

# 11. Finances and Resources

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- 11.1** The net revenue budget of the North London Waste Authority (NLWA) (the Authority) for 2020-21 was funded mostly by a levy on constituent boroughs, which 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.
- 11.2** In February 2020, the Authority agreed an original budget of £71.789 million (m) for 2020-21, to be financed by estimated revenue balances of £5.540m, charges to boroughs for non-household waste of £9.105m, household waste of £1.915m, and a levy of £55.229m. In setting the 2020-21 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 it needed to take decisions on the 2021-22 budget and levy.
- 11.3** The Authority also planned to finance the cost of the North London Heat and Power Project (NLHPP) through borrowing. To facilitate this, the Authority submitted a bid for Local Infrastructure Rate borrowing from HM Treasury, via the Public Works Loan Board (PWLb). The bid was successful and £100m was borrowed in February 2020. In March 2021, the authority borrowed a further £140m PWLB loan from HM Treasury.
- 11.4** The 2020-21 final outturn reported as part of the ordinary business of the June 2021 Authority meeting indicates that the NLWA's total expenditure for the year was £62.856m, and that charges for non-household and chargeable household waste were £6.026m and £1.201m 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 £8.043m at 31 March 2021. This is £3.887m better than previously forecast in February 2021 (£4.156m). The in-year financial improvement arose mainly from a lower residual tonnage, , savings on administration costs and non-use of the contingency.

- 11.5** Table 8 indicates the 2020-21 gross expenditure, which comprised:

	£m
Waste disposal and recycling services (including landfill tax)	52.233
Reuse and recycling centres (including disposal costs from these sites)	3.995
Corporate and support services	2.886
Waste prevention initiatives (including work with community groups and constituent councils)	0.401
North London Heat and Power Project (development costs)	0.477
Revenue cost of funding the capital programme	6.060
<b>Expenditure</b>	<b>66.052</b>
<b>Less</b>	
Sale of recyclables	(2.887)
Other income	(0.309)
<b>Net Expenditure</b>	<b>62.856</b>

Table 8: NLWA 2020-21 gross expenditure

**11.6** Looking forward, in February 2021, the Authority set the budget for 2021-22 at £72.237m. The Authority decided that the £4.157m revenue balance forecast available would be used to help fund the budget. Consequently, the 2021-22 budget has been financed as follows:

	£m
Use of revenue balances	4.157
Charges to boroughs for non-household waste	8.510
Charges to boroughs for household waste	1.772
Levy	57.798
<b>Total</b>	<b>72.237</b>

Table 8: Financing of the 2021-22 Authority budget

**11.7** The levy for the 2021-22 financial year of £57.798m has been apportioned between the constituent boroughs as follows:

	£m
Barnet	13.362
Camden	5.125
Enfield	7.135
Hackney	7.585

Table 9: NLWA 2021-22 levy breakdown by borough

### Tonnage levels

- 11.8** Allowing for a continuation of constituent borough recycling and composting activity, the 2021-22 budget allows for the disposal of some 582,100 tonnes of residual waste, the processing of 12,286 tonnes of mixed organic waste, 13,577 tonnes of food waste, 18,501 tonnes of garden waste, and bulking and sorting arrangements for 118,900 tonnes of mixed dry recyclable waste.
- 11.9** NLWA can charge the seven constituent boroughs for some types of waste – principally non-household or trade waste – but recovers most of its costs via a levy: mostly for ordinary household and major project costs. Since 2016-17, the Authority's costs have been apportioned using a system of levy and charges based on 'menu pricing'. This means that each type of waste has a different price for 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.

### Property issues

- 11.10** In relation to the Hendon rail transfer station, the Authority had a tenancy with Network Rail that was taken over by the London Borough of Barnet in July 2020. This site is subject to a compulsory purchase order. In November 2020, the Authority took a 5-year lease of a site owned by Araglin Holdings Ltd at Hannah Close, Wembley. This property is intended as a temporary replacement for the Hendon site and the Authority will close the Hendon site in 2021.
- 11.11** NLWA also has an interest in part of a 6.97-hectare site at Pinkham Way in Haringey, and the Authority wholly owns LondonEnergy Ltd, which in turn owns the approximately 15-hectare site at the Edmonton EcoPark in Enfield. To facilitate the North London Heat and Power Project, the Authority has leased land at Lower Hall Lane and Hawley Road, both in Edmonton.
- 11.12** In December 2020, NLWA began a 999-year lease of 73% of the area of the EcoPark from LondonEnergy Ltd to facilitate construction of the North London Heat and Power Project.

