

NORTH LONDON WASTE AUTHORITY ANNUAL REPORT 2015/16

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. At the June 2015 AGM of the Authority, Cllr Clyde Loakes (LB Waltham Forest) was appointed as Chair of the Authority, and Cllrs Feryal Demirci (LB Haringey) and Dean Cohen (LB Barnet) as Vice Chairs.

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 The requirement for local authorities to contract out waste disposal functions was repealed by Section 47 of the Clean Neighbourhoods and Environment Act 2005.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. During 2014/15 the original twenty-year contract with LondonWaste ended, and the Authority awarded a contract for waste services to LondonWaste until December 2025.
- 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 and Haringey. The principal officer support and managers in post as at 31st March 2016 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

Highlights

- The Authority and the seven constituent borough councils agreed to a new, fair way of apportioning the Authority's costs between the boroughs, and an Inter Authority Agreement to govern relations between the eight parties until the end of 2055.
- Figures indicate that in 2015/16, residual waste per household increased by 2% to 606 kg (there was also an increase of almost 7,000 in the number of dwellings from those in 2014/15); the household waste re-use, recycling and composting rate has stayed the same at 33%; and the amount of local authority collected waste sent to landfill has been maintained at 13% (below the NLJWS target).

Overview

Menu Pricing and Inter Authority Agreement

- 2.1. The Authority and the seven constituent borough councils have been working for some time on an Inter Authority Agreement (IAA) to govern relations between the eight parties until the end of 2055, and which will introduce a new, fair way (known as 'menu pricing') of apportioning the Authority's costs amongst the boroughs. In essence the menu pricing mechanism (MPM) improves on the former regime by more effectively incentivising recycling, because the boroughs will pay for the different quantities of each type of waste that they deliver to the Authority for recycling or disposal. The MPM also means that boroughs will pay for the Authority's re-use and recycling centre (RRC) service in proportion to the usage of each RRC by each borough's residents.
- 2.2. The former regime (based largely on the statutory default mechanism) pooled the costs of treating different types of waste such that when a borough delivered a tonne of sorted recyclables it had the same impact on its share of the levy as a tonne of residual waste. The former regime was even less satisfactory for RRCs insofar as RRC residual waste costs were apportioned amongst the boroughs in accordance with the relative amounts of Council Tax Band-D equivalent properties in each borough, and the RRC operational and recycling costs were paid for in full by the borough in which each RRC is situated.
- 2.3. Agreement was reached during 2015/16 for the introduction of the MPM from April 2016 and the IAA itself was executed in May 2016.

- 2.4. 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.
- 2.5. During 2015/16 the Authority produced the seventh Annual Monitoring Report of progress made with implementing the Strategy and accompanying Strategic Environmental Assessment; the report presented data up to 2014/15. A copy of the Annual Monitoring Report is available at: <http://www.nlwa.gov.uk/governance/annual-monitoring-reports>.
- 2.6. 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.
- 2.7. Current data and reports from constituent borough councils indicate that the provisional performance in 2015/16 (with 2014/15 for comparison) was as follows:
- 606 kg (594 kg) residual waste per household was collected (NI 191);
 - 33% (33%) of household waste was re-used, recycled or composted (NI 192);
 - 13% (13%) 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.
- 2.8. The Partners' current performance remains below the 2010 recycling and composting target contained within the NLJWS, however work continues amongst the NLJWS partners to address this shortfall. On a positive note, the lower levels of landfill rates have continued with further improvements expected.

- 2.9. In relation to organic wastes the Authority continued to arrange the composting of six boroughs' organic wastes comprising food, mixed food and green waste and 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.
- 2.10. In relation to mixed (commingled) dry recyclables, the Authority arranged the sorting of six boroughs' materials at Materials Recovery Facilities, benefiting from income sharing arrangements.
- 2.11. The longer-term implementation of the NLJWS is set out later in this document at section 5.

