



North London Waste Authority Annual Report 2016/17

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1. Overview

- 1.1.** North London Waste Authority (NLWA) (the Authority) is the statutory joint waste disposal authority for north London and as such is responsible for the disposal of waste collected by seven north London boroughs (the constituent boroughs):

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

- 1.2.** The Authority also arranges for the recycling and composting of waste collected by six of the seven constituent boroughs and for the provision of reuse and recycling centres (RRCs).
- 1.3.** In addition to the operational functions for managing waste, the Authority also works jointly with the north London boroughs to deliver public-facing behaviour change programmes to encourage waste prevention and recycling.
- 1.4.** The Authority is the owner of LondonWaste Ltd (LWL), which operates an energy from waste (EfW) facility and other waste facilities at the Edmonton EcoPark in Enfield. LWL also operates transfer stations in Hornsey Street, Islington and Brent Terrace, Barnet. Permission, in the form of a Development Consent Order, to redevelop the Edmonton EcoPark was recently granted and the Authority now has plans to implement this over the next ten years. The Authority has a contract for waste services with LondonWaste Ltd and contracts with other companies for the treatment of mixed dry recyclable materials, waste electrical and electronic equipment, and tyre recycling and disposal.
- 1.5.** 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.
- 1.6.** At the June 2016 Annual General Meeting (AGM) of the Authority, Cllr Clyde Loakes (LB Waltham Forest) was appointed as Chair of the Authority, and Cllrs Feryal Demirci (LB Hackney) and Dean Cohen (LB Barnet) as Vice Chairs.
- 1.7.** The Authority is funded in the main by a levy it places on its constituent boroughs for waste services and specific charges for the management of some types of waste.

1. Overview

- 1.8.** The Authority does not employ any staff directly, but makes cross-borough arrangements for support services, involving LB Camden, LB Enfield and LB Haringey. The principal officer support and managers in post as at 31 March 2017 are set out below:

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)

Managing Director and Deputy Clerk – Vacant*

Head of Operations – Andrew Lappage

Head of Legal and Governance – Ursula Taylor

Head of Finance – Paul Gulliford

* David Beadle was in post as Managing Director and Deputy Clerk until 31 December 2016. Duties are currently split between the Head of Operations and Head of Legal and Governance from 1 January 2017.

- 1.9.** Structure charts for the officer teams are attached as Annex 1.

North London Joint Waste Strategy

- 1.10.** The Authority and the seven constituent boroughs have agreed a joint waste strategy for 2004 to 2020, which sets out the eight partners' targets, aspirations and approach to managing waste in the area for the period. Whilst several of the implementation actions in the North London Joint Waste Strategy (the Strategy) are ongoing and there is still some way to go to meet the Strategy target of 50% recycling of household waste by 2020 all other targets in the Strategy have been achieved. The Authority reports annually on progress with delivering the Strategy on behalf of the eight partners.
- 1.11.** During 2016/17 the Authority produced the eighth Annual Monitoring Report (AMR) of progress made with implementing the Strategy and an accompanying Strategic Environmental Assessment; the AMR presented data up to 2015/16. A copy of the Annual Monitoring Report is available at: <http://www.nlwa.gov.uk/governance/annual-monitoring-reports>.

1. Overview

1.12. Key targets in the Strategy include:

- to achieve a 35% recycling and composting rate for household waste by 2010, 45% by 2015, and 50% by 2020;
- to reduce the amount of municipal waste sent to landfill to 15% of overall municipal waste;
- to provide door to door recycling services to 95% of relevant households;
- to provide all residents in multiple occupancy housing (flats) with either door to door collection services or a minimum of one 'near-entry' recycling site for every 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.

All but one of the above targets (the recycling and composting target) have now been achieved.

1.13. The Authority used to have a duty to publish three 'National Indicators' (NIs) by 30 June each year in relation to the previous year's performance in terms of waste management. Even though the duty no longer exists, the Authority finds it useful to prepare an Annual Report for its AGM 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 the national WasteDataFlow system by 30 June each year. The numbers are then validated by WasteDataFlow and subsequently reviewed by the Department for Environment, Food and Rural Affairs.

1.14. Current data and reports from the constituent boroughs indicate that the provisional performance in 2016/17 (with 2015/16 for comparison) was as follows:

- 593kg (613kg) residual waste for every household was collected (NI 191);
- 32% (32%) of household waste was reused, recycled or composted (NI 192);
- 9% (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.

1.15. The partners' current performance remains below the recycling and composting target contained within the Strategy; however, work continues amongst the partners to address this shortfall. On a positive note, the lower levels of landfill rates have continued with further improvements expected.

1.16. The following sections of this report provide further details about the Authority's work to encourage more waste prevention, and about the operational aspects of the Authority's work in managing waste and progress with developing replacement and new facilities for doing so in the future, as well as the Authority's behaviour change and communications work to encourage more waste prevention, reuse and recycling. The report also details the financial and governance arrangements of the Authority in the past year.

2. Waste Prevention

Highlights

- An extensive outreach programme was delivered to encourage residents to waste less food. This included direct engagement with 13,077 north London residents and participation in 180 public facing events, including stands and stalls at offices, community centres and universities, as well as at festivals and fairs.
- The London Upcycling Show (where attendees refurbish or revamp old furniture) and associated upcycling competition to mark the European Week for Waste Reduction in November 2016.
- A year-end Waste Prevention Exchange event to share information on the role of business and local authorities in the development of a circular economy.
- A piece of evaluation work to assess the medium term impact of the schools' waste education programme, which is delivered as part of the waste prevention programme.

2.1. During 2016/17 the Authority worked in partnership with the seven constituent boroughs to deliver the activities contained in the first year of a two-year Waste Prevention Plan 2016-18 (the Plan). The aim of the Plan is to divert 20,000 tonnes of waste from recycling and disposal; within 2016/17 it is estimated that 10,244 tonnes of waste were either prevented from being produced in the first place, or reused as a result of the activities delivered in the Plan. The effectiveness and value for money of waste prevention activities relies on the best available metrics.

2.2. Three priority waste streams were identified, food waste, furniture and textiles. Work on the priority waste streams was complemented by other activities, including promoting reducing unwanted mail, replacing single use carrier bags with reusable ones and promoting reusable nappies.

Food waste reduction

2.3. During 2016/17 a programme of face to face outreach activity was delivered across north London to encourage residents to reduce the amount of food waste they throw away. The activity included information stands in a range of settings, such as at festivals and fairs, in libraries, community centres and offices, and at universities and leisure centres. Based upon national research and guidance, and previous officer experience, five key messages and actions were encouraged:

- Plan meals in advance to avoid buying food that will go to waste.
- Write a shopping list to avoid buying more than you need.
- Understand the meaning of 'best before' and 'use by' dates so that food is not thrown away before it should be.
- Measure the portions of food that are being cooked so that the amount is correct for the number of people eating.
- Store food well to avoid food spoiling and going to waste.

A key message of the programme is that families can save up to £60 a month just by cutting down on food waste.

2. Waste Prevention

- 2.4.** An updated food waste prevention leaflet was produced, which provides practical tips about reducing food waste. The leaflet, together with free tools to help with food storage and correct measurement of portions, is available from the Authority's information stands. Information is also available online at <http://wiseuptowaste.org.uk/waste-less/food-waste/how-to-reduce-your-food-waste>
- 2.5.** In addition, the Authority also had information stands at events that formed part of specific projects, e.g. at the Pumpkin Rescue festival (to reduce pumpkin waste at Halloween) and the New Leaf project (aimed at reducing salad waste in the summer). All these activities were supported by food waste prevention advertising campaigns and promotion. A two week food waste advertising campaign in March 2017 centred on a free prize draw using social media.
- 2.6.** The target for the Plan is to hold 20,000 conversations about food waste prevention during 2016-18. With 13,077 face to face conversations held within the first year (2016/17), performance for the year was above target. As a result of this activity it is estimated that 7,031 tonnes of food waste were diverted from recycling and disposal.

