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West London Waste Authority

A meeting of the West London Waste Authority will be held in Meeting Room 4, First Floor - Harrow Council Hub, Forward Drive, Harrow on Friday 24 March 2023 at 10.00 am

Membership

Councillor Deirdre Costigan, London Borough of Ealing
Councillor Katherine Dunne, London Borough of Hounslow
Councillor Eddie Lavery, London Borough of Hillingdon
Councillor Anjana Patel, London Borough of Harrow
Councillor Krupa Sheth, London Borough of Brent
Councillor Julia Neden Watts, London Borough of Richmond

Agenda

PART I - ITEMS FOR CONSIDERATION WHILE THE PRESS AND PUBLIC ARE IN ATTENDANCE

1. Apologies for absence
2. Declarations of interest

Members are reminded that if they have a pecuniary interest in any matter being discussed at the meeting they must declare the interest. They may not take part in any discussion or vote on a matter in which they have a pecuniary interest.

3. Minutes of the meeting held on 20 January 2023 (Pages 3 - 6)
4. Contracts and Operations Update (Pages 7 - 12)
5. Food Recycling Projects Update (Pages 13 - 20)
6. Annual Procurement Plan 2023/24 (Pages 21 - 26)
7. Finance Update January 2023 (Pages 27 - 34)

PART II - ITEMS FOR CONSIDERATION AFTER THE EXCLUSION OF THE PRESS AND PUBLIC

8. SERC Capacity Increase (Pages 35 - 48)

Useful Information

Joining the Meeting virtually

The meeting is open to the public and can be viewed online at [London Borough of Harrow webcasts](#)

Attending the Meeting in person

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You can access the agenda online at [Browse meetings - West London Waste Authority](#)

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The Authority asks that you avoid recording members of the audience who are not participants at the meeting. The Authority will seek to facilitate this. However, anyone attending a public meeting does so in the knowledge that recording may take place and that they may be part of that record.

Clerk to the Authority

At a meeting of the West London Waste Authority held on Friday 20 January 2023 at 11.00 am at the Meeting Room 3, Fourth Floor - Harrow Council Hub.

Present:

Councillor Deirdre Costigan, Councillor Katherine Dunne, Councillor Eddie Lavery, Councillor Anjana Patel, Councillor Krupa Sheth and Councillor Julia Neden Watts

In attendance – Robin Pritchard – Independent Member of Audit Committee

38. Apologies for absence

There were no apologies for absence.

39. Declarations of interest

RESOLVED: To note that there were no declarations of interests made by Members.

40. Minutes of the meeting held on 2 December 2022

RESOLVED: That the minutes of the meeting held on 2 December 2023 be taken as read and signed as a correct record.

41. 2023/2024 Budget Update

Members received a report which set out the 2023/24 budget proposal.

Jay Patel, Finance Director, advised that the budget was as reported to the Authority in December and that there had now been a final consultation with borough Finance Directors and their feedback was appended to the report. There were two common themes arising from that feedback, firstly the approach to dealing with PPP income was welcomed and secondly there was a desire from Finance Directors to get a better understanding of the Authority's programme of work and savings. A composite response to the queries arising from the consultation had been circulated to the Finance Directors.

RESOLVED: That (1) the 2023/24 budget be approved;

(2) the budget for work to be met from PPP income;

(3) the Pay As You Throw (PAYT) rates, as set out in section 15 of the report, and the PAYT levy made up of two components totalling of £53.1 million be approved;

(4) the Fixed Cost Levy (FCL) of £14.0 million, as set out in section 16 of the report, be approved;

(5) the recommended trade and construction prices, as set out in section 17 of the report, and delegated authority to the Finance Director to change these in year should the need arise be approved;

- (6) the payment of PPP income totalling £6.3 million to boroughs in July 2023 shared in accordance with the Finance Strategy be approved;
- (7) the new proposed capital budgets, as set out in section 18 of the report, be approved;
- (8) the target level of reserves of £10.3 million to act as a buffer for managing risks (including the risk around the level of PPP income), as set out in section 19 of the officer report, be approved;
- (9) the Medium and Long Term Financial Plan key messages set out in section 20 of the report be noted.

42. Contracts and Operations Update

Members received a report which provided an update on the Authority's waste treatment arrangements and procurements.

Tom Beagan, the Head of Service Delivery outlined the content of the report and drew attention to the financial implications section. He explained that if, as a result of the rail disruption and resultant additional costs of transporting waste by road, the contractor was unable to use SERC the Authority would miss out on a contract rebate for this material.

The Head of Service Delivery reported that it had been announced that a deposit return scheme for drink containers had been announced by the government for 2025. An update would be provided at the next meeting but that, following a request from a Member, an email update would be circulated once more detail had been received. It would be necessary to stay alert to the implications of such a scheme in terms of recycling rates and materials coming of the waste collection system.

In relation to the HRRC Improvement Plan, a Member asked whether Harrow and Hillingdon were receiving assistance to achieve the minimum diversion rate of 40%. The Head of Service Delivery confirmed that support was being provided and that it was feasible to exceed the 40% threshold and that the other boroughs were generally above 60%.

Members sought clarification on the roll out of the £200,000 funding to boroughs as there was some confusion as to whether the 40% diversion rate threshold had to be reached before funding would be released by the Authority. Emma Beal advised that there appeared to be some misunderstanding and there was a need to rectify this as soon as possible. The Finance Director explained that the mechanism for funding had been documented and agreed with Borough Environment Directors in March 2022 and that officers would liaise with borough colleagues.

RESOLVED: That the report be noted.

43. Communications Programme Update

Members received a report which provided an update on the Authority's Communications Programme.

Peter Tilston, Projects Director introduced the report and advised that historically the communications circulated had contained passive information. It was proposed to use

different methodology to engage with residents and to target increasing the use of existing services. Regular updates on this work would be reported to the Authority.

In response to a comment from a Member about the need to work together to improve resident participation in food waste collection, the Projects Director advised that the Joint Communications Group were looking at the sharing of resources and preventing the duplication of work. Another Member stated that there were some residents who wanted to participate but could not access the service, in particular those residing in blocks of flats. She expressed the view that messaging should be to reduce food waste but it was also important not to offend those residents that were already doing the right thing.

Emma Beal, Managing Director, stated that it was important to understand the barriers to resident participation and to understand if any other Authority was having greater success. She acknowledged the need to engage directly, that is, by knocking on doors.

Members note that the Managing Director would be visiting Richmond Council to speak to officers about the work the Authority was doing.

RESOLVED: That the report be noted.

44. Finance Update

Members received a report which provided an update on financial and operational matters.

Jay Patel, Finance Director, introduced the report and updated Members in terms of the Learning and Development Key Performance Indicator (KPI) in that more data had been gathered and that since the end of December there had been 391 instances of activities or learning. The expectation was therefore that this KPI would be green by the end of the year.

Having noted a correction to the report in that there was no confidential report setting out details of a delegated decision it was

RESOLVED: That (1) the current financial position and forecast for 2022/23 be noted;

(2) the Key Performance Indicators to date be note.

The meeting finished at 11.57 am.

The minute taker at this meeting was Alison Atherton.

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WEST LONDON WASTE AUTHORITY

Report of the Head of Service Delivery & Operations Manager

24 March 2023

Contracts and operations update

SUMMARY

This report provides an update on the Authority's waste treatment arrangements and procurements. The key points are:

- The Authority's largest contract, which involves sending non-recyclable waste by train to an energy recovery centre, has suffered some operational disruption but is otherwise running well.
- Improvement projects are being delivered at all Borough HRRCs, and Environment Directors have recommended that unspent HRRC Improvement funding is rolled over into 2023/24 to allow projects to be completed.

RECOMMENDATION(S) The Authority is asked to:

- 1) Approve the carry-over of unspent HRRC Improvement funding into the next financial year (2023/24).

1. Introduction

This report provides an update on WLWA's existing contracts and operations for managing west London's waste.

