open Space and Biodiversity Study, with this evaluation being the surveyor's opinion, with no means for comparison. The site visit was completed in two hours and comprised a walkover of the site. An assessment of ecological value, such that would be provided in an ecology chapter of an Environmental Statement to support a planning application, would be based on extensive survey work, including habitat and protected species surveys, and a detailed desk based review. While it is considered that the methodology for the biodiversity assessment is appropriate for the study in question, that is to audit multiple SINC's and identify any changes to their status, it is important that this statement is not taken out of context or given more weight than was intended.

SINC's are protected through planning policy, primarily the NPPF, London Plan² and Haringey's Local Plan. This policy framework requires adherence to planning policy as part of the planning process, such that appropriate measures would need to be implemented as part of a future development to ensure compliance with these policies. Haringey's Local Plan states:

- *"All development shall protect and improve sites of biodiversity and nature conservation, including private gardens through its:*
 - *Contribution to wildlife and ecological habitats and, where possible, include green and brown roofs, rainwater harvesting, green walls, bird and bat nesting/roosting opportunities;*
 - *Protection, management and maintenance of existing trees and the planting of new trees where appropriate; and*
 - *Protection, enhancement and creation of Sites of Importance for Nature Conservation (SINC's)..."*

Paragraph 5.24: It has not been made clear why the ongoing treatment of invasive species would be contentious. It is in the interests of all parties involved to treat invasive species, to ensure compliance with the Wildlife and Countryside Act 1981³ (as amended) concerning the spread of invasive species and avoid risks associated with contamination of the site post-development and damage to man-made structures. NLWA therefore continues to treat them.

Paragraphs 5.25 to 5.26: As indicated previously, planning policies require the protection of SINC's, which would need to be addressed within plans for the future development of the site. Detailed design review would need to identify opportunities to support notable species and habitats associated with the SINC as part of the development, with provision of offsite enhancements and/or habitat creation where applicable.

Paragraph 5.27: The commitment of residents to promote biodiversity has been recognised, but it is not currently feasible to undertake such work at the site. There are many local conservation initiatives that would welcome volunteers.

Paragraphs 5.28 to 5.33: As well as being wasteland priority habitat under the London BAP, the site falls under the criteria of Open Mosaic Habitats on Previously Developed Land under the

² Greater London Authority, (2015); 'The London Plan. The Spatial Development Strategy for London. Consolidated with Alterations since 2011.'

³ Her Majesties Stationary Office (HMSO), (1981); 'Wildlife and Countryside Act 1981.'

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

former UK Biodiversity Action Plan (BAP)⁴ and Section 41 list⁵. The UK BAP is relevant in the context of Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006⁶, meaning that Priority Species and Habitats are material considerations in planning. Species listed on the Section 41 list are of principal importance in conserving biodiversity in England, as required under Section 41 of the NERC Act 2006⁷. Section 41 requires the Secretary of State to further the conservation of the living organisms and types of habitat included in any list published under this section. Wastelands are recognised to be of conservation importance and are protected.

There are numerous case studies of developments that have recognised the value of brownfield land for a number of key species, including black redstart *Phoenicurus ochruros*, and have incorporated features such as green and brown roofs, including those at Deptford Creek. The framework of legislation does not prohibit development, but rather provides a mechanism for ensuring adequate mitigation and compensation is incorporated into developments. This is deemed appropriate, given the demands for land, for housing in particular, and the comparable value of greenfield sites, including for wildlife and biodiversity. The designation of the site as a SINC and presence of former UK BAP habitat does not necessarily mean that the site is wholly unsuitable for development. Survey work has identified important habitats at the site, but natural succession and the spread of invasive species means that much of the site is in sub-optimal condition. As a result of this succession, the wasteland habitat component of the site is now relatively restricted in extent, with much of the area dominated by grassland and secondary woodland growth. Therefore, the priority for development would be to protect, but also to restore and enhance important ecological features, to maximise their value and compensate for an overall reduction in habitat area.

4.3 The Preliminary Ecological Appraisal 2013

Paragraphs 5.34 to 5.41: It is recognised that these habitats and species have been recorded at the site; such findings are in line with previous surveys commissioned at the site. However, it is considered that a future development could mitigate for potential effects on these features as part of the landscape strategy and where appropriate potential off-site compensation. Further survey work would be needed to clarify precise ecological requirements. This work would be carried out in conjunction with detailed design, to determine evolving opportunities and constraints.

Development of the site would provide an opportunity to create suitable habitat for notable plant species for which the site is designated (bee orchid and golden dock). The same applies regarding the control of invasive species, tall ruderal vegetation and succession to woodland and scrub. Development would prioritise important habitats and those supporting notable and protected species. As previously stated, at least the majority of mature trees, some of which have TPOs, located around the periphery of the site would be retained and protected as part of a future development.

⁴ UK Biodiversity Partnership, (2011); 'UK Biodiversity Action Plan.' Available at: <http://jncc.defra.gov.uk/page-5705>.

⁵ Secretary of State, (2010); 'Section 41 of the Natural Environment and Rural Communities (NERC) Act 2006 - Habitats and Species of Principal Importance in England.'

⁶ HMSO, (2006); 'Natural Environment and Rural Communities Act.'

⁷

Subject	NLWA's Comments on PWA Representations to Haringey Site Allocations DPD Consultation		
Date	5 June 2015	Job No/Ref	235271-05

It is recognised that there are other SINCs within 2km of the site and that the site promotes connectivity. Future development of the site would maintain and enhance the ecological corridor, as previously stated. The other designated sites would be considered as part of the review of baseline conditions, including an assessment of potential effects.

4.4 The Invertebrate Study February 2014-2015

Paragraphs 5.42 to 5.51: It is agreed that further invertebrate survey work should be carried out, considering all habitats within the site that have the potential to support notable invertebrate assemblages, as well as other species groups. Wasteland habitats typically support diverse invertebrate assemblages and completion of such work would inform the landscape strategy for the site. Such work would be reflected in any ecological assessment to support a planning application.

Consideration of lichens and mosses in the statement from the Open Mosaic Habitat Survey Handbook does not directly imply that the site is important for these groups, or that survey work should be carried out. However, the requirement for such work would be considered as part of a package of surveys to inform a future planning application.

4.5 Nature Conservation of the Site

Paragraphs 5.52 to 5.54: The need for open space is recognised. However, there are other competing needs for the borough, which have been considered and have informed designation of the site for employment use. There is reference to development in LB Enfield and in bringing forward those proposals the Council should have considered its open space requirements, and it should not be assumed that the Pinkham Way site is required. Any future development proposals for Crossrail and associated or related development would also have to set out how any open space requirements are to be met and would be objectively assessed as part of the process for securing consents for those developments.

Paragraphs 5.57 to 5.58: As highlighted previously, such endeavours would be welcomed by many conservation groups and such work could be focussed off-site, potentially as part of any additional provisions made by the future development of the site. However, the PWA is setting out proposals for land over which it has no control and which are tangential to the issue of the site's designation in the Plan.

Paragraph 5.59: As previously stated the PWA is setting out proposals for a site over which it has no control.

Paragraph 5.60: A Flood Risk Assessment would be carried out to inform a future planning application for the site, which would consider options for flood alleviation.

Paragraph 5.61: The option to de-culvert the watercourse would be considered as part of a future planning application in line with the Environment Agency's guidelines.

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Appendix 2

By email to flooding@enfield.gov.uk

Local Flood Risk Management Strategy Consultation
Highway Services
Enfield Council
Civic Centre
Silver Street
Enfield
EN1 3XA

**North London
Waste Authority**

Unit 1B
Berol House
25 Ashley Road
Tottenham Hale
London N17 9LJ

T 020 8489 5730
E post@nlwa.gov.uk
W nlwa.gov.uk
wiseuptowaste.org.uk

29th May 2015

Dear Sir or Madam,

RE: North London Waste Authority (NLWA) response to the Local Flood Risk Management Strategy Consultation

1. Thank you for providing North London Waste Authority (NLWA) with an opportunity to comment upon the above document; please see NLWA's comments below.
2. The NLWA is a statutory waste disposal authority that is responsible for managing local authority collected waste from seven north London Boroughs including Enfield. The Authority wholly owns LondonWaste Ltd which owns and operates the Edmonton EcoPark, a site which lies between the Salmons Brook and the River Lee Navigation. The Environment Agency has designated part of the EcoPark site as Flood Zone 2 and it is therefore considered likely that the site could be affected by this Strategy.
3. Specific responses to the questions in the consultation document are made in the following paragraphs. Only questions where the Authority wishes to comment are included.
4. Question 3. "Are there any flood risk issues in the borough you are aware of that are not mentioned in this strategy?" The Strategy does not address the problems that can be caused by misconnections to the sewer system. Apart from the health risks associated with foul sewage discharging into the surface water system there is a potential for blockages that could lead to flooding.

Appendix 2

5. Question 4. “Are there any additional partners we should be working with to reduce flood risk that are not mentioned in this strategy?” The Authority intends to redevelop the Edmonton EcoPark in the future and will work with Enfield Council on any flood alleviation measures as may be needed in accordance with the Edmonton EcoPark Planning Brief (Supplementary Planning Document to the Local Plan), May 2013.
6. Question 7. “Do you agree that it is important that flood management measures aim to deliver wider environmental benefits as well as flood risk management benefits?”
There is an opportunity for flood management measures to deliver wider environmental benefits, but these should only be realised when they are cost effective and proportionate to the scale of the measures.

Please note that this is an Officer response and is subject to approval at the Authority Meeting on 25 June 2015. If you have any questions about these comments, please do not hesitate to contact me.

Yours sincerely,

Andrew Lappage
Head of Operations

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: REVIEW OF AUTHORITY STANDING ORDERS	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO: AUTHORITY MEETING	DATE: 25 JUNE 2015
SUMMARY OF REPORT: this report provides a review of standing orders in the light of legislative change, and proposed updates to Standing Orders for approval.	
RECOMMENDATIONS: That the Authority 1. Note the review of Standing Orders has taken place in the context of changes to relevant legislation; 2. Agree the proposed amendments to the Standing Orders set out in the tracked version at Appendix A and that the updated Standing Orders be published on the Authority's corporate website. Members are asked to indicate if they are willing to receive Authority agendas by electronic means only.	
 SIGNED: NAME: .Managing Director DATE: .16 June 2015.....	

1. PURPOSE OF REPORT

This report provides a review of the Authority's Standing Orders in the light of recent legislative changes, and proposes for approval changes which are required, together with minor amendments to other section.

2. BACKGROUND

A review of the Standing Orders has been conducted in the context of recent changes to:

- EU and UK procurement legislation and to effect better practical arrangements for contract letting;
- changes to the rules that govern the right of the public to record Authority meetings; and
- the relaxation of the rules to allow summons for Members for Authority meetings to be sent by electronic means

3. CHANGES IN PROCUREMENT LEGISLATION

3.1. The Public Contracts Regulations 2015 implement new EU Directive 2014/24/EU in England and Wales and came in force on 26 February 2015. The new Regulations replace the 2006 Regulations and will apply to new contracts advertised in the Official Journal of the European Union after 26 February 2015. Contracts and framework agreements entered into under the 2006 Regulations will continue to be governed by those regulations.

3.2. Procurement processes for EU tendered contract remain largely the same with some notable differences:

- New exclusion for in house contracts (codifies the *Teckal* case);
- New exclusion joint cooperation between contracting authorities (codifies the *Hamburg* case);
- For services, there is now no Part A/B distinction;
- New rules on advertising for contracts valued at or above £25,000 but below the EU thresholds (£172,514 for goods and services and £4,322,012 for works);
- Requirement for post award reporting and longer retention period for procurement and contract documents;
- Requirement for contractors and sub-contractors to be paid within 30 days of the submission of a valid and undisputed invoice.

