



West London Waste Authority

Hugh Peart
Clerk
Civic Centre
Station Road
Harrow
Middlesex HA1 2XY

15 March 2017

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West London Waste Authority

A meeting of the West London Waste Authority will be held in Committee Room 5, Harrow Civic Centre on Friday 24 March 2017 at 10.00 am

MEMBERSHIP

Councillor Keith Burrows, London Borough of Hillingdon
Councillor Pamela Fleming, London Borough of Richmond
Councillor Graham Henson, London Borough of Harrow
Councillor Bassam Mahfouz, London Borough of Ealing (Chair)
Councillor Amritpal Mann, London Borough of Hounslow (Vice-Chair)
Councillor Eleanor Southwood, London Borough of Brent

AGENDA

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

1. Apologies for absence
2. Declarations of interest

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

3. Minutes of the meeting held on 27 January 2017 **(Pages 3 - 6)**
4. Business Plan 2017-20 **(Pages 7 - 20)**
5. Contracts and Operations Update **(Pages 21 - 22)**
6. Annual Procurement Plan 2017/18 **(Pages 23 - 26)**
7. Waste Minimisation - The proposed Waste Minimisation Plan for 2017/18 **(Pages 27 - 36)**

8. Budget Monitoring Report Period 10 (January)

(Pages 37 - 44)

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

Nil

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

At a meeting of the West London Waste Authority held on Friday 27 January 2017 at 11.00 am at the Gilbert Room, First Floor, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

Present:

Councillor Bassam Mahfouz (Chair)

Councillor Amritpal Mann (Vice-Chair)

Councillor Pamela Fleming, Councillor Graham Henson and Councillor Eleanor Southwood

Apologies for Absence

Councillor Keith Burrows

35. Apologies for absence

Councillor Keith Burrows.

The Clerk advised that Councillor Burrows had provided reasons for his non-attendance at the meeting and reported these to the Authority. In accordance with Standing Order 5, Members of the Authority agreed that the reasons provided were sufficient and therefore the six month rule did not apply and that this should extend until the Authority's meeting on 23 June 2017.

36. Declarations of interest

There were no declarations of interest.

37. Minutes of the meeting held on 9 December 2016

RESOLVED: That the minutes of the meeting held on 9 December 2016 be taken as read and signed as a correct record.

38. Matters Arising from the Minutes

There were no matters arising.

The Chair reported that item 10, Contracts and Operations Update, and item 11, Budget Monitoring Report Period 8 (November) would be considered in Part I of the meeting. This was agreed by Members of the Authority.

39. 2017/18 Budget

Members received a report which set out the 2017/18 budget proposal.

Jay Patel, Head of Finance, outlined the content of the report and reported that there had been minimal change since the draft budget had been reported to the Authority in December 2016.

In response to a Member's question as to whether the levels of waste in Hillingdon would increase given the regeneration in that area, the Chair advised that the figures included in the report were estimates. Jay Patel added that the tonnage estimate in Hillingdon was a little high in the previous year which may be why the figures had gone down.

RESOLVED: That (1) the 2017/18 budget be approved;
(2) the indicative Pay As You Throw (PAYT) rates, as set out in section 13 of the report, and resulting PAYT levy of £47.4 million be approved;
(3) the Fixed Cost Levy (FCL) of £12.5 million, as set out in section 14 of the report, be approved;
(4) the recommended trade waste prices, as set out in section 15 of the report, be approved;
(5) the proposed capital budget of £0.3million, as set out on section 16 of the report, be approved;
(6) the proposed level of reserves of £5.6 million to act as a buffer for managing risks and avoiding supplementary levies, as set out in section 17 of the report, be approved;
(7) the position on disbursement of reserves, as set out in section 18 of the report, be approved.

40. Treasury Management

Members received a report which provided the treasury management plan for 2017/18.

RESOLVED: That (1) the treasury management plan for 2017/18 be approved;
(2) the prudential indicators and minimum revenue provision, as set out in section 3 of the report, be adopted.

41. Waste Prevention - Update on the Waste Prevention Action Plan for 2016/17

Members received a report which provided an update on the delivery of projects in the current year's Waste Prevention Action Plan.

Sarah Ellis, Waste Minimisation Co-ordinator, outlined the content of the report and advised that as a result of the way children had attended and participated in food waste prevention events such as the Disco Soup the next one would be for school children only. She added that there had been a second delivery of compostable liners to two boroughs just before Christmas and that communication work was on-going.

A Member sought clarification as to the methods of communication of events to ward councillors which was endorsed by another Member who stated that such communication would enable Members to publicise events more widely. The Member added that it was important that the Authority and the benefits of working in partnership were recognised. The Waste Minimisation Co-ordinator advised that the current budget would facilitate two events, such as Disco Soup, and that such events would need to be held on premises where preparation of food was permitted.

Emma Beal, Managing Director, acknowledged the points made in terms of communication and it was agreed that, in future, the Waster Minimisation team send out details of forthcoming events direct to Members of the Authority.

RESOLVED: That the progress of activities so far in 2016/17, as set out at Appendix 1 to the report, be noted.

42. Contracts and Operations Update

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

Ken Lawson, Contracts Manager, outlined the content of the report and advised that landfill diversion was now at 96% or above, the SERC (Sevenside Energy Recovery Centre) facility had run well over the Christmas period and that he would be arranging a site visit shortly. In terms of the HS2 petition, an agreement had been reached between HS2 and the Authority and that agreement had been submitted to Network Rail for approval (as the freeholder to the site).

The Contract Manager advised that Ruth Cadbury MP would be visiting the Transport Avenue site that afternoon.

RESOLVED: That the report be noted.

43. Budget Monitoring Report Period 8 (November)

Members received the report which provided an update on the financial position of the Authority, the key operational performance indicators and delegated financial decisions.

RESOLVED: That (1) the current financial position in 2016/17 to period 8 and Key Performance Indicators be noted;

(2) the financial decisions taken under the Scheme of Delegation to officers be noted.

44. Urgent Business

Members were informed that this was the last meeting that Barry Lister, Assistant Senior Director, would be in attendance. The Chair, on behalf of the Members, conveyed his thanks to Mr Lister for his sound advice, the wealth of experience he had brought and stated that his work had been valued. Mr Lister made suitable response and thanked both Members and colleagues for their support.

The meeting finished at 11.34 am.

The minute taker at this meeting was Alison Atherton.

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WEST LONDON WASTE AUTHORITY

Report of the Director

24th March 2017

Business Plan 2017 - 2020

SUMMARY

This report provides details of the Authority's Business Plan for the year 2017/18. It provides a list of the key activities to start this year which using the strength of the Borough Partnership will radically change our approach to market risk and maximising assets.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Approve the Business Plan for 2017-20.*
- 2) *Approve the added value recommendations to the Joint Municipal Waste Management Strategy Review with Borough Environment Directors.*
- 3) *Approve the development of a commercial waste and recycling strategy in the Joint Municipal Waste Management Strategy Review with Borough Environment Directors.*

1. Background –The Authority has the statutory responsibility to arrange for facilities for the receipt and recycling, treatment or disposal of the waste which is collected by the boroughs, provision of Household Re-use and Recycling Centres (HRRCs), and the transport and disposal of the waste received at those sites. The Authority and Boroughs manage approximately 650,000 tonnes of waste per annum including waste streams for; reuse, recycling, composting, waste treatment and disposal.

The Authority and Boroughs committed in 2005 to a joint municipal waste management strategy (JMWMS) which has reduced total waste per head of population, reduced waste for disposal and increased recycling and composting. The specific policy aims of the joint strategy have largely been delivered, the most recent significant milestone being the delivery of energy from waste infrastructure which moves residual waste out of landfill and up the waste hierarchy. The remaining target to be achieved by 2020 is the aim to recycle and compost 50% of municipal waste which is known to be very challenging given Local Authority funding pressures, ongoing volatility in recycling markets and the effect of waste minimisation / circular economy activity.

