

West London Waste Authority

Hugh Peart
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17 January 2018

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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 26 January 2018 at 11.00 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 8 December 2017 **(Pages 3 - 6)**
4. Budget Monitoring Report Period 8 (November) **(Pages 7 - 10)**
5. 2018/19 Budget **(Pages 11 - 30)**
6. Treasury Management **(Pages 31 - 34)**
7. Contracts Update **(Pages 35 - 36)**

8. Operations Update *(Pages 37 - 42)*
9. Waste Minimisation - Summary Update on the 2017/18 Waste Minimisation Plan *(Pages 43 - 56)*

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

10. 2018/19 Budget - Appendix 1 *(Pages 57 - 58)*

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 8 December 2017 at 10.00 am at the Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

Present:

Councillor Bassam Mahfouz (Chair)

Councillor Pamela Fleming, Councillor Graham Henson and Councillor Eleanor Southwood

Apologies for Absence

Councillor Keith Burrows and Councillor Amritpal Mann

84. Apologies for absence

Councillor Keith Burrows and Councillor Amrit Mann.

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.

85. Declarations of interest

There were no declarations of interest.

86. Minutes of the meeting held on 22 September 2017

RESOLVED: That the minutes of the meeting held on 22 September 2017 be taken as read and signed as a correct record.

87. Matters arising from the Minutes

Minute 75 – Statement of Accounts for the year ending 31 March 2017

Clarification was sought in terms of the audit fee and Members were advised that the Chair of the Audit Committee and Head of Finance had negotiated a reduction in the fee. Whilst the fee was still subject to the approval of Public Sector Audit Appointments (PSAA), no issues were anticipated. Jay Patel, Head of Finance, undertook to confirm the audit fee to Members once finalised.

88. Budget Monitoring Report Period 7

Members received a report which provided an update on the financial position of the Authority at the end of October, the key operational performance indicators (KPIs) and delegated financial decisions.

Jay Patel, Head of Finance, outlined the content of the report and drew Members' attention to the underspend on Waste Transport and Disposal budget of £1.286 million which was due to overall waste volume, primarily residual waste, being below budget. This was also reflected in reduced levy income.

A Member expressed concern that training target had not been achieved and was advised that there needed to be better understanding of the training required. There had been a number of changes this year and it was expected that the target would be achievable next year.

In terms of residual waste, Emma Beal, Managing Director, explained that this was being monitored in order to determine whether the reduction was due to such waste appearing in other waste streams.

RESOLVED: That (1) the current financial position in 2017/18 to period 7 and Key Performance Indicators be noted;

(2) it be noted that no financial decisions had been taken under the Scheme of Delegation to Officers.

89. 2018/19 Budget

Members received a report which set out the 2018/19 budget proposal for consultation with boroughs.

Jay Patel, Head of Finance, outlined the content of the report, and reported that the total costs and overall levies proposed for 2018/19 were slightly lower than the current year. He drew Members' attention to the confidential section of the report.

In response to a question in relation to growth, savings and pricing inflation, Jay Patel advised that it was anticipated that most contracts would see an increase in pricing. The exception to this was residual waste where only a 2% increase was expected. Ken Lawson, Contracts Manager, added that some growth was due to the boroughs collecting more and in terms of savings, following a variation to the wood contract there had been savings of £250,000.

Members thanked officers for the informative report.

RESOLVED: That (1) the 2018/19 budget for consultation with boroughs be noted;

(2) the indicative Pay As You Throw (PAYT) rates, as set out in section 14 of the report, and resulting PAYT levy of £47.6m be noted;

(3) the Fixed Cost Levy (FCL) of £12.2m, as set out in section 15 of the report, be noted;

(4) the recommended trade waste prices, as set out in section 16 of the report, and the delegated authority to the Treasurer to change these in year, should the need arise, be noted;

(5) it be noted there were no new proposed capital budgets, section 17 of the report refers;

(6) the target level of reserves of £4.2 million to act as a buffer for managing risks and avoiding supplementary levies, as set out in section 18 of the report, be noted.

90. Medium and Long Term Financial Plan

Members received a report which provided the medium and long term financial plan for the Authority.

Members welcomed the positive report.

RESOLVED: That (1) the medium and long term financial position be noted;
(2) the sensitivity analysis and impact of waste growth and inflation be noted.

91. **Contracts Update**

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

Ken Lawson, Contracts Manager, outlined the content of the report and drew Members' attention to the confidential information which appeared elsewhere on the agenda.

RESOLVED: That (1) the report be noted;
(2) authority to award the Food, Organics and Haulage Contracts be delegated to the Managing Director and Chief Technical Officer, following consultation with the Chair.

92. **Operations Update**

Sarah Ellis, Operations Manager, introduced the report which provided an update on the Authority's operations.

RESOLVED: That the report be noted.

93. **Responses to Consultations Report**

Members received a report which provided the Authority's officer response to a number of consultation requests.

Members indicated their support to the approach to littering taken by the Managing Director in responding to the consultation and commented that producers of such waste needed to take responsibility.

RESOLVED: That (1) the Authority's response to the DEFRA consultation be noted;
(2) the Authority's response to the Mayor of London's consultation be noted.

94. **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED: That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following items for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
11.	2018/19 Draft Budget for consultation – Appendix 1	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
12.	Purchase of Transfer Station Sites	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the

authority holding that information).

13. Contracts Update – Appendix 1

Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

95. 2018/19 Draft Budget for consultation - Appendix 1

RESOLVED: That the appendix be noted.

96. Purchase of Transfer Station Sites

Members received a confidential report in relation to the purchase of Transfer Station sites.

Having agreed to amend recommendation 3 it was

RESOLVED: That (1) the independent surveyors advice regarding the price be noted;
(2) the spend to save opportunity be noted;
(3) the budget, in the sum set out in the report, and the use of £10m cash, borrowing the balance, be approved for the acquisition of both sites (inclusive of all taxes, fees and related costs);
(4) it be noted that funds would be borrowed from the Public Works Loans Board to finance the acquisition;
(5) the accounting/ financial planning implications and change in the budget setting approach be noted.

97. Contracts Update - Appendix 1

RESOLVED: That the report be noted.

The meeting finished at 11.00 am.

The minute taker at this meeting was Alison Atherton.

Budget Monitoring Report Period 8 (November)

SUMMARY

This report provides an update on the financial position of the Authority, the key operational performance indicators (KPIs) and delegated financial decisions.

RECOMMENDATION(S)

Chief Officers are asked to:-

- 1) Note the current financial position in 2017/18 and Key Performance Indicators
- 2) Note the financial decisions taken under the Scheme of Delegation to Officers

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

	P8 Budget £ 000s	P8 Actual £ 000s	P8 Variance £ 000s	Year Budget £ 000s	Year Forecast £ 000s	Year Variance £ 000s
Expenditure						
Employees	1,102	1,102	0	1,653	1,728	75
Premises	2,858	2,449	-409	4,287	3,824	-463
Waste Transport & Disposal	24,795	23,451	-1,345	37,193	34,973	-2,221
Other supplies	879	415	-464	1,318	788	-530
Depreciation	5,485	5,447	-37	8,227	8,169	-58
Financing and Other	6,021	5,838	-183	9,032	8,741	-291
	41,140	38,702	-2,439	61,710	58,224	-3,487
Income						
Levies	-39,920	-39,121	799	-59,880	-58,552	1,328
Trade and other	-1,220	-1,378	-158	-1,830	-1,883	-53
	-41,140	-40,499	640	-61,710	-60,435	1,275
(Surplus) / Deficit	0	-1,797	-1,797	0	-2,211	-2,211
Disbursement back to boroughs	0	1,800	1,800	0	1,800	1,800
Net (Surplus) / Deficit	0	3	3	0	-411	-411

The summary 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.

The one notable observation relates to the overall waste volume, primarily residual waste. This is below budget resulting in an under-spend on the Waste Transport & Disposal budget of £2.2 million and lower levies of £1.3 million.

The net surplus from operating activities is offset by the disbursement of excess reserves to leave a broadly neutral position for the period.

The forecast for the year shows the same pattern and overall favourable position of a small surplus.

The standard breakdown can be found in Appendix 1. This separates out the main types of waste streams and distinguishes between PAYT and FCL activities.

2. Operational KPIs

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

The performance is consistent with the period 4 report.

There are two new KPIs (KPI3 and KPI4) where aspirational targets were set and these are at amber status. More realistic targets will be set next year based on the current year experience.

Due to unplanned downtime at the SERC resulting from oscillating stacks this has significantly affected performance in April and as a result we are forecasting missing our annual targets for KPI9 and KPI10. However monthly performance returned quickly back to expected levels and has since been maintained at that level.

KPI17 the training days target is also aspirational and unlikely to be achieved due to staffing changes and prioritisation of project work. This target will need to be reviewed for next year.

3. 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 are no delegated decisions to report.

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

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

6. 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.

