West London Waste
Treating waste as a valuable resource

West London Waste Authority
Clerk
PO Box 1358
Harrow
HA3 3QN
13 March 2024

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West London Waste Authority

A meeting of the West London Waste Authority will be held in The Auditorium - Harrow Council Hub, Kenmore Avenue, Harrow, HA3 8LU on Friday 22 March 2024 at 10.00 am

Membership

Councillor Deirdre Costigan, London Borough of Ealing (Chair)
Councillor Stephen Greek, London Borough of Harrow
Councillor Guy Lambert, London Borough of Hounslow
Councillor Eddie Lavery, London Borough of Hillingdon
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.

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

Nil

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

Directions by car:

The venue is accessible to people with special needs. If you have specific requirements, please contact the officer listed on the front page of this agenda.

You can access the agenda online at Browse meetings - West London Waste Authority

Recording and reporting on public meetings

Please note that members of public can choose to record or report in other ways, on this public meeting. If you wish to do so then please read the Authority's protocol which can be found online. Copies of the protocol are also available at the meeting.

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.

Hugh Peart
Clerk to the Authority

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At a meeting of the West London Waste Authority held on Friday 19 January 2024 at 11.00 am at The Auditorium - Harrow Council Hub, Kenmore Avenue, Harrow, HA3 8LU.

Present:

Councillor Deirdre Costigan (Chair)

Councillor Stephen Greek, Councillor Guy Lambert, Councillor Eddie Lavery and Councillor Julia Neden Watts

In attendance: Robin Pritchard – Independent Member

88. Apologies for absence

There were no apologies for absence.

89. Declarations of interest

RESOLVED: To note that no interests were declared.

90. Minutes of the meeting held on 1 December 2023

RESOLVED: That the minutes of the meeting held on 1 December 2023 be taken as read and signed as a correct record subject to the following amendment:-

Minute 84 – 2024/25 Budget – Resolution 2 to read:

That the budget for work to be met from PPP income be noted.

91. 2024/25 Budget

Members received a report which set out the 2024/25 budget proposal.

Sapna Dhanani, Finance Manager, outlined the content of the report. In response to Members comments in relation to the increase in insurance premiums and the distribution of funds back to the constituent boroughs she confirmed that these had now been clarified further within the report. She also confirmed that the West London Treasurers, Environment Directors and Members were updated during the year, through the relevant meetings, around the increase in costs and insurance premiums.

RESOLVED: That (1) the 2024/25 budget be approved;

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

3) the Pay As You Throw (PAYT) rates, as set out in section 15 of the officer report, and the PAYT levy made up of two components totalling of £57.4 million be approved;

4) the Fixed Cost Levy (FCL) of £15.2 million, as set out in section 16 of the officer report, be approved;

5) the recommended trade and construction prices, as set out in section 17 of the officer report, be approved and the Treasurer be authorised to change these in year should the need arise;

6) the new proposed capital budgets, as set out in section 18 of the officer report, be approved;

7) the spend of £450,000 on containers for the Social Value and Reuse programme be approved;

8) the target level of reserves of £18 million to act as a buffer for managing risks and avoiding supplementary levies, as set out in section 19 of the officer report, be approved;

9) the Medium and Long Term Financial Plan, as set out in section 20 of the officer report, be noted.

92. West London Waste Authority 2023-24 Business Plan

Emma Beal, Managing Director, introduced the report which provided an update on the strategic priorities that formed the basis for the Authority's Business Plan for 2023/24.

A Member advised that DEFRA had been in contact with a funding offer in relation to new burdens on food waste collections and that her impression was that it was not sufficient to meet the costs faced by authorities. The Managing Director reported that the deadline for responses to the consultation on the scheme was that day and was an opportunity for authorities to challenge the funding. She undertook to share a letter and methodology, which set out how boroughs could challenge DEFRA on the Scheme, with Environment Directors and indicated that each borough should respond individually if appropriate.

RESOLVED: That (1) the substantial financial risk posed by the emissions trading scheme be noted;
(2) the request for Borough savings targets to drive the priorities be noted and that the Members be requested to encourage Borough Environment Directors and Finance Directors to help shape the 2024/25 programme.

93. Contracts and Operations Update

Tom Beagan, Assistant Director Operations, introduced the report which provided an update on the Authority's waste treatment arrangements and procurements.

In response to a question in relation to the replacement of cranes, Members were advised that this was on schedule and consideration was being given as to how this could be delivered with minimal impact on operations.

RESOLVED: That the report be noted.

94. Finance Update November 2023

Sapna Dhanani, Finance Manager, introduced the report which provided an update on financial and operational matters.

In response to comments in relation to the food waste red key performance indicator, Peter Tilston, Projects Director confirmed that the issues with misallocated waste loads had been resolved resulting in a small adjustment to volumes. In terms of challenges with food waste, he advised that any reduction from inflationary pressures did not appear to affect the proportion of food in the residual waste and that participation rates were an issue.

Members suggested that there be a wider discussion on food waste noting that due diligence was being undertaken on the data to see if there were any patterns. This would make it easier to see if residual waste had an impact on the food waste collection service.

RESOLVED: That (1) the current financial position and forecast for 2023/24 be noted;

(2) the key performance indicators to date be noted;

(3) it be noted that there had been no delegated decisions.

95. Audit Committee - Terms of Reference

Members received a report which provided an update on proposed amendments to the terms of reference for the Audit Committee.

Sapna Dhanani, Finance Manager, outlined the proposed changes which had also been considered by the Audit Committee.

In response to a question, Ian O'Donnell, Treasurer, explained that there were two separate functions in that the Authority made the decisions and the Audit Committee provided some assurance on operations and governance. He acknowledged that there was a risk in terms of conflicts of interest in that the Authority and Audit Committee were comprised of the same Members hence there would be a reliance on the External Auditor and Independent Member. This was, however, in his view acceptable in terms of governance.

RESOLVED: That the Terms of Reference of the Audit Committee be amended as set out in Appendix 1 to the officer report.

The meeting finished at 11.39 am.

The minute taker at this meeting was Alison Atherton.

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WEST LONDON WASTE AUTHORITY

Report of the Projects Director

22 March 2024

Waste composition analysis report

This report provides an update on the WLWA residual waste composition analysis and the impacts and opportunities arising from upcoming legislative change.

- Extended Producer Responsibility (EPR) will impact on c.25% of the material in residual waste. This is likely to drive material and design change and provides Boroughs and WLWA an opportunity to invest the EPR revenue in additional capture solutions.
- The Emissions Trading Scheme (ETS) poses a significant risk to the cost of residual waste treatment with the primary fossil derived materials being non-recyclable composites, textiles, plastics and e-waste.
- Capture rates for the main collected recycling systems are generally flat or falling slightly.

RECOMMENDATION(S)

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

1. Introduction

The 2023 waste composition analysis has been completed by Integrated Skills Ltd (ISL). The sampling of the residual waste took place during December. To ensure consistency of methodology ISL also revisited the data from previous waste composition analysis so that we have a consistent dataset.

Officers are working with ISL and Boroughs to establish the service context for the results and opportunities arising for improvements in capture and data.

WLWA Average composition detailed in Appendix 1.

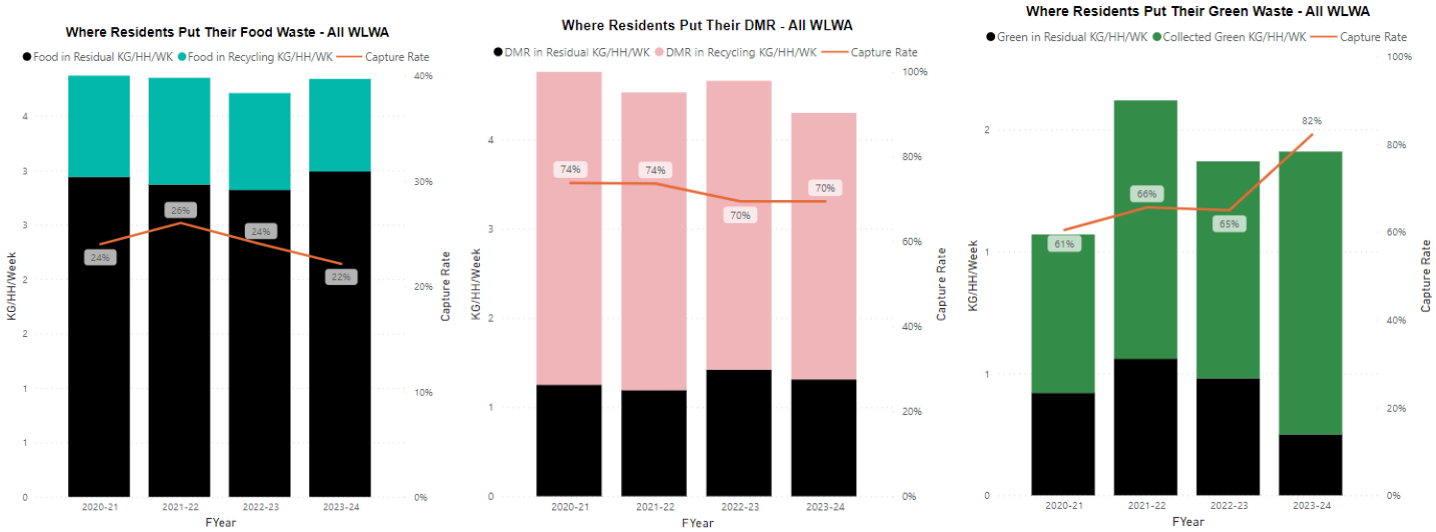
Food waste, Green waste and dry mixed recycling in the residual waste

The data from the waste composition analysis shows that c.60% of the waste collected in residual waste containers across the area have alternative household collections available through Food waste, Dry Mixed Recycling (DMR), Green waste and on demand textile/e-waste collection services.

The Strategic Priorities for WLWA and the Boroughs as detailed in the Joint Municipal Waste Management Strategy section are supported by the data in the Waste composition.

- Food waste is still the greatest single volume stream in the residual waste and has an existing capture network. Given the difference in costs to treat the streams this supports a savings based approach to the food waste focus.
- Textile waste is still a significant contributor to the embodied carbon in our waste and supports the consumption reduction and increased capture approach in our priorities.
- Plastic waste falls into both recyclable and the NRC (non-recyclable combustible). Given the high levels of fossil carbon in these materials along with textiles this supports the risk based approach to managing the Emissions Trading Scheme through action on these materials.
- E-waste, whilst a smaller proportion on the waste overall offers a significant opportunity for reuse and repair, helping deliver local social value, training and jobs.

The graphs below indicate the efficacy of the services provided. This is a function of the public engagement with the service and the type/quality of service provided. It is important to note that the waste comp is taken every 15 months to include seasonality over the long term. Early results indicate that seasonality is a factor of all types of recycling but to different degrees.



WLWA average residual composition is detailed in **Appendix 1**.

Table 1 – Capture rates and proportion of residual

	(%) of gross volume captured	(%) of gross volume remaining in residual	(%) of residual
Food	22%	78%	35%
Dry Mixed Recycling	70%	30%	16%
Garden	82%	18%	3%

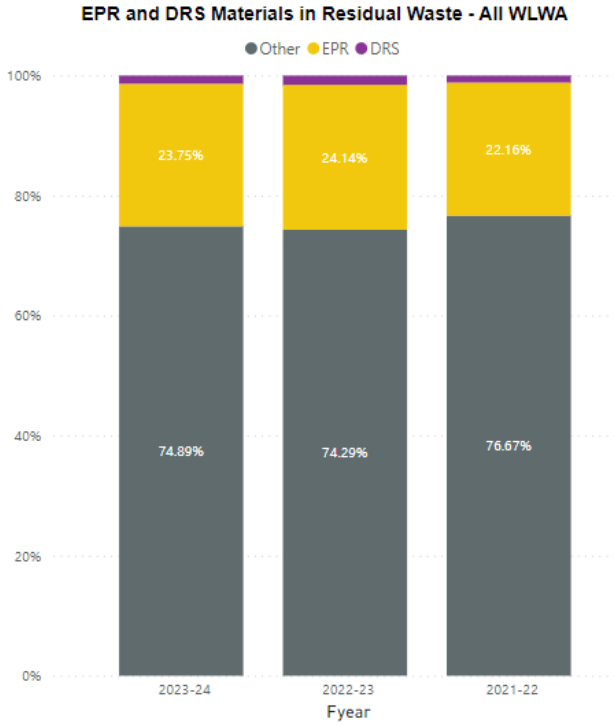
Food waste – Total food waste has increased 7% compared to previous composition analysis results, and the capture rate has dropped.

Garden Waste – is highly seasonal in the effects on the waste composition, with this analysis completed in winter therefore trends are harder to identify.

Borough specific performance on capture and yield can be seen in **Appendix 2, 3 and 4.**

WEEE – The composition analysis shows the continuing trend for waste electricals (1%, c.3,500 tonnes) are being disposed of in the residual waste. This poses a significant risk to Borough and WLWA operations through fires caused by batteries and capacitors in waste electricals.

2. Future system impacts: Extended Producer Responsibility and Deposit Return Scheme systems



The overall proportions of the waste composition show that on average c. 25% of material disposed in residual is in scope of EPR and DRS systems for the past three financial years.

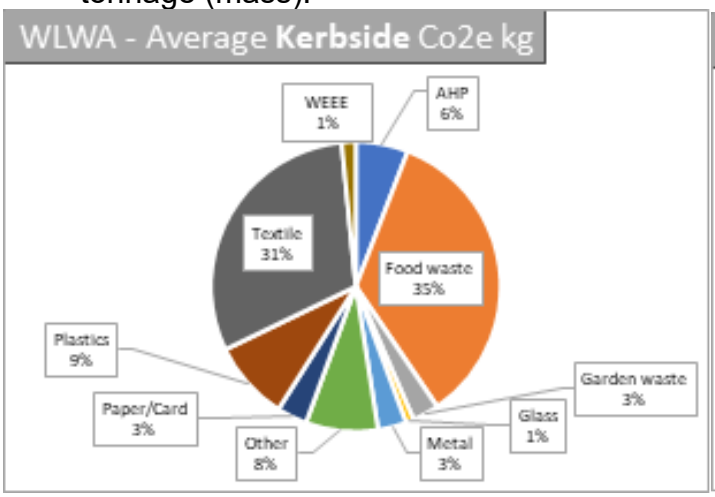
This material will be targeted by producers as leakage material from collections system and therefore most likely to change in the design, materials used and customer recycling information provided.

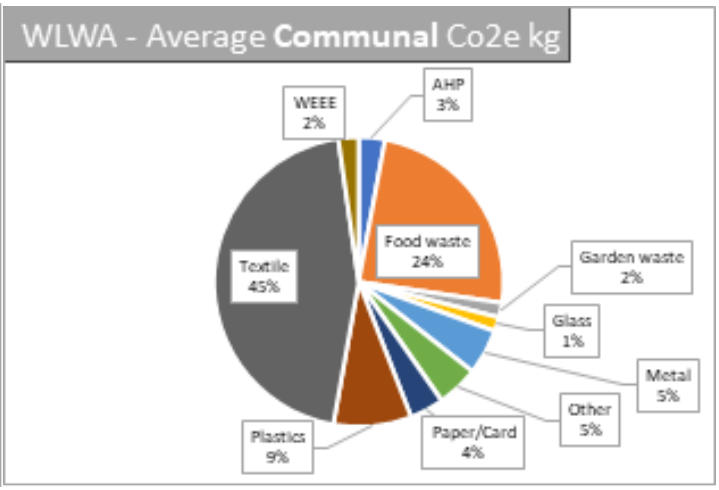
WLWA and the Boroughs have an opportunity to invest the income generated from the EPR payments to help improve infrastructure and services.

3. Embedded Carbon

The different materials in waste have been historically measured on a tonnage (mass) basis. This approach doesn't factor in the variability of the embodied carbon within the different materials, for example a tonne of textiles has a Carbon equivalent of c.23tonnes $CO_{2(eq)}$ vs one tonne of glass at c.0.85tonnes $CO_{2(eq)}$.

The charts below depict the composition of the waste based on the $CO_{2(eq)}$ basis rather than tonnage (mass).





The overall proportions show that on average Textile, Food waste and Plastic account for more than 75% of average carbon embedded emissions in the residual waste and in targeting Net Zero should form the priorities for target materials.

4. **Emission Trading Scheme (ETS)**

The Emissions Trading Scheme is based on the fossil carbon within the waste. This is not the same as the embodied carbon equivalent above and is measured on a tonnage (mass) basis.

The primary materials containing fossil carbon are textiles and plastics including e-waste. It is estimated that c.70% of the textiles produced are synthetic and fossil derived. This proportion means that the textiles will, on current volumes be a greater ETS cost at c.4.2% of the fossil derived waste than recyclable plastics at 4%.

The Non-recyclable Combustible (NRC) proportion (23%) of the residual waste is likely to contain the greatest proportion of fossil carbon but further breakdown is required.

This represents a significant financial risk under ETS scheme from 2028 and it underlines the immediate urgency with improving capture as a priority in addition to free textile home collections through our partnership with TRAID.

5. **Risk**

Risk	Mitigation	Owner	RAG
Emissions Trading Scheme (ETS) costs of fossil carbon through Energy Recovery	Fossil Carbon materials effectively captured (Textiles, plastics, E-waste)	Boroughs/WLWA	Red
E-waste/waste electricals (WEEE) causes increase in frequency of fires	Alternative collections for capture and Communications for public engagement	Borough/WLWA	Amber
Continuing high volume of materials and embodied carbon	Capture of food waste and investment in continuous improvement of the food services. (Capital and revenue)	Borough/WLWA	Amber

6. **Financial Implications –**

The Emissions Trading Scheme will be brought in to cover waste plants from 2028 and will levy an additional cost of c. £18 million per annum at the current volume and composition. This equates to £3 million per borough, per year and will need to be factored in to Borough medium term plans.

The Emissions Trading Scheme will be levied against fossil carbon products such as soft plastics, textiles and e-waste. Our ability to segregate fossil based plastic is currently only through resident engagement with kerbside and communal collection dry mixed recycling services. To mitigate the potential impact and ensure we have the requisite capacity we need to design and invest in infrastructure to segregate effectively in new facilities capable of sorting material and retaining value locally where possible. If we don't develop our infrastructure, the additional money will simply go to funding penalties, not creating a solution.

The capture services and waste sites require change, our infrastructure is struggling with capacity across Borough transfer stations, HRRCs and collection services with recycling volumes set to double if we are to meet 65% recycling targets. More segregation of materials and more sorting will be required to extract specific streams to divert away from residual waste such as plastics and textiles.

There is also a risk associated with the fossil content of residual waste charges being traded

as this could see the charge from the Emissions Trading Scheme fluctuate considerably. Early commentary is stating that this charge could vary by up to £10 million each year dependent on the market value of carbon credit. The Authority has set aside sums to build up against this fluctuation should fossil carbon in residual not decrease.

7. **Staffing Implications** – None
8. **Health and Safety Implications** – None
9. **Legal Implications –** None
10. **Implications for the Environment Directors**

The programmes are a key element in delivering the Environment Directors priorities in the next two years. The four priorities are shown below, supported by examples:

Bringing the community with us (inc. behaviour change)	Sustainable decision making (eg Doughnut model) across West London	Climate Adaptation and Decarbonisation	Dealing with financial challeneges whilst delivering on climate change
•Make it work for everyone •Creating the change needed to meet net zero •Impacts on residents •Green economic development and growth	•Aligning decision making priorities •Social value evaluation •Data gathering •Resilience and skills •Carbon credits/tax	•Infrastructure (Energy/Waste) •Energy capacity •Neighborhood decarbonisation •Future proofing •Service reform (Waste/ Transport/Parking)	•Cost of delivery crisis •Generating income •Reform services to self finance change •Pilot / test projects •Collaboration

Key areas include behaviour change, data gathering, resilience and skills, social value evaluation and future proofing the system.