2. 50% recycling and composting by 2020 - In support of JMWMS Policy 3 The Authority will:

- Use Twyford HRRC and Transfer Station to increase recycling in the HRRC, and support Boroughs to adopt similar targets.

- Extract recycling from bulky waste and fly-tipped waste streams,
 - Campaign to remove metal from household bins which will have additional benefits of supporting the waste electricals campaign in the waste minimisation plan and reduce costly blockages at the Severnside Energy Recovery Centre, and
 - Create and deliver three bespoke Borough food waste recycling campaigns (detailed in the waste minimisation plan) which will additionally result in residual waste disposal cost savings.
- 3. HRRC and Transfer Station Harmonisation** – In support of JMWMS Policy 7 which is to provide waste management services that offer good value, that provide customer satisfaction and which meet and exceed legislative requirements, The Authority will work with the Boroughs to develop a masterplan of waste management sites, a harmonised HRRC and Transfer Station offer and a strategy for recycling infrastructure.
- 4. Added Value** – There are a number of areas where West London Waste Authority and the six Boroughs are all working on the same activities which reduces efficiency and dilutes our negotiating positions. In support of JMWMS Policy 8 which is a commitment to work together to achieve the aims of the strategy and to share equitably the costs and rewards of achieving its aims, The Authority will recommend to the Borough Environment Directors during the JMWMS Review that West London Waste Authority leads activity in the following areas:
- Waste data inputting, analysis and reporting
 - Marketing of recycling materials
 - Waste processing investment, procurement and infrastructure
- 5. Commercial waste and recycling** – The development of infrastructure to serve commercial waste in London is hampered by a lack of publicly available commercial waste data. The Authority contracts support the development of a commercial waste collection strategy. Increased collection of commercial waste and recycling will enable the Authority and Boroughs to plan for the future and promote the commercial value of waste minimisation and recycling activity to businesses and residents working in local businesses in support of the waste minimisation plan.
- 6. Borough Partnership** – As part of the Authority's commitment to collaboration and transparency borough officers will be included in information sharing, project development and invited to comment through the Borough Partnership Meetings.
- 7. Financial Implications** – Financial provision has been included within the approved 2017-2018 budget for business plan activities for this year as set out in the appendix to this report.
- 8. Risk Management** – The proposals detailed in this business plan will be aligned with the requirements of the Authority's T&C Regulations.

9. Health and Safety Implications – Health and Safety considerations form part of the project development process. Where appropriate advice will be sought from the Authority’s Health and Safety advisors from the London Borough of Hounslow.

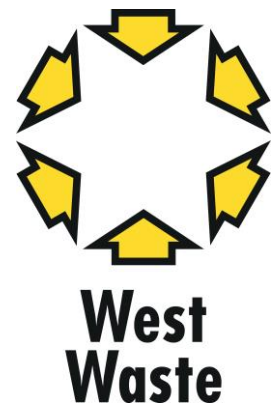
10. Legal Implications – As a local authority the Authority is required to act in accordance with the Public Contracts Regulations 2015. Many of the arrangements will involve the Authority entering into a formal contract.

11. Impact on Joint Municipal Waste Management Strategy – The provision of good quality waste management treatment and other support services is vital to the delivery of policy 3, supported by policies 7 and 8 as detailed above.

Background Papers	None
Contact Officers	Emma Beal, Managing Director 020 8825 9488 emmabeal@westlondonwaste.gov.uk Keith Townsend, Chief Technical Advisor WLWA 020 8825 9551 TownsenK@ealing.gov.uk

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West London Waste Authority Business Plan 2017-2020



Section 1: Role and Services

Since the creation of West London Waste Authority in 1986 we have provided waste treatment and disposal services to the six boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond upon Thames.

Our statutory duties are to arrange:

- Facilities for the receipt and recycling, treatment or disposal of the waste which is collected by the boroughs;
- The provision of Household Re-use and Recycling Centres (HRRCs) and the transport and disposal of the waste received at those sites; and
- The storage and disposal of abandoned vehicles which are removed by the boroughs.



By undertaking these statutory duties efficiently, in partnership with the boroughs and other stakeholders we will deliver our purpose to be leaders in treating waste as a valuable resource.

Partnership

WLWA's structure includes a number of mechanisms to ensure close working with our stakeholders. Meetings and boards give all partners formal opportunities to provide input, monitor and challenge progress of the key activities contained in this business plan and risks and opportunities as they arise.

- **Borough Partnership Meetings:** Held 5 times a year prior to the Authority meetings with elected members these will support progress of projects, review and refresh the action plans within the JMWMS and review Authority reports.
- **Project Boards:** These are formed to support the delivery of new infrastructure. Frequency and composition reflect the needs of the project up to a maximum of one per month.
- **Contract Meetings:** Are held with all contractors to review performance and identify efficiencies and explore opportunities. For the Authority's largest contract a Stakeholder Liaison Committee is held with senior management from both sides to discuss projects, opportunities and service provision at a strategic level.

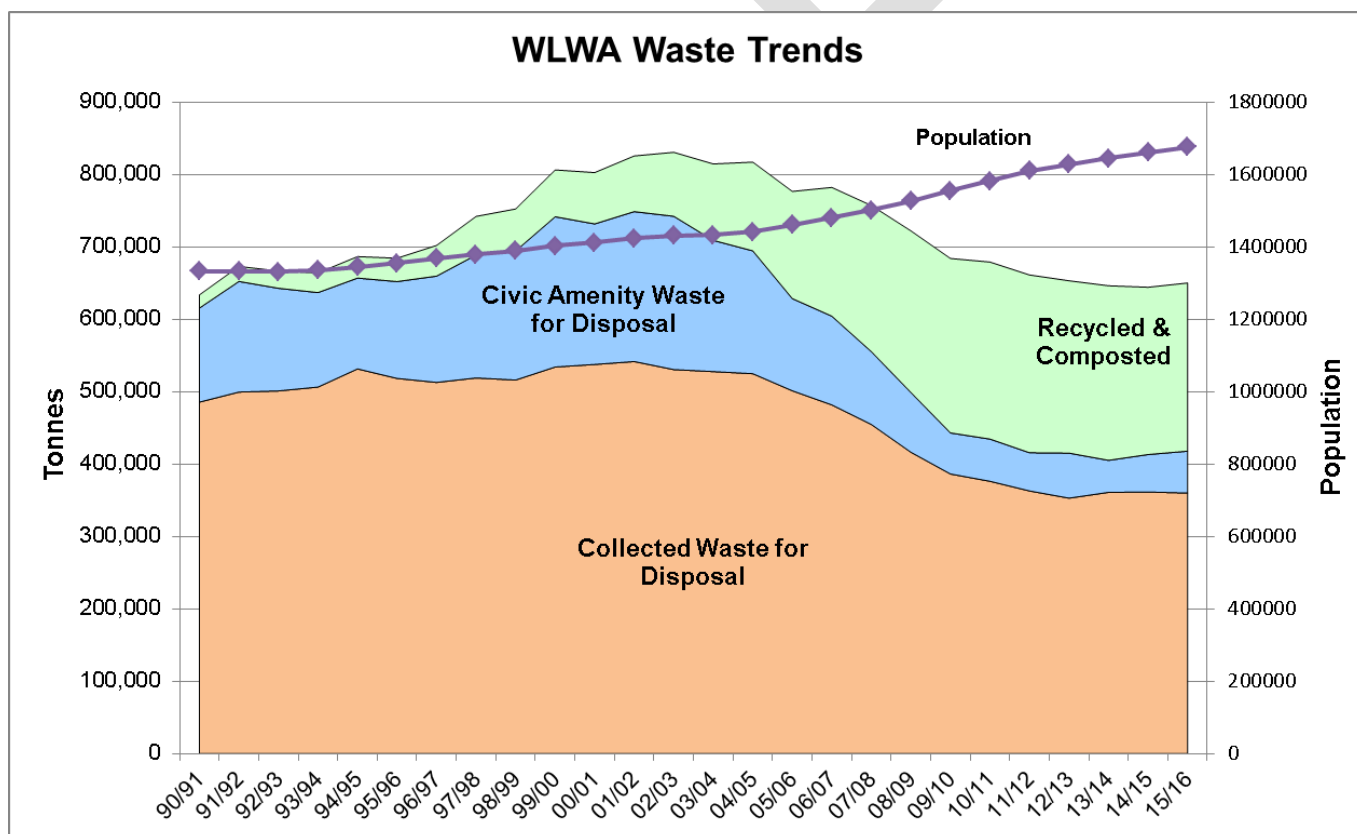
Strategy

The joint municipal waste management strategy (JMWMS) agreed by WLWA and the six boroughs provides the vision for the Authority's service delivery to achieve our purpose. It is the foundation for this business plan.