Furniture reuse

- 2.7.** The Authority delivered two principal activities to encourage furniture reuse, an upcycling competition and the London Upcycling Show, and Give and Take days.
- 2.8.** Each upcycling competition entrant was provided with an item of pre-used furniture that they were invited to upcycle. A total of 18 people entered the competition and were given over two weeks to upcycle an item from one of five categories. The winning entries were chosen by expert judges at the London Upcycling Show organised by the Authority. The show also included an exhibition of reuse organisations and workshops, and demonstrations, so that attendees could try upcycling techniques for themselves and learn more about furniture reuse.
- 2.9.** A total of 188 north London residents attended the London Upcycling Show, which directly diverted 441kg of furniture from disposal via the reuse, repair and upcycling of competition items. Feedback about the event was extremely positive with all 46 attendees who answered a questionnaire saying that they would like to see the event repeated next year.
- 2.10.** The second activity aimed at encouraging furniture reuse was a series of 14 Give and Take days held during January and February 2017. Give and Take days are free community exchange events which provide residents with an opportunity to donate unwanted but reusable items that they no longer want and to take some other items they need for free.

2. Waste Prevention

- 2.11.** The events were attended by 696 people who brought 13.9 tonnes of items and took away 13.8 tonnes of items for reuse. Although the Authority has delivered Give and Take days for several years, the tonnage of material diverted on average at each event has increased in the past two years since the introduction of a free collection and delivery service (for bulky items that residents want taken to the events and free delivery of bulky items from the events). Any electrical items are also 'Portable Appliance Test' tested for safety on arrival which increases the scope of material that can be accepted.
- 2.12.** In total it is estimated that 1,151 tonnes of furniture was reused in 2016/17 as a result of the activities delivered in the Waste Prevention Plan. This is in addition to the reuse tonnage reported in sections 3.12 to 3.15 of this report.

Clothing reuse and upcycling events

- 2.13.** The Authority had a contract with Keep Britain Tidy to deliver seven 'Swish and Style' events in March, one in each north London borough, on the Authority's behalf. The events aimed to encourage clothing reuse through clothes swapping (also known as 'swishing') and clothing repair and upcycling, i.e. altering old items of clothing to make them more attractive and desirable ('styling'). A number of sub-contractors to Keep Britain Tidy offered sewing courses and workshops about upcycling and mending clothes at the events.
- 2.14.** Swishing event attendees were given time to donate clothes they no longer wanted and then a separate time to take other items donated by other people. Attendees have to bring clothes in order to take other clothes away and the amount each person can take is restricted to a number equivalent to the number of items they brought.
- 2.15.** The 'Swish and Style' events were supported by a leaflet containing tips on textiles reuse, repair and recycling, and an advertising campaign promoting an online textiles quiz which 728 people took part in. During the campaign period the clothes and shoes web page of the Authority's Wise Up To Waste website was viewed by 6,775 people, while Facebook, mobile phone application and Twitter advertising reached just over 800,000 people. All the clothing reuse and repair activity that took place in the year is estimated to have diverted 667 tonnes of textiles from recycling and disposal.

Other activities

- 2.16.** As noted at the outset, the Authority worked in partnership with the seven constituent boroughs to deliver a range of additional activities in the year, including:
- the Waste Prevention Exchange event;
 - outreach activity at 59 events to encourage improved recycling by speaking to 2,760 residents;
 - a Bag It Up and Reuse project with local retailers to encourage carrier bag reuse;
 - an unwanted mail advertising campaign to encourage residents to opt out of receiving unaddressed mail; and
 - a reusable nappies subsidy, paid to help parents or guardians buy reusable nappies.

2. Waste Prevention

- 2.17.** In addition, the Authority commissioned ecoActive to assess the impact of the schools' waste education programme, which is delivered as part of the waste prevention programme, and which had involved 28 schools in north London between 2014 and 2016.
- 2.18.** The aim of the evaluation was to revisit schools that had previously taken part in the programme and to assess how waste prevention and recycling behaviour had changed since the intensive education project had taken place. Of the 28 schools which had taken part in the intensive waste education project, 21 also participated in the research.
- 2.19.** Results from waste audits in participating schools demonstrated that waste prevention behaviours were retained. At the start of the Intensive Education Project in 2014/15, the average amount of waste produced in classrooms was 2.5kg/day. At the end of the project the average classroom was throwing away 0.7 kg/day, on average, which represented a 72% reduction. A year later, further reduction was achieved with the average amount of waste produced in classrooms identified as 0.15kg/day, which represented a 94% reduction compared to the amount produced in 2014/15.
- 2.20.** The research also showed that pupil knowledge of the waste hierarchy was not only retained, but was increased by an average of 17.5% between the end of the Intensive Education Project and the follow-up research. Additionally, pupils' knowledge of recycling increased by 31% in comparison to the levels of knowledge reported at the end of the Intensive Education Project in 2016.
- 2.21.** Overall, the evaluation of the Intensive Education Project identified long term benefits of the engagement activity that took place between 2014 and 2016. The amount of waste produced by participating schools remained low and pupils' knowledge of waste reduction (and the waste hierarchy) was sustained. There was also evidence that waste prevention measures that the schools had implemented continued to have an impact.

Awards

- 2.22.** The Authority only entered one award for waste prevention in 2016/17, Recycling Officer of the Year in the 2017 Awards for Excellence in Recycling and Waste Management, which was awarded to Dimitra Rappou, the Authority's Waste Prevention Manager.

3. Recycling Services

Highlights

- The installation of automatic number plate recognition systems at all Authority-managed reuse and recycling centres to help ensure only individuals disposing of their own household waste use the sites.
- A bulking and transfer service for mixed dry recyclables and food waste was provided at the Hendon transfer station.

- 3.1** The Authority has for some years been managing most household recycling and composting treatment services for recyclable and compostable waste collected by the constituent boroughs, as well as managing the site operations of eight of the nine RRCs in the north London area and the residual (non-recyclable) waste received at all nine RRCs. These services are largely delivered through contracted services.
- 3.2** The Authority's main waste contract (MWC) with LondonWaste Ltd will remain in place until 1 December 2025, and its scope in terms of recycling services is:
- the operation of reuse and recycling centres (RRCs), and the management of waste collected at RRCs, including the transportation and treatment of recyclable waste and the transfer of residual waste to a disposal point;
 - the reception and treatment of separately collected organic waste; and
 - the reception and transportation of other separately collected waste for recycling by third parties.
- 3.3** One of the Authority's RRCs is managed differently. The Gateway Road RRC in Waltham Forest is owned by Bywaters (Leyton) Ltd and is managed directly by the Authority, but LondonWaste Ltd still receives the residual waste from this RRC.
- 3.4** Some residual waste is also recovered for recycling. This is covered in section four of this report below.
- 3.5** The Authority has separate contracts with two materials recycling facilities (MRFs) for the treatment of mixed dry recyclable waste collected by six of the constituent borough councils¹. Where operationally rational, the boroughs deliver this recyclable waste directly to the MRFs, but otherwise the boroughs deliver them to one of the transfer stations operated by LondonWaste Ltd so that they can be transported in more efficient bulk loads to the MRFs.
- 3.6** There are also some relatively minor ancillary contracts (see sections 3.22 to 3.25).