2. West London Residual Waste Services contract

This contract is with West London Energy Recovery Limited (WLERL) and is operated by Suez. It involves the acceptance of waste from Boroughs at west London transfer stations, from where most of the waste is compacted into containers and transferred by rail to Severnside Energy Recovery Centre (SERC) for thermal treatment and energy recovery. It is the Authority's largest contract, handling over 300,000 tonnes of residual waste each year, with a value of around £35 million per year.

The contract continues to perform very well against its Key Performance Indicators (KPIs) for the current year-to-date, where a landfill diversion rate of 99.9% (target 96.1%) was achieved along with a recycling rate of 5.5% (target 2.1%).

On the morning of 7 Feb there was a fire in one of the two waste bunkers at Victoria Road transfer station, leading to a temporary site closure and re-routing of Borough vehicles. The fire brigade attended, and the site was operational again by early afternoon. The cause was batteries that had been through a shredder, which may have come from a Borough HRRC/transfer station or bulky waste collection. Short and long-term plans are in place to increase battery separation at Borough sites as part of the HRRC Improvements Programme.

Further disruption was caused late on 2 March, when the Metropolitan Police closed the Transport Avenue transfer station to investigate the contents of some of the waste. The site remained fully closed for the full day of 3 March whilst evidence was collected, and the Police allowed the site to reopen the following day. Boroughs tipped at contingency locations during the closure. WLWA and the Contractor expressed strong concern to the Police about the operational impacts of the full closure and are developing processes to prevent full site closures in the event of future investigations.

No rail strikes have happened since the last meeting. Strikes and strike-related disruption are planned between 16-18 March and 30 March to 1 April. The Contractor is working with its rail haulier to assess the service impact. Contingency plans are well tried and tested and will be put in place if required.

A planned outage at SERC will take place in April. Extensive contingency plans are being developed to minimise the impact on operations.

Improvement projects continue to be delivered at the transfer stations, including a £2m upgrade to fire suppression systems at Victoria Road (following a successful installation at Transport Avenue) and a medium-term fix to one of the waste bunker cranes, ahead of a full replacement of both cranes next year (worth £3.5m).

Vehicle turnaround times have improved significantly at Transport Avenue, due to delivery of an Action Plan. Improvements are also planned at Victoria Road, but the crane replacement and development of a new bulking shed will be needed to maximise the benefit.

3. Viridor residual waste contract (Lakeside)

This contract is for 90,000 tonnes a year of residual waste which is thermally treated at Lakeside energy recovery centre near Slough. The contract is operating well. A partial outage is planned through April and May. Contingency options have been developed in conjunction with those for the SERC outage.

4. Food waste contract

The food waste contract with Biocollectors continues to operate well.

5. Green waste contract

The green waste contract is operated by West London Composting (WLC). The contract continues to deliver a good service.

6. Transport contracts

The Authority lets two waste transport contracts:

- One for transporting non-recyclable waste from Borough waste transfer stations and Dry Mixed Recycling (DMR) collected by Ealing, typically using bulk haulage vehicles, operated by Waste-A-Way Recycling.
- One for the removal of segregated materials from Borough HRRC sites in roll-on roll-off (RoRo) containers, operated by Suez.

Both contracts are operating well.

7. Dry Recyclables

The contract is operating well, and there are no operational issues to report.

8. Abbey Road HRRC and Waste Transfer Station (WTS)

Abbey Road HRRC and WTS is managed by WLWA, and the HRRC is run on behalf of Brent.

A trial will soon start for sorting black bagged waste brought into the HRRC by residents at Abbey Road. This initiative has been rolled out in other parts of the country and has led to significant financial and carbon savings by recovering valuable materials that would have otherwise been sent to energy from waste. It also removes potentially dangerous materials, such as batteries, from the residual waste stream. Black bag sorting will take place as part of two-way conversations between Waste Minimisation Operatives and residents bringing black-bagged waste. The sorting infrastructure has now been constructed and health and safety procedures developed. The trial will begin once staff have been fully trained.

9. HRRC Improvement Programme

HRRC Improvement work continues to be rolled out by the Boroughs, funded by WLWA's investment of £200,000 per Borough. Major improvements have been delivered across all Borough HRRCs, with more planned, but the full funding will not be spent by the end of year at any site.

Following consultation with Environment Directors, it is recommended that unspent funds are rolled over into 2023/24 and ringfenced to spend on HRRC improvements.

10. Operations Manager

The Authority's Operations Manager has resigned. Options for covering the position are being considered whilst a recruitment process takes place.

11. Legislative change

Major waste reforms

On the day of the last Authority meeting, the Government published its response to the consultation on a Deposit Return Scheme for drinks containers. The target commencement date for the scheme is 1 October 2025. It will lead to reductions in drinks containers (cans and plastic bottles) in both kerbside recycling and residual waste systems. Local Authorities are currently considering how to recover un-claimed deposits from any drinks containers that they collect.

Ahead of mandatory food waste recycling coming into force, the Government has made clear that it will not cover capital costs already paid by local authorities for introducing food waste recycling. It will also not pay towards waste disposal authority capital costs (bulking, transfer and recycling).

The Government's response to the consultation on Consistent Collections is expected imminently.

Electricity Generators Levy

The levy, which was discussed at the last Authority meeting, applies to electricity sold at over £75/MWh from low-carbon electricity generation and includes Energy from Waste facilities, such as SERC, where the Authority receives a share of electricity income. Full formal guidance on how the levy will be applied is still awaited (expected this Spring). Based on available information, WLER expects that the levy will not affect the Authority's income, but this will be confirmed when the guidance is published.

12. Health and Safety Implications

Changes to tipping locations for Boroughs and contractors, due to the operational issues discussed in Section 2, could increase the risk of accidents due to drivers using sites that they are not used to, and increased traffic at tipping points. This is mitigated by contractors at tipping points provide an induction to all drivers that are new to a site.

Improvement work at the transfer stations is all subject to an extensive risk assessment process by Suez.

A risk assessment and safe working procedures for the sorting of black bagged waste has been developed by the Authority's health and safety manager in consultation with the site staff, and is currently being rolled out.

13. Financial Implications

The disruption described in Section 2, leads to additional costs, largely from processing more waste at one of the major transfer stations (requiring overtime), or transfer waste by road instead of rail. These additional costs are paid for by the Contractor but can result in longer turnaround times for Boroughs. If the Contractor is unable to send waste to SERC and must instead use an alternative energy recovery facility, or landfill, WLWA will miss out on a contract rebate for this material. A maximum of 3.9% (around 12,000 tonnes) of contract waste can be treated this way

with WLWA covering the additional costs. If this occurs, WLWA could miss out on a maximum rebate of around £1.8m. The Contractor covers additional costs above the 3.9% cap.

WLWA is obliged to send the Contractor 235,000 tonnes a year of Contract Waste for treatment. The rail strikes pose a risk that waste will not reach SERC and WLWA must pay for 235,000 tonnes regardless of whether it is treated. However, this risk is currently low because of the Contractor's proven ability to get waste to SERC regardless of the disruption, and because this year 242,000 tonnes has been treated already (to end Jan). A major increase in strike action next year would increase the risk level.

The improvement projects described in Section 2 will be financed by the Contractor and WLWA is not obliged to contribute to the costs. The improvements will improve the speed of Borough tipping, leading to operational savings.

Staffing cover for the Operations Manager position may result in an increase in staffing costs above the budgeted level. There has also been an increase in the market value of Operations Managers, which may again push staff costs above budgeted levels following the recruitment. Any additional costs will be covered by operational savings, which will be a key focus area for the new Operations Manager.

The Abbey Road black bag sorting trial referred to in Section 8 requires approximately £25,000 of funding which is drawn from the Improvement Funding budget. This resource requirement covers PPE, Equipment, H&S training, additional bins and production of documentation. The trial does not require any additional allocation of staff as existing site staff will manage the trial. It is anticipated that the trial will be in operation for approximately 6 months and is due to start in mid-March. Current levels show that Abbey Road achieves 70-73% diversion across the HRRC and it is anticipated the trial could increase levels to 75-80% whilst also providing additional data regarding material capture which will in turn provide a better understanding of and inform future onsite communications and campaigns produced via the information hub onsite.