3.3. Changes are proposed to the Contract Standing Orders to reflect the new Public Contracts Regulations 2015.

4. RIGHT FOR THE PUBLIC TO RECORD MEETINGS

4.1. There have been changes to local government legislation that affect NLWA, which now allow members of the public to film, photograph, or

make sound recordings of Authority meetings. No prior consent or permission is required and the requirements apply to all Part I proceedings of full Authority meetings and any Urgency committee meetings.

4.2. The rules on public recordings do not apply to member working groups or steering groups. Members of the public are expressly allowed to publish their recordings, and can do so on social media websites. However, the public can still be excluded from all Part II proceedings.

4.3. The Standing Orders currently contain a prohibition of public recordings of meetings without the Authority's prior consent (at A.11). This provisions needs to be updated to allow recording without prior consent. Provisions relating to the Chair's ability to control disruptions to meetings should also been updated to include disruptions caused by a recording of the meeting.

5. OTHER CHANGES

5.1. A number of minor amendments are also proposed to:

- allow for Members to receive summons and agendas for Authority meetings by electronic means if they so elect;
- clarify the roles of Members and the Managing Director in the appointment of officers and staff;
- delegation to the Managing Director in the absence of the Clerk; and
- updated legislation mentioned in the Financial Standing Orders, namely the Audit Regulations 2015

5.2 Members are requested to indicate if they are willing to receive the agenda for Authority meetings by electronic means only.

6. COMMENTS OF THE LEGAL ADVISER

6.1. Comments of the Legal Adviser are incorporated into the body of the report.

7. COMMENTS OF THE FINANCIAL ADVISER

7.1. The Financial Adviser has been consulted in the preparation of this report and has no further comments to add.

Appendix A: Draft Standing Orders June 2015

REPORT ENDS

Ursula Taylor
Head of Legal & Governance
NLWA
020 8489 4306
Ursula.taylor@camden.gov.uk

Standing Orders

June 2015



**NORTH LONDON WASTE AUTHORITY
STANDING ORDERS**

TABLE OF CONTENTS

Item	page
Contents.....	2
SECTION A - STANDING ORDERS FOR MEETINGS OF THE AUTHORITY	5
A.1 GENERAL	5
A.2 OBJECTS.....	5
A.3 MEMBERSHIP OF THE AUTHORITY	6
A.4 MEETINGS OF THE AUTHORITY	8
A.5 APPOINTMENT OF COMMITTEES	9
A.6 CHAIR AND VICE CHAIRS.....	10
A.7 QUORUM.....	10
A.8 ATTENDANCE RECORD	11
A.9 ORDER OF BUSINESS	11
A.10 ADJOURNMENT OF MEETINGS	12
A.11 RECORDING OF MEETINGS.....	12
A.12 MINUTES	12
A.13 LONDONWASTE BOARD APPOINTMENTS	13
A.14 ADMISSION OF PRESS AND PUBLIC.....	13
A.15 DISRUPTION OF MEETINGS	13
A.16 RULES OF MEETING	14
A.17 DEPUTATIONS.....	15
A.18 VOTING	16
A.19 COMPLETION OF BUSINESS	16
A.20 CODE OF CONDUCT	17
A.21 DECLARATION OF INTERESTS.....	17
A.22 RECEIPT OF HOSPITALITY, GIFTS ETC.....	17
A.23 CUSTODY OF SEAL.....	17
A.24 SEALING OF DOCUMENTS.....	18
A.25 AUTHENTICATION OF DOCUMENTS FOR LEGAL PROCEEDINGS	18
A.26 INSPECTION OF DOCUMENTS	18
A.27 DISCHARGE OF FUNCTIONS	18
SECTION B - STANDING ORDERS RELATING TO COMMITTEES.....	21
B.1 POWERS DELEGATED TO COMMITTEES	21
B.2 MATTERS REQUIRING THE DECISION OF THE AUTHORITY.....	21

B.3 URGENCY COMMITTEE.....	21
B.4 DISCHARGE OF FUNCTIONS BY COMMITTEE	22
B.5 CHAIRS OF COMMITTEES.....	22
B.6 NOTICE OF MEETINGS	22
B.7 CANCELLATION OF MEETINGS	23
B.8 SPECIAL MEETINGS	23
B.9 ORDER OF BUSINESS AT COMMITTEE MEETINGS.....	23
B.10 MINUTES	24
B.11 QUORUM.....	24
B.12 PROCEDURES AT COMMITTEE MEETINGS	24
B.13 ATTENDANCE AT COMMITTEE MEETINGS	24
APPENDIX A - TERMS OF REFERENCE OF COMMITTEES.....	26
1. URGENCY COMMITTEE.....	26
APPENDIX B - DELEGATED AUTHORITY TO OFFICERS.....	27
1. CLERK	27
2. MANAGING DIRECTOR AND DEPUTY CLERK (“the Managing Director”)	27
3. LEGAL ADVISER.....	29
4. FINANCIAL ADVISER.....	29
5. ENVIRONMENT ADVISER.....	30
6. HEAD OF OPERATIONS.....	31
7. PROPERTY ADVISER.....	31
8. PLANNING ADVISER	31
9. HEAD OF FINANCE	32
10. HEAD OF LEGAL AND GOVERNANCE.....	32
11. DELEGATION TO SUBORDINATE OFFICERS	33
SECTION C- CONTRACT STANDING ORDERS	34
C.1 INTRODUCTION.....	34
C.2 THE ROLE AND RESPONSIBILITIES OF OFFICERS.....	34
C.3 THE ROLE AND RESPONSIBILITY OF THE AUTHORITY.....	35
C.4 SCOPE OF CONTRACT STANDING ORDERS	35
C.5 CALCULATION OF CONTRACT VALUES	36
C.6 WAIVER OF CONTRACT STANDING ORDERS	37
C.7 APPROVED LIST.....	37
C.8 USING APPROVED LISTS.....	38
C.9 SELECTIVE TENDERING - AD HOC LIST	38
C.10 RECEIPT AND OPENING OF TENDERS.....	38
C.11 CONTRACT AWARD.....	39

C.12 POST TENDER NEGOTIATIONS.....	40
C.13 TERMINATION OF CONTRACTS	40
C.14 REMOVAL OF CONTRACTORS FROM APPROVED LIST	40
C.15 CONDITIONS APPLYING TO CONTRACTS.....	41
C.16 VARIATIONS	42
C.17 NOVATIONS (TRANSFERS).....	43
SECTION D - FINANCIAL STANDING ORDERS	44
INTRODUCTION	44
D.1 FINANCIAL ADMINISTRATION.....	44
D.2 FINANCIAL PLANNING	45
D.3 PREPARATION OF THE REVENUE BUDGET	45
D.4 SETTING THE ANNUAL BUDGET AND THE LEVY AND CHARGES	46
D.5 MONITORING AND CONTROL OF THE REVENUE BUDGET.....	46
D.6 PREPARATION OF THE CAPITAL PROGRAMME.....	48
D.7 MONITORING AND CONTROL OF THE CAPITAL PROGRAMME	48
D.8 LEASES	49
D.9 TREASURY MANAGEMENT	49
GLOSSARY	51

SECTION A - STANDING ORDERS FOR MEETINGS OF THE AUTHORITY

A.1 GENERAL

A.1.1 Standing Orders to be given to Members

The Clerk will provide these Standing Orders to each Member of the Authority.

A.1.2 Interpretation of Standing Orders

The ruling of the Chair as to the construction or application of any of these Standing Orders shall not be challenged at any meeting of the Authority or its Committees.

A.1.3 Suspension of Standing Orders

Any of these Standing Orders may be suspended provided that at least seven Members of the Authority are present and on voting so decide. The mover of the motion shall specify which Standing Order and the duration and purpose for which it is to be suspended.

A.1.4 Variation and revocation of Standing Orders

Any motion moved at a meeting of the Authority to add to, vary or revoke these Standing Orders shall, when proposed and seconded stand adjourned without discussion to the next ordinary meeting of the Authority, providing that at least ten Members of the Authority are present and so decide.

A.2 OBJECTS

A.2.1 Statutory Waste Authority

The Authority is established as a statutory joint waste disposal authority under Schedule 1 to the Waste Regulation and Disposal (Authorities) Order 1985. The Authority's main waste disposal functions are set out in section 51 the Environmental Protection Act 1990 as follows:

- (a) To make arrangements for the disposal of waste collected by the Constituent London Borough Councils, being: Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest;
- (b) To make arrangements for places to be provided at which persons resident in its area may deposit their household waste or other controlled waste by other persons (on such terms as to payment (if any) as the Authority determines) and for the disposal of waste so deposited;
- (c) To make arrangements for the storage and disposal of abandoned vehicles in accordance with section 3 (8) of the Refuse Disposal (Amenity) Act 1978 (Removal of abandoned vehicles);

The Authority is also required by other statute:

- (d) To recycle and/or compost the required percentage of household waste under the Local Government (Best Value) Performance Indicators and Performance Standards Order (England) 2005;
- (e) To prepare a joint municipal waste management strategy in accordance with section 32 of the Waste & Emissions Trading Act 2003 (unless exempted by the Secretary of State);

The Authority's powers include:

- (f) To make arrangements to recycle, use, sell or otherwise dispose of deposited waste or anything produced from such waste including for the purpose of producing from it heat or electricity or both (section 55 Environmental Protection Act 1990);
- (g) To take steps to minimise the generation of controlled waste of any description, generated in its area (section 63A Environmental Protection Act 1990);
- (h) To enter into agreements with other local authorities (Section 1 of the Local Authorities (Goods and Services) Act 1970);
- (i) To direct the Constituent Councils on the delivery and separation of waste (section 51 Environmental Protection Act 1990) and object to independent recycling by the Constituent Councils (section 48 Environmental Protection Act 1990);
- (j) To acquire land for the purposes of any of its functions and dispose of land (section of 146A, 120 and 123 of the Local Government Act 1972);
- (k) To carry out activities considered appropriate and incidental to the furtherance of the Authority's statutory functions (section 111 of the Local Government Act 1972).

A.2.2 LondonWaste Ltd

The Authority owns and controls LondonWaste Limited, a company that provides waste management services to the Authority and other bodies. The Authority and LondonWaste Limited are parties to a Shareholder Agreement and the Authority approves the business plan of LondonWaste Limited.

A.3 MEMBERSHIP OF THE AUTHORITY

A.3.1 Constituent Council Representation

The Authority comprises two representatives appointed by each of the Constituent Councils and notified to the Authority in writing. No substitute representatives are permitted.

A.3.2 Term of Office

- (a) The term of office of appointed Members is normally until the next Annual Meeting of the Constituent Council making the appointment, or until notification in writing by a Constituent Council of a change in their appointment(s) before their next annual Council meeting. If a Member ceases to be a Member of the relevant Constituent Council then they will immediately cease to be a Member of the Authority.
- (b) No meeting shall be invalidated by any vacancy among the number or by any defect in the appointment or qualifications of any Member.

A.3.3 Non-Attendance

- (a) Members who do not attend any meeting of the Authority for a period of six months are disqualified from membership of the Authority, unless the reason for their non-attendance was approved by the Authority before the end of the six month period.
- (b) Where the Managing Director and Deputy Clerk (in these Standing Orders called “the Managing Director”) becomes aware that a Member has failed to attend a meeting of the Authority, its committees and/or its other subsidiary bodies for a period approaching six months, the Managing Director will advise the Member concerned and their Constituent Council of their risk of disqualification.
- (c) In the event of the Member concerned failing to attend a subsequent meeting of the Authority, the Authority will invite the Constituent Council to make a new Member appointment.