¹ LB Enfield makes its own arrangements

3. Recycling Services

Reuse and recycling centres

- 3.7** Recycling rates have broadly been maintained across the RRCs operated by the Authority. The recycling rate across all eight Authority-managed RRCs was 73%² for 2016/17.
- 3.8** During 2016/17 37,974 tonnes of recyclable waste from eight reuse and recycling centres were managed under Authority arrangements whilst the tonnage of residual waste collected from all nine RRCs decreased by approximately 3,577 tonnes (owing in part to new control measures being implemented at Barrowell Green RRC) to 17,628 tonnes.
- 3.9** The table below details the tonnage of waste delivered to RRCs that was recycled or disposed of as residual waste in 2016/17.

	Recycled (tonnes)	Residual (tonnes)
NLWA RRCs (8)	37,974	14,292
LB Enfield RRC (1)	740*	3,336
Total	38,714	17,628

* relates to waste electrical and electronic equipment (WEEE) tonnes collected from LB Enfield's Barrowell Green RRC under the NLWA WEEE Services Contract

- 3.10** Under the main waste contract residual waste from RRCs is mostly shredded so that it can be used to generate electricity at LondonWaste Ltd's energy from waste plant, rather than go to landfill sites in the Home Counties.
- 3.11** Costs relating to the site operation, recycling of materials and disposal of residual waste from the eight Authority-managed RRCs are provided in the report to the June 2017 Authority meeting, '2016/17 Revenue and Capital Budgets Final Outturn and 2017/18 First Budget Review'.

'Second Time Around'

- 3.12** The reuse shop 'Second Time Around' opened in September 2015 at the Kings Road RRC in Waltham Forest. Material suitable for reuse is collected from all the RRCs under the Authority's control and transferred to the reuse shop.
- 3.13** Initially the shop opened to the public three days a week but in 2016 this increased to four days a week (Wednesday to Saturday), along with an additional day on the first Sunday of each month.

3. Recycling Services

- 3.14** 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 members of staff have also been trained in 'Portable Appliance Testing' so that small electrical items such as lamps can be sold. In 2016/17 more than 60 tonnes of reuse material have been sold through the shop, generating sales of over £64,000. This has led to an expected surplus of at least £4,500. This surplus will be reinvested into the Authority's wider waste prevention work.
- 3.15** In addition a 'Second Time Around pop-up shop' has recently opened at the Summers Lane RRC in Barnet and is open every Tuesday.

Composting of organic waste

- 3.16** Various organic waste services continued in 2016/17 under the main waste contract, namely the in-vessel composting (IVC) of mixed organic kitchen and garden waste at the Edmonton EcoPark, the transfer of any mixed organic waste above the treatment capacity of the IVC facility, and the similar transfer of separately collected food waste and green garden waste to appropriate third party facilities for treatment.
- 3.17** The Authority received 21,187 tonnes of mixed organic waste, and 10,091 tonnes of food waste (an overall decrease of 344 tonnes from 2015/16), and 23,377 tonnes of green waste (an increase of 2,258 tonnes from 2015/16). In overall terms, the 54,655 tonnes of mixed or separate organic waste treated in 2016/17 were an increase of 1,914 tonnes from the previous year.

Mixed dry recyclable waste

- 3.18** Mixed dry recyclable waste is collected from residents' homes (at the kerbside or from communal collection points) by the constituent boroughs. It is then taken either straight to a treatment facility (see below), or first to a local 'bulking and transfer facility', where it is 'bulked-up' into larger loads and then taken on to a treatment facility. This depends primarily on geographical considerations.
- 3.19** The Authority has two materials recovery facility (MRF) contracts for treating mixed dry recyclable waste, which continue to perform well. Officers work with the contractors to maintain service levels. Under the new menu pricing mechanism, the Authority retains the income received from these contracts, which is used to offset the costs for the mixed dry recycling service for each borough. Each quarter Authority officers audit the income the MRF contractors receive, and although there is still a net cost to the service, it is anticipated that the total income received for 2016/17 will be in excess of £3.3 million. More detailed financial information is set out in the Authority's '2016/17 Revenue and Capital Budgets Final Outturn and 2017/18 First Budget Review' report.

3. Recycling Services

- 3.20** Of the mixed dry recyclable waste collected, 114,559 tonnes were treated, which is a decrease of 3,483 tonnes from 2015/16. The amount treated does not include any loads of recyclable waste which were rejected before treatment because the whole load was too contaminated to be recycled, which in 2016/17 amounted to 2,819 tonnes. MRF regulations on acceptable levels of contamination within loads of mixed dry recyclables have become stricter over 2016/17.
- 3.21** Of the 114,559 tonnes of recyclable waste treated, 101,707 tonnes were recycled. The amount recycled does not include any items removed from the load during treatment because they were non-recyclable.

Ancillary services - waste electrical and electronic equipment (WEEE)

- 3.22** Under legislation, derived from the European Union's WEEE Directive, producers of electrical and electronic equipment must bear the costs of reuse, recycling and/or disposal for this waste stream, once the WEEE has been collected.
- 3.23** WEEE is collected from 16 designated collection facilities, registered by the Authority on behalf of the constituent boroughs, as well as from on-street WEEE banks and from the kerbside. Approximately 4,486 tonnes of WEEE were recycled during 2016/17, which is an increase of 142 tonnes from 2015/16.
- 3.24** Other than contract management costs and any marginal costs at the RRCs, this disposal service is provided free of charge to the Authority as it is a requirement under European 'producer responsibility' legislation.

Ancillary services - tyres

- 3.25** The tyre service was taken over by Pountney Tyres Ltd in November 2016 and is operating well. Tyres are taken by boroughs to LondonWaste Ltd for onward transfer and treatment. In 2016/17 approximately 63 tonnes of tyres were disposed of (a net increase of four tonnes from 2015/16), with more boroughs now using this service than in previous years.

Contract management and other activities

- 3.26** The main waste contract with LondonWaste Ltd is monitored using random routine inspections of each LondonWaste Ltd site (including RRCs). This monitoring includes inspections of vehicles delivering organic waste for composting and mixed dry recyclables for sorting and recycling.
- 3.27** The Authority target is to visit each RRC twice a 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 2016/17 a total of 203 visits were made to RRCs.

3. Recycling Services

- 3.28** During 2016/17 out of 400,000 visits to the eight RRC sites managed by the Authority, twenty written complaints were received. The Authority's Contracts team has investigated and responded to all complaints, and where necessary, remedial action has been taken to prevent problems reoccurring.
- 3.29** The Contracts team continues to reconcile all movements of recyclable waste out of the RRCs for tonnage reporting and for invoice reconciliation. They also audit the actual operating costs of the RRCs and the income received from the sale of recyclables with LondonWaste Ltd and other contractors used in providing the service.
- 3.30** During 2016/17, 96 inspection visits were also made to the Authority's MRF contractors; this includes visits necessary to inspect and verify loads identified for rejection by the MRF contractor.
- 3.31** Problems with contamination of mixed dry recyclables continue and Authority officers are working with constituent borough colleagues and contractors to resolve this.
- 3.32** Given that the WEEE services take place primarily at the RRCs, monitoring of this contract is done at the same time. Other aspects of the contract are managed mainly through regular reports and meetings.
- 3.33** The Contracts team also manages the data for its scheme for the payment of reuse and recycling credits to third parties.
- 3.34** The Contracts team staffs the Authority's main telephone line and is now regularly receiving around 300 calls every month, mainly from residents with enquiries regarding the RRCs in their borough.
- 3.35** The Contracts team works with the Authority's Communications team to ensure residents are well informed about the recycling services available to them, both at the kerbside, and at Authority-managed RRCs, in order to promote recycling. Information is predominantly provided via the Wise Up To Waste website and social media, but also through printed materials and signage, as well as via specific campaigns (for example, to raise awareness of contamination of mixed dry recyclables collected at the kerbside, as mentioned in section 3.20).