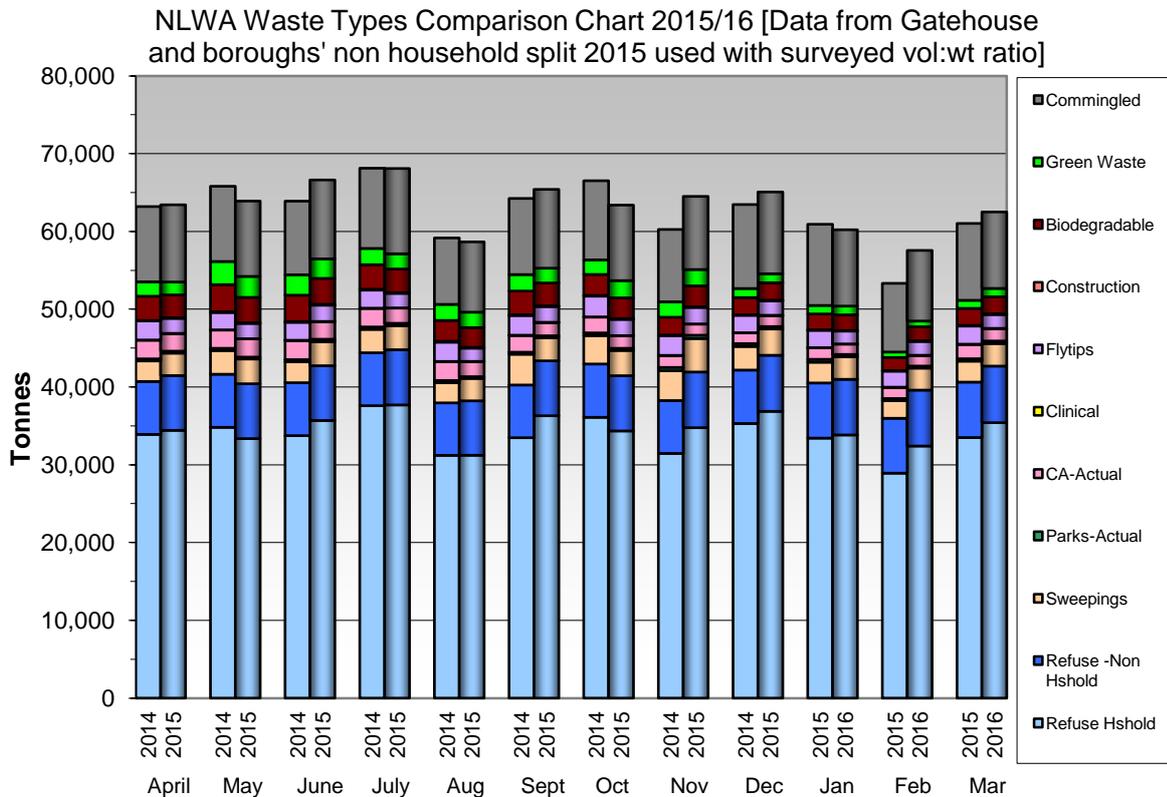
3. CONTRACTED SERVICES

Highlights

- Opening of the "Second Time Around" re-use shop.
- Transfer of Barnet's (Summers Lane) Re-Use and Recycling Centre to the Authority.
- Maintaining the amount of wastes sent to landfill at 13%, below the Strategy target.
- 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).

- 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. The Authority additionally manages the site operations of eight 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 The Authority's main waste contract (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 continue at approximately £5m per year over the next two years.

- 3.4 During 2015/16, 763,500 tonnes of municipal waste were treated by NLWA or disposed. This is 13,446 tonnes more than 2014/15. An additional 31,039 tonnes of recycling from the eight Re-use and Recycling Centres were managed under Authority arrangements, whilst the residual tonnages collected from all RRCs decreased by approximately 2,641 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 2015/16 a total of 116 visits were made across the three sites at Edmonton, Hendon and Hornsey Street with a further 138 visits to the Authority's MRF contractors; this includes visits necessary to inspect and verify loads identified as rejectable by the MRF contractor.
- 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 2015/16. 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 170,783 tonnes in 2015/16 (included in the overall tonnage figure at 3.4 above). This is an increase of 364 tonnes on tonnage in 2014/15. 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 2015/16, 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 22,133 tonnes of organic kitchen/garden waste, 9,489 tonnes of food waste (an overall decrease of 368 tonnes from 2014/15), and 21,119 tonnes of green waste (a decrease of 438 tonnes from 2014/15); it is thought that these minor changes may be the result of year-to-year seasonal variations.
- 3.9 In 2015/16 118,042 tonnes of mixed dry recyclable waste was treated. This was an increase of 1,170 tonnes from 2014/15. These figures are included in the overall organic waste and mixed dry recycling tonnage figure at 3.7 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; sixteen 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 2015/16 has recently been finalised and the total income for 2015/16 will be in excess of £2.5 million; this has resulted in a net cost to the public purse of under £28 per tonne for MRF services in continually challenging market conditions. The issues around contamination previously reported at the September 2015 meeting of the Authority are still continuing and officers continue to work with constituent borough colleagues and contractors on these problems.