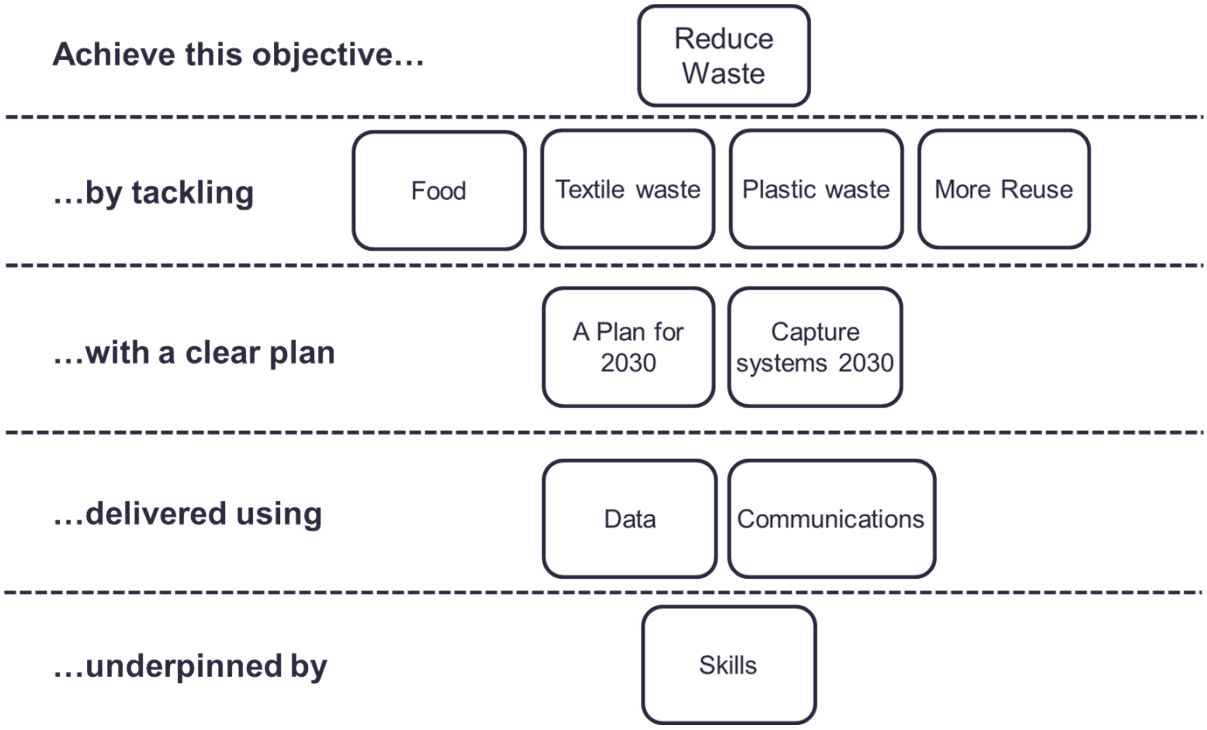
11. **Joint Waste Management Strategy**

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:



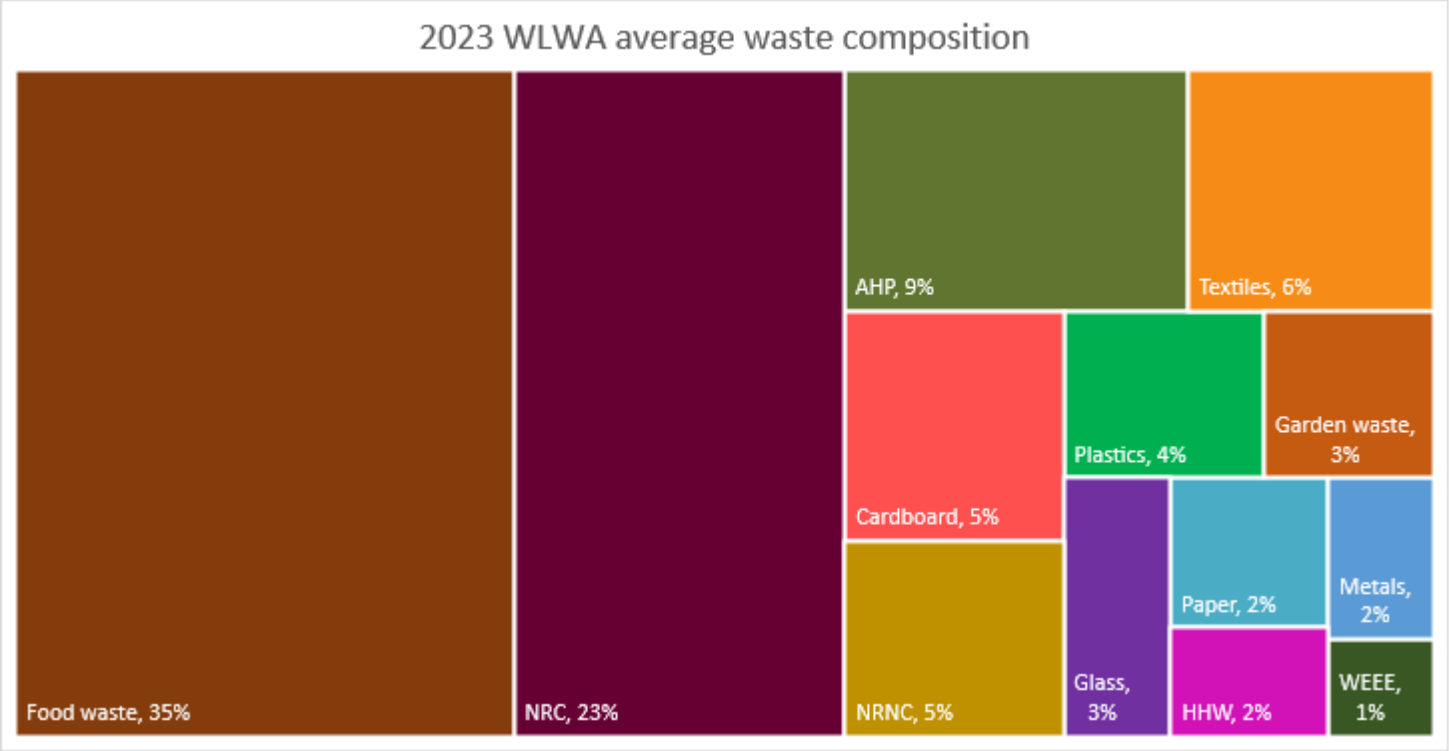
The programmes are intrinsically linked to the Authority's Joint Waste Management Strategy and Business Plan. The projects are driving the design of the new policies and programmes through data, best practice and identification of opportunities, as well as delivering change to meet the desired outcomes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

12. Impact on statutory, national and London targets

Improvements in capturing greater volumes of target materials helps towards the target of 65% recycling by 2035 (2030 in London).

Contact Officers	Peter Tilston, Projects Director petertilston@westlondonwaste.gov.uk	07796 271 713

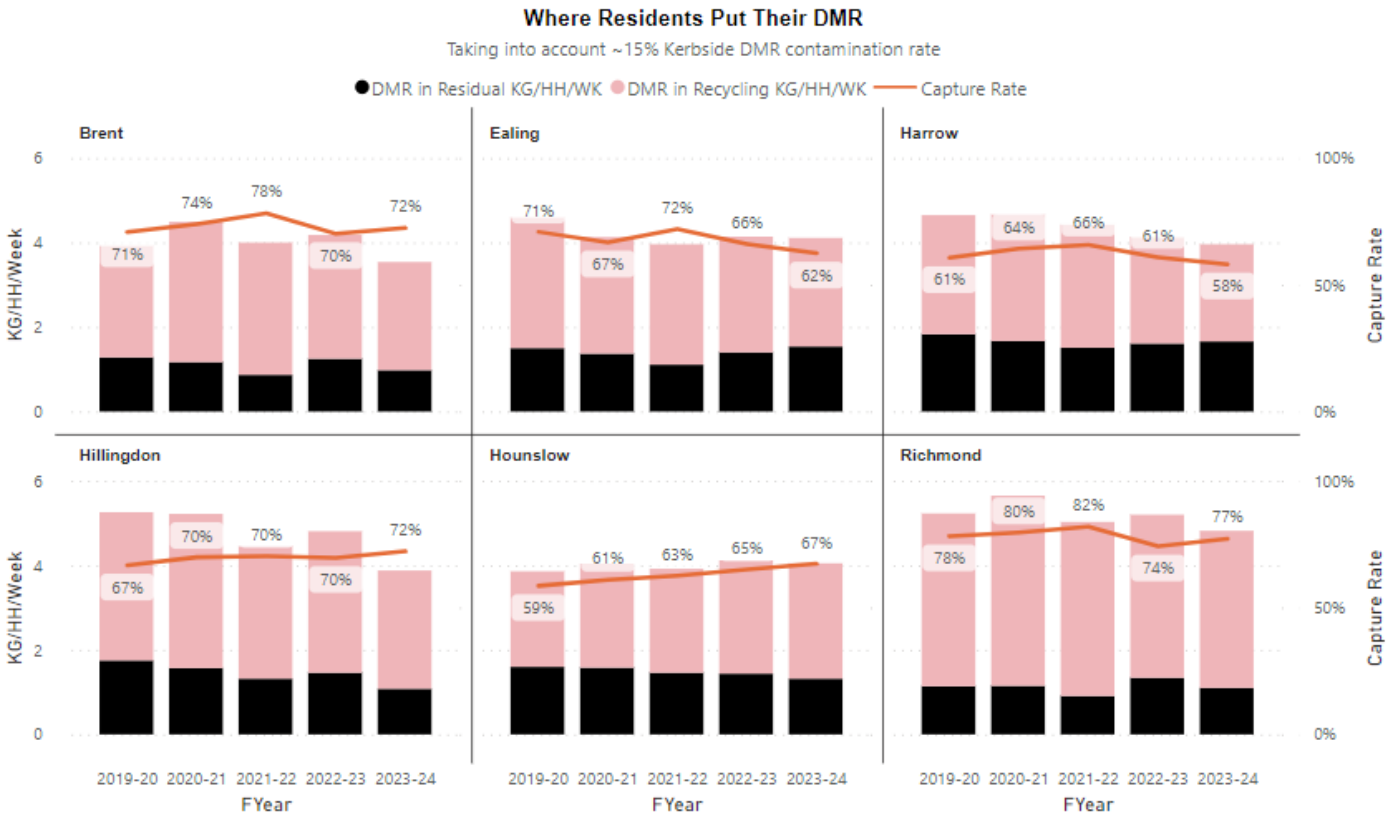
Appendix 1 – WLWA average waste composition



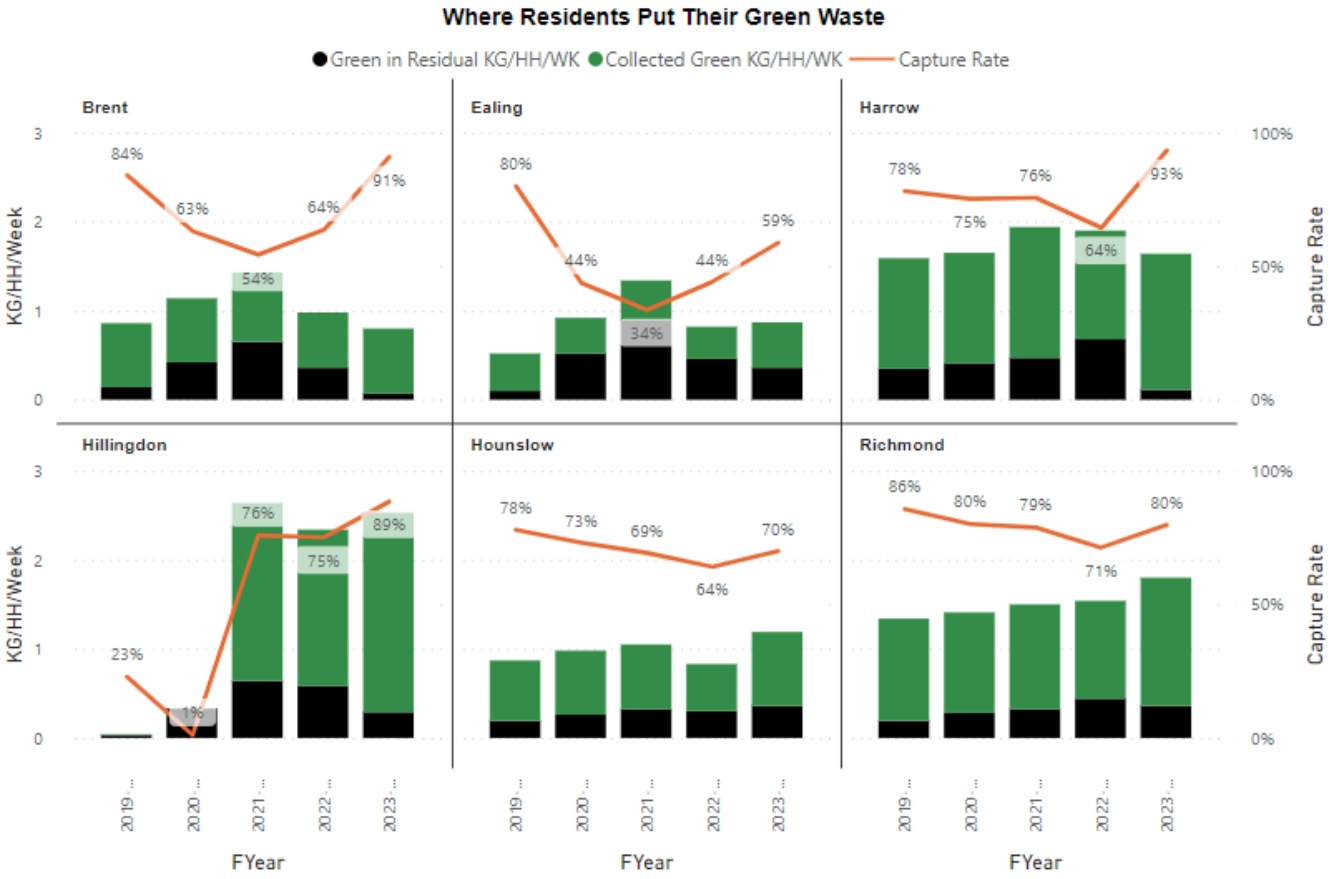
*NRC (non-recyclable combustible) material is typically composite hard to recycle materials.

Appendix 2 – Borough capture rates – Food waste

Appendix 2 – Borough capture rates – DMR



Appendix 4 – Borough capture rates – Green Waste



WEST LONDON WASTE AUTHORITY

Report of the Projects Director 22 March 2024

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) *Note the information within this report.*

1. Introduction – In 2020 the West London Waste Food Waste investment approved £3m of reserves to fund investment in borough food waste services and increase food waste collection.

2. Background - There are many factors that impact how residents deal with their food waste. These include factors within the control of councils, such as access to a food recycling collection service, as well as the availability of good quality information and equipment to use the service. Other external factors will also influence how residents act, and can be often impacted by factors such as food consumption behaviours, perception of collection services and household income.

Using the data available, it is possible to measure the overall trends of food 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 thrown away is collected in the food recycling service
d) Residual waste – the quantity of waste residents throw away
e) Access to service – what proportion of households in the borough have access to kerbside or communal food waste services

Each of these metrics have an impact on the financial returns of borough food recycling services, 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, with the aim of significantly reducing the volume of food collected in 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 February 2024 and is based on information provided by the boroughs.

Brent

Project Summary	Brent have successfully established a new collections contract with Veolia and are in the process of rolling out food waste to collections to communal properties. Further assessment of communal property data found that fewer properties are within scope than initially estimated, so the target has been revised to provide an additional 39,000 flats with equipment and consumables to increase the utilisation of the collections service. Brent have developed a staggered delivery schedule and have commenced Phase 1, which involved procurement of 10,400 caddies. Brent have committed to full delivery by the end of 2024/25.

Targets	**Results**
Provide a kerbside food recycling service to an additional flats 39,000	Brent have started the procurement for consumables and containers but currently no additional properties have been added to the service
Project spend	£34,175 – caddies, liners and vehicle livery banners

Ealing

Project Summary	Ealing have successfully supplied caddies, caddie liners and leaflets containing targeted communications to 25,000 targeted non-participating households. In addition, Ealing have introduced a food recycling service to over 11,000 properties across 401 locations. Ealing plan to extend the service to new builds and communal properties without open access in order to reach the target of 20,000 properties added to the communal service by end of 2024/25.

Targets	**Results**
Provide a food recycling service to an additional 20,000 flats	11,365 flats added to the service
Targeting non-participating households on all collection rounds with caddies, caddie liners and leaflets.	3,853 properties were identified and targeted (complete)
Project spend	£340,488

Harrow

Project Summary	Harrow have installed bin units at communal properties to expand the food recycling service available for flats and flats above shops. Harrow are also expanding the food recycling service to more schools and businesses. Harrow have made steady progress on the rollout and are expected to exceed the targets by the end of 2024/25.

Targets	**Results**
Provide a food recycling service to 250 businesses and schools	124 new businesses are receiving the service
Provide food recycling service to 5500 communal properties	5,048 flats in communal properties have been added to service
Provide food recycling service to 1000 flats above shops	588 flats above shops have been provided with a service
Project spend	£469,923

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
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

Hounslow

Project Summary	- 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 service commenced in April 2022
Improved behaviours towards food waste recycling in 5 current collection rounds to increase volumes collected	- 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	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. - 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	5,603 flats have been added to the service across 247 blocks
540 businesses	Currently on hold
Target non-participating households	Completed – 25,000 properties surveyed
Project spend	£235,846

West London Waste Authority

To support the progress of these projects WLWA has:

- Procured and installed a bin wash system at Transport Avenue, which is currently being utilised by Hounslow and Richmond.
- Provided fleet routing and efficiency services for integration of new properties on rounds and new services.
- Provided communications support and resources for food waste services.

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 or reprocessing costs.

The calculations used in this section measure food waste data variance against the baseline, and therefore cannot be used as a measure of absolute performance of borough food recycling services. Each borough commenced its food waste project at a different time, and continue to operate differently.

Nevertheless, interpolating this data and available metrics is essential to understanding and tracking any trends in waste reduction, service maturity and performance.

Tonnage of separate food recycling collected through borough services

Food waste trend from year-on-year change analysis

Despite some fluctuations, there is a general increasing trend in food waste tonnage collected year-on-year, which is highlighted by the trend line below (Figure 1). Year-to-year there are some notable differences: there are variations in the food waste tonnages collected for the same months across different years. For example, April 2020-21 compared to April 2021-22. The inclusion of the food waste collected separately by Hillingdon explains a significant proportion of this growth trend. In addition, there are consistent seasonal variations in the amount of waste generated, with higher tonnages typically reported in the summer months and lower tonnages reported during the winter months. This seasonal trend may be attributed to changes in consumption patterns throughout the year, weather conditions or holiday festivities.

Figure 1 – Food waste tonnes collected quarterly over the past 4 financial years with trend line.

Change in food collection since 2020

A total of 8,733 additional tonnes of additional food waste has been separately collected for recycling since the pre-pandemic baseline year. The baseline used takes an average of 2018-19 and 2019-20 to reduce the impact of one-off events. The potential savings calculated below are based on the assumption that food waste tonnage has moved from the residual waste stream to the food waste service.

Table 1:
Additional food waste tonnage collected in the food recycling services up to December 2023 versus baseline figures ending in April 2020

Borough	Tonnes	Savings (+ve)/growth (-ve) in residual waste costs as a result of food being separated
Brent	-790	-£90,112
Ealing	779	£88,841
Harrow	-2,336	-£266,359
Hillingdon	9,552	£1,088,898
Hounslow	2,085	£237,727
Richmond	-557	-£63,480
WLWA	**8,733**	**£995,515**

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: the food recycling service or into the residual waste stream via the rubbish bin. Every 15 months a waste composition analysis is undertaken to understand the composition of the residual waste stream. The most recent waste composition analysis was conducted in December 2023, and the general west London wide trend in food waste capture can be seen below (Figure 2).

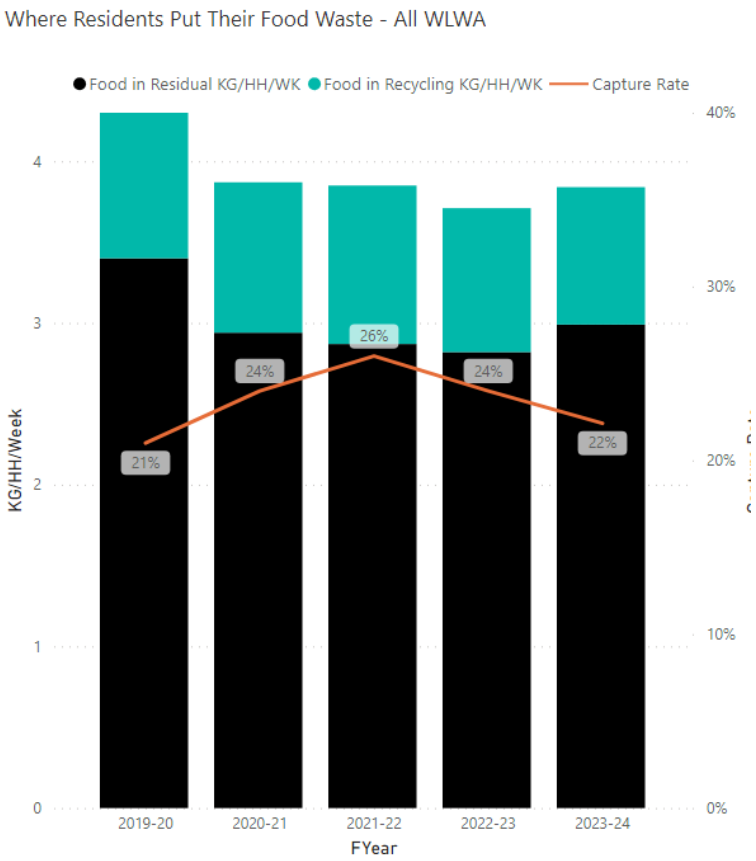


Figure 2. Trend for food waste capture across west London boroughs over financial years. This data has been generated using waste composition analyses, which are completed every 15-months.