A.3.4 Casual Vacancies

- (a) A Member may at any time resign his/her seat from the Authority or a Committee or the Authority by notice in writing signed by him/her and delivered to the Clerk or Managing Director. The resignation takes effect on receipt of the notice of resignation.
- (b) In the event of the vacancy relating to the Authority, the Authority will invite the Constituent Council to appoint a replacement representative.
- (c) An appointment to fill a vacancy in any office or on any Committee or Working Group occurring during the municipal year will be made at the next ordinary meeting of the Authority held after the date on which the vacancy occurs, or if that meeting is held within 14 days after that date, then not later than the next following meeting.

A.4 MEETINGS OF THE AUTHORITY

A.4.1 Annual Meeting

- (a) The Annual Meeting of the Authority will take place between 1 April and 30 June in each year.
- (b) Agenda items not considered at an Annual Meeting may be postponed to the next Authority meeting.

A.4.2 Ordinary Meetings

Four ordinary meetings of the Authority will be held at such time and on such dates as the Authority may determine.

A.4.3 Extraordinary Meetings

- (a) The Chair following consultation with the Clerk or Managing Director may call an extraordinary meeting of the Authority at any time.
- (b) At least three Members may request the Chair to call an extraordinary meeting of the Authority.
- (c) If on receiving such a request:
 - (i) the Chair refuses to call an extraordinary meeting after a requisition for that purpose, signed by three Members, has been presented to her/him;
 - (ii) without so refusing, the Chair does not call an extraordinary meeting within seven days after such requisition;
 - (iii) then an extraordinary meeting shall be called by the Clerk pursuant to the request.
- (d) No business shall be placed upon the agenda for an extraordinary meeting held pursuant to such a requisition other than that specified in the requisition.

A.4.4 Venues

Meetings of the Authority shall take place at Camden Town Hall, Judd Street, London WC1H 9JE, or at the Town Hall of another Constituent Council or at such other place as the Authority may determine.

A.4.5 Change of Venue/Cancelling Meetings

In case of emergency, the Chair may alter the date or time or place of any meeting. The Chair may also, after consultation with Members, direct that any ordinary meeting of the Authority be not called.

A.4.6 Notice of Meeting

At least five clear working days before a meeting of the Authority:

- (a) Notice of the time and place of the intended meeting will be made available at the main offices of the Authority;
- (b) A summons to attend the meeting, specifying the business to be transacted, will be left or sent by post to the usual place of residence of every Member of the Authority (Except where the Member has given notice in writing to the Clerk that s/he requires summonses to be sent to him/her at some other address or transmission in electronic form).
- (c) Except in the case of business required by statute to be done; or brought before the meeting as a matter of urgency in accordance with these Standing Orders, no business shall be transacted at a meeting of the Authority other than that specified in the summons.
- (d) The validity of a meeting of the Authority is not affected by want of service of a summons on any Member of the Authority.

A.5 APPOINTMENT OF COMMITTEES

A.5.1 Appointments at the Annual Meeting

At the Annual Meeting, the Authority may appoint an Urgency Committee and such other Committees for the forthcoming municipal year as are required by statute or deemed necessary to carry out the work of the Authority. The terms of reference of the Urgency Committee are contained in Section B Appendix 1; the terms of reference of other committees will be determined at the time of establishment of such committee. These shall continue in being until the next Annual Meeting of the Authority.

A.5.2 Changes at other times

The Authority may, at any time, appoint or dissolve a Committee or alter its membership or terms of reference.

A.5.3 Working Groups

The Authority may set up such working groups as it considers useful for the purposes of consultation or briefing on specific topics, which may consist of Members and/or Officers. In each year the Authority shall consider the need for working groups on the following topics: Shareholder interest in LondonWaste Ltd; Finance; Planning; and Recycling.

A.6 CHAIR AND VICE CHAIRS

A.6.1 Appointment at Annual Meetings

The Authority shall in each year appoint a Chair and one or two Vice Chairs. Such appointments will be the first business transacted at the Annual Meeting of the Authority. Those Members will remain in post until the soonest of the following:

- (a) They are no longer a member of their Constituent Council;
- (b) They otherwise resign; or
- (c) The next Annual Meeting of the Authority.

A.6.2 Contested Elections

If more than two persons are nominated for any office and there is not a clear majority of votes given in favour of one person, the name of the person having the least number of votes shall be struck off the list.

A fresh vote will then be taken. This procedure will continue until there is a majority of votes in favour of one person.

A.6.3 Authority of the Vice Chair.

Subject to any Standing Orders made by the Authority, anything authorised or required to be done by or in relation to the Chair may be done by or in relation to the Vice Chair or any other Member (appointed pursuant to A.9.2(i)) presiding at a meeting in the absence of the Chair.

If the Chair is not present at a meeting of the Authority, the meeting shall be chaired by the Vice Chair or one of them (if more than one) and in the absence of the Chair and Vice Chair(s) then by a Member present, determined on a majority of those present.

A.7 QUORUM

A.7.1 Quorum

No business will be transacted at any meeting of the Authority itself unless at least four Members are present.

A.7.2 Adjournments in the absence of a quorum

- (a) If during the meeting, there is not a quorum; the meeting shall stand adjourned for ten minutes to enable a quorum to be sought. If a quorum is lacking at the start of the meeting, the meeting shall stand adjourned for fifteen minutes.

- (b) If, at the end of the adjournment, there is still no quorum, the consideration of business not transacted will stand adjourned to a date, time and place fixed by the Chair at the time the meeting is adjourned.
- (c) If no such arrangements are made at the time, then a replacement time will be set within 30 days of the adjourned meeting, or if no such time is set, consideration of the business will stand adjourned to the next ordinary meeting of the Authority.

A.8 ATTENDANCE RECORD

The Managing Director will ensure that a record of Member attendance at each meeting of the Authority is maintained, and the Minutes of each meeting shall constitute evidence of such attendance.

A.9 ORDER OF BUSINESS

A.9.1 Annual Meeting

The order of business at the Annual Meeting of the Authority will be:

- (i) To appoint a Chair;
- (ii) To appoint the Vice–Chair(s) for the forthcoming municipal year;
- (iii) To receive reports by the Chair or the Clerk of any apologies and membership matters;
- (iv) To receive declarations from Members of pecuniary or non pecuniary interests;
- (v) To approve the Minutes of the previous meeting(s) of the Authority;
- (vi) To receive a statement on the membership of the Authority;
- (vii) To appoint an Urgency Committee (if the Authority so wishes) and such other Committees for the forthcoming municipal year as are required by statute or deemed necessary to carry out the work of the Authority; and to consider the Authority's membership of any outside bodies to which it is entitled to appoint;
- (viii) To set up Working Groups as the Authority wishes;
- (ix) To consider an Annual Report on the activities of the Authority for the past year;
- (x) To consider an Annual Report on the activities of LondonWaste Ltd for the past year;
- (xi) To consider dates, times and venues for Authority meetings for the ensuing year;
- (xii) To consider any further business specified on the summons for the meeting.

Business falling in (i) to (xi) above shall be taken first at the meeting and in the order specified above.

A.9.2 Ordinary Meetings

The order of business at every ordinary meeting of the Authority shall be to:-

- (i) elect a person to preside if both the Chair and Vice Chair(s) are absent;

- (ii) receive reports by the Chair or the Clerk of any apologies and membership matters;
- (iii) receive declarations from Members of any pecuniary and non pecuniary interests;
- (iv) approve as a correct record and sign the Minutes of the previous meeting(s) of the Authority;
- (v) hear any depositions in accordance with **A.17**;
- (vi) deal with any business required by statute to be done before any other business;
- (vii) deal with any business from the previous Authority Meeting;
- (viii) receive and consider any publicly available reports prepared for the Authority;
- (xiv) consider any exempt or confidential reports prepared for the Authority;
- (xv) consider matters of urgency brought forward by leave of the Chair;
- (xvi) consider any other business set out in the summons for the meeting.

Business falling under items (i), (ii), (iii) or (iv) above shall not be displaced. The order of other business may be varied by the Chair.

Reports which are stated to be exempt from publication or confidential shall include a ground for exemption under Schedule 12 Local Government Act 1972.

A.10 ADJOURNMENT OF MEETINGS

The Authority may adjourn any meeting to another day or time or venue. An adjournment is decided by a resolution passed on a motion, which shall be moved and seconded without comment and put without discussion.

An adjourned meeting shall take place on a date agreed at such meeting or agreed within 30 days thereafter and if no such date is agreed, the business of that meeting shall be taken at the next ordinary meeting of the Authority.

A.11 RECORDING OF MEETINGS

Members of the public may photograph or record public parts of any Authority meeting by filming, recording by tape, cassette or digitally. Officers may also record public parts of any Authority meeting where a member of the public is also recording for audit and archive purposes. Recording of meetings may be prohibited by a ruling of the Chair in the event of a disturbance (**see A15**)

A.12 MINUTES

A.12.1 Minute Taking

Minutes shall be taken and kept of all meetings of the Authority.

A.12.2 Approval of Minutes

- (a) At each ordinary meeting, the Chair shall put the question that the Minutes of the previous meeting of the Authority be approved as a correct record.

- (b) No discussion shall take place upon the Minutes, except upon their accuracy. Any question of their accuracy shall be raised by motion. If no such question is raised, or if it is raised, then as soon as it has been disposed of, the Chair will sign the Minutes, initialling each page.

A.12.3 Distribution of Minutes

A copy of the unconfirmed Minutes of the previous proceedings of the Authority will be sent to each Member with a notice for the next ordinary meeting.

A.13 LONDONWASTE BOARD APPOINTMENTS

The Authority may, after having received a report from the Managing Director, appoint such Executive and Non-Executive Directors to the Board of LondonWaste Ltd as it shall consider appropriate and those appointments shall be on such terms as it considers appropriate including but not limited to the tenure of any appointment.

The Authority may, having received a report from the Managing Director, remove any such Directors as they consider appropriate.

A.14 ADMISSION OF PRESS AND PUBLIC

A.14.1 Admission

Subject to the provisions of this Standing Order and the Local Government Act 1972 - access to information provisions, the press and public shall be admitted to all meetings of the Authority. They shall only be excluded by resolution or, in the event of a disturbance, by a ruling of the Chair (**see A15**).

A.14.2 Exclusion

The press and public may be excluded from a meeting if it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, there would be disclosure to them of exempt information as specified Schedule 12A of the Local Government Act 1972 as amended. Where the press and public are excluded from a meeting, recording of the remainder of the meeting by the press or public is prohibited. Officers may remove any recording equipment left in the meeting room.

A.15 DISRUPTION OF MEETINGS

A.15.2 Member Not to be Heard Further

If any Member of the Authority, at any meeting of the Authority, in the opinion of the Chair:

- (a) Is persistently disregarding the ruling of the Chair,
- (b) Behaves irregularly, improperly, or offensively, or

(c) Wilfully obstructs the business of the Authority,

the Chair or any other Member may move:

"That the Member named be not further heard".

The motion, if seconded, shall be put and determined without discussion.

A.15.3 Member to Leave the Meeting

If, in the opinion of the Chair, the Member named continues his/her misconduct after a motion under the foregoing paragraph has been carried the Chair shall either:

(a) move "That the Member named do leave the meeting" (in which case the motion shall be put and determined without seconding or discussion);

or

(b) adjourn the meeting of the Authority for such period as he/she in his/her discretion considers expedient.

A.15.4 General Disturbance

In the event of general disturbance that, in the opinion of the Chair, renders the due and orderly despatch of business impossible, the Chair, in addition to any other power vested in him/her, may, without the question being put, adjourn the meeting of the Authority for as long as he/she thinks fit.

A.15.5 Disturbance by the Public

If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair may order their removal from the meeting room or cessation of any activity causing a disturbance, including a recording of the meeting. If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared or may ask for the meeting to be adjourned to another time or place.

A.16 RULES OF MEETING

A.16.1 Content and Length of speeches

Speeches must be directed to the Chair and either to the question under discussion or to a personal explanation or point of order. A Member shall not speak on any matter for longer than five minutes without the consent of the meeting.