The current strategy was first agreed in 2006 with an addendum agreed in 2009 as part of the preparations for the residual waste services procurement and expires in 2020.

During the period of the current JMWMS the amount of waste produced per head of population has reduced

- Waste minimisation has resulted in less waste being received by the Authority
- Increased recycling and composting (collected and at HRRCs) has resulted in greater complexity of service
- Population has increased



Core Services

- Waste Minimisation – the Authority is starting to combine prevention and re-use activity with recycling to provide simple, strong messages aimed at behaviour change which will improve sustainability and reduce cost. This is in line with circular economy and

sustainable development goals. The Authority's Waste Prevention Strategy will be integrated in to the JMWMS review.

- Household Reuse and Recycling Centres – the HRRCs and transfer stations remain very important facilities for the residents of west London, giving householders and local traders the ability to sort waste, thus prioritising reuse, recycling and composting over treatment and disposal. Interim arrangements were put in place in 2012 for the boroughs to continue to provide the sites. The Authority's HRRC Strategy will be integrated into the JMWMS review.
- Recycling – the Authority is developing systems which will enable joint procurement of recycling materials to bring economies of scale. We are prioritising the value extraction of recycling from all of our waste streams and improving the quality of recycling materials offered to market. The numbers of abandoned vehicles collected by the boroughs rose slightly while the value of metal is low. The whole service provision arrangements will be reviewed before procuring a new long term service provider.
- Composting / Anaerobic Digestion – The contracts for the treatment of organic waste put in place in April 2014 were extended for two further years from 1st April 2016. A new procurement will begin in 2017 for contracts to start in April 2018.
- Energy from Waste – the Authority has in place two major contracts which ensure that for the contract duration 96% of residual waste is diverted from landfill.

Section 2: 2016/17 in review

Corporate Governance – The Authority's membership has remained unchanged over the last 12 months. Two Independent Members assist with governance if required. There has been ongoing consultation and engagement with the boroughs throughout the year. Four internal audit reviews have been completed providing assurance about the Authority's key areas of control and they reflect the strong governance policies and procedures that have been put in place.

Organisational review – The new management structure combines contracts and operations management to ensure we lead best practice and continuous improvement through all of our services. The new Managing Director started in September 2016. Additional project management and communications support will assist delivery of the challenges ahead of us from 2017.

Financial Control – The Authority has in place a solid financial framework and strong forward financial planning. Both internal and external audits provide assurance of effective financial control and robust systems and processes in operation. There is a rigorous annual budgeting process and regular scrutiny through budget monitoring and reporting to the Authority. Longer term financial planning also continues to show how the major contracts reduce the impact of landfill price inflation over the long term and support future infrastructure investment.

Contracts and Operations – All of the Authority’s contracts continued to deliver good value for money and met service requirements in year. The West London Residual Waste Services Contract reached Full Services in December 2016 with the takeover of the Severnside Energy Recovery Centre (SERC) and completed refurbishments at the Authority’s transfer stations at Brentford and South Ruislip.

Waste Minimisation – The team had a successful year implementing the Waste Prevention Action Plan in conjunction with our borough partners. Achievements over the year include attendance at 94 events; engagement with over 6000 residents; more than six tonnes of electrical waste collected for recycling from residents and schools and a social media engagement reach of almost 8.5 million people.

Section 3: The Future

WLWA is part of a dynamic sector. The composition of waste is changing, technological advances are altering the way society consumes and local government funding is under considerable pressure. Our business plan is influenced by a number of factors which are set out below.

Challenges over the next three years

- Local authority funding pressures – the Authority is effectively wholly funded by levy on the constituent boroughs and therefore significant savings need to be found. The Authority’s focus on financial control, its long term financial planning and its key contract dampening the impact of pricing inflation will provide certainty of per tonne costs for residual waste.
- Recycling targets – the Authority is striving to reach 50% recycling and composting by 2020 despite the volatility of recycling markets. It will be increasingly difficult to achieve weight based recycling targets due to:
 - pressure for increased quality of recycling materials,
 - reduced weight of recycling materials
 - fewer recycling materials available for capture due to waste minimisation activity, and
 - increasing population density,
- Data and Information – improving our capture and analysis of data will enable us to ensure future targets are appropriate, achievable and drive the right behaviour. The Authority needs access to good quality commercial waste data to be able to plan for the future.
- Market volatility – the Authority has adapted and streamlined its management structure to focus on contract management and supply chain management. The waste disposal contracts bring financial stability but the recycling markets will experience continued volatility due to the market link to oil and other primary resources.
- Measuring behaviour change – measuring and understanding the barriers, triggers and motivators to behaviour change will enable the Authority to deliver our long term vision of preventing valuable materials becoming waste.

Key themes

Considering the challenges identified above the key themes for this business plan have been identified as follows:

- Partnership - We will build resilient partnerships and share in the risk and reward of procurements and projects.
- Efficiency - We will minimise waste in all our activities by continuously improving our infrastructure, operations and contracts and encouraging others to treat waste as a valuable resource.
- Leadership and Communication - We will treat waste as a valuable resource and prepare for the future by examining data, challenging the status quo and communicating the results of our projects transparently.

Detailed actions under each theme are shown in the tables that follow.

Business Plan: Delivery Schedule: 2017/18 – 2019/20

Business Plan Objective:	<i>We will build resilient partnerships and share in the risk and reward of procurements and projects.</i>
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Key activities	Owner / Lead	Timescales	Outcomes from activities
Refresh Joint Municipal Waste Management Strategy	Managing Director	Sept 2017	Updated action plan in the JMWMS
Develop a comprehensive procurement plan for WLWA and Boroughs	Senior Contracts Manager	Sept 2017	Wider broader procurement list incorporating all waste materials
Create a masterplan for waste infrastructure, maximise the use of the authority's assets and potential, taking considered risks where appropriate.	Senior Contracts Manager	Sept 2017	Waste Infrastructure Masterplan
Develop a MRF strategy	Senior Contracts Manager	March 2018	Business Case, planning assessment, technical requirements, specification, options
Develop a harmonised HRRC and TS strategy	Operations Manager	March 2018	Agreed harmonisation programme
Construct new organic waste and recycling bulking facilities at Victoria Road Waste Transfer Station	Operations Manager	Nov 2018	Planning consent in place by January 2018, facility operational by March 2019
Identify opportunities in recycling markets	Senior Contracts Manager	March 2020	Progress report as part of contracts and operational updates
Develop a street sweepings recycling facility	Senior Contracts Manager	March 2020	Business Case, planning assessment, technical requirements, specification, contract