Capture of food

The capture rate indicates how much of the total amount of total food waste across the entire waste system is being collected by the food waste service. A high capture rate of over 50% would indicate that more than half of the food waste in the entire waste system is being separately collected by the food recycling service, Using the tonnage data from food recycling services and the waste composition analysis for each of the last four years, a capture rate for food being thrown away can be measured as a snapshot in time. The figure below show the total amount of food being thrown away had been reducing gradually year on year, and the proportion of it being placed in the food recycling service was increasing (Figure3 3). However the results from the most recent waste composition analysis in December 2023 indicate a slight increase in volume of food being thrown away as well as a decrease in the proportion being placed in the food recycling system. This trend may be attributed to seasonal variability – although food waste generation is higher during the summer months, there are also consistently high levels of food waste production during the month of December, likely linked to holiday festivities.

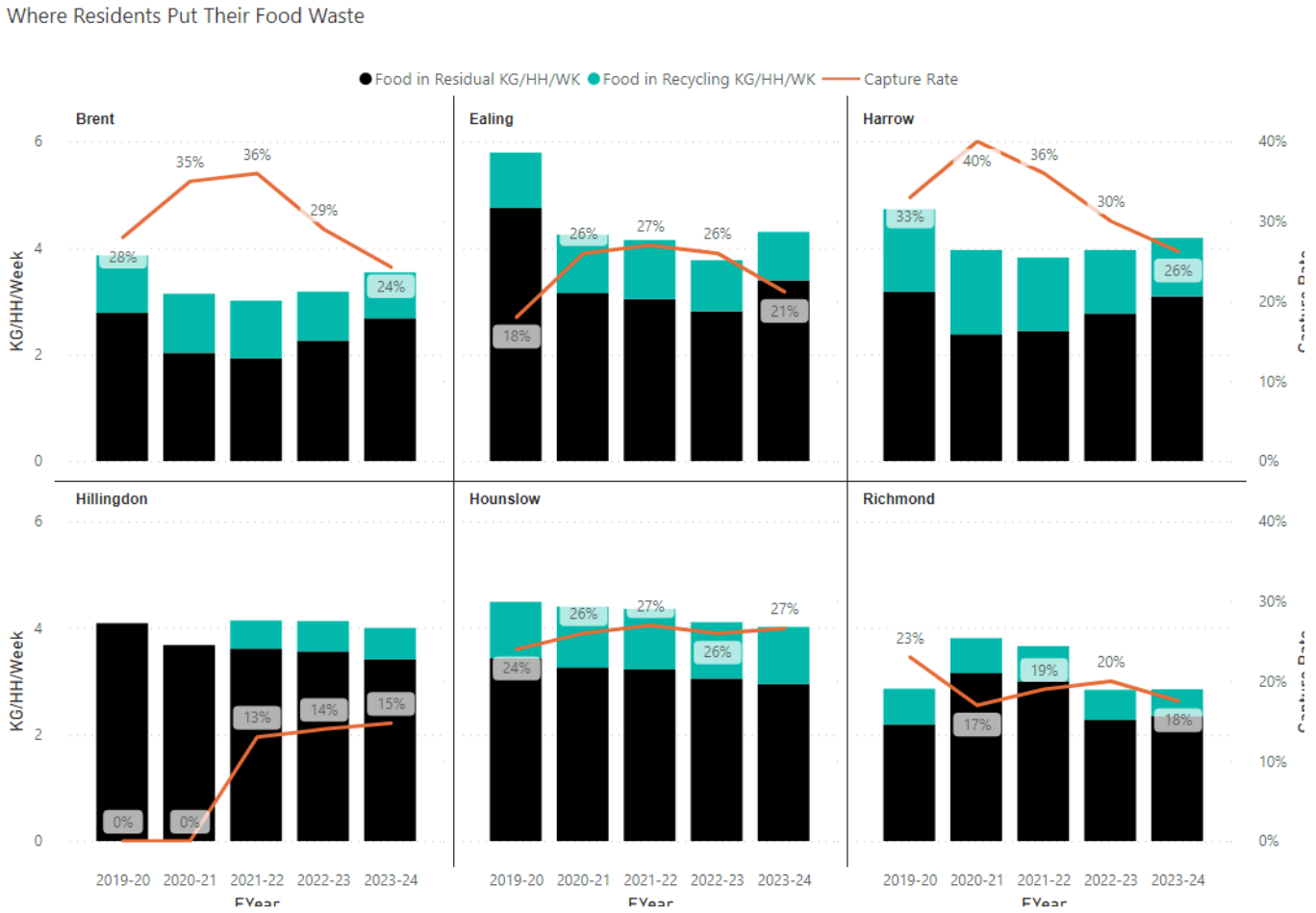


Figure 3. Trend for food waste capture across individual west London boroughs over financial years. This data has been generated using waste composition analyses, which are completed every 15-months.

An increase in capture rate supports the increase in participation through the expansion of the services by boroughs. The trends suggest the importance of ongoing monitoring and analysis of food waste generation, and also highlights the importance of food recycling collection expansions and support for residents through behaviour change campaigns.

Table 2 shows the reduction or growth in the amount of food being thrown away in the residual waste bins 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	25,507	£3,188,316
Ealing	50,021	£6,252,613.20
Harrow	9,551	£1,193,894
Hillingdon	10,383	£1,297,926
Hounslow	9,711	£1,213,916
Richmond	-8,984	-£1,122,966
WLWA	**96,190**	**£12,023,700**

5. Access to collections

One significant measure to increase food waste collection and reduce food waste volumes in residual waste is to ensure all households have access to food recycling services. All West London boroughs have made significant progress over the course of the last four years to expand food recycling services to residents (Table 3).

Table 3. The proportion of households/properties currently receiving a food waste recycling service across communal (flats and flats above shops) and kerbside services.

Borough	**Total households**	**Households with communal food collections**	**Households with kerbside food**	**Total households with food collections**	**Proportion of all properties with food service**
Brent	114,420	11000	90,000	90,000	78%
Ealing	130,385	11,365	95,000	106,365	82%
Harrow	96,946	5,048	74,441	79,489	82%
Hillingdon	114,860	671	45,536	46,207	40%
Hounslow	107,000	26,531	74,095	100,626	94%
Richmond	85,370	5,407	66,000	71,407	84%

It is difficult to model the uptake of food waste services but at the current participation rates of c.22%, all properties having access to the service would remove a further c.7000tpa of food from the residual waste.

6. Staffing Implications – None

7. Health and Safety Implications – None

8. 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.

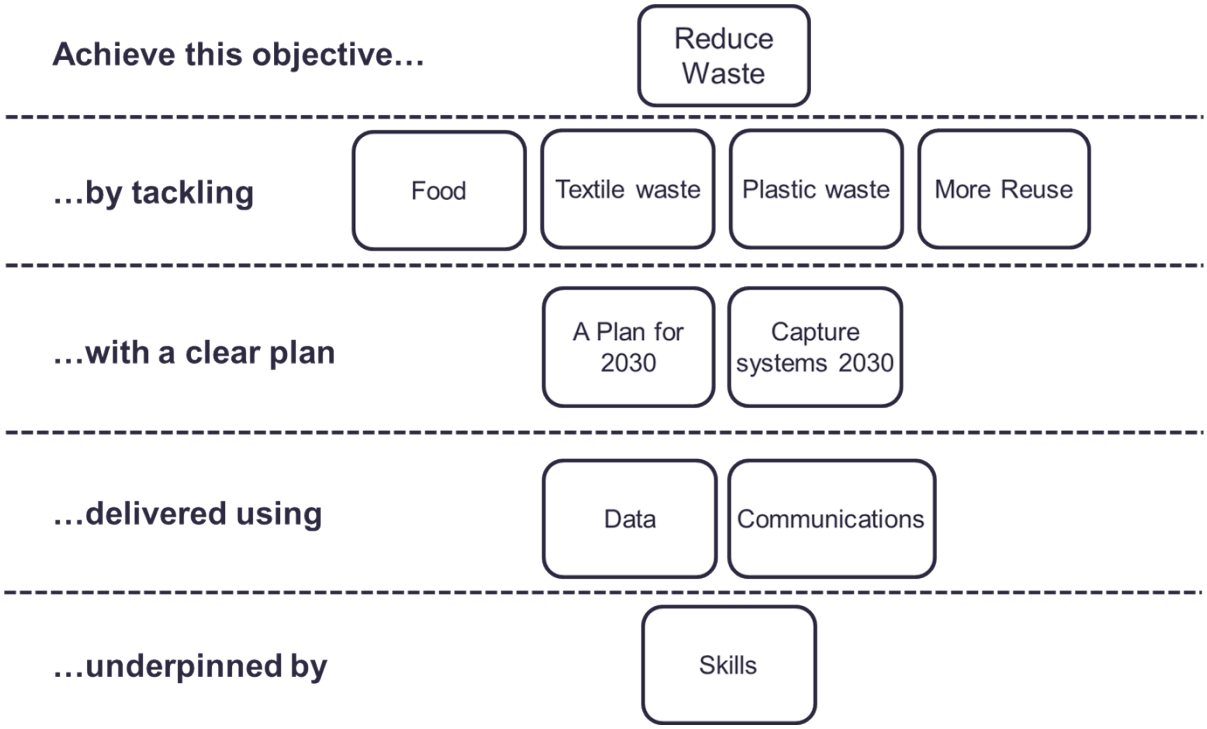
9. Joint Waste Management Strategy

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.

10. Impact on statutory, national and London targets

Improvements in capturing food waste helps towards the target of 65% recycling by 2035 (2030 in London).

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WEST LONDON WASTE AUTHORITY

Report of the Head of Service Delivery & Operations Manager 22 March 2024

Contracts and operations update

SUMMARY

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

- Contracts and operations are performing well
- The crane replacement programme is scheduled to begin on 1 April and a contingency plan has been developed and shared
- Much of the HRRC Improvements fund is unspent, and a proposal is included for how to allocate the remaining money.

RECOMMENDATION(S) The Authority is asked to:

1) Note this report
2) Approve remaining HRRC improvement funds to be ringfenced by each Borough to deliver improvements identified by the best practice report.

1. Introduction

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

2. Contract performance

The performance of the Authority's key operational contracts is explained in the following table.

Contractor	Service	Value (per year)	Operations		Financial risk (RAG)
			RAG	Description	
WLERL, operated by Suez	Residual waste 300,000 tonnes/yr	£35m	G	Good performance at SERC and the two rail linked transfer stations. Replacement of the cranes is scheduled to take place on 1 April.	G
Viridor (Lakeside)	Residual waste 90,000 tonnes/yr	£14m	G	The contract is operating well.	A
BioCollectors	Food waste All Boroughs' food waste	£0.4m	G	The contract is operating well.	G
West London Composting	Garden waste All Boroughs' garden waste	£1.5m	G	The contract is operating well.	G
N+P	Dry mixed recycling From Ealing and Brent	£3m	G	The contract is operating well.	G
Waste-a-Way Recycling	Transporting waste & recyclables using bulk haulage vehicles.	£1m	G	The contract is operating well.	G

Contractor	Service	Value (per year)	Operations		Financial risk (RAG)
			RAG	Description	
Suez	Transporting waste & recyclables using RoRo vehicles.	£0.5m	G	The contract is operating well.	G

WLERL Operations

Severnside Energy Recovery Centre (SERC) and the two rail linked transfer stations at Brentford and Ruislip are operating well.

Site layout and process changes at Ruislip (Victoria Road) have seen on-site waiting times continue to stay low. A system is currently being setup to measure off-site queuing times using new Automatic Number Plate Recognition (ANPR) cameras on the access roads. Boroughs have been asked to provide their own queuing time data in the meantime.

The replacement of the bunker cranes at Victoria Road is due to start on 1 April and last for approximately 20 days. During this time, it will not be possible to load waste into the rail haulage containers via the compactors, so the layout of the site will be temporarily changed as below to allow it to function purely as a road transfer station.

Waste inputs will be reduced with Ealing sending most of its waste to Transport Avenue during this period, Hillingdon delivering most of its waste to Lakeside, and a larger proportion of bulky HRRC waste going to Transport Avenue. Some staff will be temporarily transferred from Victoria Road to Transport Avenue where a second shift will be run during this period of increased throughput. Suez's Hayes transfer station, which is now fully operational, will act as the main contingency site during the works, with further alternative sites also lined up. Borough heads of service have been consulted on these plans.

Fires continue to pose a major risk to the transfer stations, although the frequency of fires is currently low, which is normal for this time of year. A cross-Borough, cross-department task and finish group focusing on operational solutions to fires has been established to identify mitigations ahead of the peak-fire season of mid-spring to mid-autumn.

In order to reduce carbon, electric waste shredders are being trialled at the transfer stations.

3. Procurements

New contracts have been awarded to:

- WasteCare – a producer compliance scheme which will collect and process waste electrical and electronic equipment from west London HRRCs/transfer stations. The contract is for a three year term (with the option to extend for two one-year periods) and will begin on 1 April 2024. WasteCare's tender demonstrated a strong ability to meet our service requirements and increase reuse of waste electricals.

4. 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 Council.

The HRRC continues to deliver a high diversion (from residual waste) rate of 78%, and strong budget position (see Section 7). The WTS continues to operate well with the additional street cleansing waste delivered by Brent Council. This arrangement is saving Brent over £100,000 a year in waste transfer costs.

Site staff have observed cracks in a section of the waste transfer station's concrete structure and initial investigations led to the cessation of activities on and below this area. Detailed investigations are now taking place and temporary operational arrangements are underway. Most of the transfer station remains open and operational as normal.

5. Richmond's sites: Townmead Road HRRC/WTS and Central Depot

WLWA currently provides waste operations oversight at Richmond's two waste sites.

A health and safety incident occurred at Central Depot, where an operative's foot was run over by mobile plant. The operative was uninjured and the incident was reported to LBRuT officers.

A Service Level Agreement (SLA) for the on-going operational management of the sites is nearing completion.

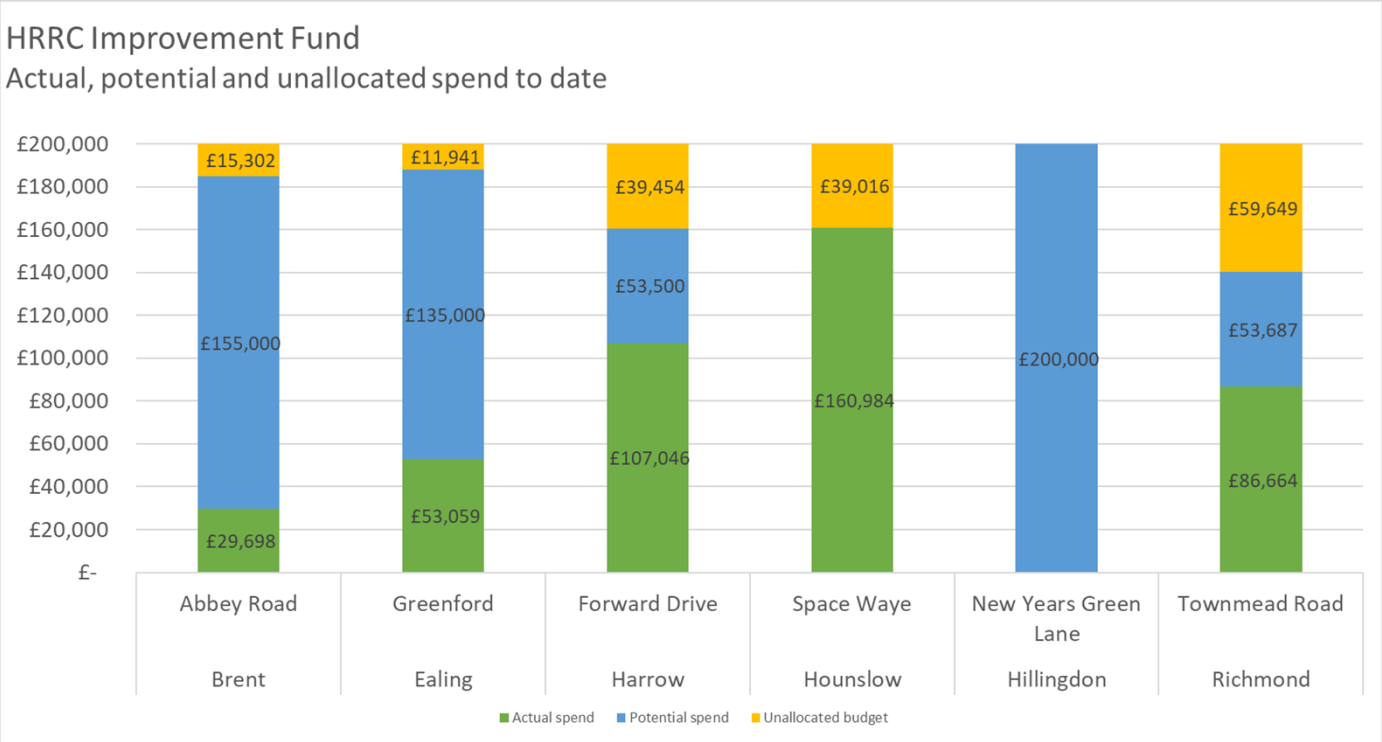
6. Operations Manager

A new permanent Operations Manager has started, following nine months of interim cover. The new Operations Manager will deliver H&S best practice and cost and carbon savings for Boroughs by placing renewed focus on developing key cross-Borough stakeholder groups, supporting the delivery of improvements at HRRCs, and increasing the efficiency of the Authority's waste flows.

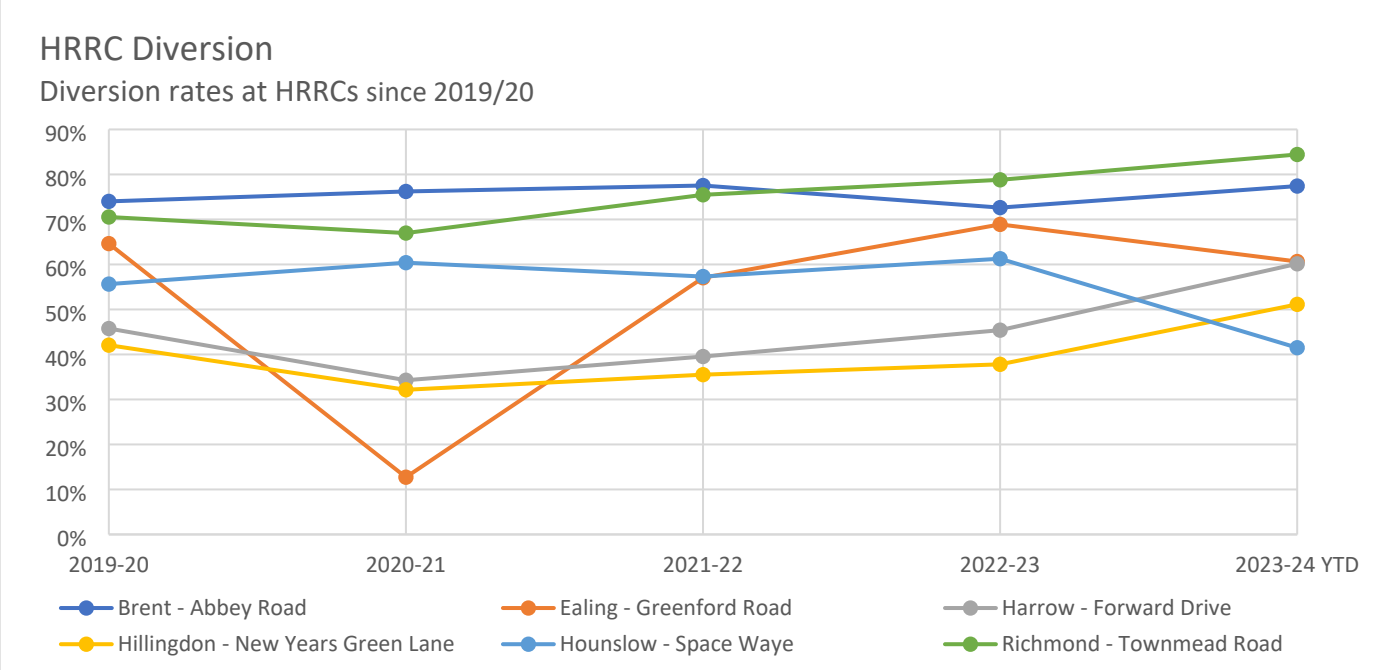
7. HRRC improvement programme

In the 2022/23 budget, £200,000 per Borough (£1.2m total) was set-aside for Boroughs to deliver improvements at HRRCs. Boroughs with a diversion performance of 40% or greater were permitted to spend the money as they chose as long as the improvements delivered against Environment and Director priorities for HRRCs. Boroughs performing below 40% needed to ensure that 40% was exceeded by the end of the year in order to retain the funds.