Contact Officers	Jay Patel, Head of Finance	020 8825 9524
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	Ian O'Donnell, Treasurer	020 8825 5269
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Appendix 1

Pay As You Throw	Period 8				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	15,894	14,655	-1,239	lower than budgeted waste tonnage	23,841	22,430	-1,411	assuming lower tonnages continue 17-18
Waste - Residual: EFW Bulked	4,639	4,903	264		6,958	7,032	74	
Waste - Residual: EFW Delivered	2,533	2,583	51		3,799	3,845	46	
Waste - Food	476	490	14		714	735	21	
Waste - Mixed Organic	627	775	148	seasonal variation	940	945	5	
Waste - Green	718	843	125	seasonal variation	1,077	1,053	-24	
Waste - Other	169	236	66		254	354	100	
Waste - Concession interest	-2,297	-2,175	121		-3,445	-3,263	182	concession underspend per 2016/17 agreed/audited accounting treatment
Waste - Concession liability	-1,994	-2,309	-315		-2,991	-3,463	-472	
Financing SERC - Interest	2,297	2,175	-121		3,445	3,263	-182	
Financing SERC - Concession interest	2,953	2,921	-33		4,430	4,360	-70	
Premises - SERC	891	901	10		1,337	1,474	137	
Depreciation - SERC	4,667	4,301	-366	per 2016/17 year end property valuation	7,001	6,752	-249	per 2016/17 year end property valuation
PAYT Levy income	-31,573	-30,775	799	rebate resulting from lower waste tonnage	-47,360	-46,032	1,328	estimated final reconciliation
PAYT Net Expenditure	0	-276	-276		0	-514	-514	

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Fixed Cost Levy	Period 8				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	1,102	1,102	0		1,653	1,728	75	
Premises	1,830	1,410	-420	negotiated lower rent uplift than initially requested	2,745	2,124	-621	negotiated lower rent uplift than initially requested
Waste - Residual	2,660	2,764	104	higher than budgeted tonnage	3,990	4,347	357	higher residual tonnage than expected
Waste - Green	567	289	-278	lower tonnage and transport cost	851	361	-490	lower tonnage and transport cost
Waste - Wood	760	557	-203	negotiated lower disposal rate with different provider	1,140	835	-305	negotiated lower disposal rate with different provider
Waste - Other	701	529	-173		1,052	793	-259	
Other Supplies	879	415	-464		1,318	788	-530	not extending expired leases per 2016/17 year end property valuation
Depreciation	103	256	153	2016/17 year end property valuation increase	154	383	229	
Financing and Other	-33	-38	-5		-50	-50	0	
Trade Waste and Other Income	-1,221	-1,379	-158	higher trade waste income	-1,831	-1,884	-53	
Waste - Concession interest	-352	-333	19		-528	-500	28	concession underspend per 2016/17 agreed/audited accounting treatment
Waste - Concession liability	-305	-354	-49		-458	-531	-73	
Financing SERC - Interest	352	333	-19		528	500	-28	
Financing SERC - Concession interest	453	447	-6		679	668	-11	
Premises - SERC	137	138	1		205	226	21	
Depreciation - SERC	715	690	-25		1,072	1,034	-38	
FCL Levy income	-8,347	-6,547	1,800	1.8M dispersed to Boroughs	-12,520	-10,720	1,800	1.8M dispersed to Boroughs
Fixed Cost Levy Net Expenditure	0	279	279		0	103	103	

Appendix 2

KPI No	Measure	2017/18 Target	Forecast	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Comments
Efficiency												
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 515,099 to 570,204 tonnes	524,323	40,313	46,182	47,934	43,980	45,518	42,906	41,785	40,931	
KPI2	Total kgs WCA waste per dwelling	867	837	64	74	77	70	73	68	67	65	
KPI3	HRRC reuse, recycling, composted % (Twyford)	60%	44%	39%	46%	49%	46%	47%	42%	41%		The target is a aspirational target and there have been some changes on site.
KPI4	Borough HRRC Average reuse, recycling, composted %	60%	45%	42%	46%	46%	43%	45%	47%	46%		The target is a aspirational target and it is the first time it has been collated by the Authority.
KPI5	% of HRRC residual waste recycled	TBC	-									The trials commenced in June and are progressing with two operators following one operator withdrawing. Data is still outstanding.
KPI6	Trade debt as proportion of non levy income	Max of 8% (1 month)	2.7%	2.4%	2.3%	2.4%	5.9%	1.0%	4.3%	1.8%	1.8%	
KPI7	Average days to pay creditors	Max of 30 days	18	14	17	18	18	18	18	19	20	
KPI8	Number of audit actions or recommendations overdue	0	0	0	0	0	0	0	0	0	0	
Service Delivery												
KPI9	Residual waste landfill diversion rate	96%	94%	65%	98%	94%	99%	100%	99%	100%		Due to the downtime caused by the oscillating stacks at the SERC EFW there is a risk that this target will not be achieved by the end of the year.
KPI10	Recycling rate for residual waste	2.00%	1%	0.57%	0.85%	0.47%	1.30%	1.43%	1.34%	2.13%		Due to the downtime caused by the oscillating stacks at the SERC EFW there is a risk that this target will not be achieved by the end of the year.
Safety												
KPI11	RIDDOR reported incidents at rail transfer stations	0	0	0	0	0	0	0	0	0		
KPI12	RIDDOR reported incidents at Twyford	0	0	0	0	0	0	0	0			
Environment												
KPI13	EA reported incidents at rail transfer stations	0	0	0	0	0	0	0	0	0		
KPI14	EA reported incidents at Twyford	0	0	0	0	0	0	0 (visit from EA due to the fire)	0			
Education												
KPI15	Number of people engaged at events	Min of 6,000 people	9,451	169	1,112	1404	1253	204	795	576		Nov data unavailable at time of writing
KPI16	Engagement on social media	Provisional 8,000. Communication Officer to review in year	7,423	929	528	518	444	481	469	449	464	
KPI17	Number of Training days per WLWA employee	4	2.0	1.0	0.1	0.0	0.1	0.0	0.1	0.3	0.0	Significant training plan identified from appraisals for last quarter but unlikely to achieve aspirational target due to staffing changes and projects
KPI18	Number of visitors to our website	Min of 60,000 hits	81,675	8,437	7,417	7,207	6,875	6,434	6,094	6,426	5,560	

2018/19 Budget

SUMMARY

This report sets out the 2018/19 budget

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Approve the 2018/19 budget
- 2) Approve the Pay As You Throw (PAYT) rates in section 14 and resulting PAYT levy of £47.6 million
- 3) Approve the Fixed Cost Levy (FCL) of £12.2 million in section 15
- 4) Approve the recommended trade waste prices in section 16 and delegated authority to the Treasurer to change these in year should the need arise
- 5) Note there are no new proposed capital budgets in section 17
- 6) Approve the target level of reserves of £4.2 million to act as a buffer for managing risks and avoiding supplementary levies, in section 18

1. Introduction

1.1 A draft budget was reported to the Authority in December and no subsequent changes have been made.

1.2 The report has been updated to include

- The feedback from borough Finance Directors
- The latest 2017/18 year end forecast position
- A summary of medium term and long term plan

2. Executive Summary

2.1 The key message is that the total costs and overall levies (£59.8 million) proposed for 2018/19 are marginally lower than 2017/18 levels, despite inflation running at more than 4%.

2.2 The 2018/19 budget includes the purchase of transfer station sites (see confidential report later in today's agenda) and funding to deliver business plan objectives / projects as well as continuing to run business as usual operations.

3. Expenditure and Income

3.1 The table below sets out the 2018/19 budget and the movement from the 2017/18 budget. The latest 2017/18 forecast is also included to provide context and illustrate the current level of activity.

	2017-18 budget £ 000's	2017-18 forecast £ 000's	2018-19 budget £ 000's	Changes in budgets £ 000's
Costs				
Waste Transfer and Disposal	44,615	42,731	45,592	977
Depreciation	8,227	8,169	8,600	373
Financing Cost	5,059	4,978	5,566	507
Premises	4,288	3,824	2,571	(1,717)
Employees	1,653	1,728	1,803	150
Supplies and Services	1,317	788	927	(390)
Revenue Funding of Debt	0	0	684	684
Concession Accounting Adjustments	(3,449)	(3,994)	(4,065)	(616)
Total costs	61,710	58,224	61,678	(32)

Income				
PAYT Levy	47,360	46,032	47,636	276
FCL Charge	12,520	12,520	12,214	(306)
Disbursement to boroughs	0	(1,800)	0	0
Total Levies	59,880	56,752	59,850	(30)
Other Income	1,830	1,883	1,828	(2)
Total income	61,710	58,635	61,678	(32)

Total (surplus)/deficit	0	411	0	0
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3.2 The budget headings are per our usual format for regular budget monitoring reports however there are two new lines for 2018/19.

3.3 Firstly the Concession Accounting Adjustments have been separated out so the Waste Transport and Disposal and Financing Costs now reflect what we actually pay contractors and lenders. For budgeting purposes it is also clearer to see what the accounting adjustment actually is, rather than netting it off with other costs (as we have to under accounting requirements for our annual accounts). This line is explained in section 11.

3.4 Secondly the revenue funding of debt represents a new activity next year. It is the cost of repaying the loans for acquiring the freehold for transfer station sites. See section 10.