A.16.2 Addressing the Chair

A Member shall address the Chair and direct any speech to the question under discussion. If two or more Members indicate that they wish to speak, the Chair shall call on one to speak first.

A.16.3 Points of Order/Personal Explanation

A Member may make a point of order or in personal explanation and is entitled to a hearing.

- (i) A point of order must relate to a breach of a Standing Order or statutory provision and the Member shall specify the breach in question.
- (ii) A personal explanation shall be confined to the Member's speech earlier in the debate and clarification of a point that may appear to have been misunderstood.

The ruling of the Chair on a point of order or on the admissibility of a personal explanation is not open to discussion.

A.16.4 Calling a Member to Order

The Chair shall call a Member to order for irrelevance, repetition, continued interruption, unbecoming language, imputation of motives, reflection of a personal character upon another member or any similar breach of order and may direct such Member, if speaking, to discontinue their speech (**see also A15**).

A.17 DEPUTATIONS

A.17.1 Entitlement to Make a Deputation Request

Any person likely to be affected by a matter in which the Authority has functions, or which affects the area of the Authority, or some of it, or the inhabitants of the area, may ask that a deputation should be received by the Authority.

The Chair may refuse a deputation request if he considers:

- (a) that it does not affect the Authority's area; or
- (b) if it has not been made in accordance with the requirements of these Standing Orders; or
- (c) the proposed action is outside the functions or powers of the Authority

A.17.2 Deadline for Deputation Request

Such a request shall be made in writing to the Clerk setting out the reason why the deputation should be received, by no later than 2 clear working days before an Authority meeting.

A.17.3 Contents of Deputation Request

The person making the request shall indicate the matter to which the request relates, the number (which shall not exceed 7) names and addresses of the persons who will form the deputation, and the one member of the deputation who will address the Council.

A.17 4 Procedure for Deputations addressing the Meeting

On being called, the person speaking for the deputation may make such relevant remarks as they think fit, during a period not exceeding five minutes. The remarks shall be relevant to the matter indicated when the request was made, and must not constitute a personal attack upon any person. The person speaking shall be heard in silence.

A.17.5 Response to the Deputation

Members of the Authority may, during a further period not exceeding five minutes, ask questions of the deputation.

After the deputation has been heard, the Chair shall have the right to respond.

A.18 VOTING

A.18.1 Majority

- (a) At meetings of the Authority questions on which the Members present do not agree are decided by a simple majority of those present and voting.
- (b) The only exception to this is where any statute or Standing Order otherwise provides.

A.18.2 Casting Vote

The Chair shall have a second or a casting vote that may be exercised if there is an equality of votes. The Chair may exercise their casting vote even if they abstained or did not take part in the first vote.

A.18.3 Show of Hands

Voting shall be by a show of hands, except where in any particular case the meeting, shall on a motion proposed and seconded without debate, resolve that the voting shall be by ballot.

A.18.4 Recorded Vote

Any four Members may request that the names for and against the motion or amendment shall be recorded.

A.19 COMPLETION OF BUSINESS

A.19.1 Calling an End to Debate

In order to ensure that all Part 1 and Part 2 business is considered within a reasonable time, the Chair at each meeting will draw attention to the time two hours after commencement of the meeting. Unless the meeting agrees to a maximum of a

further 30 minutes for discussion, the Chair will call an end to debate on the item then under consideration, and move to a decision upon it.

The Chair shall then, or at the end of the extra time agreed by the meeting, call over each remaining item of business sequentially. The Chair will either move to a formal decision on the recommendations (if any) contained within each agenda report or item, or move that a report or item be deferred to the next available ordinary or special meeting.

A.20 CODE OF CONDUCT

A.20.1 Compliance

Members are bound by the provisions of the local Code of Conduct (and the Localism Act 2011) for their Constituent Council when sitting on the NLWA.

A.21 DECLARATION OF INTERESTS

A.21.1 Declaration of Members' Interests

Every Member is required, by their local Code, to complete the register of interests and those entries shall apply for the NLWA as they do for each Constituent Council.

A.21.2 Declaration of Officers' Interests

Every officer is required in accordance with their employee Code of Conduct to declare any direct or indirect financial interest or potential conflict of interest to the Authority.

A.22 RECEIPT OF HOSPITALITY, GIFTS ETC

A.22.1 Notification

All Members and officers of the Authority must notify the Authority immediately of any gifts, hospitality or favour they receive of a value of £25 or more that may be related to their work with the Authority.

A.22.2 Details to be Notified

The notification should include details of the person(s) or organisation(s) offering the gift, hospitality or favour, the purpose or object of the offer, and the reasons why the gift, favour or hospitality was accepted. Notification must be sent to the Managing Director or as notified by him.

A.22.3 Registers

The Managing Director will ensure that a register of Members' and officers' interests and a register of gifts and hospitality is maintained.

A.23 CUSTODY OF SEAL

The Seal of the Authority shall be kept in a safe place in the custody of the Clerk.

A.24 SEALING OF DOCUMENTS

The Clerk, Managing Director or Legal Adviser shall be authorised to affix the Seal of the Authority in accordance with the decisions of the Authority.

An entry of every sealing of a document shall be made and consecutively numbered in a book called the Seal Register kept for the purpose and shall be signed by the person who has attested the Seal.

A.25 AUTHENTICATION OF DOCUMENTS FOR LEGAL PROCEEDINGS

Where any document will be a necessary step in legal proceedings on behalf of the Authority, the Clerk, Managing Director or Legal Adviser shall sign it. The only exception is where an enactment otherwise requires or authorises, or the Authority gives the necessary authority to some other person for the purpose of such proceedings.

A.26 INSPECTION OF DOCUMENTS

A.26.1 Right to Inspect

A Member of the Authority may, for purposes of their duty as a member, on application to the Clerk, inspect any document that has been considered by the Authority. If copies are available the Member shall, on request, be supplied with a copy of the document concerned.

A.26.2 Inspection of Minutes and Reports

All reports made or Minutes kept shall, as soon as the meeting has concluded action on the matter that such reports or Minutes relate to, be open for the inspection of any Member of the Authority.

A.27 DISCHARGE OF FUNCTIONS

A.27.1 Consideration of Matters Delegated to Committees

The Authority's Annual Meeting will agree matters to be delegated to any Committees established by the Authority.

A.27.2 Urgency Committee

The Authority may each year establish an Urgency Committee to act in respect of any matters within the jurisdiction of the Authority and which will not admit of delay, together with such other Committees as it sees fit.

The agenda and reports (except those considered confidential or exempt within the meaning of Schedule 12A of the Local Government Act 1972) for meetings of the

Urgency Committee will be published five clear working days before the meeting, except where the Chair agrees that an item of business is urgent in which case the item may be considered at shorter notice. Where the Chair agrees to accept urgent business, the reason for urgency will be recorded in the Minutes for the meeting. If a meeting is called with less than five clear working days' notice, then the agenda and reports (except those considered confidential or exempt within the meaning of Schedule 12A of the Local Government Act 1972) will be made publicly available at the same time that they are made available to Members.

A.27.3 Discharge of functions to Officers

- (i) The Authority shall have the services of a Clerk, Managing Director and Deputy Clerk, Financial Adviser, Head of Finance, Legal Adviser, Planning Adviser, Environment Adviser, Property Adviser (as required), Head of Legal and Governance and Head of Operations with functions delegated to them as set out in Appendix B to these Standing Orders, and subject to variation as agreed by the Authority.
- (ii) The Authority shall appoint the Clerk, the Financial Adviser and the Legal Adviser as statutory officers and shall appoint the Managing Director as a chief officer.
- (iii) There shall be delegated to the Clerk the authority to act in respect of any functions of the NLWA on any matter which, in his/her opinion, does not admit of delay. This delegated authority shall only be exercised in consultation with the Chair or, where unable to act, as far as possible the Vice-Chair(s) or one of them should the other not be available and (if not the same individuals) wherever possible the leaders of the Opposition Parties.
 - (a) The Clerk shall when no Members are appointed, for example after whole council elections in the Constituent Councils but before Members of the Authority have been appointed by those Constituent Councils, have delegated authority to take any decisions which in his or her opinion are such as to not admit of delay until such time as the Authority can meet.
 - (b) Each exercise of delegated authority under this Standing Order shall be reported for information to the next meeting of the Authority
 - (c) The Clerk shall notify the Leaders of the opposition parties of any action taken under this Standing Order, where it was not possible to consult them in advance.
 - (d) The delegation in this Standing Order is in addition to and without prejudice to the powers of the Authority under Standing Orders to arrange for the discharge of any functions by the Authority or an officer.
- (iv) In that period between there being no elected Members of the Authority following Council elections and the appointment of Members to the Annual Meeting of the Authority thereafter, there shall be delegated to the Clerk the

authority to act in respect of any function of the NLWA on a matter, which in his/her opinion does not admit of delay. In the absence of the Clerk, this function will be undertaken by the Managing Director after consultation with the Legal Adviser.

SECTION B - STANDING ORDERS RELATING TO COMMITTEES

B.1 POWERS DELEGATED TO COMMITTEES

The Authority shall delegate to each Committee full power to exercise and perform on behalf and in the name of the Authority all powers and duties of the Authority in relation to the matters, services and undertakings or in pursuance of the Acts of Parliament specified in their terms of reference provided that:

- (a) no Committee shall raise money by way of loan or by rate or spend any money in excess of the sum allocated by the Authority under any specific vote;
- (b) the acts of every Committee shall be in accordance with the Standing Orders of the Authority and with any other directions given by the Authority.

B.2 MATTERS REQUIRING THE DECISION OF THE AUTHORITY

The following matters, subject to B3.1 below, may not be delegated to a Committee:-

- (a) all matters for which the approval of the Authority is required by statute;
- (b) the making of a precept or levy on Constituent Councils;
- (c) the promotion of, or opposition to any legislation;
- (d) the preparation or revision of waste disposal plans or a waste management strategy;
- (e) the making, alteration and revocation of Standing Orders and Regulations and their varying or modification;
- (f) all decisions relating to the sale or lease of the Authority's property holdings or the acquisition of property where the total value of the transaction is more than £500,000;
- (g) the convening of conferences of a public nature between the Authority and other public bodies;
- (h) the question of giving evidence before Royal Commissions, Government Committees or similar bodies and promoting or opposing legislation;
- (i) the appointment of Committees of the Authority and determination of their terms of reference and delegated powers;
- (j) matters relating to the amendment or determination of the contract for the transfer and disposal of the Authority's waste;
- (k) All matters relating to variation and transfer of the Authority's powers;
- (l) The creation of a scheme for the payment of Members' expenses so far as is permitted by legislation.

B.3 URGENCY COMMITTEE

B.3.1 Delegation

There stands delegated to the Urgency Committee full power and authority to act on behalf of the Authority on any matters within its functions that will not admit of delay.

B.3.2 Membership

The membership of the Urgency Committee shall be seven Members to include (unless this would lead to both Members from a single Constituent Council being included) the Chair and Vice Chair(s) so that one Member is from each of the seven Constituent Councils. The quorum for meetings shall be four Members.

If a Member appointed to the Urgency Committee is unable to attend a meeting of the Urgency Committee, the other Member from the relevant Constituent Council that was not appointed to the Urgency Committee may attend that meeting as a substitute.

B.3.3 Agendas, Minutes and Operation of the Urgency Committee

All Members of the Authority shall receive agendas and Minutes for all Urgency Committee meetings. The procedures set out below for the operation of Committees shall apply to the Urgency Committee.

B.4 DISCHARGE OF FUNCTIONS BY COMMITTEE

B.4.1 Exercise of Delegated Functions by the Authority

Any arrangements made by the Authority under this Section for the discharge of any functions by the Committee or officers shall not prevent the Authority or Committee by whom the arrangements are made from exercising those functions.