Business Plan: Delivery Schedule: 2017/18 – 2019/20

Business Plan Objective:	<i>We will minimise waste in all our activities by continuously improving our infrastructure, operations and contracts and encouraging others to treat waste as a valuable resource</i>
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Key activities	Owner / Lead	Timescales	Outcomes from activities
Extract recycling from bulky collections and fly tipped waste	Operations Manager	Sept 2017	Progress report as part of contracts and operational updates
Develop bespoke food waste recycling projects with constituent boroughs	Waste Minimisation Manager	March 2018	Progress report as part of Waste Minimisation Plan update
Assist boroughs to improve the value of dry recycling collected	Waste Minimisation Manager	March 2018	Progress report as part of contracts and operational updates
Develop projects to measure behaviour change relating to reducing / reusing / recycling waste	Waste Minimisation Manager	March 2018	Progress report as part of Waste Minimisation Plan update
Deliver the Waste Minimisation Plan focusing on food waste, waste electricals, textiles, re-use and nappies	Senior Waste Minimisation Officer	March 2018	Progress report as part of Waste Minimisation Plan update
Investigate methods of extracting increased recycling and reuse at HRRCs and TSS	Operations Manager	March 2018	Progress report as part of contracts and operational updates

Key activities	Owner / Lead	Timescales	Outcomes from activities
Establish new Head Office location and put in place new IT infrastructure	Head of Finance and Performance	June 2018	Preferred options recommendation by June 2017 Successful office move and implementation of new IT infrastructure before the expiry of current office lease in 2018
Review / change / improve processes to comply with changing accounting requirements reducing timescales for publishing accounts	Head of Finance and Performance	July 2018	Approved, published, audited 2017/18 final accounts by 31 July 2018
Drive efficiencies from existing contracts, operations and supply chains	Operations Manager	March 2020	Progress report as part of contracts and operational updates

Business Plan: Delivery Schedule: 2017/18 – 2019/20

Business Plan Objective:	<i>We will treat waste as a valuable resource and prepare for the future by examining data, challenging the status quo and communicating the results of our projects transparently.</i>
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Key activities	Owner / Lead	Timescales	Outcomes from activities
Develop a Communications Strategy	Managing Director	June 2017	Authority approval and adoption of Communications Strategy
Source mobile IT hardware and software to capture data and information	Head of Finance and Performance	June 2017	Capturing baseline behaviour change information at waste minimisation events
Agree a commercial waste and recycling strategy with the Boroughs	Managing Director	Sept 2017	Updated action plan in the JMWMS
Review / change / improve processes for the management of the Authority's and Borough's data	Head of Finance and Performance	Sept 2017	Provide users more accessible strategic information
Develop circular economy / extended producer responsibility / sustainable development projects	Managing Director	March 2020	Updated Waste Minimisation Plan
Lobby for the legislative or policy changes needed to support circular economy / sustainable development targets.	Managing Director	March 2020	Communicate WLWA statistics and conclusions Updated JMWMS 2020 with policy leading targets
Develop methods to capture regional waste management data	Head of Finance and Performance	March 2020	Access to regional waste management data

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Report of the Contracts Manager

Contracts and Operations Update

SUMMARY

This report provides an update on the Authority's various waste treatment arrangements.

RECOMMENDATION(S)

- 1) *The Authority is asked to note the information within this report and the verbal updated provided at the meeting.*

1. Introduction – The waste treatment contracts managed by WLWA deliver Policy 6 of the Authority's Joint Municipal Waste Management Strategy - "West London Waste Authority and constituent boroughs will seek a residual waste management solution in accordance with the waste hierarchy that presents value for money and offers reliability in the long term".

2. West London Residual Waste Services Contract: Since the January Authority meeting the full services have continued to bed down successfully. There have been lessons learnt in a few areas e.g.

a) low winds (8mph) from a specific direction caused the stacks (chimneys) to oscillate at the Severnside Energy Recovery Centre (SERC). This resulted in the facility being shutdown for a week whilst the issue was investigated by EPC contractor HZI and their sub-contractor to identify if the oscillations were within design parameters. At the time of writing we are still awaiting the results of this investigation, but interim measures have been put in place to ensure there is no reoccurrence in the meantime.

b) the amount of bulky and metal waste being delivered in the kerbside collection vehicles from the household waste stream is potentially damaging to the plant and causes shut downs to extract the items. An education campaign has been put in place to ensure that bulky waste items such as; white goods, 1100 litre Euro bins, mattresses, gas bottles etc. do not end up getting tipped directly into the bunker at Victoria Road and into containers at Transport Avenue. The shut downs cost money and has knock on impacts on the efficiency of the transfer stations. SUEZ, working with the boroughs, are educating the collection round drivers to ensure they tip their vehicles into the bulky sheds if they have collected any bulky items. The bulky waste items can then be shredded or extracted. This will optimise our use of SERC and reduce the likelihood of any unexpected shutdowns going forward.

3. Waste wood service update: Officers have explored the options available for either extending or re-procuring the current waste wood contract with Stobart Biomass Limited which terminates on the 31st March 2017. Negotiations are still progressing at present and contingency arrangement are in place to ensure there is no impact on the service delivery to the borough Household Re-use and Recycling Centres.

4. Mattress recycling update: Members may be aware that the current mattress recycling contract with Matt UK Limited was due to terminate on 31st March 2017. In line the recommendation from the Authority meeting on 18th March 2016 the Director has used her authorisation to exercise the extension option for this contract. The mattress recycling contract will now terminate on the 31st March 2019.

5. Risk – Any risks associated with a contract are recorded on the Authority’s risk register. This is reviewed monthly by the WLWA Officers and reported to the Audit Committee.

6. Financial Implications – The approved 2017/18 budget includes rate increases.

7. Staffing Implications – There are no direct staffing issues arising from this report.

8. Health and Safety Implications – None

9. Legal Implications - None

10. Joint Waste Management Strategy Implications - The contracts mentioned in this report meet the Authority’s Joint Waste Management Strategy polices listed below:

Policy 5: West London Waste Authority and its constituent Boroughs will reduce biodegradable municipal waste landfilled with regard to the Landfill Allowance Trading Scheme.

Policy 6: West London Waste Authority and constituent Boroughs will seek a residual waste management solution in accordance with the waste hierarchy, that presents value for money and that offers reliability in the long term.

Policy 7: The West London Waste Authority and constituent Boroughs will seek to provide waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: The West London Waste Authority and constituent Boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims

Background Papers	None	
Contact Officer	Ken Lawson, Contracts Manager	020 8825 9468
	kenlawson@westlondonwaste.gov.uk	
	Emma Beal, Managing Director	020 8825 9468
	emmabeal@westlondonwaste.gov.uk	

WEST LONDON WASTE AUTHORITY

Report of the Director

24th March 2017

Annual Procurement Plan 2017/18

SUMMARY

This report provides details of the Authority's Annual Procurement Plan for the year 2017/18 and provides a list of the major contracts that will require action in year. The report also updates the Authority's Contract Register for publication on the Authority's website and/or other suitable media to discharge the Authority's transparency requirements.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Approve this Annual Procurement Plan for 2017/18; and*
- 2) *Note the published Contracts Register for 2017/18 on the Authority's website.*

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

- The West London Residual Waste Services Contract with West London Energy Recovery Ltd; &
- The Waste Processing Contract (Lakeside) contract with Viridor Waste Management Ltd.

The remaining waste is managed via short term contracts and arrangements which are subject to suitable procurements and market testing on a regular basis to ensure value for money and/or best environmental options are being delivered.

The procurement and provision of high quality waste management contracts are key to the delivery of a number of policies within the Joint Waste Management Strategy, particularly Policy 7 to provide good value services and Policy 8 to share equitably the costs and rewards of achieving the aims of the Joint Waste Management Strategy.

The Authority's Business Plan sets an objective to build successful partnerships with constituent boroughs and contractors to:

- Support Boroughs to achieve a minimum 50% recycling and composting target by 2020;

- Harmonise the services offered at the Household Re-use and Recycling Centres (HRRC) and transfer station network;
- Ensure appropriate infrastructure is available for the Authority's and constituent borough's waste to be managed in accordance with the waste hierarchy; and
- Deliver shared procurements for recycling on behalf of the boroughs.

Successful procurement of suitable services and arrangements will have a critical role in delivering the above aims.