The trial will involve the sorting of 323 tonnes of waste and will aim to target recycling of 90 tonnes of black bag waste. In summary the trial will require an investment of £25,000 and WLWA anticipates a saving of £12,500. Although this project requires an upfront investment this is not a repeatable cost and WLWA will gain significant improvement from the trial in terms of increasing customer awareness and behaviour change and longer term improvement in social value. Following delivery of the trial, WLWA's future plans are to roll out the scheme to other WLWA HRRCs for additional savings.

The major waste legislation reforms will have a financial impact in the medium to long term, but Government's consultation responses are needed to model these impacts. The Authority was not anticipating government support for separate food waste collections, so the Government's position does not affect budget estimates.

The impact of the Electricity Generators Levy on WLWAs contract requires further information from the Government to give clarity on financial implications for the Authority.

Approximate annual values of the Authority's key contracts are:

- WLERL, residual waste services, £35m
- Viridor, residual waste services, £14m
- West London Composting, green waste, £1.5m
- Waste-A-Way, transport services, £1.0m
- Suez UK, transport services, £0.5m
- Biocollectors, food waste, £0.4m

Please refer to the Finance Update for a summary of the current position against the budget.

14. Staffing Implications

Options to cover the Operations Manager vacancy (described in Section 10) will include interim contract, fixed term contract and secondment from Boroughs or contractors.

15. Legal Implications

Legal positions have been sought on the potential impacts of the Electricity Generators Levy.

16. Impact on Carbon reduction

HRRC improvement projects aim to maximise diversion of valuable materials from residual waste, reducing carbon by keeping materials in circulation.

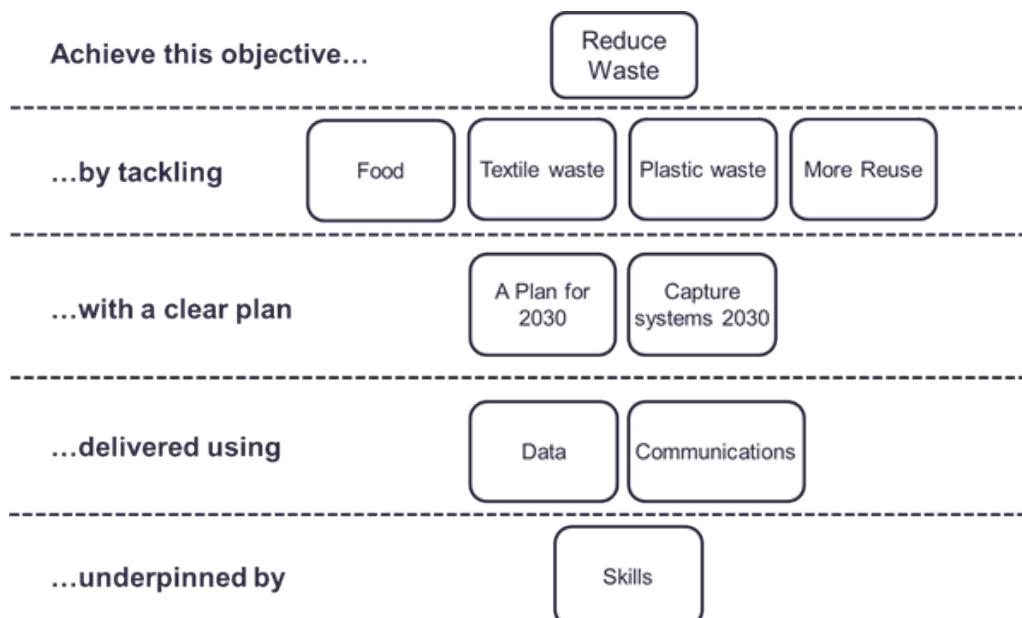
Improvement projects at the waste transfer stations aim to increase the efficiency of the tipping and transport of waste, reducing the carbon associated with managing it.

17. Impact on Environment Directors Priorities

Priority	Key points raised within this report
Bringing residents with us	HRRC improvement projects, including black bag sorting, aim to make the most of the opportunities for talking with residents about their waste and recycling behaviours.
Sustainable decision making	N/A
Climate adaptation and decarbonisation	See Section 16
Dealing with financial challenges whilst delivering on climate change	HRRC improvements will deliver financial savings to Boroughs, directly through separating more recyclables, and indirectly through residual waste savings to WLWA. The major waste legislative reforms provide an opportunity for Boroughs and WLWA to improve the efficiency of operations and secure extended producer responsibility payments.

18. Impact on Joint Municipal Waste Management Strategy

The framework of a joint plan for 2030 to be developed by WLWA and Boroughs was agreed in March 2022 and is shown below.



The HRRC improvements discussed in Sections 8 and 9 will tackle some of the key materials in the diagram above through increased diversion of materials from residual waste.

The major legislative reforms described in Section 11 will help to develop A Plan for 2030 and Capture Systems 2030.

19. Impact on statutory, national and London targets

The HRRC improvement programmes and the major legislative reforms will help address the target 65% recycling by 2035 (2030 in London).

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Food recycling projects Update

SUMMARY

This report provides an update on the Authority's Food Waste investment in Borough Business Cases, approved in September 2020.

- Individual Borough food waste project progress
- Boroughs are delivering returns through food waste reduction and diversion
- Delays have hindered some Boroughs projects and returns

RECOMMENDATION(S)

- 1) *The Authority is asked to note the information within this report.*

1. Introduction - The West London Waste Food Waste investment approved £3m of reserves in 2020, to fund investment in the Borough food waste services to increase food waste collection.

2. Background - There are multiple factors that impact on the amount of food being thrown away and which collection service it is put in. These include factors within the control of councils such as the number of households with a collection service, the availability of good quality information and equipment to use the service as well as external factors such as household income, food behaviours such as using leftovers rather than throwing them away and perception of services.

It is possible to measure the overall trends of waste generation as well as the following factors:

- a) Separate food recycling collected – the quantity of food waste residents put in their food recycling service
- b) Proportion of food in the residual – how much food waste residents put in their rubbish bins
- c) Capture rate – how much of the total food that's thrown away is collected in the food recycling service
- d) Residual waste – the quantity of waste residents throw away

Each of these metrics have an impact on the value of a return on investment and therefore need to be considered together.

3. Food projects updates

In 2020 the boroughs submitted project business cases setting out how the funding would be used to increase separately collected food waste for recycling by removing it from the residual waste stream. Each project included key actions to monitor project progress against. These were assessed against performance criteria to calculate potential return on investment (ROI) based on assumptions about the weight of food waste available in the collection system. Since 2020 there have been external factors and internal changes in many boroughs which have resulted in some changes of project scope or timetable. This section outlines the status for each

individual food recycling project up to the end of December 2022 and is based on information provided by the Boroughs.

Brent

Project Summary	Brent have been in the expiry and reprocurement phase of their collections contract and as such have delayed their food project to align with the commencement of the new service to ensure the long term viability of the project with the successful contractor. The project is to provide an additional 56,000 flats with equipment and consumables to increase the utilisation of the collection service.	
Targets	Results	
Provide a kerbside food recycling service to an additional 56,000 flats	Brent have started the procurement for consumables and containers but currently no additional properties have been added to the service	
Project spend	£0	

Ealing

Project Summary	<ul style="list-style-type: none"> - Introduce service to 20,000 flats that currently do not receive a food waste collection service. - Supply of new equipment and targeted communications to 25,000 homes in 11 current collection rounds to improve volumes collected i.e. efficiency. This action was revised to targeting non-participating households on all collection rounds with caddies, rolls and leaflets. 	
Targets	Results	
Provide a kerbside food recycling service to an additional 20,000 flats	10,207 flats added to the service	
Targeting non-participating households on all collection rounds with caddies, rolls and leaflets.	3,853 properties were identified and targeted (complete)	
Project spend	£340,488	

Harrow

Project Summary	Originally the business case was to introduce food waste services to 1500 businesses and 800 flats above shops. This has been revised to be 250 businesses and schools, 5500 flats in communal properties and 1000 flats above shops.	
Targets	Results	
Provide a kerbside food recycling service to 250 businesses and schools	40 new businesses are receiving the service	
Provide food recycling service to 5500 communal properties	3548 flats in communal properties have been added	
Provide food recycling service to 1000 flats above shops	588 flats above shops have been provided with a service	
Project spend	£409,195	

Hillingdon

Project Summary	Introduce separate kerbside food service to homes either with no service or currently receiving a mixed organic service.	
Targets	Results	
Introduce a separate food waste service to all properties that previously received a mixed organics service	The service was introduced in May 2021, since then 4944 tonnes of food waste have been collected.	
Procure five top loader vehicles to facilitate separate food and green waste collections	Complete	

Provide kerbside collection service to 30,000 new subscribers	41,896 (140% complete)
Project spend	£500,000

In addition, Hillingdon are taking part in a trial to track usage of food recycling collections in 5 schools following communications and engagement with the schools. A trial food recycling service has been introduced to 159 flats. The plan is to expand this service to as many flats as possible in Hillingdon Housing estates throughout 2023/24.