B.4.2 Appointments to Committees

All appointments to Committees will be made in accordance with legislation relating to the political balance on the Authority.

B.4.3 Term of Office for Committees

The Authority will set the term of office for Members of a Committee. Every Member appointed who at the time of his/ her appointment was a Member of the Authority shall upon ceasing to be a Member of the Authority also cease to be a Member of the Committee.

B.4.4 Dissolution of Committees

The Authority may, at any time, dissolve a Committee or alter its membership.

B.5 CHAIRS OF COMMITTEES

If not appointed at the Annual Meeting, each Committee shall appoint a Chair and Vice Chair at its first meeting for the remainder of the municipal year.

B.6 NOTICE OF MEETINGS

B.6.1 Notice

Five clear days at least before (or in the case of the Urgency Committee, on the calling of a meeting) a meeting of any Committee of the Authority, notice of the time and place of such meeting shall be left at or sent by post to the last known place of residence of every Member of the Committee except where the Member has given notice in writing to the Clerk that s/he requires summonses to be sent to him/her at some other address or transmission in electronic form). Failure to receive any such notice shall not affect the validity of a meeting.

B.6.2 Business Transacted

No business shall be transacted at any meeting of a Committee other than that specified in the agenda, except, in accordance with current legislation, matters of urgency brought forward by leave of the Chair.

B.6.3 Venue

Committees shall meet at the Town Hall Camden, Judd Street, London WC1H 9JE or at the offices of one of the other Constituent Councils, offices of LondonWaste Limited, offices of the Authority or such other place as the Chair may consider appropriate.

B.6.4 Restrictions on Committee Meetings

No Committee will meet during a sitting of the Authority except by special authorisation of the Authority.

B.7 CANCELLATION OF MEETINGS

The Chair of a Committee may direct that any ordinary meeting of that Committee be not called.

B.8 SPECIAL MEETINGS

B.8.1 The Chair of a Committee may direct the Clerk to call a special meeting of the Committee at any time.

B.8.2 The summons to the special meeting shall set out the business to be considered. No business other than that set out in the summons shall be considered at that meeting.

B.9 ORDER OF BUSINESS AT COMMITTEE MEETINGS

The order of business at every meeting of a Committee shall be to:-

- (i) choose a person to preside if the Chair is absent;
- (ii) receive apologies for absence and deal with other membership matters;
- (iii) declare personal and prejudicial interests;
- (iv) deputations (if any);

- (v) approve the Minutes of the previous meeting, which shall then be signed by the person presiding;
- (vi) receive reports of the officers;
- (vii) any other business specified in the summons.

A motion that shall be moved and seconded and put without discussion may vary the order of business under (iv)-(vii).

B.10 MINUTES

Minutes shall be kept of the proceedings of each meeting of a Committee, and shall be submitted for approval at the next ordinary meeting of the Committee.

B.11 QUORUM

No business shall be transacted at a meeting of any Committee unless at least four Members are present.

B.12 PROCEDURES AT COMMITTEE MEETINGS

The following Standing Orders apply to Committee meetings:-

- | | |
|-----------------------------|------------------------------------|
| A.8 Attendance Record | A.10 Adjournments |
| A.11 Recording of Meetings | A.15 Admission of Press and Public |
| A.16 Disruption of meetings | A.17 Rules of Debate |
| A.18 Deputations | A.20 Voting |
| A.21 Completion of Business | |

B.13 ATTENDANCE AT COMMITTEE MEETINGS

Members of the Authority may attend the meetings of the Urgency Committee and any other Committee established by the Authority. Members who are not Members of the Committee may not vote. Such may only take part in the proceedings if invited to do so by the Chair and with the agreement of the Committee.

APPENDIX A - TERMS OF REFERENCE OF COMMITTEES

1. URGENCY COMMITTEE

(i) To act on behalf of the Authority on any matters within the functions of the Authority as referred to in **A.2.1** of these Standing Orders that will not admit of delay.

APPENDIX B - DELEGATED AUTHORITY TO OFFICERS

The following functions shall be exercisable by the appropriate Adviser or Officer of the Authority:

1. CLERK

- 1.1. To act as Head of Paid Service for the Authority.
- 1.2. To open tenders and sign and seal all documents on behalf of the Authority.
- 1.3. To sign reports for submission to the Authority.
- 1.4. To ensure, in conjunction with the Managing Director and with advice as necessary from the legal adviser, that all statutory requirements are adhered to and that the NLWA responds to all legislative changes which require action on its part.
- 1.5. To authorise the sale, purchase or other transactions regarding the property of the Authority where the total value of the transaction is less than £500,000 and such a decision is not for a disposal of property for less than best consideration.
- 1.6. To take all action relating to NLWA appointments, employment and secondments to and from the NLWA in respect to permanent and temporary staffing except for posts at chief officer level or the equivalent.

2. MANAGING DIRECTOR AND DEPUTY CLERK (“the Managing Director”)

- 2.1. To sign and seal any documents and or agreements on behalf of the Authority.
- 2.2. To co-ordinate the day to day business of the Authority, acting when appropriate in consultation with other officers of the Authority and reporting to the Clerk to have overall responsibility for the management of the NLWA.
- 2.3. To arrange for the servicing of meetings of the NLWA, including identifying issues for consideration, ensuring reports comply with requirements, agenda preparation, despatch, briefings and minuting.
- 2.4. Subject to containing unplanned expenditure within existing overall budgets and subject to complying with contract standing orders, to authorise expenditure up to a value of £150,000 on behalf of the Authority.
- 2.5. To arrange for the liaison with elected Members, including new Member attendance and maintenance of attendance records.
- 2.6. To maintain standing orders.
- 2.7. To liaise with the NLWA’s advisers, Constituent Councils, and LondonWaste Ltd.

- 2.8. To arrange for action to be taken following meetings of the Authority or its Committees.
- 2.9. To sign reports for submission to the Authority or its Committees.
- 2.10. To open tenders on behalf of the Authority.
- 2.11. To ensure, in conjunction with the legal adviser, that all statutory requirements are adhered to and that the NLWA responds to all legislative changes which require action on its part.
- 2.12. To oversee all human resources functions for the NLWA and specifically to manage the service heads.
- 2.13. To lead for the Authority on its relationship with LondonWaste Limited including but not limited to authority to sign any documents and/or agreements relating to the Authority's share ownership of LWL and to have authority to agree with LWL in the role of sole shareholder proposals from LWL which have a financial impact of up to £150,000 and to agree in consultation with the Financial Adviser or Clerk such proposals with a financial impact of between £150,001 and £500,000 upon the financial position of LWL.
- 2.14. To reply to all consultations which in his opinion impact upon the Authority, or about which the Authority has an interest in consultation with the Chair and Vice Chair(s), provided that when such consultations are in the Managing Director's opinion of sufficient significance and time allows, the proposed responses shall be reported to the Authority for decision.
- 2.15. Unless the response is exempt from publication under Freedom of Information legislation or Environmental Information Regulations, to publish on the Authority's web site all consultation responses submitted by the Authority.
- 2.16. To, in consultation with the Chairs and Vice Chair(s) and group leaders (if different), appoint Members of the Authority to represent the Authority on outside bodies.
- 2.17. To take all action relating to NLWA appointments, employment and secondments to and from the NLWA in respect of permanent and temporary staffing, except for posts at statutory or chief officer level or the equivalent, which is reserved to the Authority (see A.27).
- 2.18. In the absence of the Clerk to be empowered to exercise all powers of and delegations to the Clerk.

3. LEGAL ADVISER

- 3.1. To take all necessary steps to advise and represent the Authority in accordance with their professional Code of Conduct, taking instructions as appropriate from officers of the Authority.
- 3.2. To take all necessary action with regard to legal issues on behalf of the Authority.
- 3.3. To open tenders and sign and seal all documents on behalf of the Authority.
- 3.4. To conduct and when matters are urgent and in consultation with the Clerk initiate and settle litigation and threatened/prospective litigation on behalf of the NLWA, ensuring full compliance with all forms of court procedure and other relevant matters.
- 3.5. To carry out formal investigations on behalf of the Authority into a breach or breaches of its Standing Orders, reporting on findings to the Authority in making recommendations as to whether disciplinary action should follow.
- 3.6. To act as the Authority's Monitoring Officer as provided for under Section 5 of the Local Government and Housing Act 1989 and related guidance and under such legally binding provisions as may supplement or replace it.
- 3.7. To seek necessary advice from other lawyers including Counsel to assist the Authority, taking instructions when necessary from officers as appropriate and obtaining agreement to such expenditure as may have been reasonable and necessary from the Financial Adviser, and to monitor the progress and conduct of such advice.
- 3.8. To ensure, in conjunction with the Clerk and Managing Director, that all statutory requirements are adhered to and that the NLWA responds to all legislative changes which require action on its part.
- 3.9. To sign reports on behalf of the Authority.

4. FINANCIAL ADVISER

- 4.1. To act as the person responsible for the proper administration of the Authority's financial affairs in accordance with Section 73 of the Local Government Act 1985, the Accounts and Audit Regulations 2015, Section 114 of the Local Government Act 1988 and Sections 25 to 27 of the Local Government Act 2003.
- 4.2. To provide financial, and other advice as appropriate, to support the strategic development of the NLWA and to ensure effective use of resources.
- 4.3. In consultation with the Managing Director save as to the statutory function set out below, to carry out the following:

- 4.3.1. to prepare the annual revenue and capital budgets for the Authority, to regularly monitor and report on revenue and capital expenditure and income, and to provide full and appropriate advice on matters arising;
- 4.3.2. to the prepare the Authority's final accounts in accordance with all recognised statutory requirements and codes of practice applicable to local authorities, and to sign and submit the accounts for external audit;
- 4.3.3. to notify Constituent councils of the Authority's annual levy and charges for non-household and chargeable household waste and to make arrangements for its collection.
- 4.4. To monitor the NLWA's shareholder interest in LondonWaste Ltd.
- 4.5. To report to the Authority, in accordance with Section 114 of the Local Government Act 1988, if appears that:
 - 4.5.1. a decision or course of action by the Authority is unlawful or likely to cause a loss or deficiency;
 - 4.5.2. the expenditure incurred or planned for a financial year is likely exceed the resources available.
- 4.6. To seek necessary specialist financial advice as may be required by the Authority, acting together with the Clerk, the Managing Director, and the Legal Adviser.
- 4.7. To ensure that financial support services, including the payment of creditors, collection and banking of income, treasury management, internal audit, insurance arrangements, completion and submission of statutory accounts, liaison with the external auditor, and the liaison and negotiation with contractors, are carried out on behalf of the Authority.
- 4.8. If so required, to act as a trustee of the LondonWaste Ltd Pension Fund Trustees.
- 4.9. To sign reports on behalf of the Authority and attend meetings.
- 4.10. Subject to containing unplanned expenditure within existing overall budgets and subject to compliance with contract standing orders to authorise expenditure up to a value of £150,000 on behalf of the Authority.
- 4.11. At the time of budget setting and in preparing the Authority's statutory accounts, liaise with Members' Finance Working Group or otherwise.

5. ENVIRONMENT ADVISER

- 5.1. To advise the Authority on key issues relating to the environment, sustainable development and operational matters.

- 5.2. To ensure effective liaison with the Constituent Council's senior officers on the work of the NLWA and on policy issues relating to the environment, sustainable development and waste management.
- 5.3. To contribute to securing the best waste treatment and disposal outcomes for north London by securing appropriate environmental and financially viable contractual arrangements which meet the Authority's ambitions.
- 5.4. To attend meetings of the Authority.