2. Authority Contract Register - The Contract Register for 2017/18 has been published on the Authority's website in order to comply with the Local Government Transparency Code 2014 requirements. [Click here](#) for a link to the website page hosting the Contracts Register.

3. 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 threshold (£25,000) 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.

4. Authority Contracts and Procurement Rules – The Authority's current Contracts and Procurement Rules were updated in 2016 to reflect The Public Contract Regulations 2015. The Contracts and Procurement Rules were approved at the Authority meeting on the 1st July 2016. The Contracts and Procurement Rules provide the structure within which works, goods and services are to be procured and the financial limits that apply to the various tendering routes. As well as the guidance upon the seeking of tenders the Contracts and Procurement Rules also advise on the use of other suitable alternatives including constituent borough contracts, framework agreements and the like.

5. Procurement Plan - The Procurement Plan outlined in Table 1 lists the anticipated procurements in this financial year. If new or different services are required Officers will report back to Members accordingly.

Table 1 - Procurement Plan

Service/Item to be procured	Anticipated date month & year	Description of Service, etc.
Waste services		
Extraction of recycling from residual waste streams including HRRC and bulky waste	April/May 2017	Multiple lots or multiple contracts to extract recycling
Out of Hours reception service	April/May 2017	Reception of waste after 5pm
Rubble, hardcore and soil	Jun-17	Recycling of hard-core, rubble etc.
HRRC recycling (metal, card, paper etc)	Jun-17	Multiple lots or multiple contracts to extract recycling
Gypsum disposal service	Jun-17	

Service/Item to be procured	Anticipated date month & year	Description of Service, etc.
Organic food waste, green garden waste and mixed organics treatment services	Sep-17	Multiple lots or multiple contracts to treat food waste and compost garden waste
Haulage services	Sep-17	Haulage services from multiple sites
Support Services		
Planning consultancy advice	Apr-17	Professional Services to assist with project development
Plant hire and servicing	Sep-17	
Construction works	Jul-17	Refurbishment work at Twyford waste transfer station
Planning and Construction of bulking Facility at Victoria Road	Apr-17	New bulking facility of food, garden and DMR for boroughs use.

6. Borough consultation – As part of the Authority’s commitment to collaboration and transparency, borough officers will be offered an opportunity to comment upon or take part in any major procurements that impact upon their services. Additionally, through the Borough Partnership Meetings the constituent boroughs will be kept informed of any future procurement or similar proposals.

7. Procurement Advice and Support – The Authority continues to have external legal advisors in place to provide on-going support for the West London Residual Waste Services contract. These advisors can be used, if necessary, to support other procurements. In addition, advice and support for smaller projects is now provided by Harrow Council’s Commercial, Contracts and Procurement Team.

8. Financial Implications – Financial provision has been included within the approved 2017/2018 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. It is not considered that specific risk registers will be required for any of the arrangements likely to be subject to the procurements in 2017/2018. Officers will manage any risks that may be identified as they arise.

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 from the London Borough of Hounslow.

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.

12. Impact on Joint Municipal Waste Management Strategy – The provision of good quality waste management treatment and other support services is vital to the delivery of number of the policies and the Joint Waste Management Strategy. Particularly policy number 7 which states that the Authority and constituent boroughs will seek to find waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

Background Papers	None	
Contact Officers	Ken Lawson, Contracts Manager kenlawson@westlondonwaste.gov.uk	020 8825 9488
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Waste Minimisation – The proposed Waste Minimisation Plan for 2017/18**SUMMARY**

This report presents the proposed Waste Minimisation Plan for 2017/18 for approval.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Agree the proposed Waste Minimisation Plan 2017/18 (as at appendix 1)*

1. Introduction – Since 2010 the Authority has taken the lead role in delivering waste minimisation campaigns agreed by the constituent boroughs. Each year the Waste Minimisation (WM) Team devises and agrees a west London wide plan of activities covering 5 key waste streams - food, textiles, waste electrical and electronic equipment, furniture and nappies. The WM Team is also responsible for the Authority's website, intranet, social media, and media communications.

2. Background – Each year a new plan is developed in consultation with the constituent boroughs. Progress against actions in the plan are reported to the boroughs and published on the Authority's [website](#). Reports are also regularly presented at Authority meetings. In January this year the results up to December 2016 were reported and in June the 2016/17 annual report will be presented.

3. All actions in the Waste Minimisation Plan (WMP) are focused on giving residents quick and easy options to make changes at home, school or work, showcasing inspirational ideas, and encouraging a person to think more about waste or rather how an item is not waste after all. It seeks to help individuals and families find something that they can do and that they might want to do without telling them what action to take. Many of the actions people take after speaking to the team or interacting with them on-line will reduce the amount of waste they put in their bin and can increase recycling.

4. Developing the 2017/18 WMP –The Authority is aware that the constituent boroughs are facing yet more on-going reductions in funding and that they are having to fundamentally review services, which have been the accepted minimum provision for many years. Boroughs are looking at innovative ways of managing the demand for these services and trying to identify opportunities to change behaviours, to remove service pressures in the future. There are lots of areas falling within the remit of waste minimisation where there are opportunities to have a significant positive impact. To achieve the best results this type of initiative requires joint working between the Authority and one or more of the boroughs. The adaptations to the WMP 2017/18 reflect borough wishes and should enable more joint working. After discussions with the boroughs in meetings, calls and consultation via email in September and October a number of common themes were identified:

- a. **Food waste recycling** – this is an important area for all boroughs. Engaging with residents to encourage them to reduce their food waste and recycle more using the existing services could lead to service efficiencies, significant cost savings and increases to recycling rates.
- b. **More borough specific projects** – there are common challenges and ones that are unique to every borough. Our conversations have highlighted the need for the WM Team to be able to develop projects and deliver activities adapted for individual borough circumstances.
- c. **Talking to more people** – with recent and forthcoming service changes in boroughs coupled with the potential for significant financial savings by diverting waste away from disposal, boroughs want to increase the number of events arranged and attended by the WM Team and widen the scope of these events. More time will be spent attending and organising smaller events to allow us to find out more about the needs and wants of residents. More time will also be spent talking to them on-line because a larger audience needs to be made aware of waste minimisation messages and be encouraged to take action.
- d. **Measurement** – a more detailed understanding is needed of the waste collected from and delivered by householders. There is also a need to find out more about what action they take following interaction with our activities and what motivates a change in the way they treat the items they no longer want. Measurement is very closely linked to the other three common themes identified.

5. The 2017/18 WMP – The detail of the proposed plan is shown in appendix one. The next paragraphs outline the main activities within the plan.

- a. **Food waste recycling** – The most significant area of activity is bespoke work proposed in three boroughs to deliver interventions which will reduce food waste and increase recycling of unavoidable food waste. Three distinct projects which meet borough needs will be developed in partnership and delivered. Each will be fully supported by both WLWA and the borough and the impact very closely measured using a suite of pre-agreed indicators. The activities could include a wide range of measures deemed appropriate for local needs and may include activities such as participation monitoring, delivery of information leaflets, events and recognition for positive behavior. The results will be shared and business cases developed to enable successful activities to be replicated in other boroughs.
- b. **Electricals recycling** – The activity in this area is being widened to include a campaign to encourage greater separation of electricals to avoid contamination of dry recycling and potential of fire in vehicles and transfer stations as a result of improper disposal. In addition partnership with Restart will be discussed to identify the potential in west London for repair and skill sharing.
- c. **Increasing re-use at HRRC's** – The WM Team will be working closely with site staff at Abbey Road HRRC to identify the potential to increase re-use. Best practice from other areas will be tested alongside our own ideas to identify the potential for increasing diversion away from final disposal of wastes brought to the HRRC's.

d. **Communications** – There will be an increased focus on this area to ensure the most is made of all the positive work and messaging that the WM Team deliver to residents. As well as continuing to use the websites www.westlondonwaste.gov.uk, www.getswishing.com and www.westlondonnappies.com, @WestLondonWaste and @GetSwishing (Twitter), the West London Waste and Get Swishing Facebook pages, the Get Swishing Instagram page, and the monthly newsletter. There will be an increased focus on developing other routes to deliver our key messages and more detailed project plans for each of our material focuses. Material specific campaigns will be planned and delivered e.g. electricals and plastics and guides to help landlords, developers and schools get more from 'waste' items will be written and publicised.