Re-use and Recycling Centres

- 3.11 There are currently nine re-use and recycling centres (RRCs) in the Authority's area generating 21,205 tonnes of residual waste in 2015/16 (a decrease of 2,641 tonnes from 2014/15), which was transported from the RRCs. Under the 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:	2014/15	2015/16	Difference
Summers Lane	5,488.30	6147.00	658.7
Regis Road	1720.54	1457.00	-263.54
Barrowell Green	8457.80	6503.00	-1954.8
Western Road	1608.16	1259.2	-348.96
Park View Road	2197.92	1674.24	-523.68
Hornsey Street	2137.28	1841.42	-295.86
Kings Rd	0.00	31.24	31.24
South Access Road	1436.65	1529.82	93.17
Gateway Road	798.94	762.06	36.88
Total	23,845.59	21,204.98	-2,640.61

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 2015/16 a total of 218 visits were made to RRCs.

3.13 LondonWaste continues to perform well and the service is of a good standard; 30 defaults were issued during the period covered by this report. Defaults predominantly related to transport matters and resulted in a £3,602 deduction from the contract price.

3.14 At the third budget review in February 2016 a revised budget figure of £2.754m was advised for the operation of the eight Authority-managed RRCs in 2015/16. Actual costs to the boroughs for providing the service in 2015/16 was £2.765m resulting in an overall additional operational cost of £11k, including the reuse shop, this increase was largely due to the net cost of recycling increasing by over £114k from the revised budget but some RRC costs remain with the constituent borough councils. The table below sets out the costs for each borough.

Borough	<u>2015/16</u> Revised Budget	<u>2015/16</u> Actual Costs	<u>Difference</u>
Barnet	£315,377	£301,615	-£13,762
Camden	£348,965	£339,088	-£9,877
Haringey	£582,840	£610,384	£27,544
Islington	£574,929	£587,303	£12,374
Waltham Forest	£932,285	£913,737	-£18,548
Total*	£2,754,391	£2,752,126	£1,056

* The above costs exclude released accruals from 2014/15, and the Second Time Around shop, so final costs to borough through the levy will be different.

- 3.15 Although in overall terms there is an increase in costs; the reduction in residual waste tonnes of 2,641 tonnes at the sites has seen more tonnes being recycled that have resulted in the net cost of recycling increasing.
- 3.16 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 2014/15 and 2015/16. Noting that Summers Lane transferred to the Authority mid-year. and improvements to the recycling rate are expected through 2016/17.

<u>RRC</u>	<u>2014/15</u>	<u>2015/16</u>
Summers Lane	n/a	64.89%
Regis Road	68.56%	74.09%
Western Road (formerly High Street Hornsey)	68.30%	73.36%
Park View Road	64.45%	69.98%
Hornsey Street	68.05%	71.11%
Gateway Road	71.03%	73.06%
Kings Road**	100.00%	98.75%
South Access Road	78.86%	78.44%
Weighted average of all RRCs	71.76%	73.48%

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

** Kings Road does not accept residual waste however some wastes were generated from works at the re-use shop.

‘Second Time Around’ Re-Use Shop

- 3.17 The reuse shop “Second Time Around”, opened in September 2015 at the Kings Road RRC. Initially the shop opened to the public three days per week, but this has now increased to four days a week (Wednesday – Saturday), along with opening the first Sunday of each month. Material suitable for re-use is collected from all the RRCs under the Authority’s control and transferred to the reuse shop.
- 3.18 A range of items are sold in the reuse shop, predominantly furniture and bric-a-brac. Bicycles have also recently been added to the items for sale, and staff have recently been trained in Portable Appliance Testing so that small electrical items such as lamps can also be sold. To date over 28 tonnes of reuse material have been sold through the shop and a net profit of around £1.3k has been made in its first six months of operation. This will be used to contribute towards the Authority’s wider waste prevention work.
- 3.19 During 2015/16 nineteen written complaints were received regarding the eight RRCs managed by the Authority.

Type of complaint	Number
Site staff	7
Van procedures	4
Site closures	4
Height barrier	2
Site safety	1
Hardcore policy	1
Total	19

- 3.20 All complaints have been investigated and responded to and where necessary remedial action has been taken to prevent reoccurrence. There are some 400,000 visits to the sites each year.
- 3.21 In January 2016 the new rubble and soil policy was introduced at the RRCs. During the first three months the RRCs have seen over 10% reduction in rubble tonnages compared to the same period as last year. One written complaint has been received by the Authority regarding the introduction of the new policy.
- 3.22 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.
- 3.23 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.

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 16 designated collection facilities (DCFs), registered by the Authority on behalf of the constituent boroughs. Approximately 4,348 tonnes of WEEE was recycled during 2015/16 (an increase of 413 tonnes from 2014/15). 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.
- 3.25 **Tyres** – The service performs well with two sites, one in Hackney and one in Barking, available for constituent boroughs to deliver to. In 2015/16 approximately 59 tonnes of tyres were disposed (a net increase of 6 tonnes from 2014/15); with more boroughs now using this service than in previous years.