4. Waste Transport & Disposal (WTD)

4.1 The WTD budget accounts for the majority of the Authority's budgeted costs. The 2018/19 tonnage forecasts from boroughs have been reviewed for reasonableness by Authority managers. The forecasts together with contract pricing information form the basis for the calculation of the 2018/19 budget.

4.2 The 2018/19 WTD budget is £45.6 million, an increase of £1.0 million or 2.2% resulting primarily from the impact of inflation.

- 4.3 Most contracts require annual pricing adjustments based on the movement in the RPIX (retail price index excluding mortgages). The assumption for RPIX for 2018/19 is 4.0%. This is based on the September 2017 index (4.1%) and the governments Office for Budget Responsibility's forecast for RPIX for next year of over 4.0%.
- 4.4 The contract pricing in the major PPP contract has gone a long way to dampening the increase in waste transport and disposal costs. This is because a significant portion of contract waste sees no / very little price inflation under the terms of the contract.
- 4.5 Another key factor limiting the growth in waste transport and disposal spending is the slightly lower overall borough forecasts of tonnages, better reflecting the current level of waste. The 2018/19 budgeted tonnage is made up of the following materials:

Material	2017/18 Total Tonnes	2018/19 Total Tonnes	Change
Residual	412,224	409,006	(3,218)
Mixed organic	16,000	16,200	200
Green	51,795	49,038	(2,757)
Wood	21,297	19,850	(1,447)
Kitchen	28,075	32,527	4,452
Other	13,661	12,252	(1,409)
Budget 2018/19	543,052	538,873	(4,179)

5. Depreciation

- 5.1 The budget for 2018/19 of £8.6 million is £0.4 million higher than in 2017/18. This reflects the outcome of the property valuation for the last audited accounts where full property valuations were undertaken by independent surveyors and the values increased – hence an increase in the depreciation.
- 5.2 The largest element of depreciation relates to the SERC and totals £8.1 million. It should be noted that for depreciation calculations, the SERC has to be separated out into its main components and each key component has to be depreciated over its own expected life.
- 5.3 The value of the SERC is £194.2 million and components are depreciated over periods up to 23 years.
- 5.4 Depreciation for the remaining assets have been calculated using the latest audited accounts and subsequent change in the asset registers.

6. Financing

- 6.1 The financing costs have increased from £5.1 million in 2017/18 to £5.6 million for 2018/19 primarily as a result of the acquisition of transfer station sites.
- 6.2 The largest component of financing costs relate to borrowing for the construction of the SERC and totals £5.0 million. The loans are at arm's length and from a borrowing perspective the boroughs are like any other lender with the loan agreements specifying the relationship with the Authority and including a rate of interest of 7.604%.

6.3 The budget assumes the transfer station sites will be purchased at the commencement of 2018/19 partly from borrowing and partly from utilising cash balances. The interest on this loan is budgeted at £0.6 million. Details for this can be found in the confidential report later in today's agenda.

7. Premises

7.1 The budget for 2018/19 of £2.6 million is £1.7 million less than the £4.3 million in 2017/18. The majority of this is due to the removal of site rents resulting from the purchase of transfer station sites.

7.2 Part of this reduction is offset in other budgets by an increase in Financing Costs and the new Revenue Funding of Debt.

8. Employees

8.1 The 2018/19 budget of £1.8 million is £0.2 million higher than the 2017/18 level. This is principally to allow for the delivery of business plan objectives, but also includes growth for inflation and pension contribution increases.

8.2 The establishment is planned to grow by 3.1 full time equivalent (FTE) posts from 31.3 to 34.4 FTEs. This provision for new posts relate to data projects (0.6), backfilling to deliver new office, IT and other projects (0.6), PPP contract audit work previously performed by auditors (0.4), reorganisation of site weighbridge work (0.5) and waste minimisation (1.0).

8.3 Putting this into context the Authority employed 88 FTE in 2012/13, 42 FTE in 2014/15 and over the last few years FTE numbers moving around at just over 30 focussed mainly on delivery of business as usual service. However with more complexity (e.g. financial management of the PPP contract) and a more ambitious business plan with a number of objectives and projects to deliver, appropriate resourcing will be required.

8.4 For projects, a decision to recruit will only be made if and when necessary, for example when projects are likely to progress beyond the initial feasibility stage.

9. Supplies & Services

9.1 The 2018/19 budget for Supplies & Services is £0.9 million, £0.4 million lower than the 2017/18 level.

9.2 The expiry of leases, £340,000 which now becomes the PPP contractor's costs and stripping out of unused fees (consultants etc.) of £62,000 account for the majority of the reduction in this budget.

10. Revenue Funding of Debt

10.1 The loan financing the purchase of the transfer station sites is a typical repayment loan. It is made up of two components – an element for the interest on the loan (see Financing Costs) and an element to actually repay the loan.

10.2 The Revenue Funding of Debt is the element to actually repay the loan and totals £0.7 million.

10.3 The report later in today's agenda details the implications of purchasing the transfer station sites on the cashflow, accounting and budgeting (section 7 and appendix 3 of that report). It explains that the site purchase is essentially the purchase of land and this has a different impact on the finances compared to the purchase other assets – resulting in this new line in the budget.

11. Concession Accounting Adjustments

11.1 Essentially under a PPP arrangement a contractor pays for the construction of an asset and then recovers it's investment over a long period through its operational charges to the local authority.

11.2 There are very specific and detailed accounting requirements that govern this type of arrangement. This is because the underlying nature of this transaction is that the local authority *essentially* owns the asset and the contractor is *essentially* a lender financing the construction of the asset.

11.3 The key feature of the accounting is the calculation of a concession accounting adjustment.

11.4 The concession accounting adjustments over the term of the contract were agreed with the auditors during the approval of the latest accounts. For 2018/19 they total £4.1 million, compared to £3.5 million in 2017/18. This reduces overall costs and levies by £0.6 million.

12. Growth and Savings

12.1 The majority of Authority spending is committed under long terms contracts (PPP) or agreements (loans) or governed by accounting requirements (depreciation). This leaves less opportunity for savings.

12.2 However, as part of the budget setting process at an operational level, a variety of measures have ensured a focus on savings across areas where managers are able to exercise some control. This included budget managers reporting their 2018/19 plans and proposed savings to a budget challenge session with the Chair, Vice Chair and Chief Officers.

12.3 The tables below identify the growth and savings included within the 2018/19 draft budget and separates out real growth and savings from other movements between 2017/18 and 2018/19 budgets.

12.4 Summary table:

	£ 000's
Budgeted levies 2017/18	59,880
Growth	2,587
Savings	(2,926)
Other movements	309
Budgeted levies 2018/19	59,850

12.5 Growth table:

Area	Explanation	Growth £ 000's
Waste Transport and Disposal	Pricing inflation on residual waste (£1,235k), haulage (£171k), food (£129k), green (£37k), increase in number of mattresses (£79k) and other tonnage movements (£12k)	1,663
Financing Costs	Growth reflecting interest payments on new borrowing to purchase transfer station sites (£639k)	639
Premises	Increase in rates (£62k), utilities (£10k), security services (£20k), and a range of other small increases (£13k)	105
Employees	New posts and reorganisations (£105k), inflation and increments (£37k), increase in pension contributions (£24k)	166
Supplies and Services	Rise in insurance premiums (£10k) and other minor items (£2k)	12
Other Income	Small reduction in other income (£2k)	2
		2,587

12.6 Savings table:

Area	Explanation	Saving £ 000's
Waste Transport and Disposal	Savings from wood and mixed organics procurements (£437k), optimisation of transport arrangements (£168k), reduced tonnages (£81k)	(686)
Premises	Removal of rental budgets (£1,775k), reduced SERC rates resulting from Suez negotiations with Valuation Office (£42k) and other minor reductions (£5k)	(1,822)
Employees	Reorganisation of Twyford management structure (£15k)	(15)
Supplies and Services	Expiry of leases with responsibility moving to contractor under the PPP contract (£340k) and stripping out unused consultancy budgets (£62k)	(402)
		(2,926)

12.7 Other movements table:

Area	Explanation	Increase / (Decrease) £ 000's
Depreciation	A full independent property valuation was undertaken and agreed with auditors for the last accounts. Depreciation has been calculated using the updated valuations (£373k)	373
Financing Costs	Reduction in SERC financing costs arising from timing of capital contributions (£132k)	(132)
Revenue Funding of Debt	Reflects the repayment of borrowing to finance the acquisition of transfer station sites (£684k)	684
Concession Accounting Adjustment	Per accounting requirements and agreed with auditors for the last set of accounts (£616k)	(616)
		309

13. PAYT / FCL split

13.1 PAYT costs relate primarily to waste that boroughs collect and deliver to transfer stations and FCL costs are those which relate to waste from HRRC sites and the Authority's running expenses.