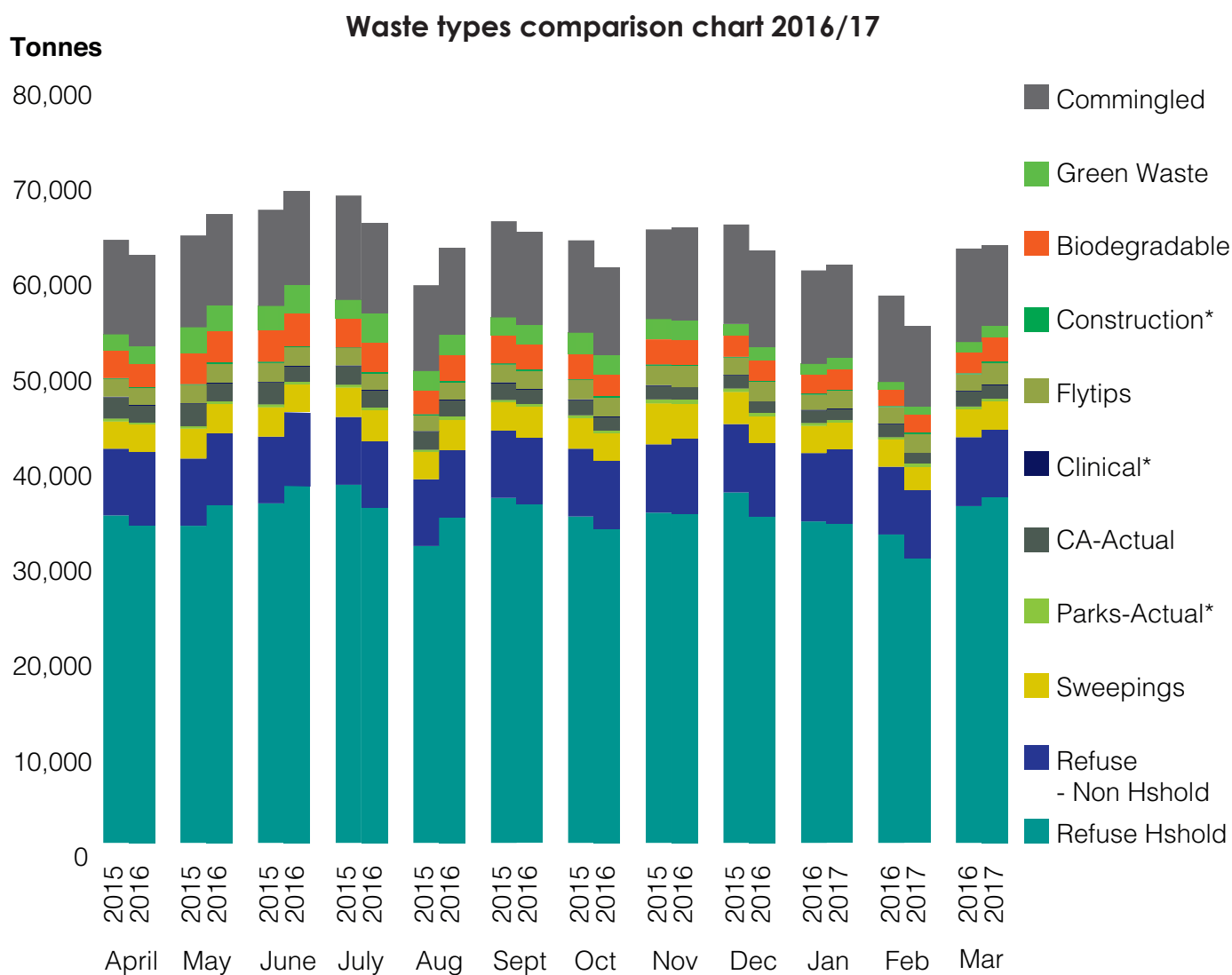
4. Residual Waste Services

Highlights

- A further reduction in the amount of residual waste sent to landfill to 9%, exceeding the North London Joint Waste Strategy target.

4.1 The Authority implements many of the objectives of the North London Joint Waste Strategy in the short-term (as well as discharging its statutory duties) through contracted services. This is principally the contractual arrangements for disposing of all residual (non-recyclable) household, commercial and clinical waste collected by the constituent boroughs, and for transportation and disposal of the residual waste received at all nine reuse and recycling centres (RRCs).

Tonnage information



NB: This chart excludes boroughs' own waste to reprocessors

* minimal quantities (not shown)

4. Residual Waste Services

- 4.2** The Authority's main waste contract (MWC) with LondonWaste Ltd will remain in place until 1 December 2025, and its scope, in terms of residual waste services, is:
- the reception, treatment and disposal of residual waste; and
 - the reception and transportation of other separately collected clinical and offensive waste for treatment by third parties.
- 4.3** During 2016/17 the Authority managed the disposal of 586,235 tonnes of residual waste delivered to it by the constituent boroughs. This is 2,137 tonnes less than 2015/16. These tonnages are shown month by month in the chart above at section 4.1 (which also includes recyclable waste). The cost to the Authority was £35.977m.
- 4.4** Authority officers have made arrangements with LWL to recover large items of recyclable waste (principally scrap metal, wood, cardboard, rubble and some green waste) from the tonnages of residual waste delivered by constituent boroughs outlined in section 4.1. In 2016/17 4,356 tonnes of residual waste was thereby recovered for recycling.
- 4.5** LondonWaste Ltd delivers the service mainly from its Edmonton EcoPark, but also from the transfer stations at Hendon (rail-based) and Hornsey Street (road-based) that it leases from the Authority.
- 4.6** The main waste contract is monitored using random routine inspections of each LondonWaste Ltd site. Authority officers generally visit each site on a weekly basis but where this is not possible emphasis is given to the busier sites. During 2016/17 a total of 120 visits were made across the three sites at Edmonton, Hendon and Hornsey Street.
- 4.7** These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are running efficiently. Officers actively work with contractors to ensure the level of service provided is maintained.
- 4.8** LondonWaste Ltd continues to perform well and the service is of a good standard; 24 contract defaults were issued during the period covered by this report. These defaults predominantly related to constituent borough vehicle turnaround times and resulted in a reduction of £4,800 from the contract price.
- 4.9** During inspection visits, the movement of constituent boroughs' vehicles is monitored by sampling approximately 1,023 transactions a month, which is approximately 6% of the monthly total and is a statistically representative sample. Performance against the target was met during 2016/17. The vehicle monitoring data is then reconciled against claims for payment by LondonWaste Ltd, and other contractors, and cost adjustments are made against these monitored transactions.
- 4.10** 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 constituent borough technical officers each week, month and quarter, so that they can carry out their own checks on transactions and highlight problems for the Authority's Contracts team to investigate.

4. Residual Waste Services

Other activities

- 4.11** The Contracts team continues to reconcile all movements of waste out of the sites for tonnage reporting and for invoice reconciliation.
- 4.12** The waste (including recyclables) is reported to the centralised national database, WasteDataFlow, by the constituent boroughs, mainly from data provided by the Contracts team.
- 4.13** In 2016/17 the Authority continued to manage data on residual waste and over thirty categories of recycling in relation to the national WasteDataFlow system (initially set up for the purposes of calculating landfill allowances and monitoring National Indicator targets).
- 4.14** Along with the need to verify data so that the Authority can validate each constituent borough's submission to WasteDataFlow, and ensure compliance under the 'duty of care' legislation (that governs the proper tracking and management of waste as it passes through any number of waste management companies), managing this data has required a significant number of site visits and audit work. The Contracts team has also made significant progress in streamlining the data functions.
- 4.15** The Authority's WDMS gives constituent boroughs direct access to the system for the purpose of registering their vehicles so that they can then be authorised to deliver waste to LondonWaste Ltd under the Authority's account. Additionally, the WDMS provides next day weighbridge transaction data and a vehicle round recording function to assist constituent boroughs in data reporting and service management.