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 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) is soon to be completed.
- 3.27 During 2015/16 Authority officers oversaw surveys of constituent boroughs non-household wastes to establish a new volume-to-weight ratio to be used in calculating the amount of tonnes collected by borough trade waste services and for chargeable household wastes.
- 3.28 The Authority has put in hand a process to evaluate a range of matters to assess value for money connected with potential methods of residual waste management, to help inform future decisions on the implementation of waste management services and infrastructure.

Pinkham Way

- 3.29 Throughout 2015/16 work to manage two invasive plant species (Japanese Knotweed and Giant Hogweed) was continued. This is ongoing in 2016/17.

4. RELATIONSHIP WITH LONDONWASTE LTD

Highlights

- A high-quality, reliable service was provided throughout the year.
- £1m dividend paid to the Authority by LondonWaste Ltd.

- 4.1 The Authority is the sole owner of LondonWaste Ltd. During 2014/15 the Shareholder Group comprising the Authority Chair and Vice-chair, supported by Authority officers, continued to oversee the Authority's interest in LondonWaste Ltd.
- 4.2 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.
- 4.3 In the year ended 31st December 2015 LondonWaste Ltd made a profit before tax of £4.0m. Waste throughput and boiler availability contributed to the above budget performance. This meant that incineration and electricity export exceeded expectation, disposal costs were minimised and profitability was sufficient for LondonWaste Ltd to pay £1.0m in dividend to the Authority.

5. NORTH LONDON HEAT AND POWER PROJECT

Highlights

- The Authority's application to the Secretary of State for a Development Consent Order for construction of a new Energy Recovery Facility at the EcoPark in Edmonton was submitted and accepted by the Planning Inspectorate.
- The application also includes the delivery of a Resource Recovery Facility that incorporates a new Re-use and Recycling Centre for local people.
- As part of the application, the Authority conducted a two phase consultation process with Phase Two taking place between 18th May and 30th June 2015.
- The consultation formed part of the application submitted in 2015, with a decision expected in February 2017.
- The six month examination period started on 24 February 2016 and the first hearing was held in March.

Overview

- 5.1 The North London Heat and Power Project (the Project) for which the Authority is seeking a Development Consent Order (DCO) comprises the construction, operation and maintenance of an Energy Recovery Facility (ERF) of around 70 megawatts electricity (MWe). The proposed ERF would 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 also covers:
- 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 would produce renewable heat and power from the residual waste produced from homes across north London. The energy could be directed into the national grid, to provide electricity and generate an income, as happens with the existing EfW.
- 5.4 Some of the heat generated by the ERF could be delivered through pipes to a local heat network for the area. This would require 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 would produce more than 50 MWe, in planning terms it is a 'Nationally Significant Infrastructure Project'. The Authority has therefore applied 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 undertook 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 was to ensure that the community and other interested parties had a chance to understand and influence the proposals.
- 5.7 Phase One Consultation took place in 2014/15. Phase Two Consultation on the Authority's outline proposals ran from 18th May to 30th June 2015. A Project website (www.northlondonheatandpower.london) acted as a portal for all information and the online questionnaire for responses to the consultation.
- 5.8 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.

- 5.9 The feedback received in response to both phases of consultation has been considered by the Authority. The outcomes of both phases of consultation are available on the Project website in the Consultation Report, and also through the PINS website as part of the application documentation.
- 5.10 The application for development consent was submitted in October 2015 and accepted for examination on 11 November. PINS then sought representations on the application, and 20 relevant representations were submitted.
- 5.11 The examination period started on 24th February, and the first issue specific hearing was held on 18th March, covering initial questions from the Examining Authority on the draft Development Consent Order. The Inspector's accompanied site visit took place on 17th March. The process of examination is continuing, with further hearings set for 5th and 6th July on the draft Development Consent Order, on Compulsory Acquisition, and open floor sessions.
- 5.12 The examination period will end on 24th August, and the decision is required to be issued by the Secretary of State by 23rd February 2017.

6. EXTERNAL RELATIONS

Highlights

- An extensive outreach programme was delivered to encourage the prevention of food waste through direct engagement with 11,078 north London residents with participation in 111 public facing events including stands and stalls at offices, community centres and universities as well as at festivals and fairs and an additional 2,806 people at seven Waste Less, Lunch Free events serving 6,345 free portions of food that would otherwise have become waste;
- Participation in the European Week for Waste Reduction in November 2015 with an extensive range of over 50 different activities.
- A year-end Waste Prevention Exchange event to share best practice on waste prevention in urban areas.
- Extensive communication work to support the DCO application, and in particular the second of two phases of public consultation.
- Communications campaigns and media activity to increase awareness of key operations and waste prevention activities, including food waste reduction and clothing re-use.
- OJEU procurement process for a three year household recycling communications campaign to be delivered in conjunction with the seven north London boroughs.