13.2 Where directly attributable, costs are allocated to the PAYT or FCL as appropriate. Where costs are applicable across both PAYT and FCL (e.g. SERC depreciation relates to both HRRC residual waste and borough collected residual waste) these are apportioned based on the relative WTD tonnages in PAYT and FCL. The breakdown of the budget between PAYT and FCL activities is as follows:

PAYT	2017/18 £000's	2018/19 £000's	Change £000's
Waste Transport and Disposal	37,582	38,603	1,021
Depreciation (SERC)	7,001	6,955	(46)
Financing Costs (SERC/WLRWS)	4,430	4,288	(142)
Premises (SERC)	1,337	1,292	(45)
Concession Accounting Adjustment	(2,990)	(3,502)	(512)
PAYT Levy	(47,360)	(47,636)	(276)
Total	0	0	0

FCL	2017/18 £000's	2018/19 £000's	Change £000's
Waste Transport and Disposal	7,033	6,989	(44)
Employee	1,653	1,803	150
Premises	2,951	1,279	(1,672)
Supplies and Services	1,317	927	(390)
Depreciation	1,226	1,645	419
Financing	629	1,278	649
Revenue funding of Debt	0	684	684
Concession Accounting Adjustment	(459)	(563)	(104)
Non Levy Income	(1,830)	(1,828)	2
FCL Levy	(12,520)	(12,214)	306
Total	0	0	0

Note that the concession accounting adjustment has been separated out as detailed in Section 3.3.

14. PAYT Levy Income

14.1 The PAYT charge to boroughs relates primarily to the waste that boroughs deliver to transfer stations and is to cover the cost to the Authority for disposing of that waste.

14.2 The PAYT charge for 2018/19 is £47.6 million a small increase of £0.3 million or 0.6% from 2017/18.

14.3 The table in Appendix 1 (part 2 item) shows the proposed PAYT rates.

14.4 These rates represent the average cost to the Authority for the disposal of materials. They reflect the blended price paid to a number of contractors and for residual waste also the costs of the SERC.

14.5 These rates will be applied to the 2018/19 tonnage forecasts from boroughs and result in a monthly charge to them. Each quarter end a reconciliation exercise will take place to adjust for the actual amount of waste that each borough delivers, so boroughs only pay for waste actually disposed.

14.6 In addition to this, the Authority manages non-household waste from HRRC sites and incurs transport costs. On a similar basis the average transport charges for 2018/19 are provided in Appendix 1 (part 2 item).

14.7 Following harmonisation of transport operations during the current year, the transport charge for residual and organic collected waste for 2018/19 will be a blended charge.

14.8 Using tonnage forecasts from boroughs, the PAYT charges for 2018/19 are as follows:

Borough	2017/18 PAYT charge £000's	2018/19 PAYT charge £000's	Growth £000's	% Growth
Brent	8,922	8,882	(40)	(0.5%)
Ealing	10,627	10,084	(543)	(5.1%)
Harrow	5,946	6,383	437	7.3%
Hillingdon	8,480	8,557	77	0.9%
Hounslow	7,533	7,744	211	2.8%
Richmond	5,852	5,986	134	2.3%
Total	47,360	47,636	276	0.6%

14.9 It is worth noting that the above levies use borough forecasts for the volumes of waste, including any implications from service changes.

14.10 On this basis it is also worth repeating that should borough waste volumes be lower than they've originally forecast, then each quarter they will be refunded a sum to ensure they pay only for what is actually delivered. If their volumes are higher they will be asked to pay for the extra waste.

15. FCL Income

15.1 The FCL charge primarily relates to the cost of managing the treatment and disposal of household waste delivered to HRRC sites. It also includes the Authority's administration, nets off other income and includes a portion of SERC costs. The charge is set to recover all FCL costs and will be apportioned using the 2018/19 Council Tax base per the CTB (October 2017) returns provided by the boroughs.

15.2 The FCL charge for 2018/19 is £12.2 million which is a small reduction of £0.3 million or 2.4% from the 2017/18 level.

15.3 Using the 2018/19 Council Tax base, the FCL charge is as follows:

Borough	2017/18 FCL charge £000's	2018/19 Council Tax base	2018/19 FCL charge £000's	Change £000's	% Change
Brent	2,053	93,438	2,001	(52)	(2.5%)
Ealing	2,533	115,469	2,474	(59)	(2.3%)
Harrow	1,895	86,335	1,849	(46)	(2.4%)
Hillingdon	2,165	98,666	2,113	(52)	(2.4%)
Hounslow	1,893	86,219	1,847	(46)	(2.4%)
Richmond	1,981	90,157	1,930	(51)	(2.6%)
Total	12,520	570,284	12,214	(306)	(2.4%)

15.4 It should be noted that overall levies (taking both PAYT and FCL together) are marginally down from 2017/18.

16. Other Income

16.1 The 2018/19 budget is £1.8 million, almost identical to 2017/18. Trade waste income is the largest component at £1.2 million. We are conscious that the market trade waste prices, particularly for residual waste, are more competitive. Therefore for 2018/19 the trade waste prices have been reviewed with the intention of maintaining income by bringing in more trade.

16.2 The proposed main trade/DIY charges per tonne are provided below:

Type of waste	2017/18 £	2018/19 £
Trade waste residual and wood	195.00	160.00 for account customers and £165.00 for others
Trade waste recycling	97.50	80.00
Asbestos (Households only)	272.00	272.00
Mattresses (per mattress)	12.26	10.00
Bulky items	218.00	218.00

16.3 The effect of these price changes will be kept under review over 2018/19. Given the low value of trade income in context of the overall budget it is proposed that the Treasurer has delegated authority to take corrective action (i.e. change the above rates) should the reviews identify any risks.

17. Capital

17.1 Other than the capital budget for the purchase of transfer station sites, there are no new capital budget requirements for 2018/19. The budget for the transfer site purchase is detailed in the confidential report later in today's agenda.

17.2 It is worth noting the following capital budgets. These are balances on capital works still in progress which were previously approved by the Authority and will be rolled forward until completion or not required.

- Construction of a bulking facility at Victoria Road (£1.1 million)
- Twyford improvements (£738,000)
- Replacement Loading Shovel (£240,000)
- Contract Management Software (£30,000)
- New Head Office (£2.5 million)
- Replacement IT (£200,000)

18 Reserves

18.1 Reserves represent an organisations net worth. They provide a buffer for an organisation to manage risks, for example the fluctuations in the level of activity or costs – these variances in costs lead to surpluses and deficits being absorbed within reserves. On this basis, the Authority's approach to reserves has been to build up sufficient reserves to act as a buffer against risk.

18.2 The added benefit of reserves is that they can be used to stabilise pricing by removing the need for "in year" price reviews. For boroughs and indeed the Authority, this pricing stability / predictability facilitates better planning and budgetary control.

18.3 Identifying known risks facing an Authority provides a useful basis for determining a suitable level of reserves for managing risk. The specific risks and potential costs and likelihood that could be associated with them are as follow:

Risk Description	Likelihood	Financial Risk (£000's)
From time to time, a new market will emerge for recycling of specific waste streams (as opposed to landfill) e.g. carpets. The Authority tests and uses these markets cautiously, however these new markets carry a risk of both market and supplier failure. Should this arise there will be additional costs in making new arrangements to redirect and dispose of waste.	High	£300 (based on 2014/15 experience with mattresses)
Collapse of recycling markets leading to materials entering the residual waste stream	Medium	£200 (notional)
Whilst the contractor bears most of the risk in the event of the loss/closure of a transfer station, in major events like this there is a possibility of unforeseen additional costs in implementing and operating alternative arrangements. Therefore it would be prudent to set aside something for these uncertainties.	Medium	£200 (notional)
The budget is based on assumptions of indexation/ inflation, particularly in relation to contracts. There is a risk of higher costs due to higher than anticipated indexation/inflation	Medium	£500 (representing approx. 1% higher indexation)
With a changing market environment and in particular high inflation, procurement exercises could result in higher prices	High	£500 (representing 10% on key procurements in progress)
Increasing out of hours volumes and implications on service availability will lead to additional costs	High	£600 (based on pricing difference on 10,000 tonnes)
With a large number of competitors ready to receive trade waste, there is a risk that price competition could lead to a reduction in planned trade and DIY income despite more competitive pricing	Medium	£300 (representing 25% of trade income)
Purchase of transfer station sites doesn't happen in 18/19 meaning we'll still need to pay rent	Medium	£300 (representing the lost savings)
Risks / costs will arise from the complex PPP contract as a result of terms that are unclear or ambiguous in relation to the day to day operation and running of services.	Medium	£600 (based on contingent liability in last year's accounts)
Borough changes in waste collection services and changing social / demographics can have a significant impact and increase waste flows to HRRC sites. As these form part of the	Medium	£700 (representing a 10% growth in HRRC waste)

fixed cost levy there is a risk of extra costs that will need to be borne by the Authority		
Target level for reserves		£4,200

18.4 The target level of reserves for 2018/19 of £4.2 million is lower than the £5.6 million in 2017/18 primarily due to the removal of the risks in relation to SERC depreciation (£1.5 million) – the external auditors have agreed our methodologies and this risk has passed.

18.5 Ultimately, the level of reserves is a judgment based on the nature of risk facing an organisation and its risk appetite. On the basis of the risks identified above and appreciating that there are unknown risks which could materialise £4.2 million represents a prudent and not overly cautious target level for reserves.