6. HEAD OF OPERATIONS

- 6.1. To monitor contracts and authorise payments for the transfer and disposal of its waste, including contracts for the transfer and disposal of civic amenity waste and for the reuse, recycling, composting or recovery of wastes
- 6.2. To oversee the preparation of contract documentation, organise the tendering process and negotiate on the Authority's behalf.
- 6.3. To advise the Authority and Constituent Councils on all aspects of waste management issues and to provide statistical information about waste to the Financial Adviser.
- 6.4. To manage the establishment and maintenance of effective communications with the Constituent Councils including the lead technical officers in each Council.
- 6.5. To provide a research facility to enable the Authority to develop and implement policies on waste management.
- 6.6. To sign reports on behalf of the Authority and attend meetings.

7. PROPERTY ADVISER

- 7.1. To advise the Authority and its officers on valuation issues.
- 7.2. To recommend the use of specialists in the field where necessary negotiations regarding property matters.
- 7.3. To attend meetings where required.

8. PLANNING ADVISER

- 8.1. To advise the Authority on all matters relating to town and country planning and related matters.

8.2. To attend meetings when required.

9. HEAD OF FINANCE

9.1. To assist the Financial Adviser as instructed by him or her.

9.2. In the absence of the Financial Adviser to be empowered by the Financial Adviser to exercise powers and delegations of the Financial Adviser as are necessary.

9.3. To be responsible on a day-to-day basis for managing and controlling all aspects of the finance function of the Authority, including the preparation and monitoring of revenue and capital budgets, providing financial advice to the Managing Director and Authority officers.

9.4. To liaise with Directors of Finance and work with finance officers in the Constituent Councils in the preparation of the levy and generally.

9.5. To prepare the statutory accounts for approval by the Authority and liaise with the auditors.

9.6. To work with the Finance Director of LondonWaste Ltd and to monitor the Company's finances.

9.7. To be responsible for providing and/or facilitating the provision of financial services to the Authority.

9.8. To sign reports on behalf of the Authority and attend meetings.

10. HEAD OF LEGAL AND GOVERNANCE

10.1. To assist the Legal Adviser as instructed by him.

10.2. In the absence of the Legal Adviser to be empowered to exercise all powers of and delegations to the Legal Adviser.

10.3. To provide a full range of day to day legal advice to the Managing Director and other Authority officers, and to manage external legal advisers.

10.4. To oversee arrangements with regard to external consultants.

10.5. To monitor the governance arrangements of the Authority.

10.6. To be responsible for the Authority's approach and implementation with regard to Freedom of Information, Environmental Information Regulations and Data Protection legislation.

10.7. To ensure effective project management arrangements, including management of risk.

10.8. To be responsible for monitoring and reporting on compliance with the Bribery Act 2010 to the Managing Director.

10.9. To keep and maintain a register of Members' and officers' interests and a register of gifts and hospitality.

10.10. To sign reports on behalf of the Authority and attend meetings.

11. DELEGATION TO SUBORDINATE OFFICERS

11.1. An officer of the Authority to whom delegations have been made, either by virtue of these standing orders or by way of specific delegation by Authority decision, may authorise in writing other officers under his or her managerial control to exercise some or all of his or her powers either indefinitely or for a period of time, subject to:

11.1.1. such powers being exercised in the name of the relevant officer to whom the delegation(s) were made;

11.1.2. responsibility in law for any actions taken by a subordinate officer shall remain with the officer(s) to whom authority was delegated.

SECTION C- CONTRACT STANDING ORDERS

C.1 INTRODUCTION

- 1.1 Contract Standing Orders provide a framework for the procurement of works, goods and services. Following them will ensure value for money, propriety and the proper spending of public money.
- 1.2 Where “officer” is used in these Contract Standing Orders, it refers to:
- Clerk
 - Managing Director and Deputy Clerk
 - The Financial Adviser
 - The Legal Adviser
 - Head of Operations
 - Head of Legal and Governance
 - Head of Finance

C.2 THE ROLE AND RESPONSIBILITIES OF OFFICERS

Officers have responsibility for all contracts tendered and let under delegated authority. They are accountable to the Authority for the performance of their duties in relation to contract letting and management which are:

- (a) to ensure compliance with United Kingdom (UK) and European Union (EU) legislation and Authority policy;
- (b) to ensure value for money in all procurement and contract matters;
- (c) to ensure compliance with Contract Standing Orders;
- (d) to ensure that all relevant staff are familiar with the provisions of Contract Standing Orders and that they receive adequate training on their operation;
- (e) to ensure compliance with any guidelines issued in respect of these Contract Standing Orders;
- (f) to ensure that all relevant staff comply with any codes of practice issued under Contract Standing Orders;
- (g) to take immediate action in the event of a breach of Contract Standing Orders within his or her area;
- (h) to keep proper records of all contracts, tenders etc. including minutes of service analysis teams, tender evaluation panels and other meetings and records of waiver of any provision of these Contract Standing Orders;

- (i) to make appropriate arrangements for the opening of tenders and their secure retention so as to protect the integrity of the tendering process;
- (j) to ensure that the Authority's seal is affixed to any document required to be executed as a deed and that where a document is not expressed to be under seal, it is signed by him/her or an officer authorised to act on his/her behalf;
- (k) to keep a register of all contracts over £20,000 and of all waivers of these Standing Orders;
- (l) to ensure effective monitoring of all contracts in his/her area.

C.3 THE ROLE AND RESPONSIBILITY OF THE AUTHORITY

The Authority may be responsible for a variety of decisions under these Contract Standing Orders. The Authority will also hold officers accountable for any decisions they make under delegated authority or under these Contract Standing Orders.

C.4 SCOPE OF CONTRACT STANDING ORDERS

- 4.1 These Contract Standing Orders shall apply to all contracts "for the procurement by the Authority of works, supplies and services" unless otherwise expressly stated or these requirements are waived in accordance with paragraph 6.
- 4.2 Where a contract has an estimated value of less than £25,000, an officer may decide that formal tendering is not appropriate in order to secure value for money for the Authority. If so, the officer may determine another process of selecting a contractor. The decision and process must be properly documented and be such as to be able to demonstrate value for money for the Authority. Where a contract has an estimated value of between £25,000 and £150,000 the contract must be let by inviting at least three written quotations from appropriate organisations.
- 4.3 All other contracts must be let following a competitive tendering process in accordance with relevant UK and EU legislation, the procedures set out in these Contract Standing Orders and any guidelines or codes of practice issued from time to time under these Contract Standing Orders.
- 4.4 No contract shall be let unless the expenditure involved has been fully considered and approved and sufficient money has been allocated in the relevant budget.
- 4.5 These Contract Standing Orders shall not apply to contracts of employment, to contracts with agencies for the provision of temporary staff, contracts with companies for the supply of specific workers, the engagement of Counsel or to contracts relating to any interest in land.

- 4.6 These Contract Standing Orders shall not apply to purchases made through any Government Agency, centralised purchasing body or other public purchasing organisation or consortium which has itself tendered for goods and/or services and which then makes those goods and services available for purchase by other public bodies (known as framework agreements).
- 4.7 In the event of any conflict between EU Law, UK law and Authority policy, the requirements of EU law shall prevail over UK law and the requirements of UK law shall prevail over Authority policy.
- 4.8 The following Contract Standing Orders shall not apply to any specific procurement exemptions set out in relevant UK and EU legislation where a direct contract award is permitted:
- a) C.4.2
 - b) C.4.3
 - c) C.5
 - d) C.8
 - e) C.9
 - f) C.10
 - g) C.11
 - h) C.12

C.5 CALCULATION OF CONTRACT VALUES AND ADVERTISING

- 5.1 Officers must ensure that a pre-tender estimate of anticipated costs is prepared and recorded in writing. Where appropriate, officers need in addition to ascertain the value of a contract in accordance with the relevant EU and UK public procurement rules.
- 5.2 Unless otherwise specifically provided, where a value or an estimated value is given in these Contract Standing Orders it means the aggregate value payable in pounds sterling exclusive of Value Added Tax.
- 5.3 The aggregate value of any contract is to be calculated on the basis of the total value of the consideration estimated to be payable over the entire contract period (including any renewals, extensions or options).
- 5.4 Contracts must not be artificially under or over estimated or divided into two or more separate contracts where the effect is to avoid the application of Contract Standing Orders. Where a contract is divided into lots, the estimated value of the contract is the total estimated value of all the lots.
- 5.5 Where a contract with a value of £25,000 or more is advertised, the contract opportunity and subsequent contract award must also be advertised on Contracts Finder or its predecessor as the central government website for advertising contract opportunities within government.

- 5.6 Officer must consider whether there is a cross border interest (i.e. that an organisation within the EU may be interested in tendering for the contract) in taking a decision on whether or not to advertise a contract opportunity.

C.6 WAIVER OF CONTRACT STANDING ORDERS

- 6.1 Where Contract Standing Orders apply to a contract (see paragraph 4 above) any individual provision in them may be waived. The waiver procedure is set out in the remainder of this paragraph. The waiver has to be agreed by:

- (a) the Authority; or
- (b) An officer where the contract value is under £25,000;
- (c) the Managing Director or Financial Adviser where the contract value is over £25,000 but under £150,000 (save that any waiver of the provisions of contract Standing Order C16 can only be agreed by two of the following: the Managing Director, the Clerk, the Financial Adviser and the Head of Finance); or
- (d) the Clerk for contracts of any value where the matter is urgent and a meeting of the Authority cannot be called in time.

AND they are satisfied after considering a written report by the appropriate officer that the waiver is justified because:

- (i) the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Standing Orders is justifiable; or
 - (ii) the contract is for supplies, works or services that are required in circumstances of urgency that could not reasonably have been foreseen; or
 - (iii) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or UK law); or
 - (iv) where it is in the Authority's overall interest; or
 - (v) there are other circumstances which are genuinely exceptional.
- 6.2 A record of the decision and the reasons for it must be kept and an entry made in the appropriate register.

C.7 APPROVED LIST

- 7.1 The Authority may compile and maintain approved lists of suitable contractors in relation to various types of works, supplies and services. The lists must be kept under review although public advertisements for the approved lists are only required every three years. New firms may be added to the approved lists at any time if the criteria set by the Authority are met.

C.8 USING APPROVED LISTS

- 8.1 Unless the contract is one which must be advertised in the Official Journal of the European Union ("OJEU") or there is no appropriate approved list, contractors must either be selected from the appropriate approved list for each contract or the officer may decide to tender the work. Contractors from the approved list should normally be selected in rotation.
- 8.2 At least three contractors must be selected from the appropriate approved list. If there are fewer than four firms on any list, all of them must be invited to tender subject to meeting the relevant financial criteria.

C.9 SELECTIVE TENDERING - AD HOC LIST

- 9.1 Where there is no standing approved list, an officer must tender for the works/supplies/services.
- 9.2 Where an officer decides to tender under this Standing Order, a minimum of three tenders must be sought.

9.3 The tendering process must comply with the relevant EU and UK public procurement rules.

C.10 RECEIPT AND OPENING OF TENDERS

- 10.1 The invitation to submit a tender must include instructions to potential contractors as to the method of delivery of a tender, stating whether their tender must comply with (a) or (b) below, or either is acceptable for their tender to be considered:
- (a) (prior to October 2018, after which only electronic delivery is permitted) delivered in a plain envelope or parcel with a label on which is printed the word "Tender" followed by the subject of the contract. The envelope must be sealed and must not show the identity of the tenderer in any way. It must be delivered to the place and by the time stated in the tender invitation.
 - (b) Submitted electronically via a specified secure system and in accordance with the instructions that accompany such system. It must be provided by the time stated in the tender invitation.

10.2 Tenders which do not meet the requirements of Contract Standing Order 10.1 may only be considered if:

- (a) failure to comply is the Authority's fault; or
- (b) a tender is late, and it is clear without any contact with the contractor that the tender was sent in such a way that in the normal course of events it would have arrived on time providing that the other tenders have not yet been opened.