6.1 External Relations activity includes both an extensive waste prevention programme to reduce waste as well as communications activity to support all areas of the Authority's work.

Waste Prevention

6.2 During 2015/16, 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 textiles. Work on the priority waste streams was complemented by other activities promoting reduction of unwanted mail, the replacement of single use carrier bags with reusable one and reusable nappies.

6.3 The report at Appendix 3 presents the results of the year's extensive activity and progress towards implementing north London's Waste Prevention Plan 2014-16, so it is not repeated here.

6.4 During 2015/16 the Authority was shortlisted for four awards for its waste prevention work:

- Finalist in the Administration/Public Authority category for the EWWR awards for the 'Gift of Waste'
- Shortlisted for a National Recycling Award for the Best Food Waste Initiative in the Public Sector for the 'Pumpkin Rescue Festival'
- Shortlisted for a National Recycling Award for the Waste prevention award – Public and Third Party category for the 'Gift of Waste'
- Shortlisted for a National Recycling Award for the Waste prevention award – Public and Third Party category for the 'Pumpkin Rescue Festival'

Working in Partnership

6.5 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 Resource London (the jointly funded support programme for London waste authorities delivered in partnership by the London Waste and Recycling Board (LWARB) and the Waste and Resources Action Programme (WRAP)) and the Chartered Institution of Wastes Management.

6.6 The Authority is also a member of a number of organisations as follows:

- Association of Cities and Regions for Recycling and sustainable Resource management (ACR+)
- Local Authority Recycling Advisory Committee (LARAC)
- London Environmental Education Forum (LEEF)

6.7 Additionally, individual officers are members or attend the meetings of a number of other officer based groups.

6.8 The Authority also actively engages with the work of London Councils, although for technical reasons cannot be a formal member with voting rights.

Communications

6.9 As detailed above in Section 5, in 2015/16 supporting the second phase of the DCO application consultation, was a key focus for communications activity. Additional communications work focused on:

- promoting waste prevention activity (and the work of the waste prevention team);
- promoting the Authority's consumer facing operational activities (including reuse and recycling centres) and

- raising the profile of the Authority (both within the waste industry and to residents).

Overview of communications work

6.11 Communications activity was delivered during 2015/16 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; as was both the [Wise Up to Waste](#) and the [North London Heat and Power Project](#) websites.

6.12 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 consumer facing operational activities included promoting RRCs while 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 REAL nappies campaigns. Communications activity focused on communicating details of the services available in north London that enable residents to recycle more, on the financial benefits of wasting less, and on providing residents with practical tips and advice to enable them to waste less through advertising campaigns, media relations and digital communications (web and social media).

6.13 Household Recycling Communications Campaign

Plans to continue running the joint recycling communications campaign, which was established in 2012, were paused in the year due to a review of pan-London recycling communications proposals by Resource London. Following approval to extend the campaign in 2014/15 from the previous one to three years a revised three year campaign specification was put out for tender and a procurement begun. Procurement advisers were also appointed in early 2015/16 to assist. The procurement process for this campaign, which is being run under OJEU regulations, is ongoing and an agency is expected to be appointed early in July 2016.

6.14 The education element of the programme continued to be delivered during this time with outreach activities taking place in local schools. The charity ecoACTIVE was appointed and visited 14 schools during 2015/16 to deliver an intensive education programme covering both waste prevention and recycling, which is reported upon in Appendix 3. An additional nine schools were visited to promote recycling to parents and guardians through coffee mornings and family recycling competitions, and to children through assemblies and follow up sessions, which represented carried-over recycling education work from 2014/15.

6.15 **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 149 Facebook 'likes,' up from 83 in the previous year and 889 Twitter followers (at the end of 2015), up from just over 700 at the end of 2014. The Authority's consumer facing website wiseuptowaste.org.uk received a total of 46,707 visits, up from 27,007 visits in 2014/15 and had over 102,000 page views, up from over 58,000 page views in 2014 / 2015. A review of social media content and activities was begun, and will continue into 2016/17, with work taking place to improve scheduling via the Hootsuite system. Work also took place to improve the Authority's media and social media monitoring and reporting through a new Meltwater system and an increased use of Google Analytics.

6.16 **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 on the opening of *Second Time Around*, on the Waste Prevention Exchange and on food waste reduction events such as the Pumpkin Rescue Festival.

6.17 New internal communications channels were introduced between 2014 and 2016, including a weekly staff e-newsletter, Staff Update, and regular topical staff briefing events. A review of these channels conducted during 2015/16 suggested that both have been well received by staff and work will continue to embed these channels during 2016/17.