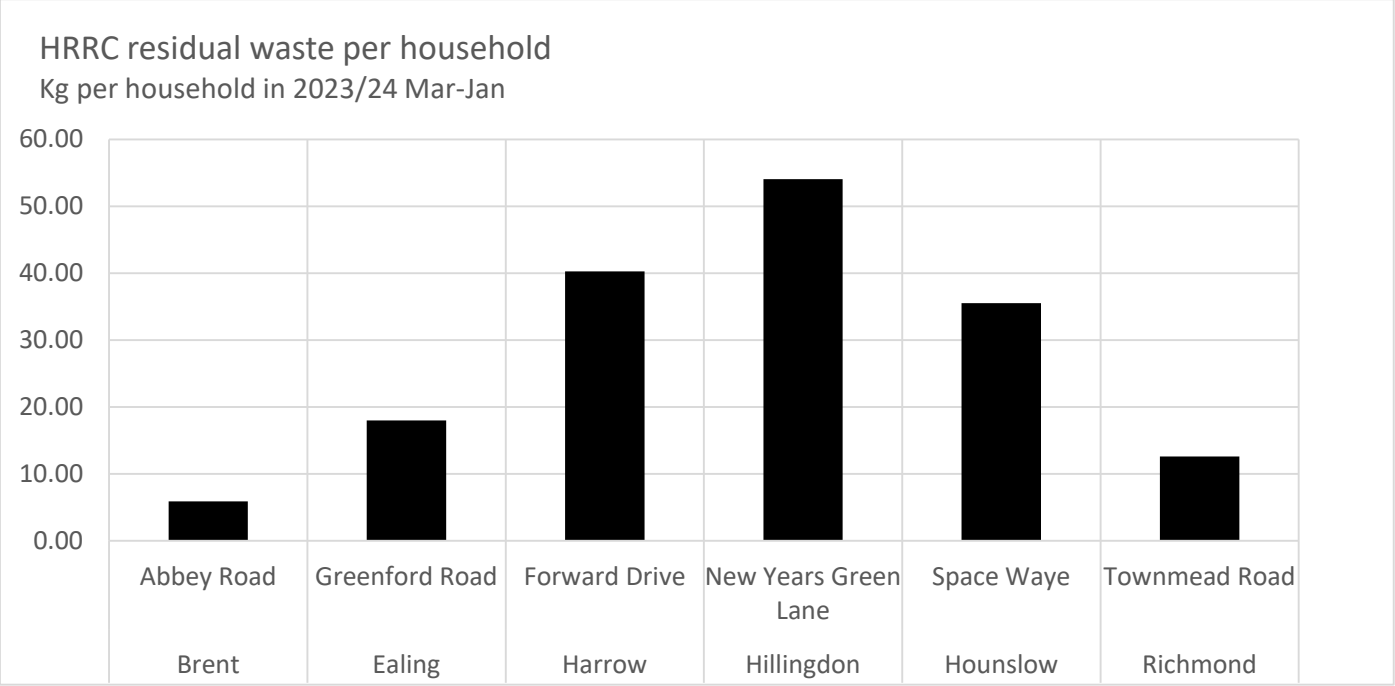
£0.94m was unspent at the end of 2022/23, and it was agreed that this could be rolled over to 2023/24 subject to new performance targets and a 50% diversion target was set by Environment Directors. As we approach the end of 2023/24, £763,000 remains unspent, of which £597,000 is planned spend, leaving £165,000 unallocated budget.



Diversion of materials from residual waste is a key performance indicator for HRRCs. The chart below shows some improvements since the project started at four of the HRRCs, but decreases in performance at two (Ealing's and Hounslow's). There remains a significant gap between the lowest and highest diverting HRRCs of over 40 percentage points.



Whilst diversion rate is a useful indicator for understanding how well a site reuses and recycles, residual waste is the indicator that most accurately reflects the cost and carbon burden of an HRRC to west London taxpayers. The chart below shows that residual waste per household varies significantly between the sites. Hillingdon, Harrow and Hounslow's sites each have relatively low diversion rates and high volumes of waste going through the HRRC, which results in high quantities of residual waste per household. The cost of transporting and disposing of this material is borne by all six Boroughs as part of the Fixed Cost Levy and is apportioned based on Council Tax Band D properties.

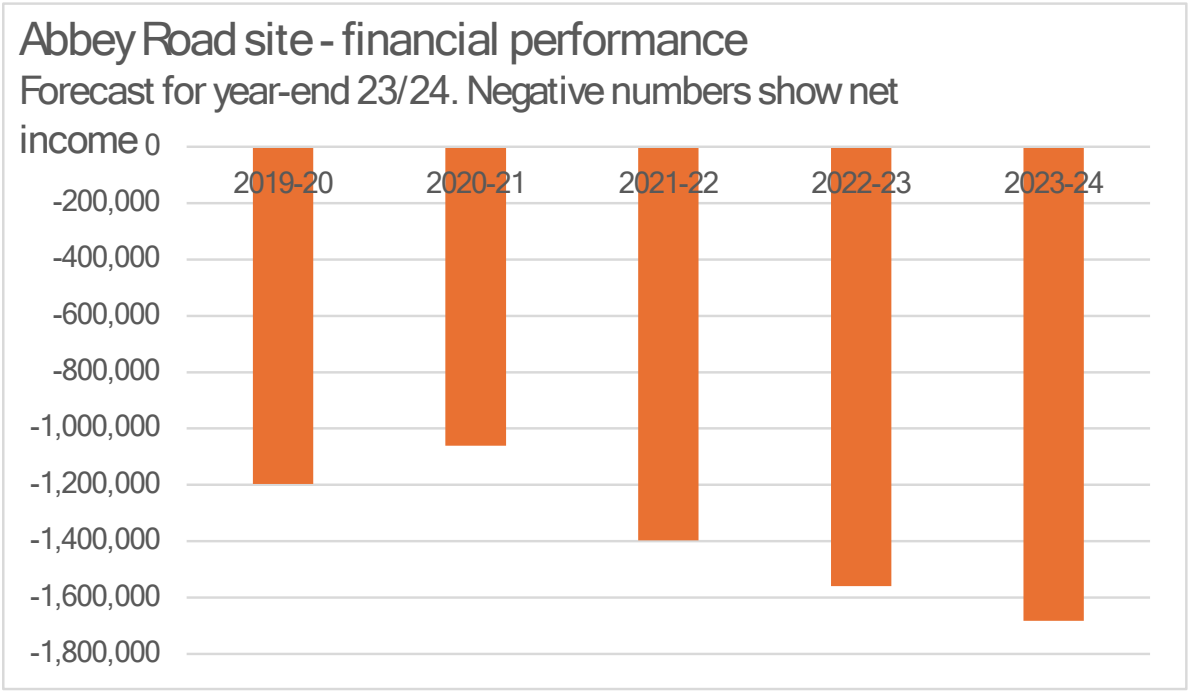


If all Boroughs' kg per household were equal to the lowest Borough, around £1.9 million per year could be saved. Conversely if all Boroughs' kg per household were equal to the highest, annual costs would increase by around £5.5 million.

The Abbey Road site has demonstrated how it's possible to maintain very high performance and continue to improve whilst reducing cost at the same time. Major improvements since 2020 include:

- Creating covered storage areas for reusable items including bikes and furniture
- Two new workshops for repairing items, including laptops and bikes
- Nine new separate collections for previously non-recycled items
- Improved look and feel with quality signage, newly painted bins and showcasing upcycled items
- A non-recyclables checkpoint where customers are helped to separate reusable and recyclable items from their waste, educating them ahead of their next visit
- A data-based approach with a move to using tablets to manage customer bookings and survey site users, providing valuable insights about waste habits and behaviours. This helped lead to a new high quality bulky materials home collections service for Brent.

During this time, and following investment during the pandemic, the site's budget has continued to improve (see chart), thanks to control of costs whilst increasing income from sale of recyclables and income from commercial waste on-site.



There are a number of ways in which the remaining HRRC improvement funds can be allocated, and a decision is needed before the end of the current financial year.

1) Return the money to Boroughs via the disbursement of reserves (apportioned by Band C households)
   a) All unspent money, or
   b) Only unallocated and unspent money
2) Return each Borough's remaining balance to them directly
   a) All unspent money, or
   b) Only unallocated and unspent money
3) Roll over the remaining money to 2024/25 but with strong performance targets attached.
   a) Ringfence the unspent balance for each Borough, or
   b) Put the whole unspent balance into a central pot for all Boroughs to access.

The analysis above indicates that there is much more to do regarding HRRC improvements, and many Boroughs have plans for how they would like to spend the remaining money. Therefore the recommendation is to adopt Option 3a and ringfence the remaining balance for each Borough.

However, the current approach has not delivered a major uplift in performance and the delivery of initiatives has been slow, so a new approach is needed.

WLWA will work with the Boroughs define what a best performing HRRC is, and exactly how and when each Borough's HRRC can achieve this level. We will do this by:

- **Providing training**: A visit to a best practice HRRC (out-of-area) for Members and key officers.
- **Defining best practice**: A report with a specification for a 'best performing' HRRC service, clear performance targets and options for delivery - presented to the Authority in June
- **Launching a procurement** for a new HRRC service
- **Defining in-year improvements** for all Boroughs
- **Establishing commercial arrangements** for participating and non-participating Boroughs

The remaining HRRC improvement funding will be ringfenced to the Boroughs for delivering the in-year and the longer-term performance improvements identified by the HRRC best practice report.

8. Financial Implications

Section	Financial Implications
West London Residual Waste Services contract	The upgrade to the cranes at Victoria Road transfer station costs £4m and will be financed by the Contractor.
Viridor (Lakeside)	The cost of managing 90,000 tonnes of residual waste through this contract is projected to be 3% higher than the budgeted amount due to the impact of inflation.
Procurements	The waste electricals arrangement enables the potential for revenue in the form of a rebate generated from LDA (Large Domestic Appliances) and funding for improvements of up to £30,000. The current arrangements deliver income for LDAs, but not improvement funding, so the new contract will deliver an improved income position.
Abbey Road HRRC and Waste Transfer Station (WTS)	The costs of repairs to the waste transfer station's concrete will be determined through forthcoming studies. Budget has been assigned for reactive maintenance, for repairs such as these. Work is ongoing to determine if the costs can be claimed back through insurance.
Richmond's sites: Townmead Road HRRC/WTS and Central Depot	WLWA's staffing costs to support the sites are covered as part of a Service Level Agreement with the London Borough of Richmond upon Thames (LBRuT).
Operations Manager	The Operation Manager role has been included within the budget.
HRRC Improvement Project	The HRRC improvement fund is worth £1.2 million (£0.2 million per Borough). £0.77m was unspent at the end of 2022/23 and rolled over into 2023/24. As we approach the end of 2023/24, £706,000 remains unspent, of which £598,000 is committed spend, leaving £108,000 unallocated and uncommitted. The best practice study will help determine the scale of savings that can be achieved from best practice operations, along with the costs required to get there.

9. Staffing Implications

None.

10. Legal Implications

Under the existing service level agreement, LBRuT remains legally responsible for health and safety compliance at its Townmead Road and Central Depot sites.

11. Impact on Carbon reduction

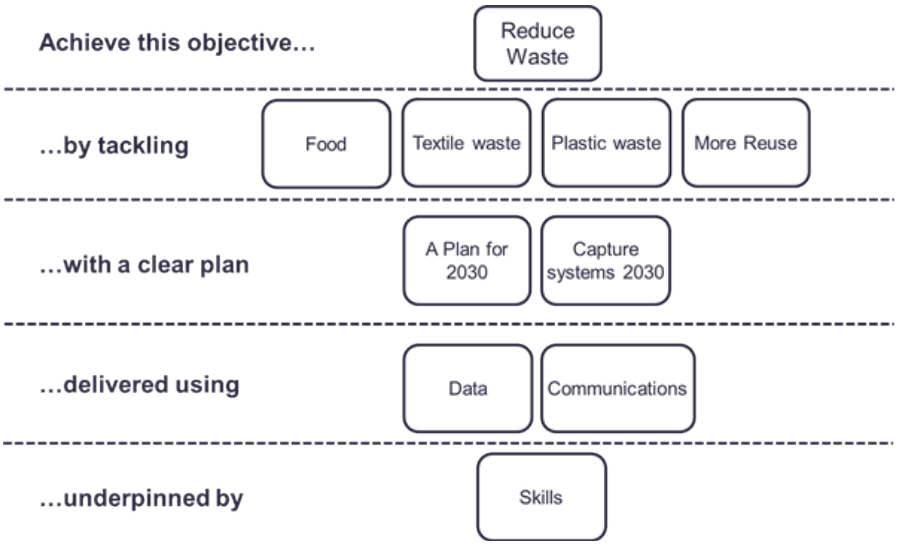
Replacing the cranes at Victoria Road will speed up tipping times, increasing the efficiency of the Boroughs' collection services and saving carbon.

12. Impact on Environment Directors Priorities

Priority	Key points raised within this report
Bringing residents with us	HRRCs are a key interface with residents. The best practice study will determine the extent to which this interface can be best used.
Sustainable decision making	N/A
Climate adaptation and decarbonisation	Electric shredders at the transfer stations reduce the carbon impact of the operation. Identifying fire prevention measures is a key climate change adaptation.
Dealing with financial challenges whilst delivering on climate change	Investments in the cranes at Victoria Road will save Boroughs costs and carbon through reduced tipping times and more efficient collection operations.

13. 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 improvement project will deliver reduce waste with more reuse, and will form part of the Capture Systems 2030 plan.

14. Impact on statutory, national and London targets

Improvements at HRRCs help towards the target of 65% recycling by 2035 (2030 in London).

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WEST LONDON WASTE AUTHORITY

Report of the Contracts and Procurement Manager 22 March 2024

Annual Procurement Plan 2024/25

SUMMARY

This report provides details of the Authority's Annual Procurement Strategy for the year 2024/25.

RECOMMENDATION(S)

The Authority is asked to:-

1) Approve the Annual Procurement Plan for 2024/25.

1. **Background –** West London Waste 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 waste streams for recycling, composting, anaerobic digestion, reuse and waste treatment and disposal. A significant proportion of the tonnage of both the residual waste and food waste fraction 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 food waste contract with Bio Collectors Ltd.

The remaining waste is managed via 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 of good quality services is key to the delivery of WLWA's strategic priorities. Successful procurement of suitable services and arrangements has a critical role in delivering WLWA's strategic circular economy, reuse and social value generation objectives.

2. WLWA Annual Procurement Plan

The full WLWA Annual Procurement Plan for 2024-2025 can be accessed in the Annex to this report. This plan contains all projected procurements coming up in the 2024/25 financial year. The business cases for procurements are analysed on the basis of its benefit to WLWA strategic priorities, impact on reuse and social value generation and outcome of market engagement.

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 Contracts and Procurement Manager.

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

2a) Above Find-A-Tender threshold procurements

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 2024 – 2025 it is anticipated that 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	Sep-24
Dry Recycling (Container & Fibre streams for Brent & Ealing)	£2,000,000	Jun-25

2b) Strategic procurements

WLWA is currently working on a number of strategic procurements which include procurement of new IT infrastructure (IT implementation and migration) and procurement of a new Digital Twin IT Platform. Both of these procurements underpin WLWA strategic priorities of Data Driven Efficiency and Organisational Excellence and will form an important platform for WLWA projects over 2024-25.

Over the last year WLWA has undertaken a number of new Circular Economy projects and procurements with the purpose of decarbonising services and driving social value across WLWA programmes. WLWA is currently working on the procurement for services to construct a temporary building for the circular economy Hub, which supports WLWA objectives under the Social Value and Reuse Programme.

WLWA's new Circular Economy projects and procurements 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) to enable better reuse. The recent re-procurement of the Waste Electrical and Electronic Equipment (WEEE) contract now provides support for a reuse programme which will create feedstock material to support the development of the circular economy Hub. The WEEE contract is currently being mobilised and will commence on 01/04/24.

WLWA is in the process of reprocuring a new Abandoned Vehicles contract which will also provide improved data and visibility of materials/components being recycled and reused. This new contract will commence 08/04/2024.

Materials Collection Service (MCS) procurement - This contract supports WLWA's work on the Reuse, Digital Twin, Increased Access and Communications programmes and aims to improve material circularity across the boroughs. The MCS service creates 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 is used by residents across the boroughs of Brent, Hounslow, Ealing and Harrow, providing a household collection service. The first year of the contract has been very successful and has delivered on objectives and this contract has now been extended for a further two years. Hounslow Council are now looking to roll this service out borough-wide and become the Council's sole bulky waste collection service.

3. Social Value

Measuring social value in waste is both complex and dynamic. WLWA is focussed on stimulating the growth of reuse and repair markets to drive innovation and create social value and now has a number of operating Circular Economy projects including a triage system in place for bicycles and a strong relationship with Petit Miracles for furniture repair and resale. These projects have generated a lot of interest but have however also presented a number of challenges due to fluctuation in demand, the fact that supply and demand rarely match and establishing outlets.

With the development of WLWA's ReActon Circular Economy hub, WLWA has embarked on a number of projects to measure reuse items - diverted from the residual stream into reuse. These items such as bikes, furniture, electrical items will be appropriately stored and reconditioned for resale. Performance will be measured under the Reuse and Social Value strategic priority in terms of number of items sent to off takers for repair or reuse and number of items sent to a Circular Economy Hub.

WLWA has also seen Social Value as an opportunity to create new waste systems (eg, the development of the Bulky waste collection service and its evolution into the Materials Collection Service), measuring citizen behaviour and increasing the number of WEEE items collected for reuse and recycling and capturing social value generated through reuse through the WEEE contract.

WLWA's Residents Insights project was procured in October 2023 and Social Value was evaluated on a basis of how bidding research companies could demonstrate coverage and inclusion of social value literacy not just across their operations and but across the design of their assessment/research.

The challenges that lie ahead for WLWA with embedding Social Value projects are 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.

4. Low Carbon Procurement

The eight local authorities that form the West London Alliance – Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Richmond upon Thames, and Wandsworth – and West London Waste are collaboratively working together to reduce environmental impact though 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. Further refinements are now planned for 2024 to the Toolkit and charter and additional training will be in place for the boroughs on the toolkit later in the year.

5. **Authority Contract Register –** The Contract Register for 2024/25 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.

6. **Authority Contracts and Procurement Rules –** The Procurement Review Board is established and meets monthly to discuss the business cases for new procurements. WLWA will update the Contract and Procurement rules in accordance with procurement process changes resulting from the new Procurement Bill (Oct 2024) once secondary legislation is finalised to ensure new developments such as an increased focus on contract management and KPI reporting and changes to procurement process is covered in WLWA procurement rules. WLWA will provide it's Members with the updated Procurement Rules for agreement.

7. **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.

8. **Financial Implications –** Financial provision has been included within the approved 2024/2025 budget for the provision of the services, including any proposed procurements as set out in this report.

9. **Risk Management** – The proposals detailed in this procurement plan will be aligned with the requirements of the Authority's T&C Regulations. Other risks relating to contract management and procurement are captured in operational risk registers.

10. **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, Universal Safety Practitioners Ltd (Re-appointed as Health & Safety Advisor following competitive procurement process held in January 2022). WLWA's contract with Universal Safety Practitioners Ltd expires on 01/02/25.

11. **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 in to a formal contract.