10.3.1 Tenders must be kept safe by the Clerk or Managing Director until the time for their opening. Tenders must be opened by:

- (a) any officer where the contract value is under £50,000; and
- (b) the Managing Director, Legal Adviser, Head of Operations or Head of Legal and Governance for all other contracts.

Records of all tenders received must be kept by that officer. The requirements under this section 10.3.1 can be delegated by the relevant officer to other Authority staff, and such delegation must be recorded in writing.

10.4 Tenders for a particular contract must all be opened at the same time in the presence of two officers who have not been involved in the tendering process. Tenders submitted in hard copy shall be opened by the same officers and at the same time as any tenders received electronically. Other third parties may be present at the opening of any tenders subject to them agreeing to maintain the confidentiality of the process and signing an appropriate agreement to this effect and subject to the agreement of the Managing Director. The requirements under this section 10.4 can be delegated by the relevant officer to other Authority staff, and such delegation must be recorded in writing.

C.11 CONTRACT AWARD

11.1 Contracts must be awarded on the basis of the most economically advantageous tender, quotation or proposal as determined by either: a combination of quality and cost; or such other criteria as are relevant to the type of works, supplies or services. This will generally cover the optimum combination of whole life costs and benefits to the Authority, including factors such as quality, initial price, on-going service and management costs and any costs of finance.

11.2 Where an officer proposes to accept or recommend to the Authority the acceptance of a tender which is not the most economically advantageous tender, then before accepting or recommending acceptance, the officer must consult with and seek the advice of the Financial and Legal Advisers. That advice must be documented.

- 11.3 Any officer may award all contracts valued at £25,000 or less. Contracts valued between £25,000 and £150,000 may be awarded by the Clerk, the Managing Director, or the Financial Adviser.
- 11.4 All contracts not included within 11.3 above must be awarded by Members at a meeting of the Authority unless the matter is urgent, in which case the Clerk has power to act.
- 11.5 The relevant officer must ensure that a written report is prepared for every contract awarded under Part 2 of the Public Contract Regulations 2015 (as amended) in accordance of Regulation 84 of the Public Contract Regulations 2015 (as amended).

C.12 POST TENDER NEGOTIATIONS

- 12.1 Negotiations after receipt of formal bids or tenders and before the letting of contract(s) with those tenderers submitting the most economically advantageous tender with a view to obtaining an improvement in content in circumstances which do not put other tenderers at a disadvantage, distort competition or affect adversely trust in the competitive tendering process, may take place subject to the prior written authority of the Legal Adviser being obtained.
- 12.2 In addition there may be circumstances where an officer authorised by the Managing Director or, in his absence, the Head of Operations or the Head of Legal and Governance may contact a contractor in order to clarify an ambiguous tender. This does not constitute post tender negotiations. The authorisation must be in writing.
- 12.3 All communication with contractors under this Contract Standing Order must be in writing or recorded in writing and retained for a minimum of 3 years from the date of award of the contract.

C.13 TERMINATION OF CONTRACTS

If in the opinion of the Managing Director a contractor is not performing satisfactorily on any contract or for any other reason appears to be unable to meet the terms of the contract, the officer shall consider whether the contract should be terminated. Where the value of the contract exceeds £150,000, the Legal Adviser and the Financial Adviser must be consulted.

C.14 REMOVAL OF CONTRACTORS FROM APPROVED LIST

Where the Managing Director has concerns about the conduct or performance of a contractor which may, if substantiated, be sufficient for that contractor's removal from any approved list, she or he shall report these concerns together with any

documentary evidence to the Legal Adviser. The Managing Director may remove contractors from an approved list.

C.15 CONDITIONS APPLYING TO CONTRACTS

Conditions applying to all contracts

15.1 All contracts must be in writing and signed by an officer. A contract made in extreme urgency need not be in writing so long as it is subsequently confirmed in writing.

Conditions applying to all contracts with a value of £25,000 or more.

15.2 Every contract with a value of £25,000 or more must, unless the Legal Adviser agrees to the contrary, contain clauses to cover the following:

- (a) compliance with all legislation and specifically the law on health and safety at work and discrimination;
- (b) compliance with the Authority's insurance requirements;
- (c) a prohibition on assignment and subletting without the written consent of the relevant officer;
- (d) a provision allowing the Authority to cancel the contract and recover any resulting loss from the contractor if the contractor does anything which is contrary to the Bribery Act 2010 or Section 117 (2) of the Local Government Act 1972;
- (e) to ensure the Authority is protected against the contractor's defective performance by default provisions which are appropriate to the contract;
- (f) that if the contractor is in breach of contract the Authority can do any of the following:
 - (i) determine all or part of the contract or determine the contractor's employment;
 - (ii) perform the contract in whole or in part;
 - (iii) recover from the contractor any additional cost resulting from the completion or cancellation of the contract.
- (g) that if the contractor has obtained or received by whatever means any information which gives or is intended or likely to give the contractor any unfair advantage over any other tenderer in relation to the tendering for and award of any works/services contract, that the Authority shall be entitled to terminate that contract;
- (h) that the contractor shall be required to make available to the Authority and its auditors such documents or access to information or access to

the staff/officers of the contractor as is necessary to conduct any audit or other investigation into the contract;

- (i) a requirement to pay the contractor within 30 days of the submission of a valid and undisputed invoice, a requirement to the same effect in every subcontract and a requirement for sub-contractors to also pay valid and undisputed invoices of their subcontractors within 30 days of submission.

Conditions applying to all contracts with a value of £150,000 or more

15.3. Every contract which exceeds £150,000 in value shall be executed as a deed, unless the Legal Adviser agrees to the contrary, and the Instructions to Tenderers must contain clauses to cover the following:

- (a) that the Authority may require the contractor to provide security for completing the contract in the form of a bond;
- (b) that where the contractor is a subsidiary or group company the contractor may be required to provide a parent or group company guarantee.

15.4 Any officer or panel of officers responsible for undertaking tender evaluation shall as part of that process consider whether, and if so, to what extent, a performance bond and/or parent/group company guarantee may be necessary to protect the Authority's interests in relation to that contract.

Conditions applying specifically to computer software contracts

15.5 All computer software contracts shall contain a clause to the effect that use of the software by the Authority's contractors shall not amount to use by a third party for which an additional software licence might otherwise be required.

C.16 VARIATIONS

16.1 Subject to any statutory restrictions and compliance with Financial Standing Orders the Managing Director may authorise the following changes to an existing contract:

- (a) a change in price determined within the terms of the contract or arising from the application of a price formula in the contract;
- (b) a single extension of the contract by up to twelve months;
- (c) issue a variation and a resulting change in price determined in accordance with the contract terms;

- (d) any other variation that the relevant officer considers is appropriate in the circumstances.
- 16.2 In any other circumstances the Authority may vary or extend a contract providing that to do so is consistent with the provisions of Financial Standing Orders.
- 16.3 In addition the Managing Director may authorise variations to a contract where either delay would incur substantial cost penalties to the Authority or the proposed variations are unavoidable and/or essential for the contract to proceed or continue.

C.17 NOVATIONS (TRANSFERS)

In appropriate circumstances the Authority may agree to novate (transfer) a contract. This decision must be taken by the Authority for contracts in excess of £100,000 and by the Managing Director if the contract is of a lesser value.

SECTION D - FINANCIAL STANDING ORDERS

INTRODUCTION

The Authority prepares both its revenue and capital accounts on an accruals basis, and monitors accounting commitments on both revenue and capital budgets. All references to income and expenditure in the Financial Standing Orders and Financial Regulations include accrued income and expenditure in addition to cash receipts and payments. A short glossary of other terms is appended to the Financial Standing Orders for ease of reference.

D.1 FINANCIAL ADMINISTRATION

(a) Financial Adviser

- (i) The Financial Adviser is the officer appointed by the Authority in accordance with Section 73 of the Local Government Act 1985, the Accounts and Audit Regulations 2015, Section 114 of the Local Government Finance Act 1988 and Sections 25 to 27 of the Local Government Act 2003. The post-holder must ensure that the Authority's financial affairs are administered in a proper manner, in compliance with all relevant professional codes of practice, and all statutory obligations;
- (ii) All matters connected with the financial administration of the Authority's affairs are the delegated responsibility of the Financial Adviser, except any matters which are delegated to other officers or reserved to committees of Authority Members or to the Authority itself. The Financial Adviser may authorise other officers to carry out matters delegated to him/her except the statutory responsibilities; in particular, the Head of Finance will have day-to-day responsibility for ensuring the proper administration of the Authority's financial affairs.

(b) Officers (See Glossary)

Officers must maintain financial controls and secure the accuracy and integrity of financial information and systems operating for the benefit of the Authority. Officers must ensure compliance with procedural instructions on financial administration issued by the Financial Adviser or the Head of Finance

(c) Financial Advice to Authority/Committees

The Financial Adviser will provide financial advice to the Authority and its committees.

(d) Financial Regulations

Staff working for the Authority must comply with the Authority's Financial Regulations.

(e) Fees and Charges

Changes in all fees and charges and the introduction of new fees and charges, require Authority approval.

(f) Debt Write Offs

The Financial Adviser may write off bad debts, and must report action taken to the Authority at least twice a year.

(g) Internal Audit

(i) The Financial Adviser is responsible for:

- Determining the annual internal audit plan;
- The content and distribution of internal audit reports; and
- The form and frequency of reports which may be made to the Authority arising from internal audit activity;

(ii) It is the responsibility of all officers working for the Authority to provide, upon the request of the Financial Adviser or a person nominated by him or her for this purpose, any information, explanation or document under the control of the officer concerned which is required for the purposes of or in connection with an internal audit inquiry, project, or investigation; and

(iii) The Financial Adviser will report to the Authority any serious breach of Financial Standing Orders.

D.2 FINANCIAL PLANNING

(a) Planning Process

The Financial Adviser will report to the Authority each February a three year forecast and update the forecast for the following year in December.

D.3 PREPARATION OF THE REVENUE BUDGET

(a) Financial Adviser Responsibilities

The Financial Adviser is responsible for the overall co-ordination of the budget process and for obtaining the Authority's approval of the budget.

The Financial Adviser is responsible for monitoring and reporting on the adequacy of the Authority's reserves under the terms of Sections 25 to 27 of the Local Government Act 2003.

- (b) The Head of Finance is responsible for providing day to day support to the Financial Adviser in relation to the co-ordination of the budget process, the monitoring thereof, and reporting to the Authority.

- (c) Officer Responsibilities

Officers (see Glossary) are responsible for preparing the revenue budget for their functions having regard to the Authority's relevant strategies, policies and previous decisions and in accordance with the requirements of the Head of Finance.

- (d) Budget Working Papers and Final Estimates

- (i) All working papers and final estimates must be prepared in accordance with procedural instructions issued from time to time by the Head of Finance. The instructions will include information in respect of inflation, capital financing costs and other variables outside the control of service departments.

- (ii) The revenue estimates must include forecast expenditure and income for the year.

- (e) Budget Timetable

As part of the Authority's arrangements for medium-term financial planning and budget preparation, the Authority may, from time to time, give guidance on the budget and the resource constraints within which service plans and budget estimates must be prepared.

D.4 SETTING THE ANNUAL BUDGET AND THE LEVY AND CHARGES

- (i) The Financial Adviser will make recommendations to the Authority regarding the annual budget for the following financial year and the levy and charges required to finance it; and
 - (ii) At a meeting on or before 14 February each year, the Authority will approve the budget and set the levy and charges for non-household and chargeable household waste for the following financial year.

D.5 MONITORING AND CONTROL OF THE REVENUE BUDGET

- (a) Budget Spending

Following approval by the Authority of the annual revenue estimates, Officers are free, subject to complying with contract standing orders, to spend within the agreed budget for their functions. They must ensure that the net expenditure for their functions does not exceed the approved budget.