Hounslow

Project Summary	<ul style="list-style-type: none"> - Introduce service to 24,500 flats that currently do not receive a food recycling collection service. - Supply of new equipment and targeted communications to 10,500 homes in 5 current collection rounds to improve volumes collected i.e. efficiency.
Targets	Results
Introduce service to 24,500 flats	24,500 flats are now receiving the service
Purchase 2 vehicles to collect the bins as part of the bin exchange and cleaning service	The vehicles have been procured but have yet to be delivered due to a national shortage of larger vehicles and long lead times. The service began in April 2022 using hire vehicles.
Improved behaviours towards food waste recycling in 5 current collection rounds to increase volumes collected	<ul style="list-style-type: none"> - Limited participation monitoring targeted 440 non-participating kerbside properties in September 2021 and three further wards in February 2022. - A targeted communication campaign was carried out in the Brentford Dock estate to increase the amount of food collected to 1kg/hh/wk, the impact was monitored by bin sensors.
Project spend	£500,000

Richmond

Project Summary	<p>Richmond have seen a change in contractor at the commencement of the project. The mobilisation of the new service and contractor has led to a delay in the expansion of the service and therefore the food project.</p> <ul style="list-style-type: none"> - Provide 17,000 flats with equipment and consumables to increase utilisation of the collection service - Introduce a commercial waste collection service to 540 new commercial customers - Identify non-participating households on the 5 lowest performing rounds and target communications and collection material such as caddy at these households
Targets	Results
Introduce service to 17,000 flats	3500 flats have been added to the service
2540 businesses	Currently on hold
Target non-participating households	Currently on hold
Project spend	£103,167

West London Waste Authority

To support the progress of these projects WLWA has:

- Procured and installed a bin wash system at Transport Avenue, this facility can be used by multiple boroughs.
- Provided fleet routing and efficiency services for integration of new properties on rounds and new services.

- Trialled Smart Cities technologies to measure fill and collection rates to generate smart routing for rounds with bin sensors.
- Provided communications support and resources for food waste services.
- New transfer operation for food waste at Victoria Road transfer station.

4. Financial Implications

As detailed in the background section above, it's not possible to use one measure to capture the full financial implications of food waste being thrown away. Each of the measures described would independently deliver savings on disposal/reprocessing costs.

The measures used have been used to measure variance from a baseline and therefore cannot be used as a measure of absolute performance of the service across Boroughs. All of the Boroughs started the project and therefore the baseline is in different positions and continue to operate different systems from frequency to containerisation of collections. An example would be Harrow, on the tonnage and proportion of food in the residual their performance has declined however as depicted in the capture graphs they are still our top performing Borough at 30% of food waste captured.

The importance of interpolating the data between the metrics and the Boroughs starting point for the project is essential to establish an understanding of waste reduction, service maturity and performance.

Tonnage of separate food recycling collected through borough services

Food waste trend from year-on-year change analysis

The total tonnage of food separately collected for recycling has steadily increased year on year as shown on the graph below, until the Q4 2022. The inclusion of the Hillingdon separately collected material has provided a significant proportion of this growth.



Figure 1 – Food Waste tonnes with trendline

Change in food collection since 2020

Table 1 below shows how the collected weight of food has changed since a pre-pandemic baseline year, (the baseline is the average of 2018-19 and 2019-20 as having an average of 2 years reduces the effects of one-off events). The total to date tonnage increase since the baseline years is c.7000tonnes. The savings are based on this tonnage moving from the residual waste stream to the food waste service.

Borough	Tonnes	Savings (+ve)/growth (-ve) in residual waste costs as a result of food being separated
Brent	178	£20,238
Ealing	919	£104,783
Harrow	-1001	-£114,128
Hillingdon	5562	£634,098
Hounslow	1646	£187,593
Richmond	-144	-£16,432
WLWA total	7159	£816,151

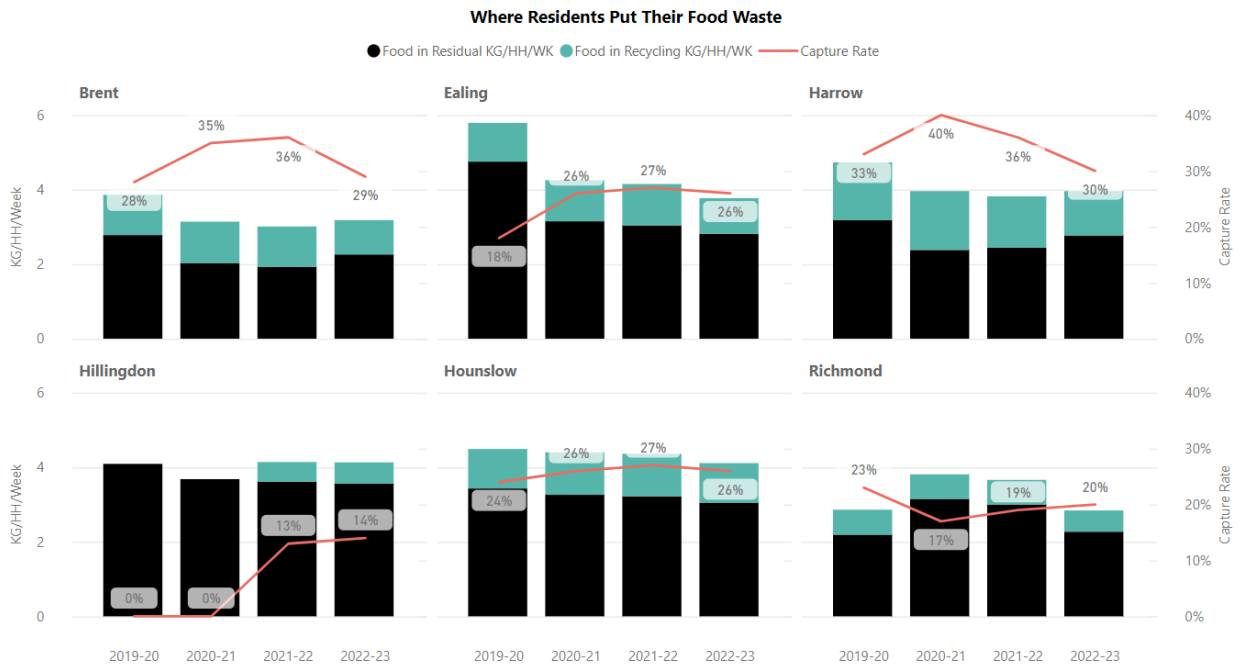
Proportion of food in the residual waste

The absolute volume of food waste captured for recycling only covers a proportion of the full food waste system. Food waste generated in households across west London predominantly flows through two routes 1) the food recycling service and 2) the rubbish bin, when households are not participating in food service provided or do not have access to that service.

Every 15 months a waste composition analysis is undertaken to understand the make up of the residual waste stream. Previous waste composition work has indicated the proportion of food waste in the residual stream has dropped from c.41% in 2019/20 to c.31% in 2021/22 then increased to 34% in 2022/23.