Background Papers	None
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	Tom Beagan, Assistant Director Operations tombeagan@westlondonwaste.gov.uk	01895 545518

ANNEX 1

WLWA Annual Procurement Plan

Team	Approx project value or estimated annual value	Procurement Timescale
FINANCE/DATA		
External Audit Services	£102,699	2023-2028
Treasury Services	£8,700	2023-2026
HRRC Booking System	£20,000	May-24
IT Provider	£140,000	Sep-24
Infrastructure costs of IT implementation and migration	£400,000	Jul 24
Property valuation for accounts	£30,000	Mar-25
Valuation of loans at fair value	£2,500	May 24
Unit 4	£25,000	May-24
iWDMS	£25,000	Dec-27
Internal Audit	£14,000	Jun-24
Insurance Consultancy	£3,100	Apr-24
Property Insurance	£34,000	Mar-25
Cleaning Services	£40,000	Sep-24
Electricity WD	£2,700	May-24
Electricity Abbey Road	£36,992	May-24
Gas at WD	£4,800	May-24
Applicant Tracking System (HR)	£2,500	April 24
HRIS (HR)	£6,000	April 24
Learning Management Solution	£5,000	Sept 24
OPERATIONS		
Contaminated DMR from Flats (FAS) - Hounslow & Hillingdon	£864,000	Sep-24
Dry Recycling (Container & Fibre streams) (Brent & Ealing)	£2,500,000	Jun 25
Resurfacing of VR and TA access roads	£150,000 (one off cost)	Jun-24
Mobile plant for Abbey Rd - lease/purchase	£300,00	Mar-24
Street Sweepings Recycling	£200,000	Mar-26
Wood Recycling	£600,000	Mar-26
Abbey Rd - upgrade to netting	£30,000	Jun-24
Abbey Road Security services	£60,000	Sep-24
Abbey Road - mezzanine floor	£25,000	Apr-24
Abbey Road - site electric gates	£40,000	Jun-24
HRRC materials - Cooking Oil	£3,000	Apr-24
HRRC materials - Fire Extingishers and Gas bottles	£11,000	Apr-24
HRRC materials - Fuel / White diesel	£70,000	Mar-24
HRRC materials - Asbestos	£20,000	Apr-24
HRRC materials - Plasterboard	£10,000	Apr-24

HRRC materials - Tyres	£15,000	Jun-24
HRRC materials - branded uniforms	£3,000	May-24
HRRC materials - hydraulics oils/lubrificants	£10,000	May-24
Health and Safety consultancy support	£60,000	Jan-25
Repairs at concrete structure at Abbey Road	£300,000	May-25
PROJECTS		
Solar PV	£180,000	TBC
Waste Composition	£100,000	Jul-24
Digital Twin Platform	£250,000	Aug-24
Social Value Tool	£7,000	Mar-25
CE Hub Infrastructure	£80,000	TBC
12 40yd containers at HRRCs	£72,000	Jun-24
Citizen Perception - Intervention Partner	£75,000	Apr-24
1100 litre bin	£30,000	Jun-24
Virtual CE Hub	£5,000	Sep-24
AD study	£10,000	Oct-24
ReActon Additional Equipment	£15,000	Jun-24
Route Optimisation software	£50,000	Mar-24
Heston Hub	£65,000	Apr-25

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WEST LONDON WASTE AUTHORITY

Report of the Treasurer and Managing Director 22 March 2024

Finance Update January 2024

SUMMARY

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

- Day to day financial performance for YTD is showing a deficit largely due to 3 factors:
  - Contracted rates for waste disposal are higher than budgeted.
  - Business rates are significantly higher than budgeted.
  - SERC insurance being included within Supplies and Services.
- There is a recommendation to roll over any borough's unused HRRC funding into 2024/25, payable to boroughs after they achieve a new target.
- There is a recommendation to roll over any unspent programme budget from the PPP income retained by the Authority, so it remains available for use in 2024/25.
- Continuing to track return on investments on funded programmes. Spend has not met expectations but direct borough savings continue to be achieved.
- The forecast annual position includes an estimate of PPP contract income as per the FY24/25 budget and two thirds disbursement to boroughs.
- Operational performance is shown in the KPIs. Two KPIs are in amber (not on target but high likelihood of turning green before end of financial year) and three are in red (not on target and low likelihood of turning green before end of financial year).
- The Treasury Management Plan to be approved continues to be low risk and demonstrates a robust financial outlook.
- There were no delegated decisions to note.

RECOMMENDATION(S)

The Authority is asked to: -

1) Note the current financial position and forecast for 2023/24

2) Approve a reserve to carry forward unspent HRRC funding so it remains available for boroughs to use in 2024/25.

3) Approve a reserve to carry forward unspent programme budget from the PPP income retained by the Authority so it remains available for use in 2024/25.

4) Approve the Treasury Management Plan for 2024/25.

5) Note the KPIs to date.

6) Note the delegated decisions.

1. Financial position – high level summary

A summary of the financial performance for the period up to end of January 2024 and forecast to the end of the year is provided below. The summary shows how financial performance compares to the budget for both the period and the forecast for the year.

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	2,180	2,352	172	2,616	2,851	234
Premises	2,167	2,879	712	2,601	3,461	860
Waste Transfer and Disposal	42,943	43,282	339	51,531	51,939	408
MRF Waste Transfer and Disposal	1,880	3,506	1,626	2,256	3,882	1,626
Supplies and Services	991	1,407	416	1,190	2,120	931
Depreciation	8,645	8,645	0	10,375	10,375	0
Financing and Other	4,962	4,962	(0)	5,955	5,955	(0)
Concession Adjustment	(3,808)	(3,808)	0	(4,570)	(4,570)	0
	59,961	**63,225**	**3,264**	**71,954**	**76,012**	**4,058**
Income						
Levies	(55,930)	(56,568)	(638)	(67,116)	(67,754)	(638)
MRF Service Charge	(1,880)	(3,506)	(1,626)	(2,256)	(3,882)	(1,626)
Trade and Other	(2,152)	(3,132)	(981)	(2,582)	(3,576)	(994)
	(59,961)	**(63,206)**	**(3,245)**	**(71,954)**	**(75,211)**	**(3,258)**
(Surplus) / Deficit	**(0)**	**19**	**19**	**(0)**	**801**	**801**
PPP Contract Income	0	0	0	0	(6,300)	(6,300)
Disbursement to boroughs	0	0	0	0	4,200	4,200
Net (Surplus) / Deficit	**(0)**	**19**	**19**	**(0)**	**(1,299)**	**(1,299)**
Programme of work funded by PPP income						
Depreciation	89	89	0	107	107	0
Premises	38	38	0	45	45	0
Employees	257	207	(50)	308	249	(59)
Supplies and Services	550	258	(292)	660	396	(264)
Programme costs funded by PPP income	(933)	(933)	0	(1,120)	(1,120)	0
Programmes Total	**0**	**(341)**	**(341)**	**0**	**(323)**	**(323)**
HRRC Fund	0	173	173	0	173	173
Actuarial (loss)/gain on pension liability	0	0	0	0	0	0
Total Income & Expenditure after Reserve Movement	**(0)**	**192**	**192**	**(0)**	**(1,127)**	**(1,127)**
Disbursement to boroughs in Jul (relates to 22/23)	0	3,301	3,301	0	3,301	3,301

From an operational “day to day" activities perspective, the overall performance for the period shows an overspend of £19k compared to budget. The overspend on expenditure is largely due to higher Waste Transfer and Disposal costs reflective of increased prices compared to budget, in particular Lakeside’s rate which has come in at £5/tonne higher than budget. Business rates within Premises costs are significantly higher than budget, with the forecast at year end expected to be £0.86 million higher than budget.

It is also worth noting that the MRF Waste Transfer and Disposal costs are overspent by £1.6 million. This is due to the inclusion of Brent’s contract which was not budgeted. However, this cost is a nil effect to the authority as these costs are directly recovered back from the boroughs shown under income.

A spend of £0.7 million has been included under Supplies and Services for the insurance of the SERC and Transfer Stations. By the end of the financial year, this will be £0.8 million. This had not been budgeted but as it has increased substantially since 2016, needs to be realised within the financial performance. Within Employee costs, there is an unbudgeted cost of £137k which relates to pension strain costs paid to LPFA.

The deficit has been reduced due to higher Trade and Other Income which has recognised just shy of £1.0 million more than budget and dampened the overspend on expenditure mentioned above.

The Authority is forecasting to end the year on a deficit of £0.8 million. Along with the above costs, this also includes consultancy fee spend to be incurred in the remaining two months of the financial year as the funded programmes start to make some traction, as well as for legal advice around various matters. There is also an additional £0.1 million accrued for a potential insurance claim which the Authority could be liable to pay. The audit fee for 2023/24 has also been included within the year end forecast at just over £0.1 million.

Considering the overspend on budget within business rates of £0.8m, Lakeside contractual rate of £0.4m, SERC and Transfer Stations insurance of £0.8m and the pension strain costs of £0.1m, the total deficit would be £2.1m. However, the Authority has put controls into place to bring spend down where possible, bringing the forecast total deficit to £0.8 million. These controls have reduced spend where possible but not detrimental to the service the Authority provides.

Significantly, in other activities, PPP income for the year has been estimated at £6.3 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 2024 when figures are finalised and thereafter paid over to the Authority. Two thirds will be passed on to boroughs in accordance with the Finance Strategy by September 2024. With the Authority receiving this PPP income, and disbursing two thirds to the boroughs, the overall forecast position for the Authority is a surplus of £1.3 million.

Included within the budget monitoring, is also a disbursement of excess reserves from the previous financial year of £3.3m which was presented in June 2023 as part of the 2022/23 draft outturn report. To note, the excess revenue share from the PPP contract which relates to 2022/23 has now been received (£19.1m). Two thirds of this have been paid to the boroughs in disbursements in July 2023.

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:

Looking at the PAYT waste forecast, the overall residual waste variance of £0.1 million is made up of slightly higher than budgeted tonnages coupled with higher than budgeted contractor prices (due to inflation). The higher waste volumes are also reflected in the PAYT levy variance (£0.6 million) which shows actual rebates paid from boroughs to WLWA for higher than budgeted tonnages.

Secondly, in terms of FCL waste, there has been higher than budgeted HRRC volumes in particular mattresses, leading to higher waste transport and disposal forecast costs against budget totalling £0.3 million.

The Authority's level of trade and other income is healthy and forecast to out-perform the budget by just under £1.0 million.

The forecast anticipates that the remainder of the funds for the improvements to borough HRRC's will not be spent by boroughs. These have been rolled forward once before via reserves, with an expectation that improving diversion would be delivered in 2023/24. During the financial year, there was an agreement with the Environment Directors about increasing the target to 50% diversion from residual to receive the funds.

Over the course of 2023/24, some boroughs have demonstrated further performance improvements without spending much of the available funding. However, there is much more to do to drive down HRRC residual waste per household. The Authority anticipates that the balance of funds remaining unspent will be an investment to drive further performance improvements. The Authority has reviewed possible solutions and

recommend retaining the remaining funds, via reserves, to be paid over to the boroughs when clear, challenging and time-bound performance standards have been met. If this proposal is agreed by members, the agreed savings to be achieved and the performance improvement targets will be reported to members in June 2024.

The Authority will also set aside reserves for any unspent programme budget remaining at the end of 2023/24 from the PPP income, so it remains available for use in 2024/25. This is due to the delays in receiving savings targets from boroughs in relation to work that can be done with them on the programmes. The Authority has been able to engage with some boroughs in 2023/24 and either delivered savings or received savings targets. In the first quarter of 2024/25, the Authority is expecting to meet with the remaining boroughs that have not yet engaged to discuss potential savings targets to be achieved.

2. KPIs for 2023/24

Appendix 2 summarises the performance to the end of January, in both a summary table, and significant KPIs being shown graphically with a year-on-year trend.

Most indicators are on target (green) and the performance is reflected in the RAG rating and commentary.

There are two KPIs in amber. Turnaround times have been impacted by fires at both transfer stations, and crane issues at Victoria Road. Overall £/tonne is impacted by inflationary pressures on contractor fees.

People development is on red due to the likelihood of the full year target not likely to be achieved. This KPI has been impacted by leavers within the Authority but is now increasing as processes are being implemented to record training and new joiners are starting. However, it is unlikely the target of 500 for the full year will be met.

Food waste – kg per person is in red due to tonnages remaining flat, but the population increasing. Staff turnover is red due to ten leavers' year to date. Recruitment has been difficult in the current market, but this is being worked on.

The graphs in Appendix 2 visualise the performance of the Authority and show year on year trends. The graphs demonstrate that waste has been reducing over the years.

It is worth noting that from time to time the performance for a particular indicator may slip into amber or red, but the performance will be managed, and actions undertaken to bring the indicator back to standard during the year. Additionally, given the cumulative nature of each individual indicator, an indicator is more likely to slip into amber or red in the early months.

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 have been none to note.

4. Treasury Management

The plan for 2023/24 continues the low risk and very simple approach of recent years.

There are no significant capital spending plans and no plans for any new borrowing. Therefore, the focus will be on managing cash to ensure adequate liquidity for day-to-day operations whilst also using low risk options to deliver a return.

The current arrangements (a service level agreement with Ealing Council) provide both a return and quick access to cash. The arrangement also allows the Authority to tap into money market rates of Ealing Council's high rated counterparties (UK government gilts, large UK high street banks) offering a better return i.e. funds can be placed for fixed periods to achieve better returns.

The CIPFA Prudential Code prescribes a range of indicators that must be reported. These are more pertinent to organisations with complex treasury management arrangements, however, are provided in the table in Appendix 3. This table demonstrates that the Authority's capital expenditure plans are prudent,

affordable, and sustainable. It also demonstrates that decisions are taken with a full understanding of their risk and their management. It is worth noting that the historic capital expenditure and borrowing in relation to the construction of the Energy from Waste plant, accounts for most of the figures in this table.

Similarly, the Minimum Revenue Provision (MRP) identifies that the Authority is required to pay off an element of the accumulated capital spend each year (CFR in the Prudential Code table above) through a revenue charge. The current approach uses 4% of capital, the CIPFA standard method for calculating MRP to provide for a reduction in the borrowing need over the asset's life.

The impact of treasury management activities is reflected in the Authority's long term financial plans. This illustrates a strong financial outlook and in particular: how all capital spend will be paid off through revenue charges; how the Authority will only see lower than inflation rises in costs and therefore levies; and how all borrowing will be repaid whilst maintaining good levels of liquidity – all key requirements of the CIPFA codes.

5. Financial Implications.

These are detailed in the report.

6. Staffing Implications

None.

7. Legal Implications

None.

8. Impact on Carbon Reduction

None.

9. Impact on Joint Waste Management Strategy

Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JMWMS.

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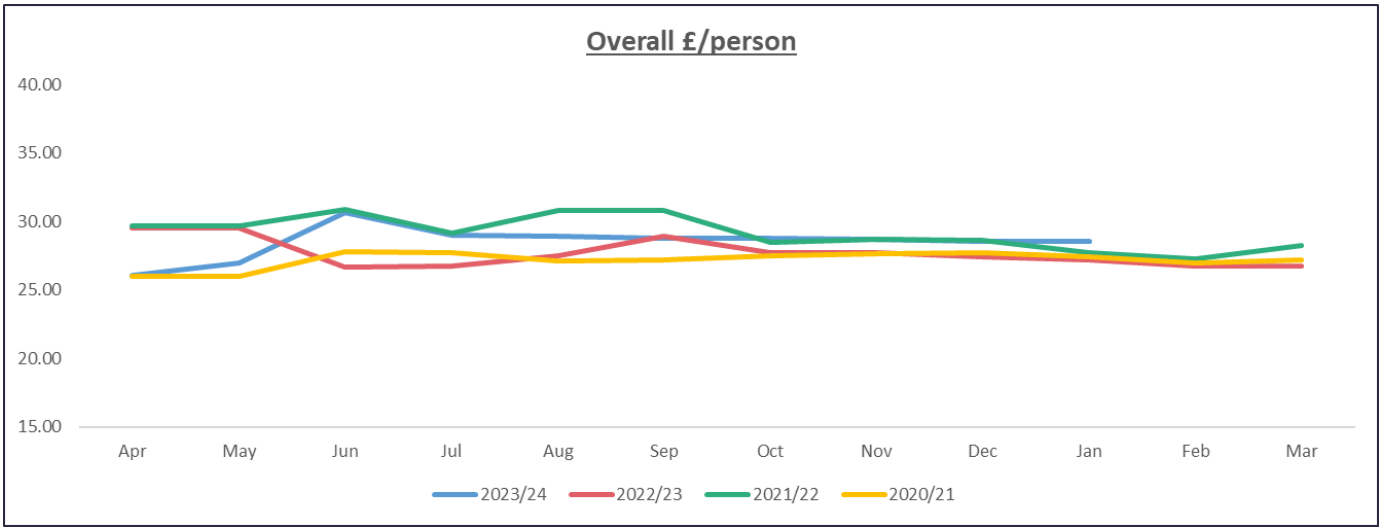
Appendix 1

Pay As You Throw	24 YTD Period 10				2023-24 Full Year Forecast			
	Budget	Actual	Variance	Commentary	Budget	Estimate	Variance	Commentary
	£ 000s	£ 000s	£ 000s		£ 000s	£ 000s	£ 000s	
Waste - Residual	34,485	34,546	61	Cost of more residual waste going to Lakeside at start of the year, offset by £1.5m back dated landfill reconciliation credit received for the years 2018-2022.	41,382	41,511	129	Forecast based on higher than budgeted contractor costs. The increase tonnages to Lakeside should subside as waste is sent elsewhere.
Waste - Food	316	320	4	0.36% lower tonnages collected than the same period last year.	379	384	5	Forecasts based on YTD current level of activity.
Waste - Mixed Organic	0	0	0		0	0	0	
Waste - Green	1,381	1,631	250	14% higher tonnages collected compared to the same period from last year.	1,657	1,922	265	Forecasts based on YTD current level of activity with a drop in colder season. Green waste expected to increase in month March.
Waste - Other	474	224	(250)		569	269	(300)	
Depreciation	7,345	7,345	0		8,814	8,814	0	
Financing	3,768	3,768	(0)		4,521	4,521	(0)	
Premises	1,064	1,638	575	Business rates increased due to national valuations.	1,276	1,966	690	Forecasts based on YTD current level of activity.
Concession Accounting Adjustment	0	0	0		0	0	0	
Levy Income	(44,238)	(44,877)	(638)		(53,086)	(53,724)	(638)	
PAYT Net Expenditure	**4,593**	**4,595**	**2**		**5,511**	**5,662**	**151**	

Fixed Cost Levy	24 YTD Period 10				2023-24 Full Year Forecast			
	Budget	Actual	Variance	Commentary	Budget	Estimate	Variance	Commentary
	£ 000s	£ 000s	£ 000s		£ 000s	£ 000s	£ 000s	
Employees	2,180	2,352	172	Payment to leavers and agency staff/honarariums to cover some gaps in services.	2,616	2,846	229	Allows for budgeted roles to be filled in, but also in line with the HR Paper, includes the costs of outsourcing HR services for 6 months.
Premises	1,104	1,241	137	Business rates increased due to national valuations - meaning higher than budget by over £850k.	1,325	1,494	170	Forecasts based on YTD current level of activity.
Waste - Residual	4,199	4,182	(17)	Cost of more residual waste going to Lakeside, offset by £1.5m back dated landfill reconciliation credit received for the years 2018-2022. Should decrease as less waste sent to Lakeside.	5,039	5,017	(22)	Forecast based on tonnages continue to remain high throughout the year.
Waste - Green	232	319	87		279	323	45	Forecasts based on YTD current level of activity with a drop in colder season. Green waste expected to increase in month March.
Waste - Wood	948	777	(171)		1,138	932	(206)	Forecasts based on YTD current level of activity.
Waste - Other	908	1,283	375	Higher volume of Mattresses collected.	1,090	1,582	492	Forecasts based on YTD current level of activity.
Waste - MRF Ealing	1,880	1,981	101	Nets out with income below.	2,256	2,357	101	
Waste - MRF Brent	0	1,525	1,525		0	1,525	1,525	
Supplies and Services	991	1,407	416		1,190	2,097	908	Insurance cost for SERC £0.8m.
Depreciation	1,301	1,301	0		1,561	1,561	0	
Financing	375	375	0		450	450	0	
Revenue Funding of Debt	820	820	0		984	984	0	
Concession Accounting Adjustment	(3,808)	(3,808)	0		(4,570)	(4,570)	0	
Trade Waste and Other Income	(2,152)	(3,132)	(981)		(2,582)	(3,576)	(994)	
MRF Income Ealing	(1,880)	(1,981)	(101)	Nets out with costs above.	(2,256)	(2,357)	(101)	
MRF Income Brent	0	(1,525)	(1,525)		0	(1,525)	(1,525)	
Levy Income	(11,691)	(11,691)	0		(14,029)	(14,029)	0	
Fixed Cost Levy Net Expenditure	**(4,593)**	**(4,576)**	**17**		**(5,511)**	**(4,890)**	**622**	
(Surplus) / Deficit	(0)	**19**	**19**		(0)	**773**	**773**	
Social Value & Reuse	385	295	(91)		463	356	(106)	Forecasts based on YTD current level of activity.
Digital Twin	415	248	(167)		497	339	(158)	Forecasts based on YTD current level of activity.
Communications	133	50	(83)		160	102	(58)	
Programme costs funded by PPP inco	(933)	(933)	0		(1,120)	(1,120)	0	
Programs total	**0**	**(342)**	**(342)**		**0**	**(324)**	**(324)**	
PPP Contract Income	**0**	**0**	**0**		**0**	**(6,300)**	**(6,300)**	PPP income in relation to FY23/24 - to be paid after year end
PPP Contract Income disbursed	**0**	**0**	**0**		**0**	**4,200**	**4,200**	Two thirds of income to be disbursed to boroughs in line with Finance Strategy
Reserves disbursed FY22/23	**0**	**3,301**	**3,301**		**0**	**3,301**	**3,301**	Disbursed in FY23/24
HRRC fund	**0**	**173**	**173**		**0**	**173**	**173**	
Total Income & Expenditure	**(0)**	**2,811**	**2,811**		**(0)**	**1,500**	**1,500**	