## Property holdings

**11.13** The Authority has varying property interests at:

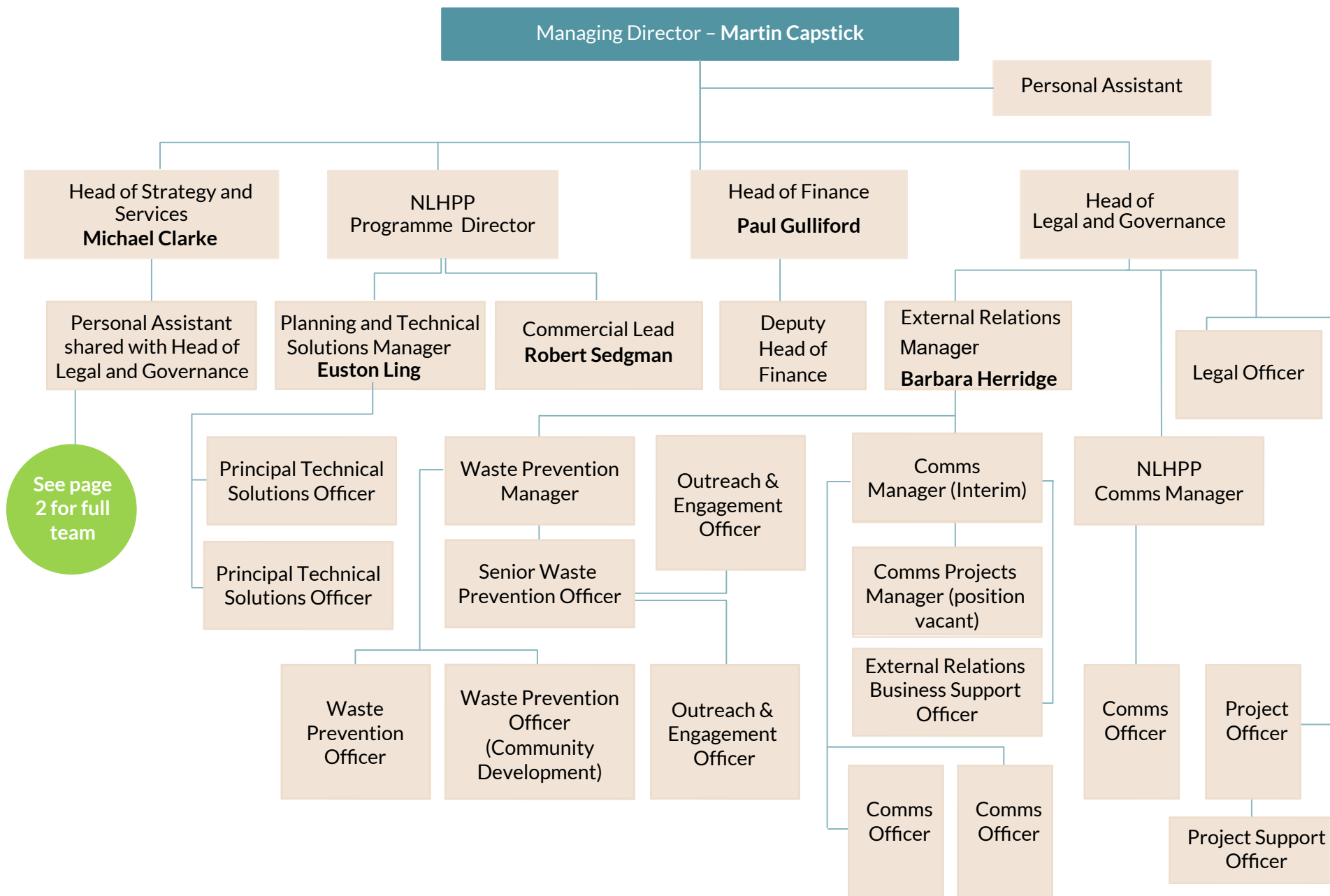
- Edmonton EcoPark Hornsey Street, Islington
- Hendon Waste Transfer Station Hannah Close, Wembley
- A406, Edmonton (residual land) Pickets Lock Lane (residual land)
- Pinkham Way - land at part of the former Friern Barnet Sewage Treatment Works Deephams Farm Road and land to the north of the Edmonton EcoPark
- Land beside Lower Hall Lane, Edmonton Land at Hawley Road, Edmonton
- Berol House, Tottenham Hale

**11.14** Throughout 2020-21, work to manage two invasive plant species, Japanese knotweed and giant hogweed, continued at the Pinkham Way site and at Deephams Farm Road. This is ongoing in 2021-22





# NLWA Staff Structure Chart April 2021



See page 2 for full team

### Strategy and Services