6. Monitoring and evaluation – There will be continued in year scrutiny of the results of the WMP actions. There is an increased focus on measurement in this plan. This year there is going to be an emphasis on identifying suitable and appropriate measurements for our activities within the context of no nationally agreed measures for reporting and benchmarking many of the project activities we deliver. In this year's plan the targets column has been replaced by one headed measurements. In order to be able to pull together a fuller picture identifying the impact of waste minimisation work there will need to be closer working between the boroughs and more sharing of data.

7. Financial Implications – The WM budget for 2017/18 was approved at the January 2017 Authority meeting.

8. Staffing implications – The staffing structure for the team was approved as part of the 2017/18 budget which was approved at the January 2017 Authority meeting.

9. Health and Safety implications – There are no significant health and safety risks arising from the WMP. The Authority has in place procedures for lone working and staff working at third party events.

10. Impact on Joint Municipal Waste Management Strategy – Waste prevention activities are in line with the following policies:

Policy 2: The WLWA and its constituent boroughs will prioritise waste reduction and waste re-use.

Policy 3: The WLWA and its constituent boroughs will aim to recycle and compost at least 50% of municipal waste by 2020.

Policy 7: The WLWA and constituent boroughs will seek to provide waste management services that offer good value. That provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: The WLWA and constituent boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims.

Background Papers	
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West London Waste

Let's be resourceful



Waste Minimisation Plan 2017/18

Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
Food					
Fo1	Increase food waste recycling and decrease the amount of avoidable food waste.	£150,000	Metrics e.g. kgs/hh/annum food waste and residual waste will be confirmed with the participating boroughs and will be relevant to the activities undertaken.	Implement a food waste intervention program working in partnership with 3 boroughs. We will agree and deliver a package of measures to separately capture food waste and measure those movements.	Biogen; Countrystyle; West London Composting
	Total	£150,000			
Textiles					
T1	Develop a sharing and skills network for textile re-use, repair and recycling.	£5,500	<ul style="list-style-type: none"> ▪ Number of suitable champions to run skill-share events ▪ How likely attendees are to recommend events to a friend ▪ Campaign engagement (participation, social media: retweets, likes, shares, comments, replies) 	<p>Six textile repair and upcycling workshops to offer more residents the chance to develop their skills, knowledge and interest in extending the life of textiles.</p> <p>Through running sewing repair workshops and textile communication campaigns potential champions for the programme will be identified.</p>	Love Your Clothes; Resource London
T2	Spread awareness of the re-use options for		<ul style="list-style-type: none"> ▪ Number of groups borrowing the swishing kit 	Run 12 swishing events and encourage more community groups and local organisations to	

Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
	textiles.		<ul style="list-style-type: none"> Number of 1st time attendees Swish newsletter subscriber base (30% increase targeted) Swish newsletter open rate (%) How likely attendees are to recommend events to a friend Textile collection through bring banks 	<p>run their own.</p> <p>Raise awareness of textile re-use, recycling, repair and sustainable fashion. This will include sharing through -</p> <ul style="list-style-type: none"> Our online GETSwishing guide – (www.getswishing.com) Regular swish event e-reminders Social media promotion of events and topics relevant to textile waste (Twitter, Facebook and Instagram) <p>Identification of trends in the use of textile recycling banks across west London</p>	Solutions (CCS) on behalf of Ealing, Harrow and Hounslow Libraries and LB Hillingdon Libraries
	Total	£5,500			
Electricals					
E1	Divert small WEEE from waste and mixed recycling	£2,000	<ul style="list-style-type: none"> WEEE tonnage collected Number of items collected Campaign engagement (participation, social media: retweets, likes, shares, comments, replies) 	<p>Run 16 small WEEE bring events to raise awareness and minimise issues from large amounts of waste electricals arriving at our newly commissioned EfW plant SERC. More local communications will be targeted at reminding residents to recycle more of their electricals.</p> <p>Identify trends and patterns for WEEE collections for items and tonnages across current and previous years</p> <p>Support Waste Week in March 2018 by running a small waste electrical school collection competition.</p>	European Recycling Platform (ERP); The POD; Cultural Community Solutions (CCS), Restart; Tricycle Theatre; Richmond Civic Centre and others

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Appendix 1

Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
				Run a New Year WEEE recycling campaign across multiple venues to encourage greater recycling of small broken/unwanted electricals.	
E2	Encourage the creation of small WEEE repair hubs in the local community.		<ul style="list-style-type: none"> ▪ Number of repair workshops run by community group ▪ Number of groups borrowing repair kits for workshops ▪ Number of items brought for repair 	Build a relationship with Restart to introduce workshops where residents can learn repair and maintenance skills from other volunteers.	Restart, Hillingdon Friends of the Earth (FOE) and others
Total		£2,000			
Re-use					
R1	Promote local re-use option.	£1,500 for promotion	<ul style="list-style-type: none"> ▪ Number of items separated for redistribution ▪ Type of items separated for redistribution ▪ Weight of items separated for redistribution 	<p>Work alongside the Abbey Road HRRC staff to separate items that could be re-used and distribute these to local organisations.</p> <p>Information about local re-use options available as part of re-use communications.</p>	
Total		£1,500			
Nappies					
N1	Raise awareness and promote the use of washable nappies to parents.	£0	<ul style="list-style-type: none"> ▪ Number of parents taking trial packs on loan ▪ Campaign engagement 	Run nappy natters in Ealing and Richmond to promote the use of washable nappies and our own west London nappy pack. Parents will be able to borrow 1 nappy pack free of charge so they can try out different styles of washable	

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Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
			<p>(retweets, likes, shares, comments, replies)</p> <ul style="list-style-type: none"> How likely borrowers are to recommend the trial pack to a friend 	<p>nappy on their baby and make an informed decision about using them going forward.</p> <p>The packs will be available directly from us and will be promoted through our online nappy site - www.westlondonnappies.com</p>	
	Total	£0			
Communications					
C1	Grow our online engagement & share our Reduce Re-use Recycle messages with our followers.	£25,560	<ul style="list-style-type: none"> Number of unique website visitors Returning visitors to our website Page views WLWA newsletter subscriptions Social media engagement (retweets, likes, shares, comments, replies) across all platforms 	<p>Use a variety of digital tools, to increase engagement with residents, groups and businesses. .</p> <p>Website</p> <ul style="list-style-type: none"> Provide everything residents want to know about reducing, re-using & recycling in west London. <p>Newsletters</p> <ul style="list-style-type: none"> Inform and inspire waste minimisation. <p>Social media</p> <ul style="list-style-type: none"> Targeted messaging for our different audiences. 	
	Create, develop and share re-use guides for organisations in west London.		<ul style="list-style-type: none"> Number of downloads or page visits Feedback from boroughs 	<p>Guides will be developed for</p> <ul style="list-style-type: none"> Landlords Developers 	

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Appendix 1

Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
			using the guide	<ul style="list-style-type: none"> ▪ Schools <p>Working with boroughs these will be distributed to reduce unnecessary waste entering the residual waste stream.</p>	
C3	Run a large scale partnership event focusing on specific waste streams.		Appropriate measures will be agreed with partner organisations	Event to be decided in partnership with the boroughs and external partners to showcase waste minimisation in west London and bring our messages to a wider range of residents.	Multiple
Total		£25,560			
Events					
Ev1	Spread waste reduction messages through direct engagement with residents.		<ul style="list-style-type: none"> ▪ Number of events ▪ Number of people engaged with events ▪ Waste minimisation information and tools given out at events 	100 events engaging with residents e.g. summer outdoor events, library tours, door-knocking, static displays in public buildings, community group presentations and school programs.	
Total					
Resource Management					
Rm1	Using a variety of interventions to help residents and businesses to reduce, re-use and recycle more.	All staffing, training and travel costs - £195,682	Budget monitoring	The actions in this plan and good practice elsewhere will be continuously reviewed, monitored and evaluated to ensure we and our partners are implementing the most effective ways to reduce waste.	
Rm2	Actively seeking out potential funding opportunities and/or		Funding offered	The Team will look out for government funding opportunities as well as possible links with other public and private organisations.	