Appendix 2

Key Performance Indicators 23/24								
							Cumulative	
KPI		23/24 Target	Red Threshold	*22/23 Actual*	Description	Commentary about target	Jan-24	Commentary about performance
Keep Waste Moving								
1	Diversion from Landfill %	95.00%	< 95% = Red	99.89%	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%	>7.5% = Red	6.8%	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. FY23 saw an increase due to crane issues at Victoria Road and rail strikes, but expecting to see an improvement to prior years in FY24.	6.2%	Fires at both major transfer stations had knock-on effects on tipping times. Repeated break-downs of the bunker cranes at Victoria Rd (due for replacement in April) also increased tipping times. The contractor has made site layout changes which has quickened tipping times since November.
Increase Efficiency								
3	Overall £/tonne	£93.47	> £98.15 (i.e. +5%) = Red	£92.07	Looks at total tonnes collected cumulatively and the total spend of waste transfer and disposal.	Reflects boroughs budgeted tonnages.	£95.57	Inflationary pressure has seen overall £/tonne increase against target but this is unlikely to go in to red.
4	Overall £/person	£29.32	> £31.84 (i.e. +5%) = Red	£26.72	Total spend of waste transfer and disposal divided by total population of 6 boroughs (provided from ONS website).	Reflects boroughs budgeted tonnages.	£28.57	
Divert From Waste								
5	All waste - monthly kg per person	26.14	> 28 kg = Red	24.18	Total cumulative waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages.	24.91	
6	Residual waste - monthly kg per person	19.61	> 21 kg = Red	19.73	Total cumulative residual waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. Food within residual should be reducing this figure.	19.61	
7	Food waste - monthly kg per person	1.64	< 1.55 kg = Red	1.58	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.	1.53	Population has increased, and tonnages have remained flat - hence the KPI is remaining lower than target but stable.
Effective Control								
8	People development	416.67	< 262.50 = Red	515.00	Total number of learning and development activities carried out in financial year (amongst total employees). Target is a YTD figure for accuracy.	Includes monthly team meetings.	219.50	Training target for full year is 500. Levels had been low for the first 9 months of the year due to leavers. The introduction of the Learning & Development Log Form will enable the Authority to record training more accurately. The target of 450 will not be achieved hence the KPI being red.
9	Staff turnover	15%	> 20% = Red	15%	Cumulative leavers YTD against total budgeted staff.	Not a large staff number therefore can be skewed by minimal movement. Counts employees who leave WLWA after their first probabtion review at 10 weeks of employement.	23.4%	Total of 10 leavers for YTD.
10	Sickness rate	2.0%	> 3% = Red	2.4%	Cumulative sick days lost year to date.	In 2020, published figures show that sickness absence rates in public sector stood at at 2.7%. This has increased to 4.4% in 2022. Have left target at 2% after considering the wide gap between the size of our workforce and those of other public sector	1.7%	Sickness rates have improved since the first half of the financial year saw this as either an amber or red.
11	Paying suppliers promptly	30	> 30 days = Red	27	Average number of days to pay suppliers in the month.	Statutory level	29.5	
12	Maintaining cash flow (Minimising trade	8%	> 10% = Red	0%	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	0		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 in days to complete the entire hazard card process from start to finish	5	> 10 days = Red	0	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.	1.19	


Overall £/person
40.00
35.00
30.00
25.00
20.00
15.00
Apr
May
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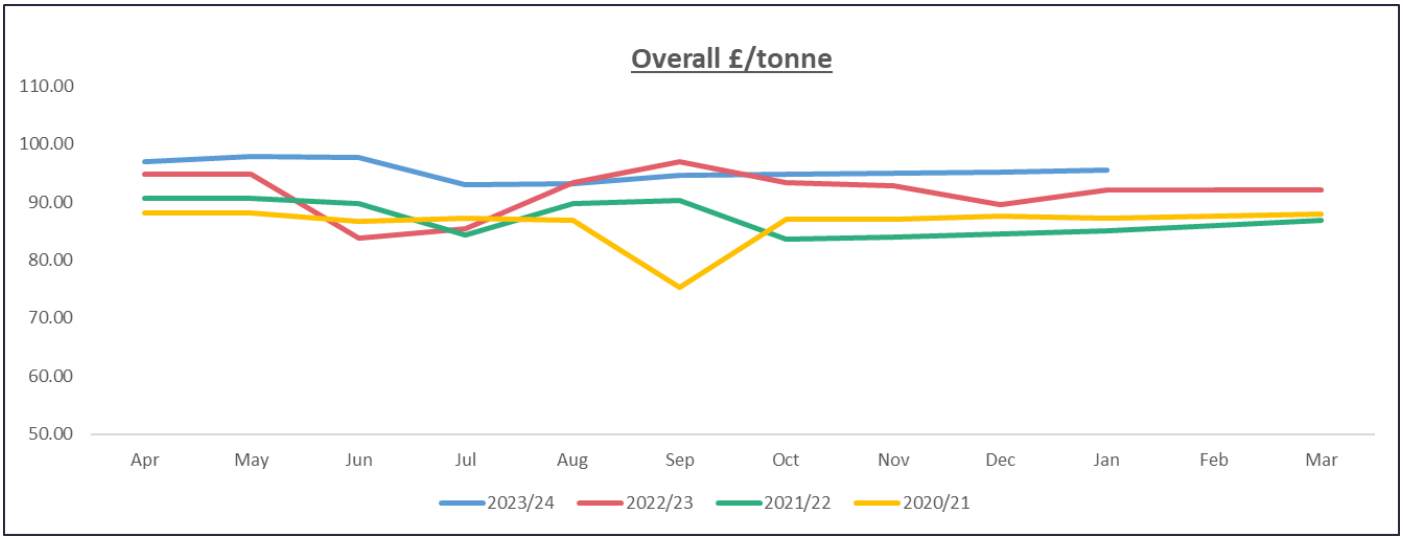
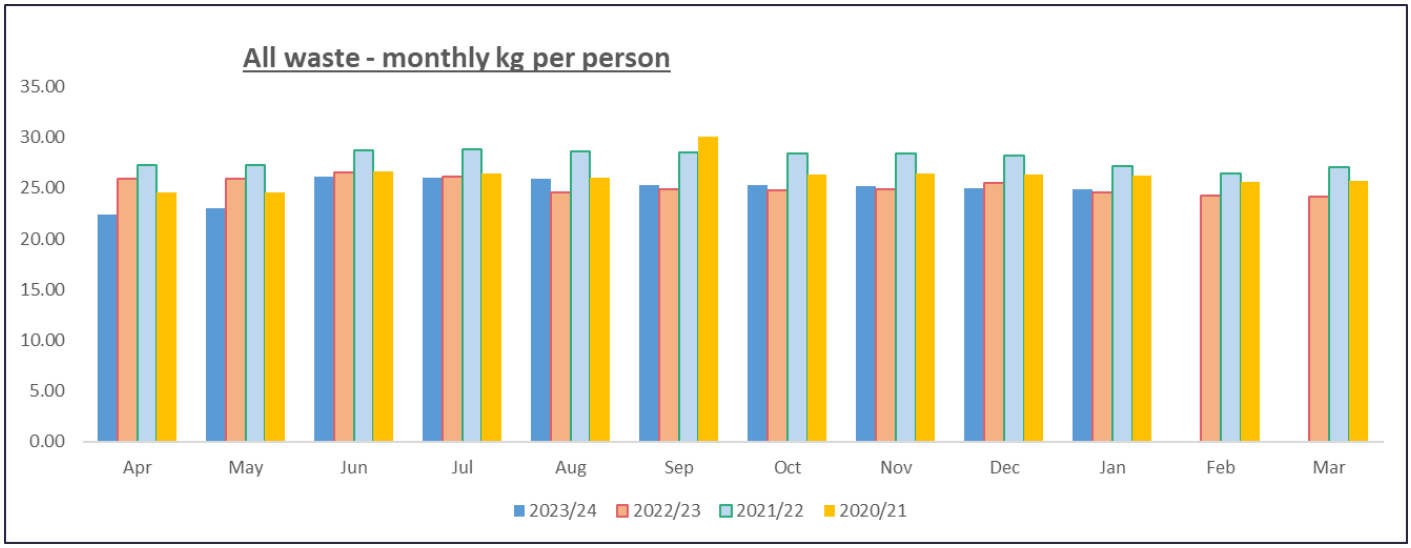
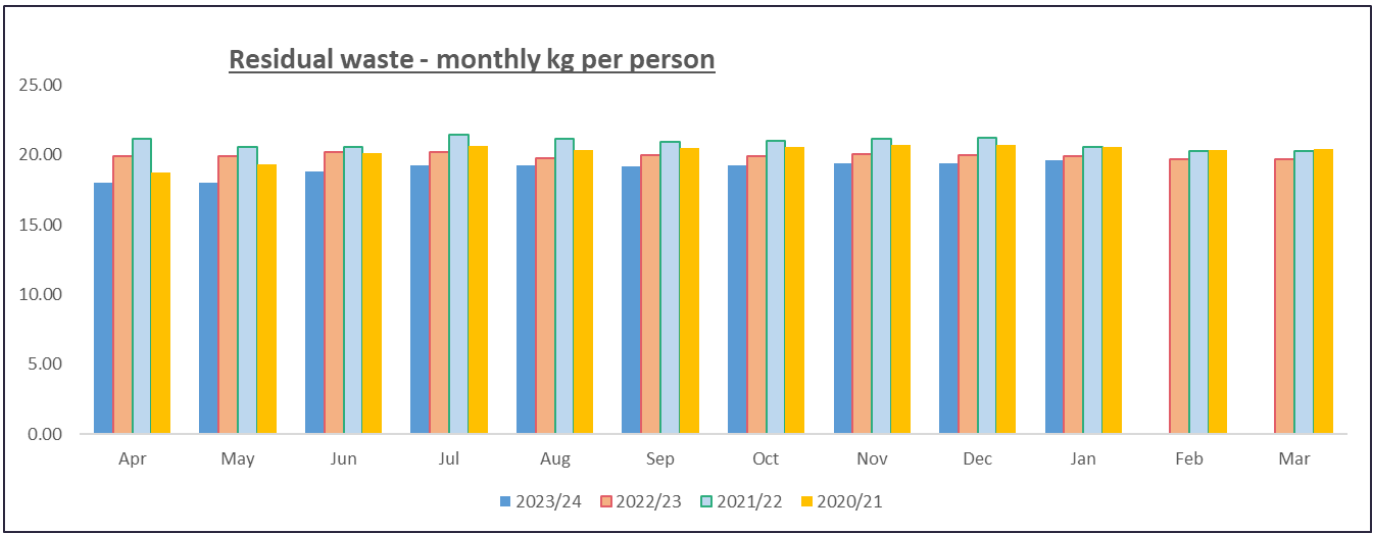
2023/24
2022/23
2021/22
2020/21


Overall £/tonne
110.00
100.00
90.00
80.00
70.00
60.00
50.00
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
2023/24
2022/23
2021/22
2020/21


All waste - monthly kg per person
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
2023/24
2022/23
2021/22
2020/21


Residual waste - monthly kg per person
25.00
20.00
15.00
10.00
5.00
0.00
Apr
May
Jun
Jul
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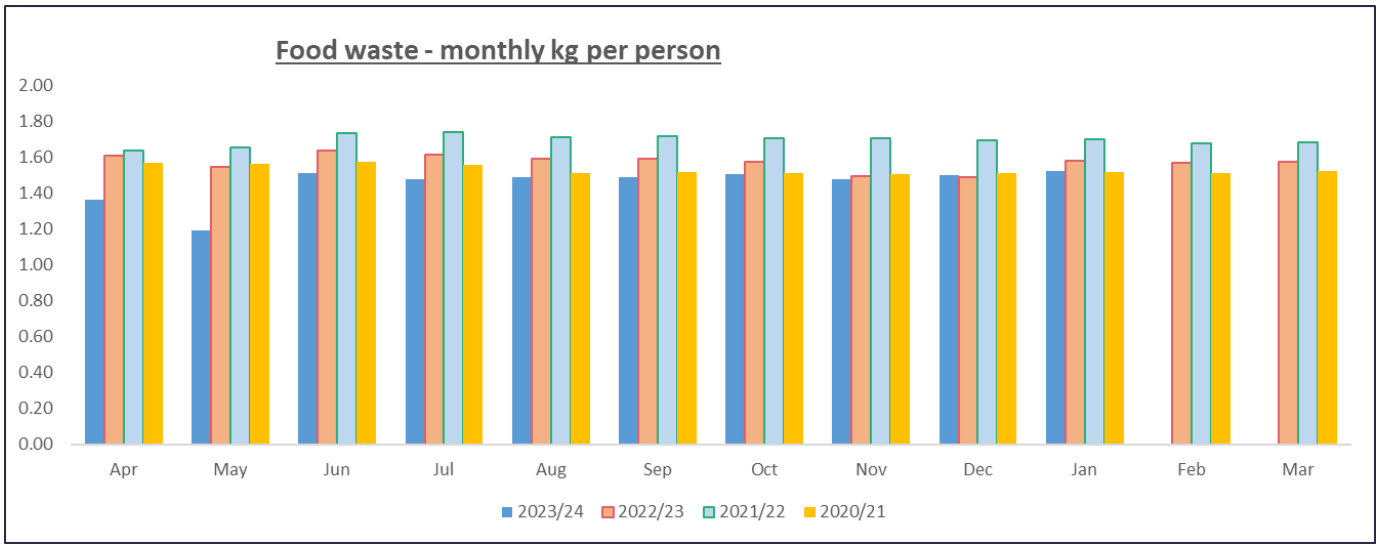
Oct
Nov
Dec
Jan
Feb
Mar
2023/24
2022/23
2021/22
2020/21


Food waste - monthly kg per person
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
Apr
May
Jun
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Sep
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Nov
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Mar
2023/24
2022/23
2021/22
2020/21

Appendix 3

Prudential Indicator	Prudential code	Description	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/26 Estimate £000s
Ratio of financing costs to net revenue stream	**73/74**	**This is an indicator of affordability of plans**	7%	7%	6%
Capital expenditure	**48/50**	**This is a summary of the Authority's capital spending plans**	150	4,500	2,000
Capital financing requirement (CFR)	**51/54**	**This is the underlying borrowing need i.e. what will be charged through revenue**	177,202	170,832	161,964
Operational boundry for external debt	**56**	**This is a projection of net debt supporting the capital financing requirement**	165,344	153,761	142,189
Authorised limit for external debt	**55**	**This is the net debt we can have (i.e. after cash)**	175,344	163,761	152,189
Gross debt (new Prudential Indicator replaces net debt)	**60/62**	**This reflects the amount of gross debt**	177,258	170,262	163,036

WEST LONDON WASTE AUTHORITY

Report of the Finance Manager 23 March 2024

IT Strategy update

SUMMARY

This report provides an update on the Authority's updated IT Strategy. The key points are:

- The IT strategy has been updated to allow for current technology to be used to create a connected, secure, and inclusive workplace.
- Data collection and sharing with boroughs and other stakeholders will not be compromised.
- Artificial intelligence will be considered and implemented after thorough research and development has been carried out.
- Cyber security will be pivotal as attacks are becoming more sophisticated.
- Training will be provided to staff and policies created to ensure proper use of IT.

RECOMMENDATION(S)

The Authority is asked to: -

1) Approve the IT Strategy in Appendix 1

1. Introduction

The existing IT strategy approved in 2016 was over a 5-year period, and centred on enabling staff to be able to work from any given location with the range and quality of IT tools they require to perform their roles. In 2018, the Authority moved away from a shared IT infrastructure with L.B of Ealing and instead adopted an independent virtual server-based environment (Citrix) managed by an external IT provider. Moving away from a borough supported IT service was in line with the purchase of the West Drayton office, and the changes in Government Public Services Network requirements.

As the Authority has grown it has become evident that the existing IT strategy is now out of date and possibly limiting our potential for data driven decision-making and innovation. As technology changes rapidly, and the demand on data collection and sharing increase, there is a need to re-evaluate our IT Strategy to better align with the Authority's overarching mission and evolving strategic priorities and adapt to emerging opportunities.

We have carried out an extensive review of the Authority's IT infrastructure with the help of a specialist IT consultant. As we strive to digitalise, invest in relevant technology, and collect data to monitor our progress, our IT infrastructure needs to be robust to support on the delivery of our strategic priorities. Storage space and back-ups will be crucial as the amount of data the Authority expects to handle over time increases. It would be advisable to continue to have an external IT provider managing the crux of the Authority's IT infrastructure and providing support to facilitate key deliverables.

The vision of the IT Strategy is to establish digital transformation through agile technology integration, data driven insights and a culture of persistent innovation in partnership with Boroughs and residents for inclusive and impactful progress.

2. IT Strategy

Over the last 3 years, the Authority has evolved and developed its values and strategic priorities. It is essential that the Authority's IT infrastructure align seamlessly with our strategic priorities to enable our staff and key stakeholders to deliver these. The IT strategy underpins how the Authority will operate, collect data, and evolve as legislation changes and the demand for reuse and recycling increase.

Data driven decision-making is imperative as part of the strategy. It ensures that the collecting, managing, and sharing of data is not compromised by having a focus on cyber security and secure access between the Authority and external stakeholders with whom data is shared with.

Cyber security is a key feature to the strategy and is essential to ensure that the operations of the Authority are not compromised under the threat of a cyber-attack. With cyber-attacks increasing, and becoming more sophisticated, the Authority will provide relevant training to employees regularly, and ensure that business continuity plans updated regularly.

Artificial Intelligence (A.I.) features within the strategy. This a breakthrough in the current IT landscape, allowing for operational efficiencies and reduced costs. However, to be effective, A.I. needs to be considered thoroughly, and implemented correctly to recognise the gains. Whilst A.I. is beneficial, continuous checks will need to be made to ensure that it is not being used to the Authority's detriment.

Capability to deliver the IT strategy is recognised with all employees playing a part and benefitting from infrastructure that allows them to carry out their roles to the best of their ability. A governance chart has been included to show clear lines of responsibilities and provides clarity.

The Authority will place emphasis on sustainability by ensuring responsible resource consumption and eco-friendly practises are established throughout the implementation of the strategy. This includes streamlining data centres where applicable, adopting energy efficient technologies and minimising our carbon footprint. Our commitment to sustainability within the strategy align with our mission of becoming carbon neutral.

Whilst the strategy spans over five years, an annual review of the strategy will take place to allow the Authority to amend or update as necessary. It will also ensure that the strategy does not become out of date and is adapted to meet the needs of the Authority as projects and programmes develop.

3. Financial Implications

The Authority's IT operational spend has been budgeted in 2024/25 at £140,000, which makes up 0.2% of the Authority's total levies. This is made up of all licenses, telephony, IT support, IT Apps, and the Waste Data Management System. The Authority's IT service delivery is extremely cost effective as the benchmark in commercial organisations is between 4% and 6%.

The Authority incurred capital expenditure of approximately £200,000 in 2017 when we moved away from a shared IT infrastructure with L.B of Ealing. This was to procure a comprehensive range of replacement IT infrastructure and services up to the value, as well as migrate to an independent IT provider and project manage this process.

The approved budget for 2024/25 has a capital expenditure cost of £400,000 which allows the IT strategy to be implemented effectively and securely over five years.

Whilst the costs incurred are significantly higher than the previous IT strategy implemented, this reflects the true cost of IT infrastructure in the current environment, and is an investment needed to drive the Authority forward. Thereafter, once everything is implemented and working as it should, we should see minimal capital expenditure and running costs plateau as we process all the information and data we have obtained.

To ensure IT spend remains cost effective, any new initiatives and solutions will require a business case confirming the Authority's objectives will be delivered. During the budget process, any spend around IT and solutions will have to go through the Authority's thorough budget setting process. To ensure value for money, the Authority's procurement process will be followed to ensure price competition for the service/solution.

4. Staffing Implications

The IT strategy will require external technical expertise to be implemented successfully and this will be factored within the £400,000 capital expenditure as mentioned under Financial Implications.

5. Legal Implications

The strategy incorporates legal compliance, particularly around data protection and business continuity.

There are no legal implications as a result of this report.

6. Risk Management

Disaster recovery and migration of data and systems is a key component of overall risk management. By identifying potential risks and developing strategies to mitigate them before implementation, the Authority can better protect its assets and reputation.

7. Impact on Carbon Reduction

These are detailed within the report.

8. Impact on Joint Waste Management Strategy

Improvements to data, digital infrastructure and technology within the Authority will continue to ensure that the Authority addresses policies of the JMWMS.