Strategic developments

- 4.16** The Authority's Hendon rail transfer station may be relocated to a new site nearby in order to facilitate the wider regeneration of the Brent Cross Cricklewood area in LB Barnet. The new transfer station is expected to use road transport rather than rail so that it can deliver waste to the Authority's proposed new energy recovery facility (see section six of this report) rather than to third party waste facilities in the Home Counties.
- 4.17** LB Barnet has sought compulsory purchase powers in relation to the Authority's rail transfer station (and the wider regeneration area), but Authority officers have been focussing with colleagues from LB Barnet during 2016/17 on mutually agreeable terms for such a relocation. This work continues in 2017/18.
- 4.18** The Authority and LondonWaste Ltd have been working with LB Enfield and its company Lee Valley Heat Network Ltd on the provision of heat energy from the Edmonton EcoPark to a district heating network to be installed initially in the Meridian Water regeneration area of Enfield.
- 4.19** The relevant agreements are expected to be completed in 2017/18.

5. Relationship with LondonWaste Ltd

Highlights

- Good financial performance in 2016.
- Provision of high quality, reliable services throughout the year.

- 5.1.** The Authority is the sole owner of LondonWaste Ltd. During 2016/17 the Shareholder Group comprising the Authority Chair and a Vice Chair, supported by Authority officers, continued to oversee the Authority's interest in LondonWaste Ltd.
- 5.2.** The Directors of LondonWaste Ltd have prepared their own Annual Report to the Authority that is separately available from the Authority.
- 5.3.** Once again LondonWaste Ltd has delivered a good financial performance in its 2016 financial year and has also provided a high quality, reliable service to the Authority and the constituent boroughs throughout the year, including support on a number of strategic projects and the commencement of significant works to ensure the reliability of the company's energy from waste facility.

6. North London Heat and Power Project (NLHPP)

Highlights

- The examination process for the Authority's application for a Development Consent Order for the North London Heat and Power Project took place from February to August 2016.
- The Examining Authority submitted its report on the application to the Secretary of State for Business, Energy and Industrial Strategy in November 2016, and the Secretary of State made the decision to grant development consent to the project in February 2017.
- The Authority is now considering the appropriate contracting structure and procurement strategy for delivering the project, while finalising property negotiations and compulsory acquisition of interests, as set out in the DCO itself.

Overview

- 6.1** The North London Heat and Power Project (NLHPP) (the Project) comprises the construction and operation of an energy recovery facility (ERF) and associated development to replace the existing energy from waste (EfW) facility at the Edmonton EcoPark. The EfW facility is expected to reach the end of its operational life around 2025.
- 6.2** Associated development for the Project includes:
- a resource recovery centre, including a reuse and recycling centre, transfer hall, and bulky waste/fuel preparation facility;
 - EcoPark House, an administrative building and visitor's centre that will also house the Edmonton Sea Cadets;
 - new internal weighbridges, roads, and parking areas;
 - hard and soft landscaping;
 - new site access points from Lee Park Way to the east of the site and Deephams Farm Road to the north of the site; and decommissioning and demolition of the existing EfW facility.
- 6.3** The ERF will have a capacity of 700,000 tonnes of waste each year and will generate 70 megawatts of energy. This energy could be directed into the national grid to provide electricity and produce an income, as happens with the existing EfW facility.
- 6.4** Some of the heat generated by the ERF could be delivered as heat through pipes to a local heat network for the area. This would require a local scheme to be put in place, such as the Lee Valley Heat Network being promoted by LB Enfield.
- 6.5** Works on the application site are scheduled to begin in 2019, with construction of the ERF to take place between 2022 and 2024. During 2025 there will then be a transition period between the existing EfW facility and the ERF. The existing EfW facility will be decommissioned and demolished between 2026 and 2028.

6. North London Heat and Power Project (NLHPP)

Development Consent Order – background

- 6.6** As the new ERF will produce more than 50 megawatts of energy it is a nationally significant infrastructure project in planning terms. The Authority therefore applied to the Secretary of State for Business, Energy and Industrial Strategy for a Development Consent Order (DCO) rather than applying to the local council for planning permission.
- 6.7** Prior to submitting its application for a DCO, the Authority undertook two phases of public consultation to gain feedback on its proposals. A project website (northlondonheatandpower.london) was set up to act as a hub for information on the Project, and to host the consultation questionnaires. The consultation responses received were taken into account when finalising the DCO application, which was submitted to the Planning Inspectorate (PINS) in October 2015.
- 6.8** PINS then appointed an Examining Authority to inspect the application and sought representations from statutory consultees, who consisted of relevant public authorities and local residents and businesses. The representations submitted set out some of the issues that were addressed during the examination process.
- 6.9** Examination began in February 2016. It was mostly a written process, and involved the Examining Authority circulating sets of questions for the Authority and other interested parties to respond to. The Examining Authority also participated in two visits to the application site and held five public hearings. The hearings comprised two issue specific hearings on the drafting of the DCO, a hearing on compulsory acquisition powers, and two open floor hearings where any interested party could raise an issue. All written representations and recordings of all hearings are available on the Project's section of the National Infrastructure Planning website (infrastructure.planninginspectorate.gov.uk).
- 6.10** The examination concluded in August 2016, after which the Examining Authority submitted a report on the application to the Secretary of State in November of that year. The Secretary of State published his decision to grant the DCO in February 2017.

Next steps

- 6.11** The Authority and its advisers have conducted a detailed review of the changes made to the DCO as granted. During the course of 2017 it will consider the appropriate contracting structure and procurement strategy for delivering the Project. This will involve developing the cost and risk work previously undertaken, and developing a detailed programme based on the timeline set out in the DCO application.
- 6.12** In the meantime the Authority is finalising the property negotiations and compulsory acquisition of interests required for delivery of the Project, and beginning early technical delivery work, including site investigations.
- 6.13** In 2018 the Authority will make a decision on the procurement strategy for the ERF itself. In order to make this decision it will conduct a consultation exercise on how it executes its statutory waste disposal functions, including whether it is best to maintain public sector delivery or move to private sector delivery.

7. Communications and Campaigns

Highlights

- Day to day communications activity to support the different business areas of the Authority, including for resident-facing operational activities and the North London Heat and Power Project.
- Behaviour change communications campaigns to encourage residents to reduce the amount of waste they produce, including food waste, textiles and furniture, and to recycle better by not contaminating mixed dry recyclables with used nappies.
- The first of a three year motivational communications campaign to encourage residents aged 18 to 34 to recycle more, delivered in conjunction with the seven constituent boroughs.

Overview of communications work

7.1 As outlined above, providing general communications support for the Authority's key activities formed a significant part of overall communications activity during 2016/17. Further details are provided in the relevant sections of this report. However, this work broadly involved using key communications channels, such as local and trade media, digital media (social media and the Authority's three websites), digital, print and outdoor advertising, and direct mail to:

- provide updates and information about the Authority's application for a Development Consent Order for a new waste facility at the Edmonton EcoPark (North London Heat and Power Project);
- promote the Authority's resident-facing operational activities (including reuse and recycling centres and the Authority's reuse shop 'Second Time Around');
- ensure information about services managed by the Authority (either directly or via contractors) is up to date and accurate;
- provide and promote printed and digital materials containing practical tips and service information to encourage residents to reduce their waste and recycle more;
- promote events and activities for residents (and industry professionals), including Give and Take days, Swish and Style events, the Pumpkin Rescue festival, New Leaf cookery and composting classes, Waste Less, Lunch Free events and the Upcycling Show;
- protect the Authority's reputation and raise its profile (both within the waste industry and to residents), including by managing the Authority's brand; and
- manage internal communications channels (including staff newsletters and all staff briefing events) to ensure that staff are well informed and up to date.