18.6 The forecast reserve position for the year ending 31 March 2018 is:

	£000s
Reserves available to manage risks 31 March 2017 per approved accounts	3,699
Forecast surplus for 2017/18 per period 8 budget monitoring report	411
Forecast position for 31 March 2018	4,110

18.7 The gap between the target and forecast level of reserves of £0.1 million is not significant. Therefore at this stage there is no need to try and identify a means of building up reserves to the target level.

19 Medium and Long Term Plan

19.1 The plan reported to the December Authority meeting has been updated for the latest 2017/18 year end forecast.

19.2 The key messages from the plan remain unchanged:

- Volume of waste is the key driver of spend
- The effect of inflation is dampened by the PPP contract
- The Authority will be debt free at the end of the plan
- Healthy cash balances are maintained to manage any liquidity risk

19.3 The key charts from the plan are provided in Appendix 1

20 Borough Responses to Budget Consultation

20.1 The borough responses to the 2018/19 budget proposals can be found in Appendix 2. 4 responses were received. There were no common themes (i.e. raised by 3 or more boroughs) this year to respond to within this report.

21 Financial Implications

21.1 The financial position and performance are provided in the report.

21.2 It is a statutory requirement for the Authority to set a balanced budget (Local Government Finance Act 1992) and to set the levy for constituent boroughs by 15 February (Joint Waste Disposal Authorities (Levies) Regulations 2006).

22 Legal Implications

20.1 There are no legal implications of this report

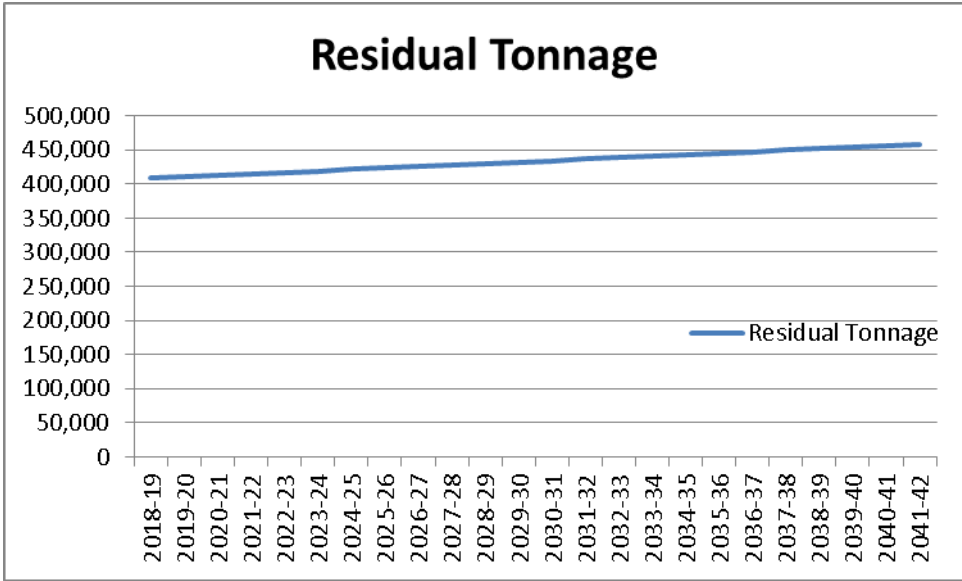
23 Impact on Joint Waste Management Strategy

23.1 The proposed Annual Budget has been set out in this report to demonstrate that the Authority is supporting the boroughs to deliver improved value for money to its residents in line with Policy 7

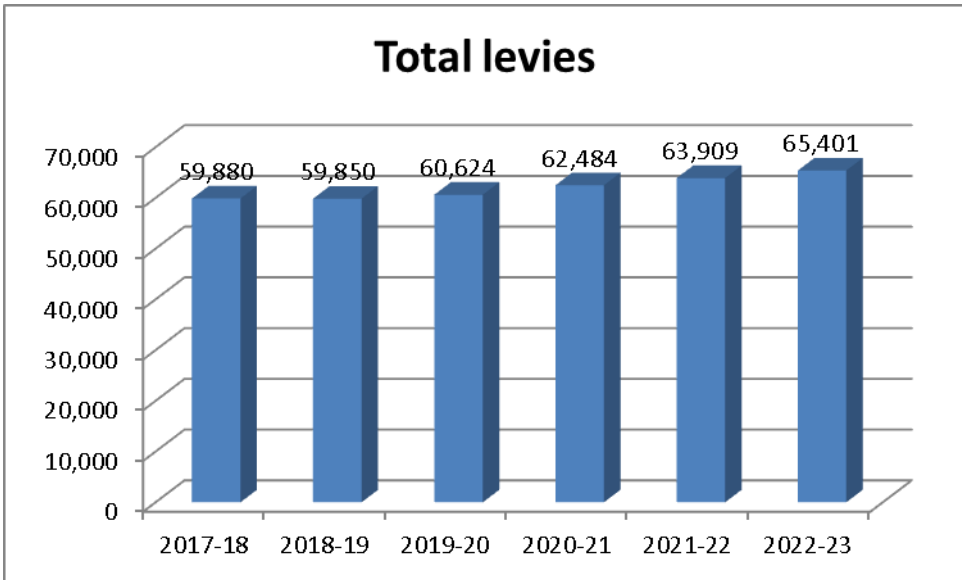
23.2 Policy 7: The West London Waste Authority and constituent Boroughs will seek to provide waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

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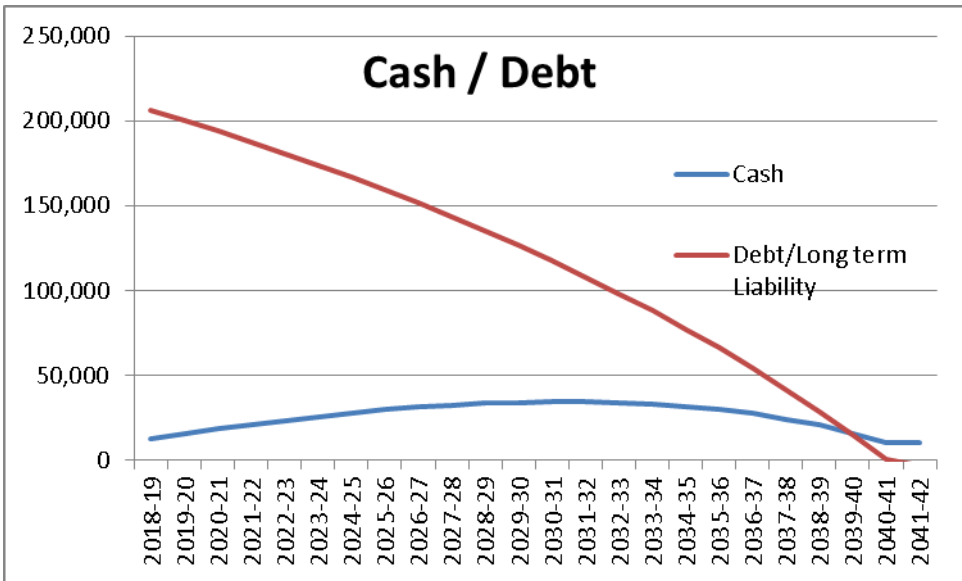
Appendix 1: Medium Term and Long Term Plan Charts



The plan assumes 0.5% waste volume growth per year and 4.0% inflation per year.



This chart shows the resulting growth in levies dampened by the PPP contract pricing mechanism



The Authority will be debt free at the end of the PPP contract term and will hold healthy cash balances to manage liquidity risk throughout the term

Appendix 2: Borough Consultation Responses



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Ian O'Donnell- Treasurer
West London Waste Authority
Civic Centre
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Hounslow
TW3 4DN

4th January 2018

Dear Ian,

Response on the Consultation regarding the WLWA Budget and Levy for 2018/19.

Brent Council welcomes the opportunity to respond to the WLWA on its draft budget proposals for 2018/19 and the Authority's efforts in constraining overall expenditure within existing levels.

In light of the budget pressures facing Local Authorities Brent is pleased to see the PAYT and fixed cost levies have not been increased for 2018/19. Brent's budgetary plans are on a 3 year time horizon and it would be useful if the levy budgets for the next 3 years were provided to enable Local Authorities to complete medium term financial planning.

Overall Brent is broadly supportive of the proposals.

Yours sincerely,

A handwritten signature in black ink that reads "Conrad Hall".

Conrad Hall
Chief Financial Officer

Dear Jay,

Thank you for your timely reminder and apologies for not coming back to you sooner,

I do not have any specific comments or points to raise and I am content with the proposed budget for 18/19 from Ealing's perspective.

I found your face to face run through with Shabana and I helpful.

Thanks
Ross

Ross Brown
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Finance - Corporate Resources

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Resources Directorate, Finance Division
Dawn Calvert, Director of Finance

Ian O'Donnell
Treasurer
West London Waste Authority
c/o Ealing Council
Perceval House
London W5 2HL

27th December 2017

Dear Ian

Thank you for your letter of 12th December 2017, which sought the views of constituent boroughs on the 2018/19 draft budget.