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Appendix 1

Ref	Aim	Budget 2017-18	Measurements	Description	External Partners
	commercial partnerships				
Rm3	Waste Minimisation Team staffing, training and travel.		Budget monitoring		
	Total	£195,682			
	Total Waste Minimisation spend	£380,242			

Budget Monitoring Report Period 10 (January)

SUMMARY

This report provides an update on the financial position of the Authority, the key operational performance indicators (KPIs), next year's KPIs, delegated financial decisions and key changes to next year's timetable for the approval of accounts.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the current financial position in 2016/17 to Period 10 and Key Performance Indicators for Period 10 and 2017/18
- 2) Note the financial decisions taken under the Scheme of Delegation to Officers
- 3) Note the shorter timescale for approving audited accounts and consequent changes to key meetings

1. Financial position – high level summary

A summary of the financial performance for the period and forecast to the end of the year is provided below:

High level summary

	P10 Budget £ 000s	P10 Actual £ 000s	P10 Variance £ 000s	Year Budget £ 000s	Year Forecast £ 000s	Year Variance £ 000s
Expenditure						
Employees	1,318	1,298	-20	1,581	1,633	52
Premises	3,146	2,066	-1,080	3,890	3,227	-663
Waste Transport & Disposal	32,167	37,781	5,612	38,285	43,537	5,251
Contingency	1,667	1,667	0	2,000	2,000	0
Other supplies	610	592	-18	732	822	90
Depreciation	4,043	1,042	-3,001	5,327	2,275	-3,052
Financing and Other	4,489	1,966	-2,523	5,967	2,605	-3,362
	47,440	46,411	-1,030	57,782	56,099	-1,684
Income						
Levies	-46,749	-46,385	364	-56,099	-55,596	503
Trade and other	-1,403	-2,046	-644	-1,683	-2,400	-717
	-48,152	-48,431	-280	-57,782	-57,996	-214
(Surplus) / Deficit	-712	-2,021	-1,308	0	-1,896	-1,896

The table shows how financial performance compares to the budget for both the period in question and the forecast for the year. The budget has been profiled to reflect how expenditure will arise during the year.

As previously reported, the main factors influencing the variances from the budget over the course of the year are the dates for commissioning, the completion of the SERC and commencement of full service. These dates trigger asset costs, financing costs, pricing changes and the application of concession accounting.

The overall position for the period, from the table, is a favourable variance of £1.3 million. The forecast for the year shows a surplus of £1.9 million.

The variance for the period is a primarily result of reduced costs of financing, depreciation and rates (premises) totalling £6.7 million which are partly offset by higher waste transport & disposal costs (£5.2 million) due to the delay to the start of commissioning at the SERC. Appendix 1 provides a breakdown of income and expenditure which separates out the main types of waste streams and distinguishes between PAYT and FCL activities.

The forecast position of £1.9 million includes a slightly lower than budget forecast of residual waste tonnages resulting in a small rebate of PAYT levy (£0.5 million) to boroughs as part of the normal quarterly PAYT reconciliation process ensuring boroughs only pay for waste they dispose.

It should be noted that at the time of writing, the SERC and transfer stations are being revalued by professional valuers, Wilks Head & Eve, in accordance with accounting and RICS requirements. End of year accounting valuations will as usual be reported as part of the draft accounts to the June meeting of the Authority. As highlighted in reports to the January Authority meeting there is a possibility that the valuation will result in accounting adjustments changing the level of reserves.

2. Operational KPIs

The KPI table (Appendix 2) illustrates the performance in key activities and progress with internal audit recommendations.

The one notable adverse variance relates to sickness absence (KPI 12). This relates to 2 individuals with long terms sickness absences at Twyford. With only 32 employees, even a single long term sickness absence will result in this indicator failing. Both employees have now returned to work.

Also worth noting is KPI 16, the retweet rate which replaces the social media reach indicator that can no longer be measured. The retweet KPI provides an indicator of the level of engagement by measuring the number of tweeters who were interested enough in our messages to pass on to others.

3. KPIs for 2017/18

Appendix 3 provides the KPIs for 2017/18 and a brief explanation about the changes.

Many KPIs remain unchanged and a few have been replaced by better measures. There are 4 completely new ones and only 2 current KPIs have been removed altogether. These relate to:

- KPI8, the recycling rate for incinerator bottom ash (IBA) – this is not a key measure of performance of business as usual activities

- KPI12, sick days – this is only statistically meaningful in large organisations where one individual's absence doesn't skew the figures and the average remains reasonably stable and comparable to other organisations – informing view about performance

It should be noted that as this will be the first year of measure for a number of these KPIs and therefore we will become better at setting more meaningful targets in subsequent years, with history and experience.

4. Delegated decisions

To provide further transparency of operational arrangements, this standard section of the budget monitoring report summarises any significant financial decisions made by the Director and/or Chief Officers under the Scheme of Delegations to Officers since those reported to the last Authority meeting.

There were none.

5. Approval of 2017/18 accounts

Looking further ahead, changes to accounting requirements (Accounts and Audit Regulations 2015) require that audited 2017/18 accounts have to be published by 31 July 2018, instead of 30 September 2018.

As we already present draft accounts to the June Authority meeting and very little changes when reporting the final audited accounts again at the September meeting, we can achieve the new tighter timescale by refining processes, re-arranging the timing / scope of external audit visits and changing the dates / agenda of key meetings.

From the perspective of key meetings this means that the:

- The March 2018 Authority meeting will consider and approve the Annual Governance Statement that will be included in the accounts
- The June 2018 Audit Committee will scrutinise the accounts and related papers and receive annual reports from our auditors (moving from the current September cycle)
- The June 2018 Authority meeting will look to approve the audited accounts

Throughout the year the budget monitoring reports will continue to forecast the out-turn position and highlight any key financial issues.

The above changes will be implemented next year to achieve the new regulatory timescales for the approval and publication of 2017/18 audited accounts.

6. Financial Implications – These are detailed in the report.

7. Legal Implications – There are no legal implications as a result of this report.

8. Impact on Joint Waste Management Strategy – Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

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Appendix 1

Pay As You Throw	Period 10				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	18,871	21,481	2,610	Interim service cost higher than budgeted commissioning cost due to construction delay	22,798	24,948	2,150	Expected overspend due to project delay
Waste - Residual: EfW Bulked	5,713	5,910	197	Tonnage delivered exceeded period budget	6,856	6,810	-46	Favourable pricing variance
Waste - Residual: EfW Delivered	3,109	3,100	-10		3,731	3,731	0	
Waste - Food	560	583	23	3.5k tonnes more than budgeted	672	699	27	Expected larger tonnage than budgeted
Waste - Mixed Organic	795	821	26	3.8k tonnes more than budgeted	954	966	12	
Waste - Green	1,046	938	-108	Lower tonnage than budgeted	1,255	1,092	-163	Expected lower tonnage than forecasted
Waste - Other	171	193	23	Unbudgeted recycleables cost	206	232	26	Unbudgeted recycleables cost
Waste - Concession interest	-2,013	-538	1,475		-2,673	-1,186	1,487	SERC variances due to delayed full service
Waste - Concession liability	-1,665	-459	1,206		-2,231	-1,012	1,219	
Premises - SERC	905	238	-667		1,200	534	-666	
Depreciation - SERC	3,715	979	-2,736		4,933	2,197	-2,736	
Financing SERC - Interest	2,518	1,472	-1,046		3,344	1,472	-1,872	
Financing SERC - Concession interest	2,013	538	-1,475		2,673	1,186	-1,487	
Contingency	1,667	1,667	0	Contingency used to cover additional cost	2,000	2,000	0	Contingency expected to be used as required
PAYT Levy income	-38,098	-37,734	364	Expected rebate at P10	-45,718	-45,215	503	
PAYT Net Expenditure	-694	-812	-118		0	-1,545	-1,545	