7.2 The majority of the Authority's communications activity is delivered through specific behaviour change campaigns, which are designed to encourage north London residents to prevent waste and recycle more. These campaigns, with the exception of the household recycling communications campaign, are delivered using the Authority's 'Wise Up To Waste' brand. The Authority's corporate brand is used for all communications relating to governance matters and corporate functions.

7. Communications and Campaigns

Wise Up To Waste campaigns – waste prevention

7.3 In addition to day to day support for the Waste Prevention team's outreach and engagement activity, the Communications team also delivered a series of waste prevention behaviour change campaigns.

Real nappies

7.4 A campaign was delivered in April 2016 to encourage north London parents to take up the subsidy of £54.15 offered by the Authority for buying and trying real/reusable nappies. The campaign was delivered to coincide with Real Nappies for London's 'Real Nappies Week'.

7.5 The campaign targeted new parents/parents-to-be as well as grandparents and other close relatives, and aimed to promote the financial and environmental benefits of using real nappies, as well as the advantages of the real nappies themselves. The subsidy is offered as an incentive to encourage uptake of real nappies, and to help parents avoid the upfront costs associated with buying real nappies.

7.6 The campaign used a series of targeted online advertisements, mobile phone 'app' advertising, online borough newspaper advertisements, advertising on the 'Net Mums' website and Facebook and Twitter advertising to engage with the target audience and encourage them to visit the Authority's website and request the subsidy. The campaign also used press activity, featuring a 'real nappies mother and baby' case study, to promote the scheme.

7.7 As a result of the communications campaign there were more than 5,700 'click-throughs' to the information on the Authority's website (real nappies webpage) during 'Real Nappies Week', an increase of 1,253%. A total of 847 subsidy requests were made during 2016/17, compared to 860 for 2015/16. Further research will be undertaken in 2017/18 to assess why uptake of the vouchers is not higher given the level of interest generated by the communications campaign.

Food waste

7.8 Over the past few years food waste communications campaigns have focused on the message that wasting less food can save residents money. In 2016/17 a campaign was developed, which continued to promote the financial benefits of wasting less food, and also promoted practical tips on reducing food waste, to adult budget holders across north London. The target audience was specifically one-person households (those working during the day and shopping on the way home from work), who have historically been a hard to reach group in terms of tackling this waste stream.

7. Communications and Campaigns

- 7.9** In order to achieve sustainable behaviour change amongst the target audience the campaign focused on the idea that one small change makes a big difference. Social media advertising was used to share food waste reduction tips and as the basis for a competition to encourage people to share the tips themselves in order to qualify for a prize draw for one of two prizes of £100 of supermarket vouchers. Other digital advertising drove people to Twitter, to encourage them to follow the Authority's Twitter feed and to take part in the competition. Outdoor digital advertising was also used to share tips and encourage people to take part in the competition, as well as to raise the profile of the campaign.
- 7.10** As a result of the campaign the Authority increased its Twitter followers by almost 6% and there were at least 20,000 'engagements' with the campaign – meaning that people either clicked through to, liked, replied or shared the tips from the Twitter competition via social media. This figure excludes any engagement with the outdoor advertising for this campaign, which cannot be directly measured.

Textiles

- 7.11** Textiles waste is a priority waste stream for the Authority. To help residents reduce the amount of textiles (clothing) waste they generate, a communications campaign to promote textile reuse, repair and 'upcycling' was developed and delivered in March 2017. Textile repair and reuse can be a complex message so a digital campaign was developed to enable information and tips to be shared with residents in a manageable way to encourage them to take the tips on board and to make a first step towards longer term behaviour change.
- 7.12** The campaign focused on an online and mobile quiz on the Wise Up To Waste website, which consisted of a series of questions about textile reuse and repair, and which gave participants the opportunity to win one of seven sewing machines. The free prize draw was promoted via digital and traditional media, social media and digital advertising, and via borough channels.
- 7.13** During the campaign there were 6,776 visits to the textiles webpage on the WUTW website. 82.12% of visitors to this page were first time visitors to the WUTW website. There were also 728 visits to the textiles quiz page itself.

Wise Up To Waste campaigns – contamination

- 7.14** Contamination of mixed dry recyclables collected at the kerbside has been increasingly problematic for the Authority. In order to start to tackle this problem from a communications and behaviour change perspective, a campaign was developed in November 2016 to raise awareness of the issue by focusing on a single contaminant in the recycling stream – nappy and continence product waste. The objectives of the campaign were focused on raising awareness of the issue of contamination and on levels of engagement with the campaign.

7. Communications and Campaigns

- 7.15** A wide ranging campaign was developed explaining how to dispose of used nappies and the consequences of incorrect disposal, including social media advertising to drive traffic to information on the WUTW website, a targeted HTML email to new and expectant mothers across north London, media activity, posters in baby clinics, letters to health visitor and district nurses teams to raise their awareness of the problem and letters to producers of nappies and incontinence products.
- 7.16** The digital channels selected and the level of media interest meant that the campaign had good exposure with the target audience. The target audience also demonstrated a positive level of engagement with the campaign. Targets for media coverage and for visits to the web page (from social media and other channels) were exceeded. There was also a positive reception and level of engagement from nappy and continence product producers and local health visitor and district nurse teams across the seven boroughs. Authority officers are now looking at plans for a larger scale communications campaign to help reduce contamination in 2017/18.

Household recycling communications campaign

- 7.17** Following an OJEU competitive procurement process a creative agency was appointed in July 2016 to deliver a three year household recycling communications campaign. In 2016/17 the Authority started its three year campaign, targeting those aged 18 to 34, through high-level, non-instructional advertising. The campaign aims to raise awareness of recycling and increase motivation to recycle by taking a humorous approach to demonstrating the consequences of not recycling.
- 7.18** The campaign was delivered through an 'in the home' strategy, including a 30 second advert delivered via targeted media (including Sky AdSmart television advertising, video on demand (VOD) and display advertising, YouTube advertising and social media advertising) and social media activity.
- 7.19** The advert directed traffic to a new website, saveourstuff.co.uk, where visitors can find more information about the campaign as well as local recycling information.
- 7.20** Overall the campaign performed well in terms of delivering the advert to the target audience. Given that the target audience had not previously seen the campaign, and the campaign is deliberately unbranded to increase its appeal, a good proportion of the target audience was able to recall seeing the advert. This was assessed through research conducted by Nielsen and by using Survey Monkey. Initial figures also suggest that the advert and the social media activity appealed to the target audience, and that the target audience were more motivated to recycle having seen the advert.
- 7.21** The second year of the campaign (2017/18) will continue to target those aged 18 to 34 via the 'Save Our Stuff' creative concept, aiming to further drive campaign engagement and further increase engagement, awareness and motivation to recycle.

8. Governance

Highlights

- The equality objective has been reviewed in light of this year's activities.
- The annual risk review took place in September 2016 and no risk levels were increased as a result of that review.

Related party transactions and hospitality

- 8.1** Related party transactions of officers and members will be reported as necessary in the Authority's statutory accounts in September 2017.
- 8.2** Any offer of hospitality, and whether it was accepted or refused, must be declared. During 2016/17 there were 24 declarations from staff; 18 offers of hospitality were accepted and six refused.

Data protection

- 8.3** The Authority renewed its registration as a data controller with the Information Commissioner's Office (ICO) for the start of 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.
- 8.4** The General Data Protection Regulations (2016/697) (GDPR) was made on 27 April 2016 and it is due to come into force on 25 May 2018. The Authority would need to put in place measures to ensure compliance with the GDPR during 2017/2018. A GDPR implementation team has been put in place and a road map for ensuring compliance by 25 May 2018 has been agreed.

