

# 10. Finance and Resources

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- 10.1** The net revenue budget of the North London Waste Authority (NLWA) (the Authority) for 2019-20 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.
- 10.2** In February 2019, the Authority agreed an original budget of £69.149 million (m) for 2019-20, to be financed by estimated revenue balances of £5.377m, charges to boroughs for non-household waste of £9.111m, household waste of £1.834m and a levy of £53.182m. In setting the 2019-20 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 2020-21 budget and levy.
- 10.3** 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. The bid was successful and £100m was borrowed in February 2020.
- 10.4** The 2019-20 final outturn reported as part of the ordinary business of the June 2020 Authority meeting indicates that the Authority's total expenditure for the year was £62.685m, and that charges for non-household and chargeable household waste were £8.007m and £1.718m 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 £8.443m

at 31 March 2020. This is £2.903m better than previously forecast in February 2019 (£5.540m). The in-year financial improvement arose mainly from a decrease in the net cost of recycling, resulting from lower tonnage and improved income, savings on administration costs and non-use of the contingency.

- 10.5** Table 8 indicates the 2019-20 gross expenditure, which comprised:

	£m
Waste disposal and recycling services (including landfill tax)	<b>48.713</b>
Reuse and recycling centres (including disposal costs from these sites)	<b>4.719</b>
Corporate and support services	<b>3.020</b>
Waste prevention initiatives (including work with community groups and constituent councils)	<b>0.783</b>
North London Heat and Power Project (development costs)	<b>0.630</b>
Revenue cost of funding the capital programme	<b>6.824</b>
<b>Expenditure</b>	<b>64.689</b>
<b>Less</b>	
Sale of recyclables	(1.802)
Other income	(0.084)
<b>Net Expenditure</b>	<b>62.685</b>

**Table 8.** NLWA 2019-20 gross expenditure

**10.7** Looking forward, in February 2020, the Authority set the budget for 2020-21 at £71.789m. The Authority decided that the £5.540m revenue balance forecast available would be used to help fund the budget. Consequently, the 2020-21 budget has been financed as follows:

	£m
Use of revenue balances	5.540
Charges to boroughs for non-household waste	9.105
Charges to boroughs for household waste	1.915
Levy	55.229
<b>Total</b>	<b>71.789</b>

**Table 9.** Financing of the 2020-21 Authority budget

**10.9** The levy for the 2020-21 financial year of £55.229m has been apportioned between the constituent boroughs as follows:

	£m
Barnet	12.351
Camden	5.695
Enfield	7.006
Hackney	7.076
Haringey	8.008
Islington	6.363
Waltham Forest	8.730
<b>Total</b>	<b>55.229</b>

**Table 10.** NLWA 2020-21 levy breakdown by borough

## Tonnage levels

**10.11** Allowing for a continuation of constituent borough recycling and composting activity, the 2020-21 budget allows for the disposal of some 587,600 tonnes of residual waste, composting arrangements for 43,100 tonnes of green/kitchen waste and a bulking and sorting arrangement for 115,500 tonnes of mixed dry recyclable waste.

**10.12** 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 via a levy - principally 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 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.

## Property issues

**10.13** 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 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.

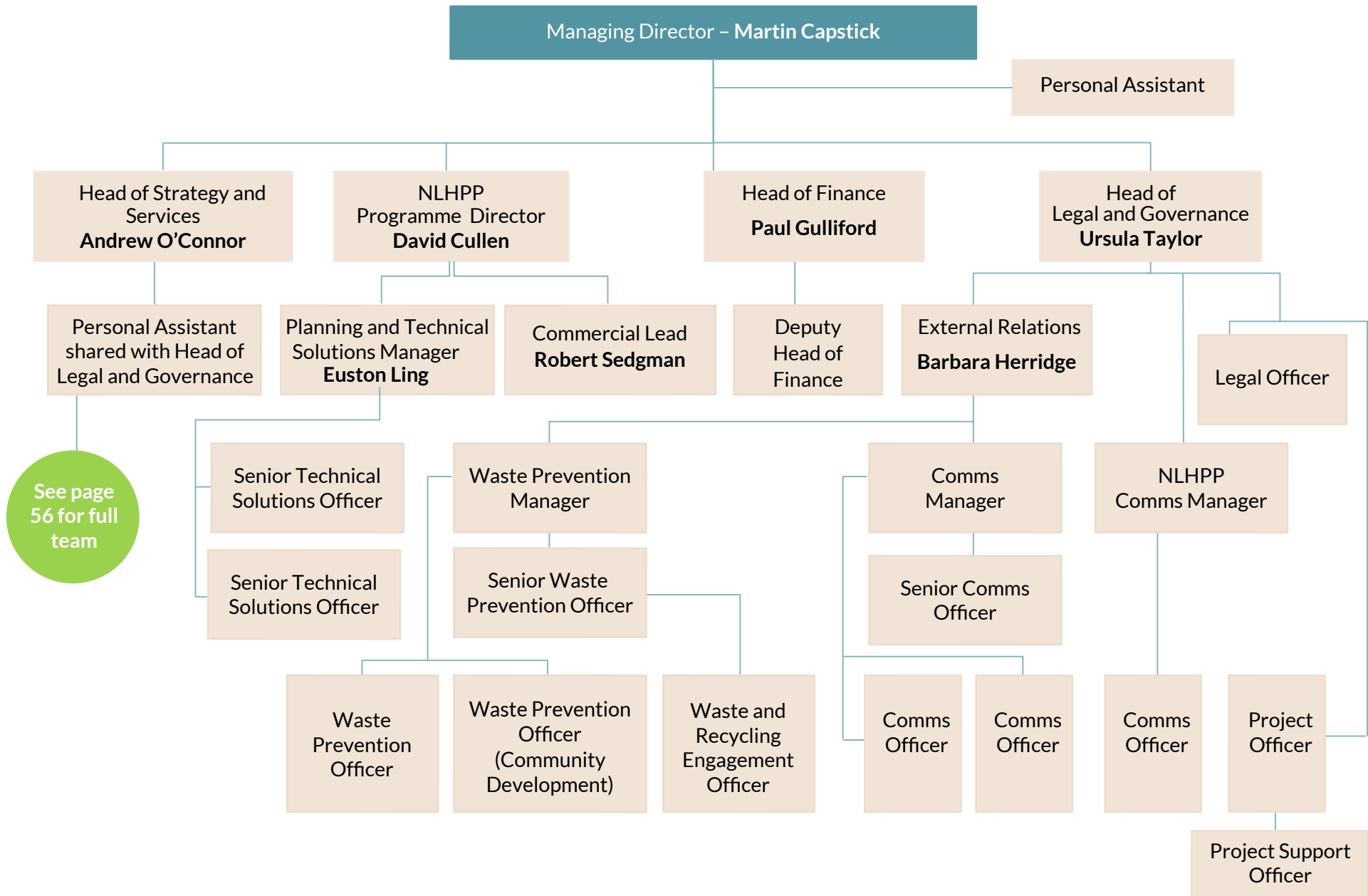
## Property holdings

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

- Hornsey Street, Islington
- A406, Edmonton (residual land)
- Pickets Lock Lane (residual land)
- Hendon Waste Transfer Station
- 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

**10.15** Throughout 2019-20 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 2020-21.

# NLWA Staff Structure Chart April 2020



# NLWA Structure Chart - Continued

## Strategy and Services