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West London Waste

Treating waste as a valuable resource

West London Waste
IT Strategy
(Data, Digital & Technology)
2024-2029

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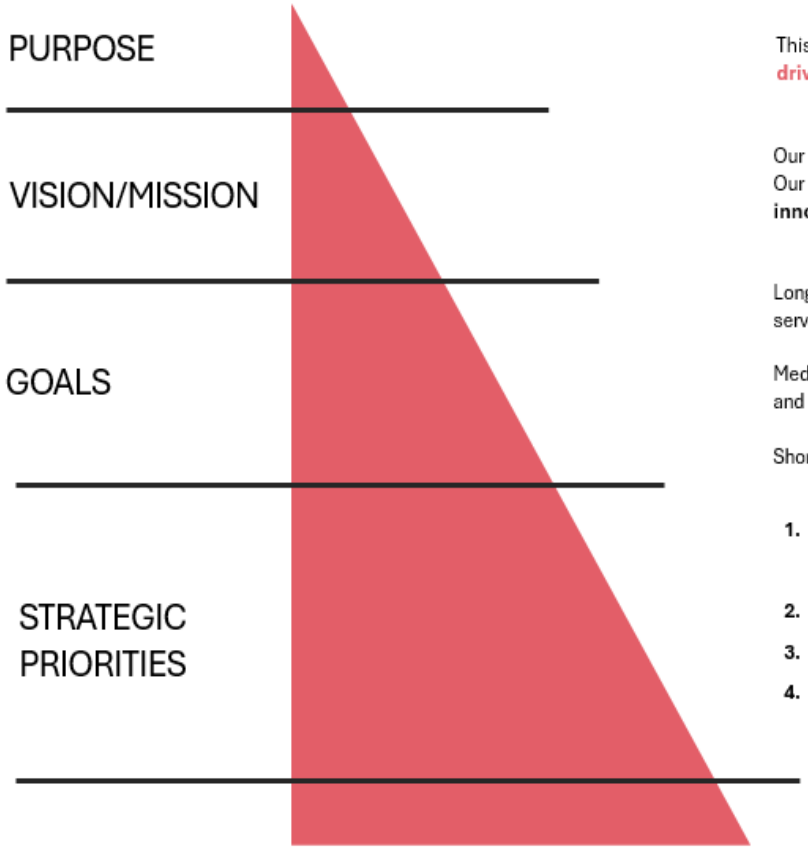
THE DATA, DIGITAL & TECHNOLOGY STRATEGY PYRAMID

West London Waste
Treating waste as a valuable resource



This strategy exists to drive digital transformation **through agile technology integration, data driven insights and a culture of innovation.**

Our vision is to **establish a digital landscape** to enable real time communication and drive efficiencies.
Our mission is **to transform data management and resource utilisation**. We want to **foster a culture of innovation and collaboration through digitalisation.**

Long-term *(5-10 years):* A unified digital ecosystem, ensuring equitable access to technology, enhancing data driven services, and promoting community engagement and inclusivity.

Medium-term *(3-5 years):* Develop and implement a digital twin framework of waste services promoting efficiency and insights.

Short-term *(2024-2025):* **Procuring an IT provider, enhancing security measures and regulatory compliance.**

1. **People:** Elevating our people as our core asset – investing in training and development, and harnessing ingenuity.
2. **Cost:** Delivering operational costs as approved and additional investments to be funded through efficiencies.
3. **Data:** Enabling connections with external data sources to drive informed decisions.
4. **Security:** Ensuring robust security measures and policies are in place, to avoid breaches and reputational damage.

Overview

In 2018, West London Waste Authority (WLWA) underwent a significant transition, shifting from a shared IT infrastructure with L.B of Ealing to adopting an independent virtual server-based environment managed by an external IT provider. The previous IT Strategy centred around Citrix virtual desktop solutions with remote servers managed by an external provider, aiming to provide remote access and enhance workforce flexibility. At the time of implementation, the approach aligned with prevailing trends and addressed immediate needs for remote collaboration. The Citrix virtual desktop infrastructure served its purpose by facilitating remote working; however its recent limitations, including performance issues and constrains on data access, have become increasingly apparent.

A notable shift in priorities within WLWA has emphasised the importance of leveraging data as a strategic asset for informed decision-making and operational efficiencies. As WLWA transition into the current landscape, it has become evident that the current strategy is now out of date and possibly limiting our potential for data driven efficiency and innovation. The current IT landscape demands a more agile and data driven approach to meet evolving business requirements to better support its constituent Borough and stay competitive in a dynamic environment.

1. Vision Statement

Establish digital transformation through agile technology integration, data driven insights and a culture of innovation in partnership with Boroughs and residents for inclusive and impactful progress.

2. Executive Summary

The IT strategy has been developed to integrate data driven decision making, relevant technology, and digitalisation of waste services. The strategy recognises collaboration as a priority for the Authority, fostering teamwork with internal and external stakeholders including data sharing and interpretation.

Over the last 3 years, WLWA has evolved and developed its strategic priorities. This necessitates an update to our IT Strategy, moving towards a more comprehensive and flexible approach that embraces new developing technologies. As we progress on this update, the goal is to develop the Authority's data analytics, automation, and scalable infrastructure.

The strategy will require a review of the current infrastructure coupled with strategic enhancements to software and hardware system. We will ensure that we keep security and useability at the forefront, and that the integrity and accessibility of our systems are safeguarded. This approach ensures not only operational efficiency but also allows for support to be provided to our Boroughs for sustained growth in an evolving digital landscape.

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Our strategy places a significant emphasis on sustainability, efficiency, support for digital transformation of the waste industry, robust cybersecurity, and industry standard legal compliance.

We aim to create a resilient foundation that not only meets the immediate needs but also anticipates future challenges of the waste and environment industry, contributing to a secure, sustainable, agile, and efficient digital future.

3. Introduction

3.1 IT plays a crucial role in the daily operations of the Authority, contributing to the realisation of its strategic objectives. The IT Strategy enables clear connections and outlines the strategic IT priorities aimed at addressing future requirements.

3.2 The Strategy spans over a duration of five years, recognised as the payback period/lifecycle for technology investment, providing an appropriate timeframe for implementing actions outlined in the strategy.

3.3 An annual review of the strategy will ensure it remains current and effective in adapting to evolving circumstances.

3.4 The principal role of IT is to facilitate the effective and agile management of the Authority's key organisational activities and delivery of its 5 strategic priorities. These key activities and priorities are fundamentally underpinned by data, emphasising the critical role of information in guiding and optimising data driven decision making processes.

- Citizen Perception
- Data Driven Efficiency
- Social Value and Re-use
- Increase Access
- Organisation Excellence

Key Activities:

- Contracts and Procurement – Management and administration of procurement activities and contracts (e.g. preparation of tender proposals and evaluation, ensuring compliance with legal and regulatory requirements, understanding demand and waste flows, managing contractor service delivery, optimising costs, dealing with multiple contracts, Borough liaison)
- Operations – Managing the L.B. Brent Household Re-use and Recycling Centre (Abbey Road), support L.B of Richmond by advising on their Central Depot and Townmead Road sites (e.g. site management, Health & Safety, weighbridge, maintaining assets & equipment, reuse activities and providing cost efficiencies)
- Projects - Borough partnership and promoting circular economy initiatives with cost efficiencies. (e.g. corporate governance, resident feedback, waste

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comp analysis for reduction of residual waste, creating a digital twin of WLWA and borough services).

- Corporate Services – Managing organisation wide and central functions (e.g. HR services, financial transaction processing, ensuring effective financial control, reporting key performance indicators, management information, data validations and reporting, facility management, IT core functionality)

3.5 Through the strategic integration of data, digitalisation and technology, IT acts as an enabler, supporting the Authority in achieving its goals with efficiency and adaptability, ultimately enhancing overall organisational effectiveness.

3.6 The key stakeholders in relation to the IT strategy are all the Authority's employees, the Boroughs and the residents.

3.7 The Authority's current IT service is provided by an external IT provider as detailed below:

IT system	**Networked / Cloud / Stand-alone***	**Delivered by**
Infrastructure hardware including equipment (2 remote servers, laptops, Printers etc.)	Cloud	Kick ICT
Infrastructure communications (data lines, routers, wireless networks, internal office wiring etc.)	Networked	Kick ICT
Infrastructure software Via Citrix virtual desktop (security, backups, networking, file structures, user management etc.)	Cloud	Kick ICT
Other applications (use of Microsoft suite, outlook, PowerBi for reporting)	Mixture	Kick ICT
Core waste data management application via SaaS product iWDMS (processing waste movements, EA returns)	Cloud	Opensky
Core finance application, Unit 4 SaaS product (invoice processing, accounting etc.)	Cloud	Unit 4
Core civic amenity application (weighbridge operation, waste data)	Stand-alone	InfoTech

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Web management (including website hosting) and social media	Mixture	Nasstar/Coopa
Banking applications (BACS transmissions, electronic banking, taking card payments)	Mixture	PCF, HSBC, Global payments
Peripherals (laptops for weighbridge, CPU for ANPR, CCTV monitoring, projectors etc.)	Stand-alone	WLWA/DSSL
Booking System for residents	Cloud	Pentagull
HR System (for payroll, recording of absence, expense, annual appraisals and 1-2-1s)	Cloud	ITrent HR and Payroll (SLA with L.B of Ealing) Lattice

The table highlights the main IT functionality and provides a picture of the current use of IT. This is not an exhaustive list.

4. Strategic Context

4.1 The Joint Waste Management Strategy (JMWMS) framework agreed in March 2022 uses a waste reduction / circular economy / decarbonisation approach to reduce the likelihood of overspending. This has the co-benefit of promoting carbon reduction measured as the carbon embedded in waste. The framework provides a foundation for the Authority's key strategic priorities over the coming years and the IT Strategy will be a key deliverable to support these.

4.2 The main strategic drivers that determine the Authority's approach to IT are detailed below.

4.2.1 **Activities -** the Authority's range of activities to achieve its key strategic priorities is the principal factor which needs to be delivered and managed through effective use of IT. An agile IT infrastructure which is regularly assessed will ensure it remains aligned with the evolving needs of the organisation.

4.2.2 **People -** the Authority employs approximately 40 employees performing a diverse range of roles. This is evenly split between Abbey Road and West Drayton office with a hybrid style of working. The Authority recognises that the greatest asset is our people and promotes collaboration, innovation, diversity and inclusion within our teams. We are committed to fostering a culture of continuous learning and development to have a skilled and adaptable workforce.

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4.2.3 **Location -** Whilst we have two locations which will provide progressive IT solutions in terms of hardware, communications and infrastructure we also recognise the importance of flexible working. Our approach looks at flexibility and acknowledges the benefits of a distributed workforce. We are committed to investing in secure and efficient collaboration tools, ensuring our team members can seamlessly contribute from various locations. This enhances our organisational resilience. We are dedicated to providing a virtual work environment that promotes productivity, effective communication and the well-being of our workforce.

4.2.4 **Cost -** Amidst notable spending constraints in Local Authority, the importance of cost and efficiency remains paramount in procurement and implementation of IT services. We ensure to maintain a focus on delivering solutions that are both cost effective and efficient for IT in this challenging financial context. There is an approved Capital Budget of £400,000 for implementation and development over the next 4 years and dedicated annual IT service costs budgeted FY 24/25 of £140,000.

4.2.5 **Data -** the Authority uses data to guide its decisions, activities and investments to drive innovation and operational excellence. It recognises the strategic importance of acquiring, managing and analysing data, placing it at the core of its technological endeavours.

4.3 These key drivers determine the IT Strategy and are detailed in the following sections.

5. Activities – Strategic Priorities

The delivery of the strategic priorities has been encompassed as part of the core functionality at each departmental level. These activities are the principal drivers of the Authority's use and need of IT**.**

Strategic Priorities linked to Activities	**Need of IT Use**	**Cross Functional Teams**
Citizen Perception - *Baseline West London Citizen's perception of value of waste*	• Data gathered for insights profile work from key stakeholders. This will be linked to data modelling ensuring encryption, security and usability. • Using data analytics to create new insights for decision making, ultimately helping Borough's	Projects, MI & Finance

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	understanding of residents and opportunities to create savings. • Developing smart device skills to improve resident's access to their waste and recycling days and advice about reuse and circular economy initiatives.	
"Reuse" Social Value - *Measure & Scale up the "Social Value" of Re-Use in order to maximise value and educate more efficiently*	• Inventory management of the CE hub(s). • Ecommerce platforms for management of payments. • EPOS system for the hub(s) and associated technology. • IPADs, mobile devices with accompanying technology to help integrate data from source at HRRC to capture data for new initiatives. • Compatibility and linking of the social value tool. • Programme Dashboards (higher capability of Powerbi). • Recording of KPI.	Operations, Projects, MI and Finance, Contracts & Procurement
Data Driven Efficiency - *Create a digital twin of waste services to identify and implement improvements*	• Creation of a digital twin of WLWA and borough services on a suitable platform that is able to evolve over time with continuous inclusion of data sources.	MI & Finance, Projects, Contract & Procurement
Increased Access - *Expand food, re-use, e-waste & textile waste capture to include more of West London*	• Incorporation of ANPR/CCTV data. • Modelling waste flows to better understand trends to help with contract management and operational efficiencies.	Projects, MI & Finance, Contracts and Procurement

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	• Linking in with citizen perception, ensuring residents have the relevant services needed to reduce waste.	
Organisational Excellence - *Invest in & improve our people, systems and governance to driver greater outcomes*	HR, Governance and Systems: • Creation of robust policies and procedures accessible through a one stop shop. • Creating of H&S digital platform. • HR system which is suitable for the evolving needs of the Authority. • IT Systems up to date and secure.	All

In overall terms, the IT Strategy is about ensuring a suitable range and quality of functionality of IT services whilst constantly reviewing operations to see if there are new technologies and processes that could improve efficiencies.

6. Strategic IT Goals

WLWA will create goals that are specific, measurable, achievable, relevant and timely (S.M.A.R.T) to the overall strategic priorities. The IT Strategy is designed to aid decision making and innovation across the organisation and utilise emerging technologies for cost and operational efficiencies. The following changes will help align with the strategic priorities.

- Ensures the business is capable to move forward with relevant technologies by addressing fundamental limitations in the current setup.
- Up to date IT systems to allow for scalable, secure, controlled growth (for example moving away from Citrix), while ensuring changes that are made are both financially and environmentally conscious.
- Ensure relevant training is provided to all staff to deliver on the IT strategy.
- Ensure all employees are provided with the right IT infrastructure to carry out their roles to the best of their ability.
- Enhances IT compliance along with Device and Data security (Intune, CA etc.)

- Bolster IT Disaster Recovery and Business Continuity (Backup & DR) reducing the impact of a security incident.
- Introduce new technologies to help drive efficiency (Power BI or relevant, AI)
- Look for improving ROI on current IT expenditure.
- Create a sustainable and scalable IT environment.

These will be provided once a new IT provider has been procured and documented accordingly. These will form part of the annual review.

7. Security & Compliance

Security is a high priority, there needs to be protection against multiple different threat landscapes and alignment with the relevant IT Governances. Good security and compliance can help WLWA build greater trust with external parties in the assurance that this is a safe and secure environment. Some examples of this include.

- Device Management to allow for the control of devices that are accessing the network and company resources.
- Conditional Access policies could be leveraged to help control who can access what elements and aspects of the network.
- Data and Device Encryption, ensuring devices are encrypted and that data is encrypted in transit. This will help safeguard against data loss and ICO reportable incidents. Examples of data in transit encryption include only allowing encrypted USB drives for taking data offsite.
- Leveraging cloud for storage would allow for the implementation of data tagging and implementation of Data Loss Prevention controls. This would help minimise the risk of people accessing and sharing sensitive data that does not align with the IT Data Governance policies.
- Annual Pen testing will ideally be implemented as this is becoming more of a mandate from Government Organisations and Insurance companies for the issuance of Cyber Insurance. This will help identify gaps in the network security that could potentially be used by malicious actors to compromise the network.
- Monthly KPIs with our IT provider ensuring security is not compromised and recognising what controls and checks have been put in place.

8. IT & Data Governance

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Effective governance ensures that the IT investments support the strategic goals. Governance provides a framework for decision-making, ensuring that decisions are made based on priorities, goals, and values. This helps to reduce risks, improve outcomes, and optimise resource allocation. Governance provides mechanisms for oversight and accountability, ensuring that stakeholders are responsible and accountable for their actions and decisions.

Some of the frameworks WLWA would benefit from adopting are.

- FAIR: A framework that helps organisations quantify and manage information risk using standard risk terminology and models.
- GDPR
- Cyber Essentials

Additional frameworks will be added as they become relevant.

To foster a data-driven approach across the Authority, and its stakeholders, we will be implementing a robust data governance framework that prioritises secure data collection, management, interpretation and sharing. Leveraging a secure cloud infrastructure, we will ensure data resides in compliant regions, implementing encryption, access controls and interoperability standards for seamless collaboration.

Our strategy includes the establishment of clear roles, staff training and continuous monitoring to maintain data privacy and security. By cultivating a culture of responsibility and collaboration, we aim to facilitate secure and efficient data sharing while staying compliant. The initiative not only enhances our data driven decision making capabilities but also establishes a foundation for long term collaborate success in achieving our mission.

Governance Chart	
Member and Chief Officers	• Oversee overall Authority's strategies • Approves high level IT Strategy
Senior Leadership Team	• Decision Making / Steering Group • Stakeholders
IT Lead	• Heads IT initiatives • Develops and implements IT Strategy • Controls the use of licensing ensuring allocation and decommissioning during on boarding and off boarding process, enhancing efficiency and bolstering security. • Monitors quarterly KPI's. • Manages contract with IT provider • Provides annual review to SLT members

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Cross Functional Teams	• Comprises of key stakeholders from different functions • Provide input and feedback on IT Strategy
MI Team	• Data management, governance and quality • Ensure data aligns with Authority's strategy
External Consultants	• Engaged in specialised advice • Assist in infrastructure and implementation of strategy

9. Continuous Improvement

Regular reviews must be scheduled to make sure that the strategy remains aligned to the priorities and any lessons learnt documented. There needs to be clear mechanisms for gathering feedback on services and performance that will help drive continuous improvement. The IT strategy needs to be able to adapt with any new and emerging technologies, for example Artificial Intelligence and smart devices. New technologies and digital transformations require new skills and capabilities which will require stakeholder's continual learning and training.

10. Digital Transformation

Whist digital transformation is about adopting new technologies, it will also be about changing the way WLWA operates, innovates, and delivers value to its customers. WLWA's culture has evolved to become more agile and collaborative. Below are the aspects recommended as part of our digital transformation journey?

10.1 Website

Incorporating a robust website into our IT strategy is pivotal for achieving seamless digital transformation. The website will serve as a multifaceted platform, not only disseminating relevant information but also facilitating interactive engagement with Boroughs and residents. Tailored content will articulate our strategic priorities, providing clarity and fostering a shared understanding. Beyond dissemination, the website's dynamic capabilities will also potentially enable real-time updates, feedback collections and collaborative initiatives. This digital touchpoint will become a catalyst for communication, transparency and inclusivity aligning perfectly with our overarching IT Strategy focused on agility, innovation and data driven decision making.

10.2 Cloud First

Moving to a cloud partner such as Microsoft Azure, is a combination of procuring the relevant requirements, rehosting and refactoring. Microsoft Azure has specific regions, including multiple data centres, in the UK to cater to businesses that require

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their data to remain within the country for compliance, data residency or performance reasons. This will allow the Authority to adhere to local regulations and ensure that our data stays within the geographical boundaries we choose. This will further help move WLWA into a secure environment that would be classed as a standard approach, which helps mitigate capex costs for hardware that would need to be periodically refreshed. This approach will also enable WLWA to standardise and manage the equipment across the Authority and provide a simpler and more reliable environment for employees.

10.2.1 Cloud Migration

One of the most important steps in cloud migration is to have clear objectives and purpose for moving to the cloud, as detailed below:

- To improve the performance, scalability, and availability of applications and services.
- To reduce the operational costs and complexity of managing on-premises infrastructure.
- To enhance the security and compliance of data and systems.
- To create a sustainable environment

To achieve these objectives, we will be looking to create a well-defined cloud migration strategy as part of procurement process for a IT service provider that outlines the scope, timeline, budget, and risks of the migration process. We will use our existing environment to utilise the Microsoft Azure stack which will create a solid base for software and tools utilisation in the foreseeable future.

10.2.2 IT and Data Roadmap

A concise IT and data roadmap has been provided in Appendix 1. Whilst the roadmap gives a good insight into the future of IT, a more specific plan of configuration and environment will be drafted upon the procurement of an IT provider and thereafter at each step as part of the IT Migration Project Plan.