Capture of food

Using the tonnage data from food recycling services and the waste composition analysis for each of the last 3 years the capture rate for food being thrown away (whether placed in rubbish bins or in the food recycling services) can be measured as a snapshot in time. The graphs below show the total amount of food being thrown away is reducing gradually year on year and the proportion of it being placed in the food recycling service is increasing.



This supports the increase in participation through the expansion of the services by Boroughs (increasing capture rate) and the waste reduction theory for the service (total kg/household/week reducing through time).

Table 2 shows the reduction or growth in the amount of food being thrown away in the rubbish since the baseline year and the associated cost or saving of disposing/reprocessing that material.

Table 2: Food waste reduction in residual (based on waste composition data)		
Borough	Tonnes	Savings (+ve) /growth (-ve) in residual waste costs as a result of less food being thrown away in the residual waste
Brent	20039	£2,504,848
Ealing	26897	£3,362,167
Harrow	11206	£1,400,794
Hillingdon	7425	£928,173
Hounslow	6773	£846,581
Richmond	-6212	-£776,475
WLWA	66129	£8,266,088

Trends in waste generation

The performance of the food waste service is proportional to the whole food arising. This can only be assessed across both the captured food and the residual.

To estimate the impact of waste growth or overall reduction in arisings the change in food waste volume needs to factor in the residual waste changes. The objective is to decouple the food waste arisings and capture from the residual waste arisings. This decoupling would confirm residents are managing their food independently of the residual waste service.

A positive net % change would suggest the food service is capturing food more effectively and a reduction in efficiency.

Performance delta Food vs Residual growth			
Borough	Net % for changes to residual and food tonnages	Tonnes	£
Brent	3%	503	£ 57,370
Ealing	0%	-76	-(£ 8,637)
Harrow	-13%	-2485	-(£283,309)
Hillingdon		5562	£ 634,098
Hounslow	4%	570	£ 64,932
Richmond	-13%	-1077	-(£122,781)
WLWA		2997	£ 341,672

During this time the food waste service has outperformed the residual waste growth in Brent and Hounslow, with residual waste growing at a greater rate in Ealing, Harrow and Richmond. The Hillingdon service is not baselined as the service was not collecting separate food waste.

This supports the overall increase in food waste tonnage but reduces the benefit. To ascertain the wider impact of this changing baseline the capture rate of food service needs to be calculated.

WLWA officers will continue to monitor and measure the impacts of the investment and the benefits delivered through the projects with updates annually to the Authority on progress.

5. Staffing Implications – None

6. Health and Safety Implications – None

7. **Legal Implications** – The Environment Act 2021 includes a requirement for every household to receive a separate food waste collection service. The projects identified are leading best practice for flats and flats above shops food waste collections services.

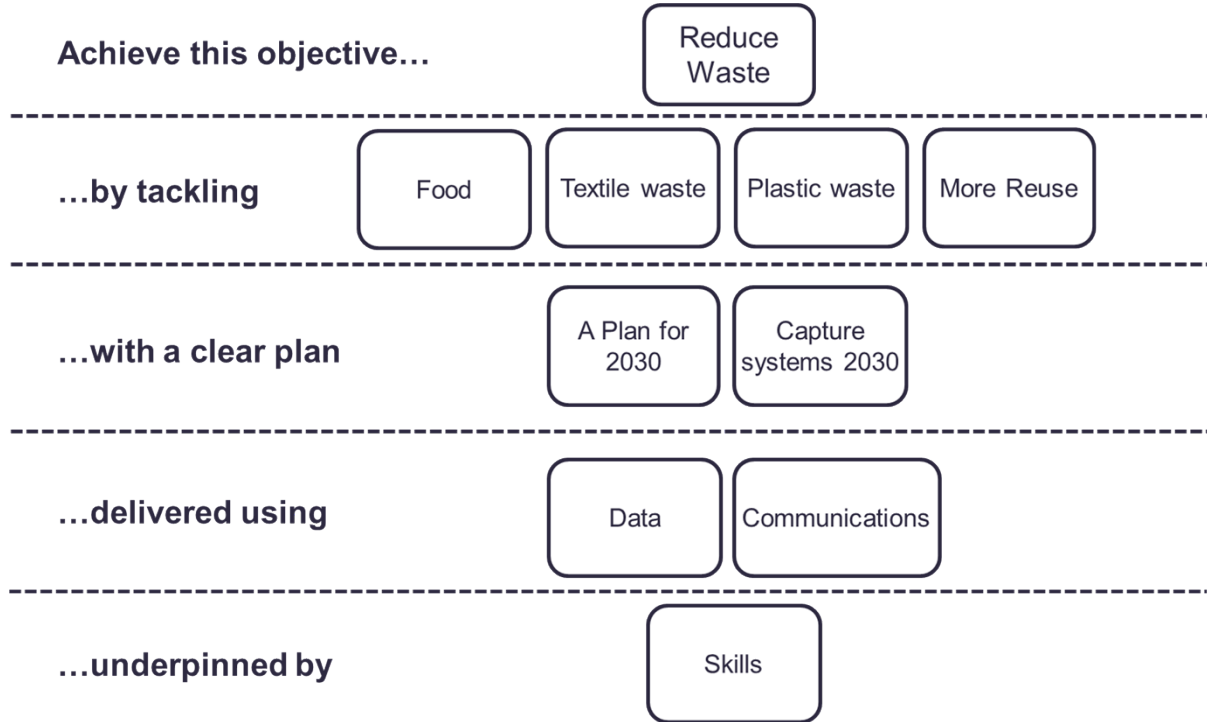
8. Joint Waste Management Strategy

A key factor in the Joint Waste Management Strategy is the 65% recycling target. To meet this a framework of a joint plan for 2030 to be developed by WLWA and Boroughs was agreed in March 2022. The joint plan must incorporate managing the rising cost of inflation which can only be countered in WLWA by reducing the amount of waste collected.

It is vital in this year that we:

- Increase the proportion of residents using the food waste service and
- Prevent waste at source in the recycling centres.

The agreed framework is shown below:



The food service is intrinsically linked to the Authority’s Joint Waste Management Strategy and Business Plan. The projects are driving the design of the new policies and programmes through data, best practice and identification of opportunities, as well as delivering change to meet the desired outcomes and targets in the Strategy and the proposed Budget.

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Annual Procurement Plan 2023/24

SUMMARY

This report provides details of the Authority's Annual Procurement Strategy for the year 2023/24.

RECOMMENDATION(S)

The Authority is asked to:

- 1) Approve the Annual Procurement Plan for 2023/24

1. Background

The Authority has the statutory responsibility to arrange for the disposal of controlled waste collected in its area by the waste collection authorities (the six constituent boroughs). The Authority and boroughs manage approximately 650,000 tonnes of waste per annum. Including waste streams for; re-use, recycling, composting, waste treatment and disposal. A significant proportion of the tonnage of both the residual waste and food waste is contractually committed under three long term waste treatment contracts:

- The Residual Waste Services Contract with West London Energy Recovery Ltd operated by Suez,
- The Waste Processing (Lakeside) contract with Viridor Waste Management Ltd; and
- The organic waste stream contract with Bio Collectors Ltd.

The remaining waste is managed via medium and short-term contracts and arrangements. These are subject to procurement and market testing on a regular basis to ensure value for money and/or best environmental options is being delivered within the existing waste market.

The procurement and provision of high quality waste management contracts is key to the delivery of key strategic objectives in the joint strategy (JMWMS); effective and efficient operations focused on where we want to be in the future and joined up and consistent approaches using high-quality data. Successful procurement of suitable services and arrangements will have a critical role in delivering the above strategic objectives.

2. WLWA Annual Procurement Plan

The full WLWA Annual Procurement Plan for 2023-2024 can be accessed [here](#). This plan contains all projected procurements coming up in the 2023/24 financial year. The business cases for procurements are analysed on the basis of its benefit to WLWA strategic objectives, outcome of market research and difficulty to procure.

If additional services are required as a result of market/policy changes throughout the year – a business case for each procurement over £50,000 will be discussed by the Procurement Review Board (PRB), and the Head of Service Delivery and/or Contract Manager will report back to Chief Officers / Members accordingly.