Freedom of Information and Environmental Information Regulations

- 8.5** The Authority responded to 26 requests for information under the Environmental Information Regulations in 2016/17. Of these, 25 requests were responded to within the 20 working days required by the legislation; one response took longer to respond to so an extension was required. The average response time was nine working days. There were no enquiries open at the end of the year (March 2017). In addition there were no appeals against refusal to release information and no complaints were made to the ICO regarding requests for information made to the Authority.

Information Transparency Code

- 8.6** The Authority continues to publish information in accordance with the Information Transparency Code 2015 (the Code) on its website at 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.

8. Governance

- 8.7** Officers have assessed the Authority's current compliance with the Code and can confirm full compliance with the mandatory provisions.

Equality objective

- 8.8** The Authority has set a single equality objective in compliance with the Equality Act 2010 (Specific Duties) Regulations 2011 (2011 Regulations). 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 people with 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.

- 8.9** The equality objective will be reviewed every four years as required by the 2011 Regulations, and is next due for review in 2018. The Equalities Act 2010 (Specific Duties and Public Authorities) Regulations 2017/353 (2017 Regulations) was made on 9 March 2017 and came into force on 31 March 2017. The 2017 Regulations imposed gender pay gap reporting requirements on public authorities specified in schedule two, not later than 30 March 2018. The Authority does not come within the list of public authorities in schedule two. The 2017 Regulations applies to public authorities with 150 or more employees and consequently does not apply to the Authority.

8. Governance

8.10 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 contractors to not discriminate in relation to the provision of services to the public and to employment practices in relation to their staff; where appropriate, procurement procedures include a check of tenderers' equality policies;
- waste prevention work has continued to reach a wide range of audiences with presentations adapted if required;
- the Authority's website for the North London Heat and Power Project (NLHPP) (northlondonheatandpower.london) is compliant with Royal National Institute of Blind People (RNIB) guidelines and utilises audio and visual communication. All videos but one on the corporate website (nlwa.gov.uk) have subtitles; one of the three videos on the NLHPP website does not have subtitles (but it does contain the architect's visualisation of the proposed replacement facility so there is less need);
- a review of site signage at all the RRCs has been undertaken primarily in order to ensure brand compliance and consistency of messages, but this has included reviewing the use of pictorial images as well as typography on the signage for individual waste and recyclable materials signage;
- a review of the Authority's brand guidelines is underway 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 2017/18; and
- a ramp is available at Berol House to aid wheelchair users to access the Authority's offices.

Public Contracts Regulations 2015

8.11 Contracting authorities are obliged to have suitable contractual provisions for payment of undisputed contractor invoices within 30 days under the Public Contracts Regulations 2015 (the Regulations). The Regulations further require contracting authorities to:

- publish data demonstrating compliance with this obligation over the previous 12 months; and
- ensure that any subcontract awarded by its contractors contains similar payment obligations.

8.12 Regulation 113(9) provides that contracting authorities should have regard to any guidance issued by the Minister for the Cabinet Office in complying with this requirement. The guidance issued by the Cabinet Office specifies that the obligations should commence after March 2016 and then at the end of each financial year.

8. Governance

Concessions Contracts Regulations 2016

- 8.13** The Concession Contracts Regulations 2016 (SI 2016/273) (2016 Regulations) came into force on 18 April 2016 and apply to all new procurement exercises for concession contracts that began after that date and that meet the conditions explained below.
- 8.14** The 2016 Regulations will apply to service and works concession contracts where a contracting authority:
- lets a public works or service contract with a value above the current EU threshold of £4,104,394;
 - the consideration given to the contractor is to permit the contractor to exploit the works or services that are the subject of the contract (together with payment if applicable); and
 - the award of the contract transfers the operating risk to the contractor and involves real exposure to the market.
- 8.15** The current EU threshold value will continue to apply until 31 December 2017.
- 8.16** The Authority has amended its standard contracts to ensure compliance with the payment requirement in paragraph 7.11 of the Regulations. Procurement training on the Regulations was delivered to Authority staff involved in procurement for the Authority, and the procurement guidance document has been updated. The standard procurement templates are also being updated.

Modern Slavery Act 2015 and Modern Slavery (Transparency in Supply Chain) Bill 2016-2017

- 8.17** The Modern Slavery Act 2015 (the Act) received royal assent on 26 March 2015 and Section 52 of the Act requires public authorities to notify the Secretary of State if they have reasonable grounds to believe a person may be a victim of human trafficking or slavery. Public authorities with specific duties to notify are set out under section 52(5) of the Act, and a waste disposal authority is not one of public authorities listed. Section 54 of the Act deals with transparency in supply chains and requires commercial organisations with an annual turnover of more than £36m to publish an annual slavery and human trafficking statement. The statement should detail what steps the business has taken to eradicate slavery from its business and its supply chain, and should be published on the organisation's website. The Authority does not come within the meaning of 'commercial organisation' or 'public authority' in the Act.

8. Governance

8.18 On 23 May 2016 the Modern Slavery (Transparency in Supply Chain) Bill (the Bill) had its first reading in the House of Lords. The Bill requires public bodies to be included within the requirement of section 54 to publish a transparency statement. A public body is defined as a contracting authority within the meaning of the Public Contracts Regulations 2015. Officers have monitored the progress of the Bill through the Houses of Parliament and the latest news published on the House of Parliament website states that the Bill was expected to resume its second reading before the Commons on 24 March 2017, but it was not taken to the next Parliamentary stage and it will not progress any further.

Risk

8.19 The Authority has a high level risk register which is reviewed by the Authority in September each year. The Authority's arrangements for managing risk are fully reviewed each year by the Members Finance Working Group (MFWG) and were reported to the 29 September 2016 meeting of the Authority (the report can be viewed on the Authority's website). As the report documents, members at the MFWG asked for an update on financial risks associated with cyber security, and it was agreed that an update would be provided. 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.

9. Finance and Resources

Highlights

- 2015/16 levy restricted to £46.452m (no increase on 2015/16).
- 2016/17 levy increase restricted to £46.648m (an increase of 0.42% on 2015/16).
- 2017/18 levy increase restricted to £47.948m (an increase of 2.78% on 2016/17).

Budget

- 9.1** The net revenue budget of the Authority for 2016/17 was 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 a separate charging arrangement in place for non-household waste and for certain other categories of household waste.
- 9.2** 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 agreed an original budget of £65.845m for 2016/17, to be financed by estimated revenue balances of £9.591m, charges to boroughs for non-household waste of £8.007m, household waste of £1.598m and a levy of £46.648m. In setting the 2016/17 budget and levy it was recognised that, subject to 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 2017/18 budget and levy.
- 9.3** The 2016/17 final outturn reported as part of the ordinary business of the June 2017 Authority meeting indicates that the Authority's total expenditure for the year was £57.549m, and that charges for non-household and chargeable household waste were £7.646m and £1.454m 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 £12.074m at 31 March 2017. This is £4.857m better than previously forecast in February 2017 (£7.217m). The in-year financial improvement arose mainly from a lower than anticipated settlement of landfill tax and electricity income claims, savings on corporate and support services, non-use of the contingency budget and increased income from dry recyclable material.
- 9.4** The 2016/17 expenditure comprised:

£m	
Waste disposal and recycling services (including landfill tax)	46.016
Reuse and recycling centres (operational costs)	3.271
Corporate and support services	2.640
Waste prevention initiatives (including work with community groups and constituent councils)	0.880
North London Heat and Power Project (development costs)	1.649
Revenue cost of funding the capital programme	6.759
Expenditure	61.215
Less	
Sale of recyclables	(3.364)
Other income	(0.301)
Net expenditure	57.549

9. Finance and Resources

9.5 Looking forward, In February 2017, the Authority set the budget for 2017/18 at £65.164m. The Authority decided that the £7.217m revenue balance forecast available would be used to help fund the budget. As a consequence the 2017/18 budget has been financed as follows:

£m	
Use of revenue balances	7.217
Charges to boroughs for non-household waste	8.491
Charges to boroughs for household waste	1.508
Levy	47.948
Total	65.164

9.6 The levy for the 2017/18 financial year of £47.948m has been apportioned between the constituent boroughs as follows:

£m	
Barnet	9.220
Camden	5.208
Enfield	5.680
Hackney	6.854
Haringey	7.875
Islington	5.301
Waltham Forest	7.810
Total	47.948

9.7 The 2017/18 budget of £65.164m is lower than 2016/17 by £0.681m, and 2015/16 by £1.009m. This is partially due to an anticipated recovery in the wholesale electricity price and the increase in the income from dry recyclable material. In addition, the budget required to continue work on the North London Heat and Power Project in 2017/18 is lower than the previous year.