6.18 **North London Heat and Power Project communications**

The phase two consultation period ran between 18th May and 30th June 2015 supported with a range of communications activity as outlined in Section 5. Ongoing work on the website and through community newsletters made sure that all stakeholders were kept up to date.

7. GOVERNANCE

Highlights

- The Equality Objective has been reviewed in light of this year's activities.
- The annual risk review took place in September 2015 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 2016.
- 7.2. Any offer of hospitality and whether it was accepted or refused must be declared. During 2015/16 there were 10 declarations from staff; 9 offers of hospitality were accepted and 1 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. 22 requests for information under the Environmental Information Regulations were responded to by the Authority in 2015/16. Fifteen requests were responded to within the 20 working days required by the legislation; seven responses took longer to respond to so extensions were required. The average response time was 17.5 working days. There were no enquiries open at the year end. In addition there were no appeals against refusal to release information and no complaints were made to the Information Commissioners' Office (ICO) during the year regarding requests for information made to the Authority.

Information Transparency Code

- 7.5. The government published a revised Information 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.

- 7.6. The Authority publishes information in accordance with the Code on its website at <http://www.nlwa.gov.uk/governance-and-accountability/transparency-and-supplier-payments>. 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 to which there is a link on the web-page.
- 7.7. Officers have assessed the Authority's current compliance with the Code and can confirm full compliance with the mandatory provisions.

Equality Objective

- 7.8. 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.

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

7.10. 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:

- 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 Authority's 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 is 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;
- all videos on the corporate website (www.nlwa.gov.uk) 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);
- a review of site signage at all the RRCs is being undertaken primarily in order to ensure brand compliance and consistency of messages, but this will include reviewing the use of pictorial images as well as typography on the signage for individual waste and recycling materials signage;
- a review of the Authority's brand guidelines is ongoing and will ensure continuing compliance with the public sector equality duty and compatibility with the Authority's equality objective, the new guidelines will be published in 2016/17; and
- a ramp is available at Berol House to aid wheelchair users to access the Authority's offices.

Public Contracts Regulations 2015 and Concessions Contracts Regulations 2016

7.11. The Public Contracts Regulations 2015 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 have also been updated to reflect changes to the tendering process as approved by the Authority meeting in June 2015.

Risk

- 7.12. 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 25 September 2015 meeting of the Authority (the report can be viewed on the Authority's website). As the report documents, the risk review led to an update to management actions, but no new risks were identified. A high level risk register for LondonWaste Ltd was also reviewed.
- 7.13. At the Authority meeting on 10 December 2015 the Authority approved an updated Statements of Arrangements for the provision of staff, the Clerk, Financial and Legal Advisers, and for support services including financial services.

8. FINANCE AND RESOURCES

Highlights

- 2014/15 levy increase restricted to £46.452m (an increase of 11.05%)
- 2015/16 levy held at £46.452m (no increase)
- 2016/17 levy increase restricted to £46.648m (an increase of £0.196m (0.42%))

Budget

- 8.1 The net revenue budget of the Authority for 2015/16 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 £66.173m for 2015/16, to be financed by estimated revenue balances of £8.311m, charges to boroughs for non-household waste of £9.607m, household waste of £1.803m and a levy of £46.452m. In setting the 2015/16 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 2016/17 budget and levy.

8.3 The 2015/16 final outturn reported as part of the ordinary business of the June 2016 Authority meeting, indicates that the Authority's total expenditure for the year was £59.609m and that charges for non-household and chargeable household wastes were £9.690m and £1.919m respectively. As the levy is fixed at the start of the year, this resulted in the Authority having a revenue surplus including balances brought forward of £13.874m at 31 March 2016. This is £4.283m better than previously forecast in February 2016 (£9.591m). The in-year financial improvement arose mainly from a lower than anticipated charge for landfill tax, savings on corporate and support services, non-use of the contingency and increased income.

8.4 The 2015/16 expenditure comprised:

	£m
Waste disposal & recycling services (including landfill tax)	44.813
Reuse & Recycling Centres (operational costs)	2.801
Corporate & support services	2.586
Waste prevention initiatives (including work with community groups and constituent councils)	3.033
North London Heat & Power project (development costs)	3.282
Revenue cost of funding the capital programme	7.001
Expenditure	63.516
<i>Less</i>	
Sale of recyclates	(2.503)
Dividend Received	(1.000)
Other Income	(0.404)
Net Expenditure	59.609

8.5 Looking forward, in February 2016 constituent boroughs approved a change to the method of calculating the levy and charges to a menu pricing based system. Subsequently, the Authority set the budget for 2016/17 at £65.845m. The Authority decided that the £9.591m revenue balance forecast to be available would be used to help fund the budget. As a consequence the 2016/17 budget has been financed as follows:-

	£m
Use of revenue balances	9.591
Charges to boroughs for non-household waste	8.007
Charges to boroughs for household waste	1.598
Levy	46.648
Total	65.845

- 8.6 The levy for the 2016/17 financial year of £46.648m has been apportioned between constituent councils as follows:-

	£m
Barnet	9.762
Camden	5.316
Enfield	5.843
Hackney	6.435
Haringey	6.871
Islington	5.234
Waltham Forest	7.187
Total	46.648

- 8.7 The 2016/17 budget of £65.845m is lower than 2015/16 by £0.328m. 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 an expected reduction in the dividend receivable from LondonWaste Ltd and the inclusion in the budget of the Summers Lane RRC, in Barnet that was transferred to the Authority in October 2015.