I note that the budgeted levies for 2018/19 remain at a similar level as current year, which is positive news, given that the levies have taken into account pricing inflations and growth. Within its budgets, there is a plan again to increase the Authority's HR establishment. According to the report, the growth of 3.1 FTEs is primarily for the delivery of projects and increased staffing in Waste Minimisation team. It'd be useful to make it clear whether these new posts are planned on a fixed term or permanent basis, and a justification in the case of these being permanent.

The growth on WTD of £1.67m mainly relates to the pricing inflation on residual waste although the PPP contract should mean that there is no / very little price inflation on most of the contract waste (as reported in paragraph 4.4). Whilst cost pressures arising from contract indexation uplifts are inevitable, I expect that the Authority would take a strategic approach to minimise the cost impact on constituent boroughs and/or to explore commercial opportunities to reduce its overall net costs. There was potential income relating to power generation and the processing of 3rd party waste at the SERC as suggested in previous budget reports. There was also exploratory work planned on the development of MRF and anaerobic digestion plant with a budget allocated in 17/18. However I cannot see any new income streams reflected in the draft budget. It'd be useful to provide boroughs with an update on these.

I understand that a number of waste disposal and transport contracts are being re-procured and the exempt Appendix 1 provides an indicative rate for each material type. In terms of the transport charge for organic waste, this is shown as a separate charge whereas the cost of transport (for green waste collection from our HRRC) is included in the PAYT disposal rate under the current disposal contract. Clarifications are needed on whether we are expected to pay both the PAYT rate and transport charge listed in Appendix 1 under the new contract.

Under Capital section, there are carry forward budgets for various capital works notably a £2.5m for a new head office. Given the extent of financial challenges facing all boroughs, I'd suggest that a business case should be produced for capital works not yet started and robustly challenged to ensure that the spend represents value for money.

I agree in principle that a reasonable level of reserve should be maintained to mitigate financial risks and uncertainties. LB Harrow has no financial capacity for any 'in-year' additional levy.

Yours sincerely

A handwritten signature in blue ink that reads "D. Calvert". The signature is written in a cursive style.

Dawn



Ian O'Donnell
Treasurer, WLWA

By email to: O'Donnell@ealing.gov.uk

Ref: PW/AP/322

5 January 2018

Dear Ian

RE: West London Waste Authority (WLWA) Levy Consultation 2018/19

Thank you for your email/letter of 12th December 2017, which sought the views of constituent authorities on the 2017/18 draft budget and levy as outlined in the report.

1) Reserves

Hillingdon welcomes the reduction in the reserves requirement and the one-off disbursement of reserves during 2017/18 to Boroughs. However, the stated reserves requirement of £4.2m is higher than the £3.7m projected level of reserves, which the report states should be sufficient. If this is the case, then perhaps the target level of reserves could be reduced further to £3.7m.

2) 2018/19 levies

The 2.4% reduction in the Fixed Cost Levy is welcome, although Hillingdon would welcome an explanation as to how this has been derived. It is understood that the Authority will wish to revisit the methodology of calculating the PAYT and FCL levies at a later date following initial discussions with Boroughs last year. Hillingdon would welcome any amendments which would produce a sustainable reduction in the PAYT rate.

3) Staffing

Hillingdon would again question the level of overall staffing (growth of 3.1 FTE in the report), given the current financial climate in local government. Hillingdon notes that the overall employee budget is increasing by £150k in 2018/19 which follows



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increases made to the staffing budget in 2017/18 and 2016/17. With the majority of waste disposal now under one long term contract we would expect complexity and risk to be reducing and similarly would expect the WLWA to reflect this reduction by reducing establishment costs.

The staffing increase includes a further 1.0 FTE for waste minimisation, on top of prior year increases to this resource. Hillingdon would be interested to see the justification for this investment evidenced by prior efficiencies and future planned savings being generated by this additional resource.

4) PAYT rates - Materials

Hillingdon welcomes reduced disposal costs from treating soil and rubber together and the sharp fall in mixed food/green waste. We continue to challenge the use of blended rates for disposal costs and would repeat our request from previous years that there is a level of transparency on the residual waste disposal rates.

5) Capital budgets

Although there are no new capital requirements for 2018/19, Hillingdon would seek more information on the rolled forward capital schemes given the level of investment involved. Of primary concern is whether the schemes still offer value for money and business benefits.

Yours sincerely



Paul Whaymand
Corporate Director of Finance

- cc Cllr Keith Burrows, Cabinet Member for Planning, Transportation & Recycling and London Borough of Hillingdon's representative on the West London Waste Authority Board
Jean Palmer, Deputy Chief Executive & Corporate Director, Residents Services
Perry Scott, Deputy Director, Development & Assets, Resident Services
Stuart Pohler, Waste Services Manager
Andy Evans, Deputy Director, Corporate Finance
Gregory Pike, Finance Manager, Residents Services
Emma Beal, Director, WLWA
Jay Patel, Head of Finance & Performance, West London Waste Authority

Treasury Management

SUMMARY

This report provides the treasury management plan for 2018/19

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Approve the treasury management plan for 2018/19
- 2) Adopt the prudential indicators and minimum revenue provision in Section 3.

1. Background

1.1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. A key function of treasury management is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Therefore funds are invested in low risk instruments commensurate with the Authority's low risk appetite, providing adequate liquidity before considering investment return.

1.2 Another key function of treasury management is the funding of the Authority's capital plans. These capital plans identify the borrowing need of the Authority which can involve arranging long or short term loans, refinancing or using longer term cash flow surpluses.

1.3 This report sets out the annual plan for 2018/19 alongside required prudential indicators as identified in the CIPFA Prudential Code.

2. Annual Treasury Management Plan for 2018/19

2.1 The plan for 2018/19 has two main elements.

2.2 In terms of funding of capital plans, the acquisition of transfer station sites is the key activity for the coming year. This will be financed by borrowing from the PWLB and utilising £10 million cash balances. This was detailed in a report to the December Authority meeting and has been incorporated into the 2018/19 budget.

2.3. In terms of cash balances the focus will continue to be on low risk options and ensuring adequate liquidity by maintaining healthy balances. The current arrangements (SLA with Ealing Council) remain the best option and provide quick access to cash and also deliver a return which is better than the interest rates the Authority can achieve directly from its own banker or other financial institutions. The SLA with Ealing Council has also been enhanced so that funds can now also be placed for fixed periods to achieve better returns. This facility will allow funds in excess of liquidity requirements to be placed for fixed terms and so deliver a better return. The SLA now essentially gives the Authority access to the wide range of money

market rates that Ealing Council can achieve with the added benefit/security of the placement being with Ealing Council instead of another institution.

2.4 The Authority will apply the practice which is in accordance with the treasury management policy:

- Funds will be invested with the London Borough of Ealing under existing arrangements to ensure liquidity and deliver a reasonable return.
- the upper limit for fixed term investments of more than 364 days will be £10 million

2.5 It is worth noting that the prudential code is currently being reviewed by CIPFA and an update is expected sometime in 2018. The consultation documents suggest a wider capital strategy, additional disclosure and more guidance. As the actual requirements become clear, the Treasury Management Policy will be reviewed, updated and reported to the Authority in due course.

3. Prudential indicators & minimum revenue provision (MRP)

3.1 The treasury management plans are fairly simple and explained above. However, the CIPFA Prudential Code prescribes a range of indicators and provides a framework to support decision making. These are probably more pertinent to organisations with complex treasury management arrangements however the indicators required for an annual treasury management plan and a brief explanation of what they illustrate are provided in the table below:

Prudential Indicator	Prudential code	Description	2018/19 Estimate £000s	2019/20 Estimate £000s	2020/21 Estimate £000s
Ratio of financing costs to net revenue stream	37/38	This is an indicator of affordability of plans	9%	9%	8%
Capital expenditure	47/49	This is a summary of the Authority's capital spending plans	31,000	0	0
Capital financing requirement (CFR)	50/53	This is a measure of the Authority's underlying borrowing need	216,807	208,407	200,006
Operational boundary for external debt	55	This is a projection of debt supporting the capital financing requirement	206,108	200,061	193,826

Authorised limit for external debt	54	This provides headroom for debt to deal with any unusual cash movements	216,108	210,061	203,826
Net debt	44/59	This reflects the amount of debt and should be less than the CFR	193,477	184,370	175,248

3.2 The historic capital expenditure and borrowing in relation to the construction of the Energy from Waste plant accounts for the majority of the figures in the table above.

3.3 Minimum Revenue Provision (MRP) - The Authority is required to pay off an element of the accumulated capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). The Authority will continue with its current approach where MRP will follow standard depreciation accounting procedures and will provide for a reduction in the borrowing need over the asset's life.

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

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

6. 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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Contracts Update

SUMMARY

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

RECOMMENDATION(S)

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

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 December Authority meeting the Residual Waste Service Contract has faced its busiest period of the year over the festive holidays. SUEZ have managed the operations very effectively and as a result this has been the smoothest Christmas to date, despite three trains (carrying 3,000 tonnes) being cancelled at short notice by Network Rail and DB Schenker due to driver shortages.

On the 14th December, the contract had its one year anniversary of full services. A dedication of the new Severnside Energy Recovery Centre (SERC) and celebration of a successful first year of operations will take place on Wednesday 7 February 2018. Invitations were sent at the beginning of January, it is hoped that all Members can attend.