Tonnage levels

9.8 Allowing for a continuation of constituent borough recycling and composting activity, the 2017/18 budget allows for the disposal of some 602,000 tonnes of residual waste, composting arrangements for 56,500 tonnes of green/kitchen waste and a bulking and sorting arrangement for some 128,800 tonnes of dry recyclable waste.

9.9 The Authority can charge the seven constituent boroughs for some types of waste (principally non-household (or trade) waste), but recovers most of its costs (principally ordinary household and major project costs) via a levy. The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006 (the Regulations) provide that the Authority's constituent boroughs decide on the apportionment of the levy. Under the Regulations, unless all seven constituent boroughs can agree unanimously on the way the levy is to be apportioned, the Regulations provide a default way in which the levy is to be apportioned. However, through an inter-authority agreement the constituent boroughs have agreed an alternative method of apportionment.

9. Finance and Resources

9.10 With effect from 2016/17, the seven constituent boroughs approved a change from the above default way of apportioning the Authority's levy to a system of levy and charges based on 'menu pricing' (i.e. each type of waste has a different price to the boroughs). Under this 'menu pricing mechanism' the allocation of the Authority's net expenditure is now primarily driven by the tonnage of different types of waste that each borough delivers to the Authority. In addition, the Authority's costs in relation to the network of reuse and recycling centres (RRCs) are recovered from each constituent borough in proportion to their residents' usage of these RRCs.

Value for money

9.11 Like all public bodies, the Authority seeks to get the best value from its contracts through tendering, and by working with contractors to keep prices low. LondonWaste Ltd agreed a contract that ensured that waste, previously sent to landfill, was instead sent to a new energy from waste facility. This has saved the Authority approximately £0.4m in 2016/17. In addition, changes to the number of trains carrying waste from the Hendon rail transfer station each week has saved the Authority another £0.4m in 2016/17.

9.12 By replanning capital expenditure and refinancing existing borrowing, a one-off saving of £0.8m in 2016/17 and recurring savings of £0.2m were also achieved.

Property issues – overview

9.13 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 also has an interest in part of a 6.97 hectare site at Pinkham Way in Haringey, and, in purchasing the shares of Sita in LondonWaste Ltd, became the sole owner of this company, which in turn owns the approximately 15 hectare site at Edmonton in Enfield (the Edmonton EcoPark).

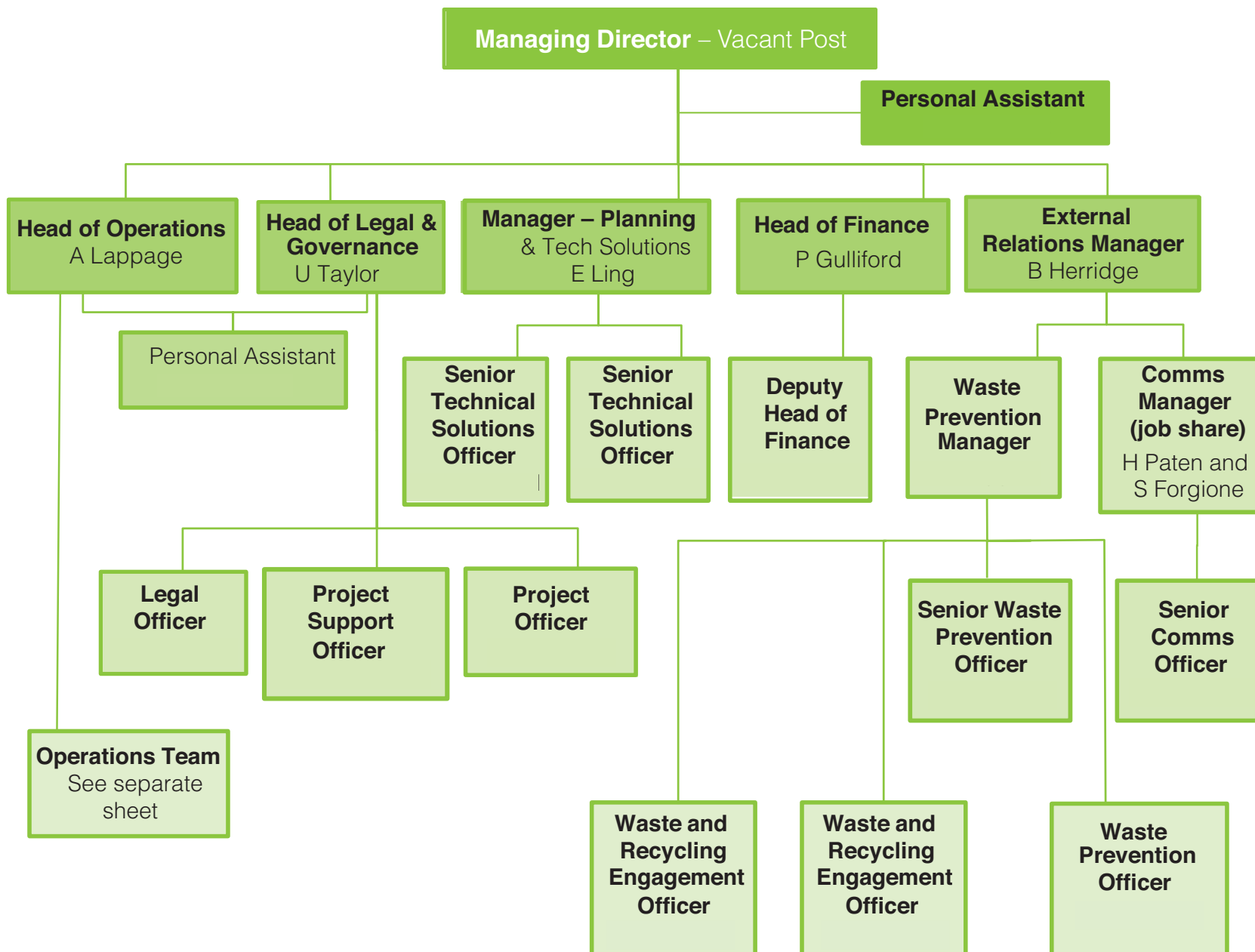
Property holdings

9.14 The Authority has varying property interests at:

- Hornsey Street, Islington
- A406, Edmonton (residual land)
- Hendon Waste Transfer Station
- Pinkham Way - land at part of the former Friern Barnet Sewage Treatment Works
- Berol House, Tottenham Hale

9.15 Throughout 2016/17 work to manage two invasive plant species (Japanese knotweed and giant hogweed) continued at the Pinkham Way site. This is ongoing in 2017/18.

NLWA Staff Structure March 2017



NLWA Operations Team March 2017