(b) Monitoring

- (i) Officers shall make arrangements to ensure that in each month they are aware of, and can report on, the actual expenditure and income for their functions under each budget heading, and the projected outturn for the financial year, having regard to any contingent liabilities for which financial provision may be required. Officers shall provide the Head of Finance with up to date summary projections each month or as otherwise determined;
- (ii) The Financial Adviser will report on the overall financial position to the Authority as required, but not less than four times a year. This report will include any concerns he or she may have about the budget projections being made by officers or about financial controls affecting the Authority's finances; and
- (iii) The Financial Adviser will report to the Authority, not later than July of each year, on the financial outturn for the previous financial year.

(c) Virements

Officers are free to vire budget provision between budget headings within their functions for the Authority in accordance with the Authority's scheme of delegation. Officers must report such virements to the Authority at the earliest practicable opportunity.

(d) Transferred Functions

Where responsibility for a function is transferred from one borough or contractor to another, the Financial Adviser will consult interested parties and advise the Authority of the financial implications.

(e) Budget Adjustments

The Authority may at any time during a financial year, having considered a report of the Financial Adviser, vary the budget limits either:

- (i) To require mid-year savings to compensate for a projected overspend;
- (ii) To allocate sums included within corporate provisions or budgets; or
- (iii) Following transfer of service(s).

(f) Carry Forward of Underspends

The Financial Adviser may, on consideration of the overall financial position of the Authority at the end of a financial year; recommend to the Authority that underspends by relevant officers should be made available for specific projects or carried forward to the subsequent financial year.

(g) Accuracy of Accounts

It is the responsibility of Officers, having regard to any guidance which may be issued by the Financial Adviser and Head of Finance, to ensure that all items are correctly coded and only expenditure classified as revenue expenditure in accordance with proper accounting practices or as defined as such under the Local Government Act 2003 is charged to revenue.

D.6 PREPARATION OF THE CAPITAL PROGRAMME

(a) Capital Programme

The Authority will, on consideration of reports from the Financial Adviser which will be at least annual to coincide with the setting of the Revenue Budget, make decisions in respect of the capital programme. The reports from the Financial Adviser will consider the capital resources available to the Authority in the context of the CIPFA Prudential Code for Capital Finance in Local Authorities, and any other relevant information. The Authority will, on the advice of the Financial Adviser, set and monitor the Authority's Prudential Indicators.

(b) The Head of Finance is responsible for providing day to day support to the Financial Adviser in relation to the co-ordination of the budget process, the monitoring thereof, and reporting to the Authority.

(c) Financing of Schemes

Within the overall approved capital programme, the Financial Adviser will decide the method by which any particular scheme will be financed.

(d) Budget Working Papers

All working papers must be prepared in accordance with issued procedural instructions.

D.7 MONITORING AND CONTROL OF THE CAPITAL PROGRAMME

(a) Control

Officers must ensure that their total capital spending on the Authority's functions in any financial year does not exceed the relevant provision within the capital programme, except where approved by the Financial Adviser.

(b) Reporting Requirements

- (i) The Financial Adviser will report at least four times each year to the Authority on capital expenditure incurred to date in the financial year

and the projected outturn for the financial year compared to budget. This report will include details of the projected outturn for the financial year and the total capital resources available to the Authority with which to finance such expenditure.

- (ii) The Financial Adviser must report to the Authority not later than July each year on the actual capital expenditure incurred in the previous financial year compared to budget together with a comparison between the approved total cost and the projected total cost for each scheme.

(c) Variations to the Capital Programme

Officers may vary the budget for individual schemes or block provisions and may add schemes from the reserve list subject to any increase in budget being met by virements or additional resources and subject to the agreement of the Financial Adviser. They must report such variations to the Authority at the earliest opportunity.

(d) Major Overspends

Officers must report to the Authority on any schemes in progress which are forecast to overspend by 25% or more compared to the contract sum unless the overspending amounts to less than £75,000. The report must give the reasons for the overspending.

(e) Accuracy of Accounts

It is the responsibility of Officers, having regard to any guidance which may be issued by the Financial Adviser and Head of Finance, to ensure that all items are correctly coded and only expenditure classified as capital expenditure in accordance with proper accounting practices or as defined as such under the Local Government Act 2003 is charged to capital.

D.8 LEASES

(a) Inclusion in Capital Accounts

The taking or granting of a lease on any asset may form part of the Authority's capital expenditure or receipts, and must, therefore, be provided for.

(b) Financial Adviser's consent

The taking or granting of a lease on any asset, other than short term leases on property, will be subject to the consent of the Financial Adviser.

D.9 TREASURY MANAGEMENT

(a) CIPFA Code of Practice

The Financial Adviser will ensure that all Authority borrowings and investments are conducted in accordance with the CIPFA Code of Practice on Treasury Management in the Public Services. To this end, all money in the hands of the Authority will be aggregated for the purposes of treasury management and will be under the control of the Financial Adviser, referred to in the Code as the “Chief Financial Officer”.

(b) Decisions on Borrowing

Executive decisions on borrowing, investment or financing are delegated to the Financial Adviser.

(c) Treasury Management Policy

Unless otherwise agreed by the Authority treasury management arrangements will mirror the strategy and borrowing limits approved from time to time by the Financial Adviser’s employing borough.

(d) Pooling of investments

The Financial Adviser will make arrangements for any surplus funds to be pooled with funds belonging to his/her employing borough and invested and for interest to be allocated to the Authority on an equitable basis.

GLOSSARY

Capital Programme

The capital programme is a medium term statement of the Authority's proposals for capital expenditure, including leasing, having regard to the likely level of resources.

Prudential Code

The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent, sustainable and in accordance with good professional practice – or, in exceptional cases, to demonstrate that there is a danger of not ensuring this, so that the Authority can take timely remedial action.

Officers

- Clerk
- Managing Director and Deputy Clerk
- Financial Adviser
- Legal Adviser
- Head of Governance and Legal
- Head of Operations
- Head of Finance

Treasury Management

In order to maximise the return on temporary surplus cash balances and minimise the cost of short-term borrowing, the Authority pools any surplus funds with those belonging to the Financial Advisers employing borough, which are then invested in accordance with the CIPFA Code of Practice on Treasury Management in Public Authorities.

Virements

A virement is an agreed re-allocation of budgetary provision which has been approved for one purpose to another designated budget.

Agenda Item

NORTH LONDON WASTE AUTHORITY	
REPORT TITLE: FORWARD PLAN OF DECISIONS	
REPORT OF: MANAGING DIRECTOR	
FOR SUBMISSION TO: NORTH LONDON WASTE AUTHORITY	DATE: 25 June 2015
SUMMARY OF REPORT This report provides a forward plan of reports for the Authority. Local Government Act 1972 – Access to Information Documents used in the preparation of this report: None excepting minutes of previous meetings	
RECOMMENDATION: The Authority is recommended to note and comment on the report.	

Signed by the Managing Director



Date: 16 June 2015.....

1. INTRODUCTION

- 1.1 Members have asked that a mechanism be created to allow the Authority to identify future reports and see indicative dates of when decisions will need to be made including when possible an indication of when decisions may need to be made by the constituent Boroughs.
- 1.2 This report will be updated for every meeting and new and forthcoming items will be added to the list over time.
- 1.3 The Forward Plan has been divided into sections:
 - Consultations and Policy Development
 - Operations and Contracts Management
 - Corporate Management
 - Finance
 - Projects

2. CONSULTATIONS AND POLICY DEVELOPMENT

- 2.1 Consultations relating in particular to planning policy developments and issues relating to waste management are kept under review. Where such consultations are identified, they are noted in this section of the forward plan; otherwise a general report is listed, and relevant policy developments and consultations will be included.

3. OPERATIONS AND CONTRACTS MANAGEMENT

- 3.1 This section lists the on-going recycling, composting and disposal of the wastes collected by the seven constituent borough councils continues, along with associated contract, performance management and statutory reporting activities.
- 3.2 The implementation of the North London Joint Waste Strategy will proceed in a variety of ways, including through the on-going management of contracted services and through the North London Waste Prevention Plan 2014-16 and the implementation of a joint recycling communications campaign. Third party reuse and recycling credits will continue. Bids for financial support from external bodies will also come forward.

4. CORPORATE MANAGEMENT

- 4.1 At the organisational level, the Authority continues to have regard to potential risks, to oversee its shareholder interest in LondonWaste Ltd, and to manage its relationships with the constituent borough councils.

5. FINANCE

- 5.1 The Budget approval reports, and Accounts sign off reports are included, together with the regular budget reviews.

6. PROJECTS

- 6.1 This section covers reports to take forward specific aspects of the Authority's residual waste strategy, which will be updated to take account of Members' decisions on the timeline for future activity. It includes the timing of decisions on procurement relating to future residual waste facilities.

7. COMMENTS OF THE FINANCIAL ADVISER

- 7.1 The Financial Adviser has been consulted on the report and has no comments.

8. COMMENTS OF THE LEGAL ADVISER

- 8.1 A forward plan as such is not a legal requirement, because the Authority does not operate under Executive arrangements, but will nonetheless be helpful in longer term business planning.

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FORWARD PLAN

CONSULTATIONS AND POLICY DEVELOPMENT

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
Consultations and policy update Head of Operations	To consider and approve draft responses to various waste consultations, as published.	As arising
Recycling proposals Managing Director	Proposals to be agreed relating to achievement of the 50% recycling target.	September 2015
Proposals for the next (2015-18) Joint Recycling Communications Campaign Managing Director	Proposals for the next Joint Recycling Communications Campaign including seeking approval for a three year campaign.	December 2015
Third Party Reuse and Recycling Credits Registrations Head of Operations	Advises Members of the third party organisations that have applied to be registered for third party re-use and recycling credits for 2015/16	February 2016

OPERATIONS AND CONTRACTS MANAGEMENT

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
Funding Bids Head of Operations	To consider and approve draft funding bids to various bodies as invited.	As arising
Operations Report Head of Operations	Update on operations including contract activity	September and December 2015 and February, April and June 2016

CORPORATE MANAGEMENT

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
LWL Shareholder Issues Managing Director	Issues arising in connection with the Authority's shareholding in LWL.	Ongoing.
NLWA Annual Report	To approve the annual report for 2015/16.	AGM – June 2016
Other AGM items	Appointment of the Chair of the Authority for the 2016/17 municipal year. Appointment of the Vice-Chairs of the Authority for the 2016/17 Municipal Year. Membership of the Authority 2016/17. Appointment of Members to Committees and Working Groups. Dates of meetings for the Authority in 2016/17 Annual report of Directors of LondonWaste Ltd.	AGM – June 2016

FINANCE

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
2014/15 Regular Budget Reviews Head of Finance	To keep under review and note the Authority's performance against budget during the year. In December the report will update Members on the budget and levy prospects for the following financial year. In June the report will also provide Members with details of the actual expenditure and income for 2015/16 (subject to	Ongoing

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
	audit).	
2015/16 Revenue Budget and Levy Head of Finance	To secure agreement to the Authority's 2015/16 budget and levy	February 2016

PROJECTS

TITLE OF REPORT & CONTACT	NATURE OF DECISION	INDICATIVE DECISION DATE
Development Consent Order Process for replacement ERF Managing Director	To progress the application in accordance with the published timetable, decisions and updates as required.	Reports anticipated at each Authority meeting during process
Residual Waste Management – next steps Managing Director	Consideration of options relating to future residual waste management including technical, finance and procurement – report dates indicative	Initial report December 2015 and subsequent progress reports during 2016 and 2017 (timing to be refined in future reports) Anticipated timescale for decision December 2016/February 2017

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Clerk – Mike Cooke, Tel 7974 5686 Email: mike.cooke@camden.gov.uk

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