A business case for all procurements exceeding £50,000 will be developed and considered for approval by the PRB before procurement work commences.

Across all contracts WLWA strives to achieve Best Value which is defined as the most the most advantageous combination of quality, cost and sustainability to meet requirements.

In accordance with WLWA procurement rules Chief Officers and Members will be asked to approve contract award for procurements with a contract value over 1 million. Over 2023 – 2024 the following procurements will be sent for approval to Chief Officers and Members at the appropriate time during the course of the year.

Table 1: Anticipated procurements requiring Chief Officer and Member approval (Approximate contract values on a per-year basis)

PROJECT/SERVICE TO BE PROCURED	ESTIMATED ANNUAL VALUE (£ p/t)	TIMESCALE FOR PROCUREMENT
Flats contaminated Dry Mixed Recycling	£864,000	Jun-23
Mattresses	£600,000	Nov-23
Wood Recycling	£600,000	Jan-24
Street Sweepings Recycling	£200,000	Jan-24

Table 2 below presents a list of Circular Economy procurements that fall under WLWA’s Social Value and Reuse Programme. Although many of the procurements listed below are relatively low value they present a wide range of new Circular Economy projects and procurements proposed for this financial year.

The purpose of this programme is to decarbonise HRRC services and drive social value. The project will increase separation of materials, innovate new handling and storage methods to retain the value of the item not just the material it is made from. It will also deliver immediate changes to existing infrastructure and measure the social and financial value of circular economy projects.

Table 2: Circular Economy related procurements: (Approximate contract values on a per-year basis (unless stated as a one off cost))

PROJECT/SERVICE TO BE PROCURED	ESTIMATED ANNUAL VALUE (£ p/t)
CE HUBS: Fit out for CE hubs	£325,000 (cumulative total)
CE HUBS: Groundwork at CE hubs	
CE HUBS: Electrical contractors (surveys and installation)	
CE HUBS: Architects	
CE HUBS: Planning consultants	
CE HUBS: Legal advice	

Reuse contractor(s) for all HRRC's	£950,000 (Income)
Shipping containers for CE hubs	£75,000 (one off cost)
CE HUBS: EPOS / Inventory	£10,000 (one off cost)
CE HUBS: Phone line/IT	£15,000
CE HUBS: Insurance	TBC
CE HUBS: Signage for CE hubs	£40,000
Reuse material drop off boxes	£10,000 (one off cost)
Cargo bike to support CE hubs material transport	£6,000 (one off cost)

3. Social Value

Using waste for Social Value is both complex and dynamic. Over the last three years WLWA has developed a policy of giving resources away to stimulate the growth of reuse and repair markets to drive innovation.

At the start of the pandemic in 2020 WLWA adapted its operations to include the redeployment of a number of waste minimisation staff to sites. The work of these staff included setting up new systems to extract valuable products including bicycles, furniture, laptops and smart phones from sites. As a result WLWA now has a number of operating Circular Economy projects including a triage system in place for bicycles, a partnership with Restart and Fixing Factory on site for the repair of laptops and smart phones and a strong relationship with Petit Miracles for furniture repair and resale. These Circular Economy projects have generated a lot of interest and are bedding in well however they have also presented a number of challenges due to fluctuation in demand and the fact that supply and demand rarely match.

WLWA are now using a Social Value tool in order to start measuring the outcome of these projects. This process is complex, dynamic and difficult to deliver. WLWA has already measured the Social Value outcome of its furniture restoration project delivered through Petit Miracles. Results show that £4.39 of Social Value is created for every £1 spent.

WLWA see Social Value as an opportunity to create new waste systems (e.g, the development of the Bulky waste collection service and its evolution into the Materials Collection Service), change citizen behaviour and develop staff knowledge and empowerment. The challenges that lie ahead for WLWA with embedding Social Value projects are 1) expanding the supplier base to enable WLWA to develop more relationships with a wider range of suppliers and 2) demonstrating and measuring the Social Value promised through the supplier bid process via good contract management processes to enable WLWA to measure and report the outcomes of Social Value projects.

Green Waste Procurement 2022:

In April 2022 WLWA procured a supplier to collect and treat Green Waste from across the West London Waste Authority area. This contract was awarded to West London Composting and as part of their bid the supplier proposed to undertake a range of Social Value initiatives to support the local communities in west London. To date a number of Social Value projects have already been undertaken. These include:

- Harrow: The 'Stop and Grow' Project, Social Prescription Project in North Harrow – involving the supply of machinery, sleepers, tools, labour, seeds and wild flowers.

- Harrow: London Community Kitchen – supply of compost
- Hounslow: HAG Community Garden, Hounslow – delivery of 20t of Compost
- Brent Council: Supporting Brent Council's Climate Fair's through supply of compost to visitors to the fair

4. Materials Collection Service (MCS) procurement

This contract forms part of the WLWA Digital Twin and Communications programme and aims to improve material circularity across the boroughs. The MCS service will create a circular model for waste through material separation and diversion. This will facilitate increased capture and funnelling of more material through reuse, repair and recycle channels and away from residual waste.

The service will be used by residents across the boroughs of Brent, Hounslow, Ealing and Harrow, providing a household collection service. The procurement was published via the WLWA Dynamic Purchasing System on 06/03/23.

5. Paper & Card procurement for HRRC material

WLWA published a paper/card offtake procurement on 09/03/23 via the Dynamic Purchasing System. This material offtake contract will provide a supplier for the collection and processing of paper/card material generated via the HRRCs of Brent, Ealing and Hillingdon. An approximate 1,500 tonnes of Paper and Card, per year will be collected and processed and the contract will be designed so that other WLWA boroughs can join this contract at a later stage.

6. Low Carbon Procurement

The eight local authorities in West London – Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Richmond upon Thames, and Wandsworth – and West London Waste are collaboratively working together to reduce environmental impact through procurement activity by being proactive in embedding low carbon considerations in procurement processes across west London. This project has involved the development of a Low Carbon Procurement Policy, a Toolkit that sits behind it and a Charter.

The Low Carbon Procurement Toolkit provides advice and guidance to procurers in the local authorities to reduce carbon emissions across the procurement cycle and a database of questions, answers and KPIs for carbon. The toolkit aims to drive a coordinated and consistent approach across the participating authorities in achieving Net Zero objectives.

In order to develop a combined approach to engaging suppliers to help reduce west London carbon impacts, a Climate Commitment Charter for suppliers to sign up to, has been developed to show Suppliers commitment to contributing to the net zero aims of the West London Alliance.

The Low Carbon Procurement Policy, Toolkit and charter has been incorporated into WLWA suite of procurement documents since April 2022.

7. Dynamic Purchasing System (DPS)

In total 44 suppliers are pre-approved onto the DPS for the offtake of materials and services. If suppliers are unsuccessful in their application onto the DPS they can reapply at any future stage. The Contracts and Procurement Manager is working closely with potential suppliers to raise awareness of the procurement opportunities that exist within the WLWA DPS to increase and diversify the range of suppliers on the DPS.

The DPS will also support the boroughs by providing them with a procurement vehicle that offers greater flexibility, more efficiency and access to a wide range of pre-approved and specialist suppliers.

The DPS has been successfully used to procure out the Dry Mixed Recycling contract (used by Ealing), the treatment of mattresses contract, the treatment of green waste and the treatment of rubble. Going forwards the DPS will be used for procurement of paper/card material from Brent, Hillingdon and Ealings' sites, the procurement of a Materials Collection Service contract and for mini competitions for the treatment/recycling of a range of materials from HRRC sites.

8. Authority Contract Register

The Contract Register for 2023/24 has been published on the Authority's website in compliance with the Local Government Transparency Code 2014 requirements. [Click here](#) for a link to the website page hosting the Contracts Register.

The Contract Register details the Authority's current contracts for not only waste management operations but other goods and services where their expected value exceeds the £25,000 threshold for publication. Included are the details of expiry dates, review dates, approximate annual value and comments relating to the ongoing management of these services. As well as providing statutory information, the publication of the Contracts Register will permit potential contracting partners' to identify upcoming future tendering opportunities.