10.2.3 Employee Engagement

Employees are our most valuable asset and will be key in the management and reporting of data, as well as driving policy development. The strategy has included all departments to ensure all employees are provided with the right tools to be able to carry out their roles efficiently and that goals are aligned.. Ensuring that key stakeholders especially leaders from around the business are engaged and can see the strategy and vision behind the migration is crucial. By having these conversations from an early stage, and continually throughout the process, we can minimise the impact on our employees and other functions, while empowering them to utilise solutions in making informed decisions

The final step of cloud migration is about evaluating and developing the workflow performance of our Authority within the cloud system solution. For example, we will invest in advanced cloud strategies to integrate and implement into our

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business to boost its KPI. We will constantly look for further cloud optimisation opportunities as they become relevant.

10.3 Business Reporting

Data driven decision making is imperative for WLWA to thrive in an ever-changing landscape. Leveraging tools such as PowerBI enhances the ability to extract actionable insights from complex datasets. However, effective data driven decision making extends beyond a single tool. It involves fostering a data driven culture, ensuring data quality, governance and accuracy. It also involves investing in additional tools such as advanced analytics platforms or machine learning algorithms when needed. Any future solution(s) must be compliant and protect data.
Whist we have mentioned the importance of reporting, it's also worth mentioning the importance of sources of data that need to interact with any reporting needs. They should have clear measures of output and maintain data integrity. We will have clearly defined reporting and governance standards which will be verified and visually accepted as well as the content being validated. Establishing a system for ongoing monitoring of data accuracy is key. There will be a process for data validation as well as running performance analysers to help optimise queries. WLWA will need to continually make sure that reports are reliable and valuable to all internal and external stakeholders.

10.4 Artificial Intelligence (AI) / Automation

Incorporating AI and automation into any business can be a nuanced process, yet it holds considerable potential. AI is certainly changing the game and will modify how WLWA delivers value to its customers. AI can deliver significant value if undertaken in a well thought out way, by streamlining processes and creating cost efficiencies.
Developing advance AI models and conducting experiments is a time intensive process, requiring careful iteration and refinement to create a truly useful and effective model. Implementing AI which will be beneficial to the Authority will be a time intensive process that will require developing and experimenting. To implement AI effectively, WLWA will need to follow the below five step process:

1. Clearly Define Objectives: Identify areas within the Authority where AI can provide optimal value, make data-driven decisions, improve management, or enhance services to its stakeholders. Each area to be looked at on a case-by-case basis.
2. Comprehensive Plan: Once the key areas for AI implementation are identified, devise a thorough plan outlining how WLWA intends to integrate AI. This plan will encompass resource identification, technology selection, integration with the overall IT strategy, and a well-defined timeline for implementation.
3. Proof of Concept: Initiate AI implementation in a limited area of the Authority. This approach allows for the testing of the technology and the identification of potential issues before scaling up. Starting small also aids in gauging the best route for expansion.

4. Employee Training: Prioritise employee training to ensure seamless integration of the new technology. WLWA must ensure that all the employees utilising or benefiting from AI is adept at using the tools and comprehends how these tools can enhance their work. In addition, this will harness a sense of continual improvement and the staff will be able to identify further areas for scale and enhancement.
5. Continuous Monitoring and Evaluation: Establish a system for ongoing monitoring of AI system performance and regular evaluation of its effectiveness is paramount. This proactive approach will help in identifying areas for improvement, ensuring that technology consistently delivers the anticipated benefits.

11. Timeline

Along with the IT Roadmap this strategy identifies the immediate issues currently facing WLWA. With the right technology partner and programme manager this strategy could be completed in 12-24 months. Following on from this period, as with any strategy this should be reviewed on an annual basis however once this baseline has been implemented it paves the way to look at future technologies like AI and other digital transformation project.

The first step of this process will be going out to procure a fully managed IT Service to start from 1st October 2024.

12. Resourcing

WLWA do not have the resource capacity internally to manage their IT services and require the need for external technical expertise to successfully execute a project of this nature.

We however recognise the vital role of individuals within IT is essential for successful data activities, project implementations and policy development. The synergy between a skilled workforce and technological processes is the linchpin of effective data management.

We will involve all employees as stakeholders to foster collaborative development and improve our ongoing processes.

Appendix 1: IT Roadmap

Timeline

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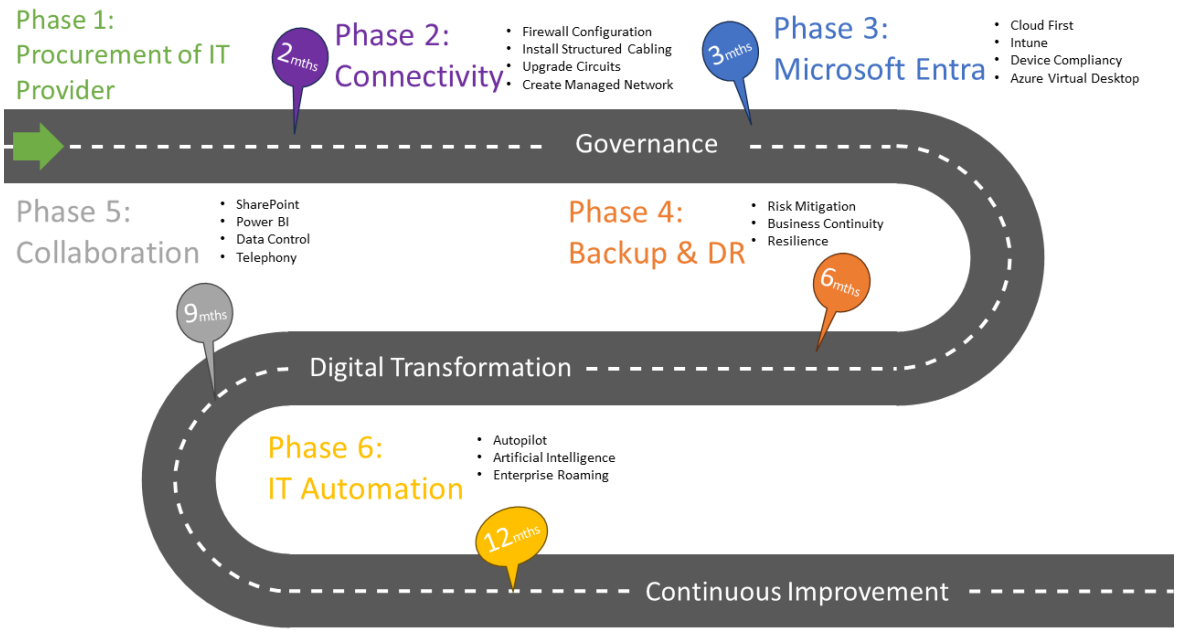

We are laying the foundation for digital transformation in order to achieve our strategic priorities, our roadmap emphasises the establishment of a robust infrastructure and fundamental policies. We recognise that the backbone of successful digital evolution lies in a well architected and resilient infrastructure. Concurrently, the formulation of comprehensive policies ensures the security, compliance and seamless operation of our digital ecosystem.

The dates in the timeline below are subject to change depending on procurement schedules and necessary adjustments to work that might be required during each phase.

Phase 1- Procurement (September 2024)

The initial phase involves securing a fully managed IT provider through the WLWA procurement process.

The emphasise for procurement will be around the user needs, reduce friction, seamless integration and migration. Design and user research in all relevant procurements will be vital.

Phase 2 – Connectivity (December 24)

Connectivity serves as a foundational element for the Authority. It plays a pivotal role in initiating and sustaining a digital transformation journey. It is the backbone for enhancing internal and external communication, fostering collaboration, and enabling seamless data exchange and agile decision making across diverse systems with access to resources.

2.1 Connectivity: Installation of a new leased line to improve the internet speed and remove a single point of failure from the network

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2.2 Switches: Network security with switches involves controlling data flow and access, enhancing protection against unauthorised access, potential threats, fault find performance issues and reduce bottlenecks.

2.3 Structured Cabling: Structured cabling to be implemented across each West London Waste site. Although there is a limited amount of cabling connecting the office environment, the existing parts of the site rely on Wireless repeaters, leading to inconsistent connectivity.

2.4 Firewalls: Firewalls play a crucial role in digital transformation by safeguarding networks, ensuring secure data transmission, and protecting against cyber threats, thereby facilitating a resilient and secure foundation for transformative technologies and process. The sites will be interconnected by using IPsec tunnels creating a secure environment. We would also create firewall rules to allow traffic to breakout locally. This will enable communication between the sites, aid with physical site security and create an encrypted link to transfer data

Phase 3 – Microsoft Entra ID (January 25)

Following the implementation and configuration of Phase 2, the next step would be to start the process of migrating WLWA to utilise tools such as Intune as well as utilising Entra ID

Microsoft 365 Licencing: The current Microsoft 365 licencing (Business Standard) does not give the Authority the rights to use Entra AD or Intune (MDM). We plan on upgrading to Business premium to get the additional features and services, such as advanced security measures, collaboration tools and enhanced support, providing a comprehensive yet cost effective solution. This would further mean that we do not have to pay the additional cost of PowerBi pro licence per user.

3.1 Entra Active Directory Feature: Some of the main benefits of migrating are:

- **Cloud-based infrastructure:** Entra AD is a cloud-based service, which if utilised could help the Authority avoid the costs and complexities of managing and maintaining on-premises infrastructure. This option brings in significant cost savings and greater scalability.
- **Identity management:** Entra AD provides robust identity management capabilities, including user authentication and authorization, single sign-on (SSO), and multi-factor authentication (MFA). This will help the Authority improve its security posture and simplify the management of user identities.
- **Application integration:** Entra AD is instrumental for digital transformation as it enables seamless communication and data exchange between diverse applications and services. Leveraging Entra's integration services, the Authority can create a connected ecosystem, streamline workflows and enhance overall efficiency. .
- **Device management:** Entra AD also provides device management capabilities, including the ability to manage mobile devices and desktops.

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This can help Authority ensure that devices are secure and compliant with corporate policies.

- **Collaboration:** Entra AD can facilitate collaboration between users within the organisation and with external partners, customers, and suppliers. This can help businesses improve their agility and responsiveness to changing business needs

3.2 Microsoft Intune and Cloud Device Management: Mobile phones and other devices typically fall through the net unless a 3rd party application is introduced to perform this function. With the spread of devices across the different sites it makes sense to migrate the management of devices to Microsoft Intune. Microsoft Intune is a cloud-based Mobile Device Management (MDM) solution that allows businesses to manage and secure their mobile devices, including smartphones, tablets, and laptops. There are several benefits of using Microsoft Intune for mobile device management:

- **Security:** Microsoft Intune provides comprehensive security features that protect mobile devices from threats such as malware, data breaches, and unauthorized access. It allows businesses to enforce security policies and compliance standards, including password protection, device encryption, and remote wipe.
- **Control:** Microsoft Intune gives businesses greater control over their mobile devices, including the ability to manage settings, applications, and updates. It also allows administrators to manage access to corporate resources, including email, files, and other applications.
- **Productivity:** Microsoft Intune can help boost productivity by providing employees with the tools they need to work on the go. It allows employees to access corporate resources from their mobile devices, collaborate with colleagues, and stay connected to the business.
- **Cost-effectiveness:** Microsoft Intune is a cost-effective solution for mobile device management, as it eliminates the need for businesses to invest in on-premises infrastructure or hardware.

3.3 User Experience: Microsoft Intune provides a seamless user experience for employees, allowing them to access corporate resources and collaborate with colleagues from any location, on any device. It also allows them to work securely without compromising the organisation and their personal data.

3.4 Device Configuration Profiles: Microsoft Intune includes settings and features that can be enabled or disabled on different devices within the Authority. These settings and features are added to Configuration Profiles. Intune will be used to apply or assign the profile to the devices.

Some profile examples include:

- Deploying Bitlocker Encryption to supported devices.
- Deploying an Anti-Virus Product to support devices.
- On Windows 10/11 devices, use a profile template that blocks ActiveX controls in Internet Explorer.

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- Allow or prevent access to Bluetooth on the device.
- Create a Wi-Fi or VPN profile that gives different devices access to your corporate network.
- Manage software updates, including when they're installed.
- Run a mobile device as dedicated kiosk device that can run one app or run many apps
- Leveraging Configuration Profiles would make it easier to deploy and update software across the business.

3.5 Device Compliance Policies: The compliance policy, will define a set of rules and settings that users and devices must meet to be considered compliant.
The following compliance rules would be used to check compatibility of the device as compliant or non-compliant.

- Anti-Virus is installed and up to date.
- Anti-Malware is installed and up to date.
- The device is not jail broken.
- The Operating system is at a certain level (typically current -1)

3.6 Virtual Desktop (optional): We want to maintain flexibility regarding the use of virtual desktops infrastructure (VDI's) as a prudent approach, ensuring adaptability to evolving business needs and have left it as an optional feature. Rather than using Citrix remote desktop this could be changed to Citrix Virtual Apps which allows businesses to deliver applications to end-users on-demand, regardless of their location or the device they are using. Here are key benefits associated with Citrix Virtual Apps:

- **Centralized Management:** Administrators can centrally manage and deliver applications to end-users. This includes provisioning, updating, and securing applications, simplifying the overall management process.
- **Application Isolation:** Applications run in isolated environments, preventing conflicts between different applications. This ensures a more stable and reliable user experience.
- **Support for Legacy Applications:** Organizations with legacy applications that may not be compatible with newer operating systems can use Citrix Virtual Apps to deliver these applications to end-users efficiently.
- **Scalability:** The solution is scalable, allowing organizations to add or remove resources based on demand. This scalability ensures that the infrastructure can adapt to changing workloads.

As our proposed strategy of moving to Intune and Entra, this could be replaced by Azure Virtual Desktop (AVD), this is a Microsoft Azure service that enables businesses to deliver virtualized desktops and applications to end-users.

Phase 4 – Backup / Disaster Recovery (March 25)

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Following the implementation of Entra AD, the next step would be to implement a robust backup and disaster recovery solution that meets the legislative requirements and protects West London Waste.

- **Backup:** Implementation of a robust backup solution that would not only backup an on premise environment should one be required but also cloud to cloud would help protect WLWA. A backup solution will help with
- **Risk Mitigation:** Backups mitigate the risks associated with hardware failures, theft, natural disasters, and cybersecurity threats. By regularly backing up data to offsite locations, the impact of these risks can be minimized, ensuring that data remains accessible even in challenging circumstances.
- **Protection against Data Loss:** Backups serve as a safety net, protecting against data loss due to various unforeseen events such as system crashes, viruses, malware, or ransomware attacks. Without backups, losing data can have severe consequences for personal users and businesses alike.
- **Compliance Requirements:** Backups can help meet these compliance standards by providing a secure and accessible archive of historical information.

4.1 Business Continuity: Backups are crucial for maintaining operations during and after unexpected events. In the event of a disaster, having up-to-date backups enables a quicker recovery, reducing downtime and ensuring business continuity.

4.2 Disaster Recovery: Disaster recovery (DR) is a crucial aspect of business continuity planning that involves preparing for and recovering from potential disasters or disruptions that could impact the Authority's IT infrastructure and operations. Here are some key benefits of implementing a robust disaster recovery plan:

- **Business Continuity:** The primary goal of disaster recovery is to ensure business continuity by minimizing downtime. By having a plan in place, the Authority can quickly recover critical systems and operations, reducing the impact of a disaster on daily business activities.
- **Increased Resilience:** A comprehensive disaster recovery plan shows resilience to various types of disruptions. This resilience can help the business adapt to unexpected challenges and continue operating even in the face of adversity.
- **Compliance and Legal Requirements:** Implementing a disaster recovery plan will help the Authority comply with regulatory compliance, avoiding potential legal issues and financial penalties.
- **Risk Management:** Disaster recovery is a key component of overall risk management. By identifying potential risks and developing strategies to mitigate them, the Authority can better protect its assets and reputation.

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Phase 5 - Collaboration

WLWA is using Microsoft Teams, SharePoint, and OneDrive. However, this is used sporadically and in a disjoined manor with no centralised initiative in place currently to look at how WLWA can more effectively use these systems. We will put processes of measures and controls to be implemented to help utilise these solutions to increase the productivity of the Authority.

5.1 SharePoint Online and OneDrive: Moving from a traditional file server to SharePoint Online which is a cloud-based platform for document management, collaboration, and sharing. SharePoint Online offers several benefits:

- **Accessibility:** SharePoint Online is accessible from anywhere with an internet connection, making it easy to access your files on the go or from remote locations.
- **Collaboration:** SharePoint Online makes it easy for teams to work together on documents, with features like version control, co-authoring, and real-time editing.
- **Security:** SharePoint Online includes built-in security features like data encryption, access controls, and multi-factor authentication to help protect your files and data from unauthorised access.
- **Scalability:** SharePoint Online is a scalable solution that can grow with your business, providing storage space for your files as your needs change.
- **Integration:** SharePoint Online integrates with other Microsoft Office 365 applications, such as Teams and OneDrive, as well as with other third-party applications, making it easy to work with the tools you already use.
- **Search ability:** SharePoint Online allows you to search for files and documents using keywords, metadata, or custom filters, making it easier to find the content you need. Overall, SharePoint Online offers a more flexible, scalable, and collaborative solution for managing documents and files, making it an ideal choice for businesses that need to share and collaborate on content regularly.

5.2 Data Security / Control: Remote working and the shift to more cloud-based solutions. It is becoming ever more imperative that data controls and security is put in place to help safeguard the Authority's IP and reduce the risk of a data breach. There are several ways of achieving these utilising different elements of Microsoft Suite(Purview).The proposed and continual use of Power BI for reporting these products can complement each other within an Authority's broader data strategy. The main aspects of the Microsoft Purview product stack are.

- **Unified data discovery:** Purview provides a unified view of an organisation's data across various sources, making it easier to find and access data.
- **Data lineage tracking:** Purview tracks the lineage of data, which means it provides an understanding of the data's origin, transformations, and destination. This feature helps to ensure data accuracy and compliance.

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- **Data cataloguing:** Purview provides a centralised catalogue of data assets, which makes it easier for data consumers to find and access the data they need.
- **Compliance and security:** Purview helps businesses to comply with data protection regulations, such as GDPR and CCPA, by providing tools for data classification, labelling, and access control.
- **Collaboration:** Purview provides collaboration features that allow teams to work together on data-related tasks.

5.3 Telephony: With the increase in remote working Microsoft Teams calling is becoming increasingly important to have the ability to have our landline phone on the move and on any device. Some of the key advantages include.

- **Voice and Video Calls:** Teams provides a robust telephony solution, allowing users to make voice and video calls directly from the platform. This feature is particularly beneficial for remote or distributed teams.
- **Integration with Microsoft 365:** Teams is tightly integrated with the Microsoft 365 suite, providing seamless access to applications like Outlook, Word, Excel, and SharePoint. This integration enhances productivity by centralizing tools and information.
- **Mobility:** Teams' telephony features are accessible on various devices, including desktop computers, laptops, tablets, and mobile phones. This mobility empowers users to stay connected and engaged regardless of their location.
- **Cost Savings:** By consolidating communication and collaboration tools into one platform, organizations may experience cost savings in terms of licensing, infrastructure, and maintenance.

Phase 6 – IT Automation (June 25)

With the transition to Microsoft Entra this opens additional enhancements that can be leveraged to help both the IT team and the staff. The main three elements I would advise the initial focus on is below.

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6.1 Self Service Password Reset (SSPR): Leveraging Entra AD for user authentication allows for the configuration of Self-Service Password Resets. Once configured this will allow users to reset their own passwords, improving the user experience as they will be able to get back into their account faster and any time of the day.

6.2 Windows Autopilot: Windows Autopilot is a collection of technologies used to set up and pre-configure new devices, getting them ready for productive use. Windows Autopilot can be used to deploy Windows PCs remotely helping to speed up the deployment process. Windows devices that are currently in use can also be retrospectively enrolled into this solution with minimal work. You can also use Windows Autopilot to reset, repurpose, and recover devices. Windows Autopilot simplifies the Windows device lifecycle, for both IT and end users, from initial deployment to end of life. Using cloud-based services, Windows Autopilot:

6.3 Enterprise State Roaming: Enterprise State Roaming lets users securely synchronise user and application settings data to the cloud. This means they will have the same experience no matter which Windows device they sign into. . This can only be configured using Entra AD.

7 Other Recommendations

Below recommendations can be implemented at any stage or are dependent on existing contracts being up for renewal.
Creating a fully functional and interactive website that serves as a one stop shop for both internal and external users involves careful planning and execution. A detailed project plan will be provided for this in due course as we need to set the foundation. Key considerations would be user experience, security and integration of necessary features.

8. Policies (April24 – December24)

There needs to be clear and defined policies and procedures that are stored in a central location easily accessible by all employees. As a base, an IT Policy will be created with the following topics covered:

- Password Security
- IT Acceptable Use
- Cyber Policy
- Cloud and App Use
- Bring Your Own Device (BYOD)
- Information Security
- Incident Response
- Business Continuity
- Data Backup and Recovery
- Network Security
- Security and Privacy User

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- Local Admin Usage
- Removable Media
- Data Transfer
- Remote Working
- Social Media
- Security Incident Response

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