Fixed Cost Levy	Period 10				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	1,318	1,298	-20		1,581	1,633	52	Restructure cost estimate - one off
Premises	2,242	1,828	-414		2,690	2,693	3	
Waste - Residual	2,968	3,631	664	Interim service cost higher than budgeted commissioning cost due to construction delay	3,583	4,716	1,133	Expected overspend due to project delay
Waste - Green	753	353	-400	7k tonnes lower than budgeted	904	414	-490	Expected lower tonnage than budgeted
Waste - Wood	923	1,072	149	Includes wood cost recovered in income line	1,108	1,293	185	Includes wood cost recovered in income line
Waste - Other	935	695	-240		1,122	834	-288	Extrapolated cost
Other Supplies	610	592	-18		732	822	90	Potential additional valuation and audit cost
Depreciation	328	63	-265	Lower depreciation after assets review and impairment at end of the year	394	78	-316	Lower depreciation after assets review and impairment at end of the year
Financing and Other	-42	-44	-2		-50	-53	-3	
Trade Waste and Other Income	-1,403	-2,046	-644	High trade waste income and wood shredding income	-1,683	-2,400	-717	Trade waste and unbudgeted wood shredding income (partially offset in wood processing cost line)
FCL Levy income	-8,651	-8,651	0		-10,381	-10,381	0	
Fixed Cost Levy Net Expenditure	-18	-1,208	-1,190		0	-351	-351	

Appendix 2

2016-17 KPIs

KPIs	Annual Target 2016-17	Forecast RAG	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	notes
Waste volumes															
KPI1*	Total waste handled by Authority (tonnes)	Max of 541,575 tonnes	519,868	42,025	46,088	49,262	45,770	44,646	44,550	39,941	42,618	38,988	39,336		
KPI2*	Total waste % difference from forecast	Max of + 5%	-4.0%	-6.9%	2.1%	9.2%	1.4%	-1.1%	-1.3%	-11.5%	-5.6%	-13.6%	-12.8%		
KPI3*	Total waste % difference from 2015/16 (same month)	Max of + 5%	-0.7%	-4.6%	1.4%	5.4%	-3.5%	9.6%	-4.8%	-7.5%	-0.1%	-3.8%	0.5%		
Contractor performance															
KPI4*	Landfill diversion rate	Min of 20% to full service then 95%	74.8%	38.4%	38.0%	35.4%	79.0%	76.8%	94.2%	97.7%	97.9%	93.9%	96.5%		
KPI5*	Waste reused, recycled or composted at Twyford	Min of 50%	69.9%	67.0%	70.0%	70.0%	71.0%	69.0%	68.0%	72.0%	72.0%	68.0%	72.0%		
KPI6	RIDDOR reported incidents at contractor delivery points	nil	0	0	0	0	0	0	0	0	2	0	0		
KPI7	Recycling rate for residual waste	Min of 1.5%	15.5%	7.6%	7.5%	7.5%	18.9%	15.1%	17.7%	18.2%	20.2%	20.5%	21.5%		
KPI8	Recycling rate for IBA/APCR	TBC	94.6%	99.8%	99.6%	100.0%	92.3%	92.5%	90.1%	89.4%	91.0%	91.1%	99.9%		KPI from full service in December
KPI9	Number of accidents involving Authority staff	nil	0	0	0	0	0	0	0	0	0	0	0		
Operational finance															
KPI10	Average days to pay creditors	Max of 30 days	12	10	10	10	12	12	12	13	13	14	16		
KPI11	Trade debt as a proportion of non levy income	Max of 8% (1 month)	2.8%	0.9%	1.0%	3.0%	7.3%	2.1%	2.2%	3.6%	2.7%	2.8%	2.2%		
Staffing															
KPI12	Average number of sick days per employee per year	Max of 8.0 days	16.1	10.0	20.0	19.0	19.0	19.0	18.0	16.0	15.0	14.0	14.0	13.0	Long term sickness of 2 staff at Twyford
Waste Minimisation															
KPI13	Number of visitors to our website	Min of 60,000 hits	67,942	5,998	7,055	5,294	5,819	5,722	5,164	5,541	4,943	4,738	6,344		
KPI14	Social media reach (twitter and facebook)	Min of 8 million OTS	N/A	477,172	553,586	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	changes by twitter so unable to measure from june. Replaced by KPI16.
KPI15	Number of people engaged at events	Min of 5,000 people	6,967	215	901	756	524	228	1,214	293	618	1,026	31		
KPI16	Retweet rate	Min of 60%	68%	57%	59%	65%	83%	82%	71%	67%	69%	53%	78%		Retweet rate added. Replaces KPI14.
Internal audit - progress with recommendations															
AUDIT1	Creditors	3 by end of December	3							1	2				Complete
AUDIT2	Risk	4 by end of February	3									3			1 to complete - for Sept Audit Committee
AUDIT3	Governance	6 by end of April													in progress
AUDIT4	Waste Minimisation	3 by end of September													in progress

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* Data for some KPIs (e.g. waste tonnages from borough HRRCs) can take up to 2-4 weeks following a month end to arrive and were not available at the time of writing.

Appendix 3 – 2017/18 KPIs

KPI No	Measure	2016/17 Target	2016/17 Actual (latest)	2017/18 Target	Comments
Efficiency					
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 514496 to 568653 tonnes	519,868	+/- 5% i.e. 515,899 to 570,204 tonnes	
KPI2	Total kgs WCA waste per dwelling	New	New	867	replaces last years KPI2 and KPI3. Uses borough forecasts of tonnage and ctax dwellings
KPI3	HRRC reuse, recycling, composted % (Twyford)	New	New	TBC	replaces old KPI5. More robust measurement in line with boroughs by excluding wood
KPI4	Borough HRRC Average reuse, recycling, composted %	New	New	TBC	new target per JWMS (strategy)
KPI5	% of HRRC residual waste recycled	New	New	TBC	new target
KPI6	Trade debt as proportion of non levy income	Max of 8% (1 month)	2.8%	Max of 8% (1 month)	
KPI7	Average days to pay creditors	Max of 30 days	12	Max of 30 days	
KPI8	Number of audit actions or recommendations overdue	0	0	0	look at progress by exception, replaces individual Audit KPIs (AUDIT1 to AUDIT4)
Service Delivery					
KPI9	Residual waste landfill diversion rate	Min of 20% to full service then 95%	74.8%	96%	
KPI10	Recycling rate for residual waste	Min of 1.5%	New	2.00%	replaces old KPI7. More robust measurement in line with national approach by excluding IBA
Safety					
KPI11	RIDDOR reported incidents at rail transfer stations	0	0	0	
KPI12	RIDDOR reported incidents at Twyford	0	0	0	
Environment					
KPI13	EA reported incidents at rail transfer stations	New	New	0	new target re contract management
KPI14	EA reported incidents at Twyford	New	New	0	new target re site management
Education					
KPI15	Number of people engaged at events	Min of 5,000 people	6,967	Min of 6,000 people	
KPI16	Engagement on social media	New	New	TBC in year - comms post	New target replacing previous social media ones KPI14 and KPI16
KPI17	Number of Training days per WLWA employee	New	New	4	New target per professional requirements
KPI18	Number of visitors to our website	Min of 60,000 hits	67,942	Min of 60,000 hits	becoming harder to achieve