9. Authority Contracts and Procurement Rules

The updated Contracts and Procurement Rules were approved at the December 2020 Authority meeting. The Procurement Review Board is established and meets monthly to discuss the business cases for new procurements. WLWA will be required to update these rules in accordance with procurement process changes resulting from the new Procurement Bill once legislative details are finalised. The Contracts and Procurement Manager will also work closely with Heads of Procurement for WLWA's six London Boroughs (Via the collaborative Low Carbon Procurement group) to establish consistency across organisations' Procurement Rules.

10. Procurement Advice and Support

The Authority continues to have external legal advisors (Sharpe Pritchard and HB Public Law) in place to provide on-going support for the West London Residual Waste Services contract and other contractual issues relating to smaller waste contracts. These services are provided through Service Level Agreements and under Framework Agreements. Advisors from HB Public Law are also used to support contract and procurement decisions. Additional advice and support for procurement projects primarily the Dynamic Purchasing System is provided by Hounslow Council Procurement Team.

11. Financial Implications

Financial provision has been included within the approved 2023/2024 budget for the provision of the services, including any proposed procurements as set out in this report. Any procurements requiring Member approval will be presented at Authority meetings with reports detailing all key financial implications.

12. Risk Management – The proposals detailed in this procurement plan will be aligned with the requirements of the Authority's T&C Regulations. Officers will manage any risks that may be identified as they arise.

13. Health and Safety Implications – Health and Safety considerations form part of the tender evaluation process including potential partners’ record on health and safety and proposed future management arrangements. Where appropriate advice will be sought from the Authority’s Health and Safety advisors.

14. Legal Implications – As a local authority the Authority is required to act in accordance with the Public Contracts Regulations 2015. Many of the arrangements will involve the Authority entering into a formal contract.

15. Impact on Joint Municipal Waste Management Strategy – The procurement and provision of high quality waste management contracts are key to the delivery of the Joint Waste Management Strategy and strategic procurement and joint working across the boroughs is also vital to a number of key WLWA strategic objectives; ‘effective and efficient operations focused on where we want to be in the future’, ‘collaborative models in the sub-region and pan-London’ and ‘working joined up and consistent, using high-quality data’.

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Finance Update January 2023

SUMMARY

This report provides an update on financial and operational matters. The key points are:

- Day to day financial performance is as reported throughout the year with lower than budgeted waste volumes accounting for the majority of the variance from operational activities.
- In other financial activities, the forecast annual position includes an estimate of PPP contract income with the two thirds disbursement to boroughs.
- Also in other financial activities, there is a recommendation to roll over any borough's unused HRRC funding into 2023/24
- Operational performance is shown in the KPIs and is largely on track with two key exceptions on turnaround times and food waste
- There were no delegated decisions

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the financial position and forecast for 2022/23
- 2) Approve a reserve to carry forward unspent HRRC funding so it remains available for boroughs to use in 2023/24
- 3) Note the KPIs
- 4) Note the delegated decisions

1. Financial position – high level summary

A summary of the financial performance for the period and forecast to the end of the year is provided over the page. The summary shows how financial performance compares to the budget for both the period and the forecast for the year.

From an operational "day to day" activities perspective, the overall performance for the period shows a favourable variance (i.e. underspend) of £1.2m compared to budget. The key variance is an underspend of £1.6m for Waste Transfer and Disposal costs which is largely from lower than budgeted volumes of residual waste. This is also reflected in the variance in levies which shows boroughs are paying £986k less than was budgeted for their waste, year to date.

The forecast for the year is principally based on the current level of activity continuing throughout the year potentially delivering larger under spends. The continuing pattern of spending is very similar to previous periods and results in an estimated underspend of £1.7m for day to day activities.

Significantly, in other activities, PPP income for the year has been estimated at £9.4 million. The volatile electricity market and impact of any windfall tax create some uncertainty in this estimate and the value will only become clear in June 2023 when figures are finalised and paid over to the Authority. At that time two thirds will be passed on to boroughs in accordance with the Finance Strategy.

High Level Summary

	P10 Budget £ 000s	P10 Actual £ 000s	P10 Variance £ 000s	Full Year Budget £ 000s	Full Year Forecast £ 000s	Full Year Variance £ 000s
Expenditure						
Employees	2,207	2,221	14	2,648	2,700	52
Premises	2,227	2,065	(162)	2,672	2,479	(193)
Waste Transfer and Disposal	41,298	39,730	(1,568)	49,558	47,679	(1,879)
MRF Waste Transfer and Disposal	1,790	1,657	(133)	2,148	2,015	(133)
Supplies and Services	999	875	(123)	1,198	1,059	(139)
Depreciation	8,174	8,724	550	9,809	10,469	660
Financing and Other	5,056	5,045	(11)	6,067	6,056	(11)
Concession Adjustment	(3,728)	(3,728)	0	(4,473)	(4,473)	0
	58,023	56,591	(1,432)	69,628	67,985	(1,643)
Income						
Levies	(53,793)	(52,807)	986	(64,552)	(63,368)	1,184
MRF Service Charge	(1,790)	(1,657)	133	(2,148)	(2,015)	133
Trade and Other	(1,773)	(2,696)	(922)	(2,128)	(3,211)	(1,083)
	(57,357)	(57,159)	197	(68,828)	(68,594)	234
(Surplus) / Deficit	667	(568)	(1,235)	800	(609)	(1,409)
PPP Contract Income	(1,667)	0	1,667	(2,000)	(9,450)	(7,450)
HRRC Fund	1,000	232	(768)	1,200	702	(498)
Disbursement to boroughs	0	0	0	0	6,300	6,300
Net (Surplus) / Deficit	0	(336)	(336)	0	(3,057)	(3,057)

The main variances are detailed in the standard breakdown in Appendix 1 which separates out the main types of waste streams and distinguishes between PAYT and FCL activities. Notable items of detail from Appendix 1 include:

The residual waste variances in both PAYT and FCL activities are made up of reduced costs from lower than budgeted residual tonnages being partly offset by higher prices due to higher than budgeted inflation. The total residual waste underspend for the year is forecast at £1.3m and accounts for the majority of the day to day activities variance. This is the main driver of the reduced PAYT levies payable by boroughs of £1.2m.

Another favourable variance relates to higher than budgeted level of trade and other income. This is expected to out-perform the budget of £2.1m by £1.1m by the year end with a key driver being the closure of a local commercial competitor's site.

Partly offsetting the above, depreciation charges are higher (£660k) as a result of previous year end property valuations (an accounting requirement) which showed an increase in the value of assets. These variations arise because of a timing difference - the budget is set in January, two months before the year end valuations which are used to calculate the actual depreciation.

Outside of day to day activities the forecast for the year for the improvements to HRRC's anticipates not all the £200,000 investment will be made by borough colleagues by the year end. In consultation with Environment Directors, there is confirmation that plans are in place and there is progress. Therefore borough Environment Directors have requested any unused funding to roll forward into 2023/24. Officers are supportive on the basis that work has already commenced at most borough HRRCs and there is assurance that the funds will be used to make improvements the HRRCs. On this basis any unspent HRRC funding will be set aside in reserves for boroughs' plans.

The PPP income forecast of £9,450k is the final most significant variance. The forecast is based on market electricity prices continuing at the present high rates and allowing for a 25% windfall tax. Electricity prices are volatile and the impact of any windfall tax unclear, so the level of income is subject to a high degree of uncertainty. It should be noted that this total forecast income comprises of our share of income from increased volumes of third party waste (i.e. from Suez's other customers) delivered at SERC as well as the windfall gain from higher electricity prices.

The sum due will only become clear when finalised by the contractor in June 2023, when monies will be received by the Authority. This will incorporate any adjustment for windfall tax, which at the time of writing have yet to be published. Note that when funds are received, they will be shared with boroughs in accordance with the Finance Strategy, so two thirds will be passed through to boroughs promptly.

2. KPIs for 2022/23

Appendix 2 summarises the performance to the end of the period as at February 2023.

Most indicators are on target (green) and the performance is reflected in the RAG rating and commentary. There is one amber indicator, and one red – both have been discussed in further detail below.