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.

- 8.11 In early 2016, the seven constituent councils approved the change to a system of levy and charges based on menu pricing. From 2016/17, the change will ensure an equitable allocation of the Authority's net expenditure. Menu pricing is primarily driven by the tonnage of different types of waste that each borough delivers to the Authority. In addition, the move to a menu pricing based levy also reduces the per tonne charge for the treatment of non-household and chargeable household waste.

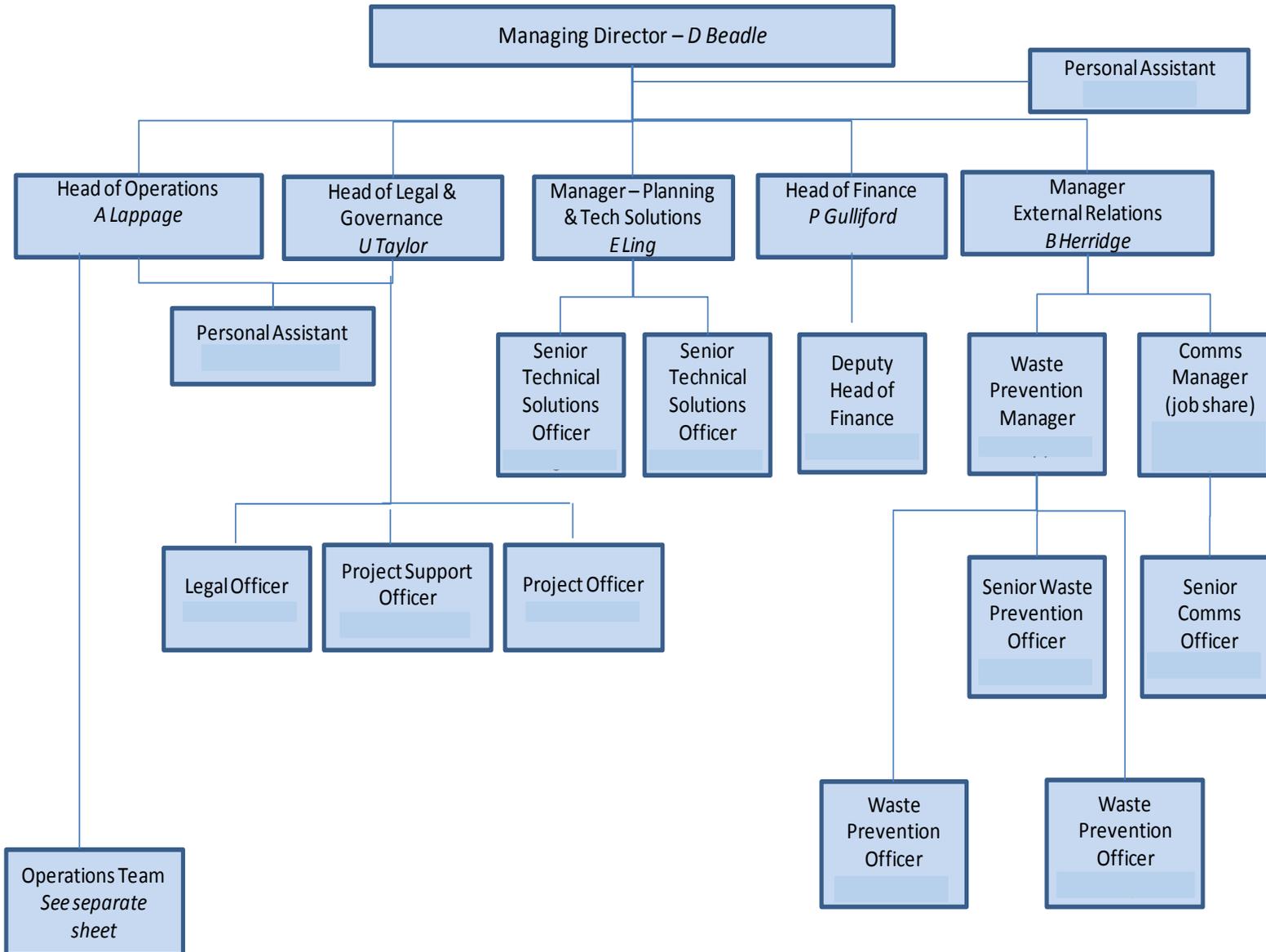
Value for Money

- 8.12 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. LondonWaste Ltd have agreed a contract that will ensure that waste, currently sent to landfill will instead be sent to a new energy from waste facility in Bedfordshire when it opens in 2016/17. This will save the authority approximately £0.4m per annum