6. Procurements Update

Below is a summary of the procurements that are out to tender:

- Food waste – On the 20th December six strong submissions were received for the transport and treatment of food waste from west London. Officers are now evaluating the tenders received.
- Organics Treatment – The OJEU has been issued and 12 Tenderers (so far) have signed up to the tender portal. Tender submissions are due on the 7th February 2018.
- Transport Services - The OJEU has been issued and 9 Tenderers (so far) have signed up to the tender portal. Tender submissions are due on the 7th February 2018.

To date for the procurements above there has been greater interest and participation from the market than anticipated.

As approved by Members at the December Authority Meeting the award decisions have been delegated to the Managing Director, Chair and Chief Technical Officer.

7. Risk

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

8. Financial Implications

The approved 2018/19 budget has estimated new contract rates.

9. Staffing Implications

There are no direct staffing issues arising from this report.

10. Health and Safety Implications

None

11. Legal Implications

None

12. Joint Waste Management Strategy Implication

The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies 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

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Operations Update**SUMMARY**

This report provides an update on the Authority's operations.

RECOMMENDATION(S)

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

1. **Introduction** – This report sets out day to day operations and business plan activities being undertaken by the Operations Team. The role of the team is to ensure the day to day running of WLWA's contracts and the operation of the waste transfer station and Household Re-use and Recycling Centre (HRRC) in Brent in line with the Authority's values of leadership, efficiency, partnership and good communications.
2. **Twyford WTS and HRRC** – The recycling rate for the HRRC currently stands at 44%. This is an increase from 10% in April 2017.
3. The new Site Manager was appointed in December and began working for the Authority in early January.
4. The project initiation meeting for the structural repair works was held in December. An outline timeline was discussed and it is hoped that procurement of contractors to undertake the works will begin in late February.
5. Re-use – a new trial separating small bric-a-brac style items brought to site is now underway in partnership with Ealing based charity, Furnish. Items will be made available for resale in their shop in Ruislip Manor and to Ealing residents as part of the social fund provision operated by Furnish. The first collection resulted in 240kg of mixed items including mirrors, side tables and kitchen items being sent for re-use.
6. **Health and Safety Action Plan update** – Work is continuing. The timeline for the structural works project has changed the status of action F (Capital works from the on-going items section) from green to amber as the capital works are going to be linked in to the works required following the fire damage.
7. **Risk** – Changes to processes and procedures on site will need careful management and monitoring of risks, including updates risk assessments and safe working procedures. The plan, do, check, act methodology will be implemented.
8. **Financial Implications** – Spend for the 2017/18 actions is in line with the budget provision.
9. **Staffing implications** – Changes to processes and procedures on site will need careful management and monitoring of staff capability, training requirements and competencies.
10. **Health and Safety Implications** – Changes to processes and procedures on site will need careful management and monitoring of risks, including updates risk assessments and safe working procedures management and monitoring of staff capability, training requirements and competencies.
11. **Legal implications** - There are no legal issues arising from this report.

12. **Impact on Joint Municipal Waste Management Strategy** – Operations activities are in line with the following policies:

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 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	None
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Appendix 1 - Health and Safety Action Plan 2017/18 quarter 3 update

Ref	Action	Responsible person(s)	Target timescale	Status	Updates
1	Introduce a new schedule of quarterly review of H&S at senior management team meetings and integrate these with Authority reporting.	Senior Contracts Manager	September 2017	Green	Meetings have been set until Summer 2018
2	Improve the existing document library for H&S and introduce a schedule for review and update that spreads the work throughout the year.	Operations Manager	September 2017	Green	Documents have been moved to a shared location and a timetable for review drafted.
3	Work with all contractors to build a formal schedule of H&S monitoring in to contracts and operations.	Senior Contracts Manager	February 2018	Green	Health and Safety is a standard item on the contract meetings with both Lakeside and Suez.
4	Complete an unscheduled HSE style visit and inspection at both Twyford WTS & HRRC and the corporate offices	H&S Advisor	Random date within the year	Green	The audit at Twyford took place at the beginning of August. A report has been issued and follow up actions will be taken. The inspection at Twyford and both inspection/audit of the Hounslow Office are taking place in January.
5	Complete procurement for companies to undertake: <ul style="list-style-type: none"> ▪ Training for site drivers to ensure continued competency ▪ Manual handling training ▪ Banksman training ▪ On-going water risk assessment and legionella testing ▪ The 5 year periodic fixed wiring testing 	Operations Manager	July 2017 July 2017 July 2017 September 2017	Green	<ul style="list-style-type: none"> ▪ Driver training has taken place for the mobile plant ▪ Dates have yet to be booked for the chosen manual handling provider. ▪ The banksman training took place in September. ▪ A new legionella risk assessment and all testing for 2017/18 has now taken place.
6	In light of the new guidance regarding fires at waste sites undertake a review of arrangements at Twyford WTS and HRRC	Operations Manager	August 2017	Green	Further evidence about waste fires is due to be published early next year following recent testing by the WISH Forum. This will add to existing knowledge and may feed in to further actions, in addition to the ones prosed to the quarterly H&S meeting.
7	Undertake a full review of driving needs	Assistant Site	Begin June	Green	Proposals have been received for alternative

Ref	Action	Responsible person(s)	Target timescale	Status	Updates
	(including training & licensing), plant safety and maintenance at Twyford WTS and HRRC	Manager	2017 and complete by February 2018		vehicles options. Further work is needed before a final decision is made.

On-going/regular items

Ref	Item	Responsible person(s)	Status	Update
A	Risk assessment reviews	All Supervisors and Managers	Green	A programme of risk assessment reviews has begun with the site staff and trade union representative.
B	Health surveillance	Head of Finance and Performance	Green	This will take place in January 2018.
C	Drug and alcohol testing	Head of Finance and Performance	Green	To be arranged for a random date and time sampling the workforce. Staff have no warning of the taking place.
D	Driving licence testing	Head of Finance and Performance	Green	This is due to take place in the Autumn.
E	Regular maintenance - Organise for small works as identified by site inspections and other monitoring/testing on site as well as changes that may be identified during risk assessment and review	Assistant Site Manager	Green	A new company is currently being procured.
F	Capital works	Operations Manager	Amber	A programme of works has been identified. A company to oversee the work has been procured, as has a company to design the technical specifications. Repairs to the concrete on the ramp at Twyford are now complete. A timetable for all works is not yet in place.
G	Routine testing This includes: <ul style="list-style-type: none"> ▪ Legionella testing every 3 months ▪ Dust monitoring as appropriate 	Assistant Site Manager	Green	<ul style="list-style-type: none"> ▪ Legionella testing – a programme has been established, testing is up to date. ▪ LOLER testing is undertaken by WLWA's insurance company

Ref	Item	Responsible person(s)	Status	Update
	<ul style="list-style-type: none"> ▪ Vibration testing as appropriate ▪ Lifting Operations Lifting Equipment Regulation (LOLER) testing ▪ Obtain portable appliance testing quotes for testing in November 2017 			<ul style="list-style-type: none"> ▪ PAT was completed in December 2017.
H	Site inspections	Assistant Site Manager	Green	Daily visual inspection to check the site condition for safety and operational purposes.

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Waste Minimisation – Summary update on the 2017/18 Waste Minimisation Plan**SUMMARY**

This report provides an update on the delivery of projects in the 2017/18 Waste Minimisation Plan by the Waste Minimisation Team.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Note the progress of activities so far in 2017/18 (appendix 9b - Progress Report)*

- 1. Introduction** – In 2010 it was agreed that the Authority should take the lead role to deliver the campaigns agreed by the constituent boroughs in the Waste Prevention Strategy (2011 – 15) and yearly Waste Minimisation Plans (WMP). The Waste Minimisation (WM) Team delivers the campaigns which target the 5 key waste streams of 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 WMP is developed in consultation with the constituent boroughs. The Waste Prevention Strategy, yearly action plans and the progress against actions in the plan are reported to the constituent boroughs and published on the Authority's [website](#).
- 3. All actions in the 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. Progress so far in 2017/18** – The quarter 3 report summarises the progress made in year to date of the activities in the 2017/18 WMP. Activities for the year are progressing in line with expectations with the majority of our actions on green status and none on red. Activities on our targeted waste streams that have been progressing well for the year so far include -
 - **Food** – Continuing on from the Food Waste Intervention project started in 2016/17, a trial project, in partnership with Brent Council and Veolia, delivered a varying number of interventions in 3 collection rounds covering just over 5,200 households. Consultation has also started on implementing similar intervention projects on targeted rounds with both Ealing and Richmond boroughs.
 - **Nappies** – Our washable nappy trial pack has had a very positive start with over 500 people visiting our [westlondonnappies.com](#) website and 46 loan applications received for the kit between April and December 2017. 100% of the parents loaning the kits have

provided feedback on the loan packs and 57% of those have already recommended or are planning to recommend the kit to friends and family.