Turnaround times will continue to be lower than target and are a result of a combination of factors. However there is an improvement on the performance since this was last reported. The KPI will be lower than target due to the impact of rail strikes that have occurred, and also due to a short term impact of a crane failure and diversion of waste to manage planned maintenance at SERC in the summer.

Food waste per person is also below target. The current capture of food including borough projects tracking has been below expected. However we have seen an improvement from the last reported position. This is due to the remaining boroughs mobilising their food waste projects.

3. Delegated decisions

To provide further transparency of operational arrangements, this standard section of the report summarises any significant financial decisions made since those reported to the last Authority meeting and not reported elsewhere in the agenda.

There are no delegated decisions to report.

4. Financial implications / risk

The financial implications are as detailed in the report. For financial risks, if they materialise they will be reflected in an overspend or shortfall of income and ultimately an overall deficit. These key risks (i.e. the deficit) are managed through reserves as established in our Finance Strategy. Essentially the reserves are an amount is set aside to deal with the risks should they materialise. The Authority regularly reviews the level of reserves required to manage risk.

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Appendix 1

Pay As You Throw	2022-23 YTD Period 10				2022-23 Full Year Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	32,414	32,183	(231)	Lower residual volumes partially offset by high prices	38,896	38,619	(277)	Forecasts based on current level of activity.
Waste - Food	327	273	(54)	Tonnages collected are 18% lower than budget. This time last year tonnages collected were 12% lower than budget.	392	328	(64)	Forecasts based on current level of activity.
Waste - Mixed Organic	0	0	0		0	0	0	
Waste - Green	1,555	1,180	(375)	Lower volumes likely due to dry summer	1,866	1,416	(450)	Forecasts based on current level of activity.
Waste - Other	582	323	(260)		699	387	(311)	
Depreciation	6,997	7,574	577	Higher costs in line with revaluations carried out in Mar22.	8,396	9,088	692	Higher costs in line with revaluations.
Financing	941	941	0		1,129	1,129	0	
Premises	1,160	1,160	0		1,392	1,392	0	
Concession Accounting Adjustment	(3,198)	(3,198)	0		(3,838)	(3,838)	0	
Levy Income	(42,025)	(41,039)	986		(50,430)	(49,246)	1,184	
PAYT Net Expenditure	(1,248)	(604)	644		(1,498)	(725)	773	

Fixed Cost Levy	2022-23 YTD Period 10				2022-23 Full Year Forecast			
	Budget	Actual	Variance	Commentary	Budget	Estimate	Variance	Commentary
	£ 000s	£ 000s	£ 000s		£ 000s	£ 000s	£ 000s	
Employees	2,207	2,221	14		2,648	2,700	52	higher agency costs to cover vacant posts and MAT cover
Premises	1,067	905	(162)		1,280	1,088	(193)	
Waste - Residual	4,697	3,865	(833)		5,637	4,638	(999)	Forecasts based on current level of activity.
Waste - Green	232	315	83		278	378	100	
Waste - Wood	696	675	(21)	Tonnages lower than budgeted.	835	810	(25)	Forecasts based on current level of activity.
Waste - Other	795	917	122		955	1,103	149	
Waste - MRF	1,790	1,657	(133)	Nets out with income below.	2,148	2,015	(133)	
Supplies and Services	999	875	(123)		1,198	1,059	(139)	
Depreciation	1,178	1,151	(27)		1,413	1,381	(32)	
Financing	3,313	3,303	(11)		3,976	3,965	(11)	
Revenue Funding of Debt	802	802	0		962	962	0	
Concession Accounting Adjustment	(529)	(529)	0		(635)	(635)	0	
Trade Waste and Other Income	(1,773)	(2,696)	(922)	Generating more trade income than budgeted. Closure of neighbouring commercial sites has boosted income.	(2,128)	(3,211)	(1,083)	
MRF Income	(1,790)	(1,657)	133	Nets out with costs above.	(2,148)	(2,015)	133	
Levy Income	(11,768)	(11,768)	(0)		(14,122)	(14,122)	(0)	
Fixed Cost Levy Net Expenditure	1,915	36	(1,879)		2,298	116	(2,182)	

PPP Contract Income	(1,667)	0	1,667	Notional budget figure.	(2,000)	(9,450)	(7,450)	Estimating income from PPP contract at year end of £9.45m of which £6.3m will be paid to boroughs - will only be finalised by the contractor in June 23.
Disbursement to boroughs	0	0	0		0	6,300	6,300	
HRRC fund	1,000	232	(768)		1,200	702	(498)	Boroughs pipeline spend (Estimated costs)
	(667)	232	899		(800)	(2,448)	(1,648)	

Appendix 2

Key Performance Indicators 22/23

11

						Cumulative	
KPI		22/23 Target	Red Threshold	Description	Commentary about target	Feb-23	Commentary about performance
Keep Waste Moving							
1	Diversion from Landfill %	95.00%	< 95% = Red	Percentage of residual waste collected in month sent to landfill (shows the tonnes of waste Suez have sent to landfill and the cumulative collected asbestos waste collected at Abbey Road).	Suez' contractual target is 3.9% max to landfill.	99.9%	
2	Turnaround times (% above 25 minutes) for borough vehicles	4.5%	> 5% = Red	Average vehicle turnaround times - taking waste to Transport Avenue, Victoria Road and Abbey Road. Total waste loads (cumulative) and over 25 mins	Contract turnaround time is 15 minutes but breach of contract is at 25 minutes and over.	7.3%	Ongoing crane reliability issues at Victoria Road, a medium term fix is being put in place. Rail strikes increasing waste stocks on the site and reducing capacity for tipping - however the cumulative percentage has seen an improvement to prior months.
Increase Efficiency							
3	Overall £/tonne	£85.09	> £93.31 (i.e. +5%) = Red	Looks at total tonnes collected cumulatively and the total spend of waste transfer and disposal.	Reflects boroughs budgeted tonnages.	£92.08	
4	Overall £/person	£28.92	> £32.40 (i.e. +5%) = Red	Total spend of waste transfer and disposal divided by total population of 6 boroughs (provided from ONS website).	Reflects boroughs budgeted tonnages.	£26.76	
Divert From Waste							
5	All waste - monthly kg per person	28.34	> 30 kg = Red	Total cumulative waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages.	24.22	
6	Residual waste - monthly kg per person	20.88	> 22 kg = Red	Total cumulative residual waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. Food within residual should be reducing this figure.	19.71	
7	Food waste - monthly kg per person	1.91	< 1.64 kg = Red	Total cumulative food waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. The Food waste investment of £500k per borough should drive this up.	1.57	Current capture of food including borough projects tracking below expected. Anticipated to increase as additional boroughs roll out their food projects.
Effective Control							
8	People development	500.00	< 450 = Red	Total number of learning and development activities carried out in financial year (amongst total employees).	Includes monthly team meetings which has driven this to increase in FY23	493.00	
9	Staff turnover	15%	> 20% = Red	Cumulative leavers YTD against total budgeted staff.	Not a large staff number therefore can be skewed by minimal movement.	15.0%	
10	Sickness rate	2.0%	> 3% = Red	Cumulative sick days lost year to date.	In 2020, published figures show that sickness absence rates in public sector stood at at 2.7%. Have left target at 2% after considering the wide gap between the size of our workforce and those of other public sector organisations.	2.5%	
11	Paying suppliers promptly	30	> 32 days = Red	Average number of days to pay suppliers in the month.	Statutory level	28.8	
12	Maintaining cash flow (Minimising trade	8%	> 10% = Red	Debt at end of period (percentage of non levy income excluding borough debt).	Reflects debt at end of period.	0.0%	
13	RIDDOR incidents at Abbey Road	0	> 1 = Red		Average over 3 years is 0.33. Given the fact that we have not had any in the past 2 years, the target is 0.	0.00	
14	Average time taken to complete the entire hazard card process from start to finish	5	> 10 = Red	Time (days) taken from when hazard was raised through to comments from site manager and H&S advisor.	Time (days) taken from when hazard was raised through to comments from site manager and H&S advisor.	0.00	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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