- 8.13 By replanning capital expenditure and refinancing existing borrowing, a one off saving of £0.9m in 2015/16 and recurring savings of £0.2m were achieved.

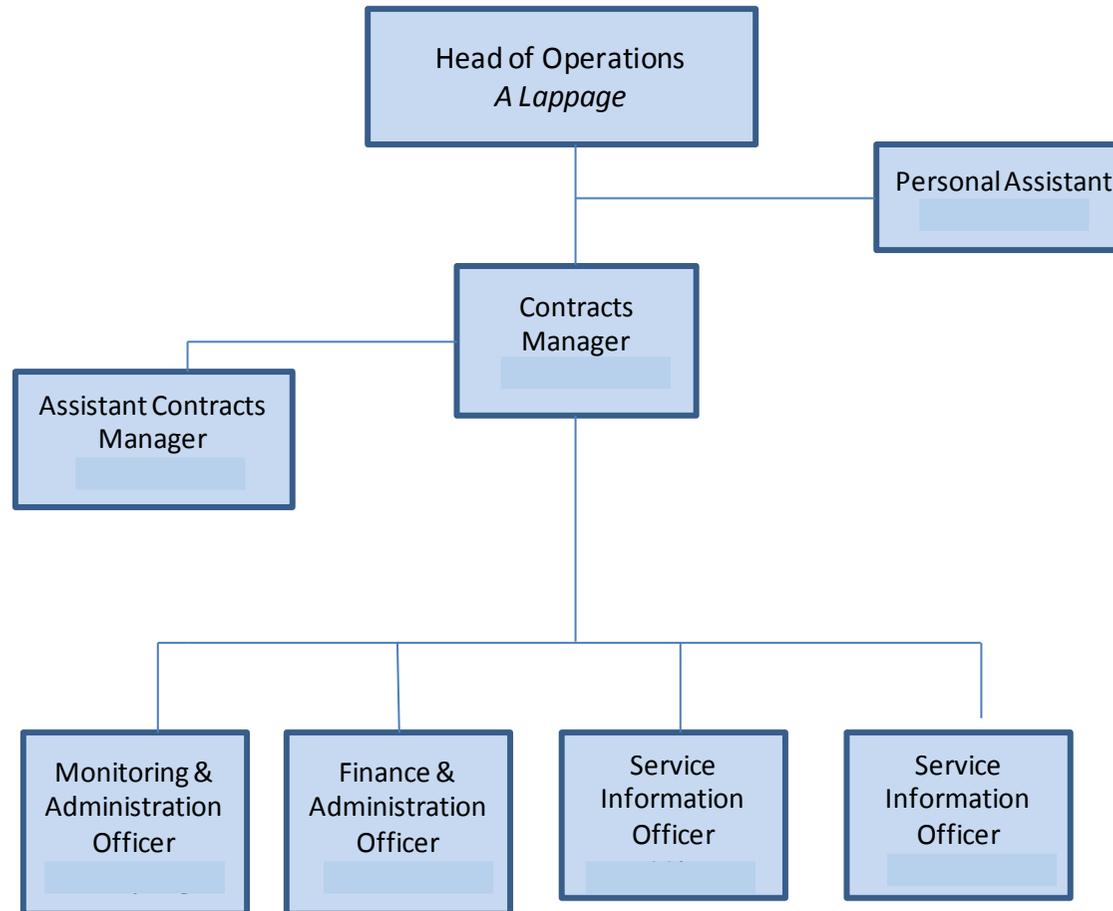
Property Issues

- 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 2016



NORTH LONDON WASTE AUTHORITY – OPERATIONS TEAM AT 31ST MARCH 2016



NORTH LONDON WASTE AUTHORITY LEVIES AND NON-HOUSEHOLD CHARGES 1986/87 TO 2016/17

	Levy	Non-household Charges	Total
	£M	£M	£M
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
	£M	£M	£M	£M
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
2016/17	46.648	1.598	8.007	56.253

- 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.
- From 2016/17, menu pricing will apply, one effect of which is to reduce the per tonne charge for non-household and chargeable household wastes.

WASTE PREVENTION SUMMARY REPORT 2015/16

Separate document