- **Events** – The team have attended 89 events (target 100) so far this year, given out over 7,800 waste reduction tools and engaged with over 5,700 people across our 6 boroughs between April and December 2017.
- **Funding Opportunities** – In August, WDA's (Waste Disposal Authorities) across the country were invited to apply for funding from the fourth phase of the WEEE Distributor Takeback Scheme (DTS). Funded by retailers and producers of electrical equipment and approved by the government, the scheme is aimed at supporting new and innovative projects that can deliver increased levels of re-use and recycling of waste electrical equipment. The team was successful in our bid for a share of the £665,000 funding pot and was awarded £24,330 in funding to work on an innovative WEEE project with one of our borough partners.

5. Monitoring and evaluation – There will be continued in year scrutiny of the activities within the WMP. Whilst there are still no nationally agreed methods to measure waste prevention results, we will continue to search for effective ways to quantify the impact these actions have.

6. Financial Implications – The WP budget for 2017/18 is £380,242. All activities are expected to be delivered within budget for the current financial year.

7. Staffing implications – There are no significant staffing implications and a full team is currently in place.

8. 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.

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

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	Waste Minimisation Plan 2017/18 WLWA Business Plan 2017 – 2020
Contact Officer	<p>Roger St Paul, Senior Waste Minimisation Officer 020 8825 5677 rogerstpaul@westlondonwaste.gov.uk</p> <p>Emma Beal, Managing Director 020 8825 9468 emmabeal@westlondonwaste.gov.uk</p>

Waste Minimisation Plan 17/18

Oct – Dec 2017



West London Waste
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www.westlondonwaste.gov.uk

Ref	Activity and Description	Measurements	Status
Fo1	Increase food waste recycling and decrease the amount of avoidable food waste. Develop 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.	Green
			Budget and spend to date
			Budget: £150,000
			Spend to 31/12/17: £8,525
Reduce Cost & Drive Change			

Progress

The 2017/18 Waste Minimisation Plan aims to work with three of our constituent boroughs to increase food waste recycling. This partnership project between London Borough of Brent and WLWA will aim to increase capture and participation in the food waste service on targeted collection rounds.

Between September and November 2017, the team worked with Brent and their contractor Veolia to conduct a number of activities in the 3 targeted rounds covering 5,231 households in Barn Hill, Kenton, Kensal Green and Northwick Park area. The activities in the 3 rounds included -

- pre-intervention monitoring,
- delivery of round-specific interventions,
- household interaction (door-knocking) and
- post-intervention monitoring

The table below indicates which set of interventions were chosen for which round and the interventions that were delivered.

Intervention type	Interventions delivered	Round name
Intervention 1	<ul style="list-style-type: none"> ▪ an indoor food waste caddy ▪ food waste service leaflet ▪ roll of caddy liners ▪ a no food waste sticker on the rubbish bin 	Romeo 14 - Friday
Intervention 2	<ul style="list-style-type: none"> ▪ an indoor food waste caddy ▪ food waste service leaflet ▪ a no food waste sticker on the rubbish bin 	Romeo 1 - Monday
Intervention 3	<ul style="list-style-type: none"> ▪ a no food waste sticker on the rubbish bin 	Romeo 3 - Tuesday

Over the next few months...

The results are currently being collated and analysed and should become available during quarter 4.

The team will also be starting food waste recycling projects with the London Boroughs of Ealing and Richmond upon Thames.



Ref	Activity and Description	Measurements	Status
T1	Develop a sharing and skills network for textile re-use, repair and recycling	<ul style="list-style-type: none"> ➤ Number of suitable champions to run skill-share events ➤ Level of recommendation ➤ Campaign engagement (participation and social media engagement) 	Green
T2	Spread awareness of the re-use options for textiles	<ul style="list-style-type: none"> ➤ Number of groups borrowing swishing kit ➤ Number of 1st time attendees ➤ Swish newsletter subscriber growth rate (30% target) ➤ Swish newsletter open rate ➤ Level of recommendation ➤ Bring bank collection rates 	Budget: £5,500 Spend to 31/12/17: £1,263
Aim – Reduce Cost & Drive Change			

Progress

T1 – Continuing from our work in 2016/17 to develop a west London sharing and skills repair network, we are currently working with community groups to schedule a number of repair workshops at multiple venues across our boroughs. We will be looking at a series of measurements in order to gauge resident interest, appetite and participation for these types of events.

- Number of suitable champions to run skill-share events – **9 agreed**
- Event recommendation – **89%**
- Campaign engagement – **5 repair events** were run this quarter with **36 attendees**. So far this year a total of **8 events** have been held with **77 people** attending our textile repair/sewing events.
- Residents have also been engaging with us via our website and social media channels. Our *Get Swishing* website has had a total of **1458 visitors** between October and December (**2840** year to date). This quarter, our social media content recorded at least **240 engagement actions** (likes, shares etc.) reaching a minimum total of **1690 engagement actions** for the year to date.

T2 – Our Get Swishing textile campaign works to spread awareness of textile re-use options across west London. Through online engagement (website), social media (facebook & Instagram) and our regular swish events, we want all residents to be aware of the options for textiles to prevent them from ending up in rubbish bins.

- Number of groups borrowing swishing kit – **none to date**
- Number of swishes to date – **6** (3 in Hounslow including an NCS collaboration and 3 in west Ealing)
- Number of 1st time attendees – **55 out of 147 total attendees (37%)**
- Swish newsletter subscriber growth rate – **212 subscribers added year to date**
- Swish newsletter open rate – **26% open rate year to date**
- Event recommendation – **55% (net promoter score)**

- Bring bank collection rates – **n/a**

Highlights of events run this quarter include

- 4 themed textile repair workshops were run in collaboration with Recycle for London’s ‘Love Your Clothes’ brand in 4 boroughs (Brent, Harrow, Hounslow & Hillingdon)
- In October we ran another Lunchtime Sewing Sew-cial in the Civic Centre in Hounslow, offering a drop in session to repair and upcycle clothes with all sewing equipment provided.
- A Swish and Refashioning session was held in west Ealing Library with our resident refashioning expert & blogger – Gema Enseñat from *sequinsandslippers.com*

Over the next few months...

There are 4 swish events scheduled in for next quarter – 1 each in Uxbridge and Hounslow Libraries in Jan 2018, 1 in Ealing in Feb 2018 and 1 in Hounslow in Mar 2018.



Ref	Activity and Description	Measurements	Status
E1	Divert small WEEE from waste and mixed recycling	<ul style="list-style-type: none"> ➤ Number of bring events ➤ WEEE tonnage collected ➤ Number of items collected ➤ Campaign engagement 	Green
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 groups ➤ Number of groups borrowing repair kits for workshops ➤ Number of items brought for repair 	Budget and spend to date Budget: £2,000 Spend to 31/12/17: £218
Aim – Drive Change			

Progress

E1 – We want to encourage residents to send all small waste electrical items for recycling instead of throwing it in the bin by holding WEEE bring events and promoting borough recycling facilities online and face to face.

- Number of bring events year to date – **4**
- Total WEEE tonnage collected year to date – **360kg**
- Number of items collected year to date - **122**
- Campaign engagement year to date – **175 leaflets given out at events**

E2 – We want to encourage and increase capacity for residents to create or attend repair hubs in their community. By supporting local groups to run their own events or putting on our own, residents should explore the option to repair their items or send for recycling if unable to repair.

- Number of repair workshops run by community groups this year – 2
- Number of groups borrowing repair kits for workshops this year – 2
- Number of items brought for repair – **data currently unavailable**

Over the next few months...

Our full New Year WEEE collection campaign will kick off in Jan 2018 with around 14 collection stands in multiple venues across all our partner boroughs.

There aren't any more electrical repair events/Restart parties planned in so far for the rest of this year. We are however in constant contact with a number of community groups and working to encourage them to hold more events if possible.



Ref	Activity and Description	Measurements	Status
R1	Promotion of local re-use options	<ul style="list-style-type: none"> ➤ Number of items separated for redistribution ➤ Types of items separated for redistribution ➤ Weight of items separated for redistribution 	<div style="background-color: #92d050; padding: 5px; text-align: center;">Green</div> <p>Budget and spend to date</p> <p>Budget: £1,500 Spend to 31/12/17 : £0</p>
Aim – Reduce Cost & Improve Quality			

Progress

In April, a trial to understand the level of items that could be diverted for reuse was started at our Brent Household Reuse and Recycling Centre (HRRC). By separating and inspecting the bulky items brought in, their quality can be inspected which would give us a better understanding of whether or not they can be reused.

After the initial trial, the quality of the material received wasn't what was expected so it was decided to switch our focus to working more with reuse organisations in our boroughs instead. Our team worked with the staff at our Brent HRRC (Household Reuse & Recycling Centre) to support these local organisations instead by separating bulky and bric-a-brac style items so they can be made available for resale. A trial has been set up with the Ealing based charity Furnish so items separated from our Brent HRRC will be given to Furnish. These items will be made available to Ealing residents as part of their social fund provision and also to any residents who purchase them in Furnish's retail outlet in Ruislip Manor in Hillingdon borough. So far 240 kg of items have been supplied to Furnish.

Over the next few months...

We will continue to work with the staff at Brent HRRC over the coming months during the duration of the trial project.

N₁ A₁ P₃ P₃ I₁ E₁ S₁

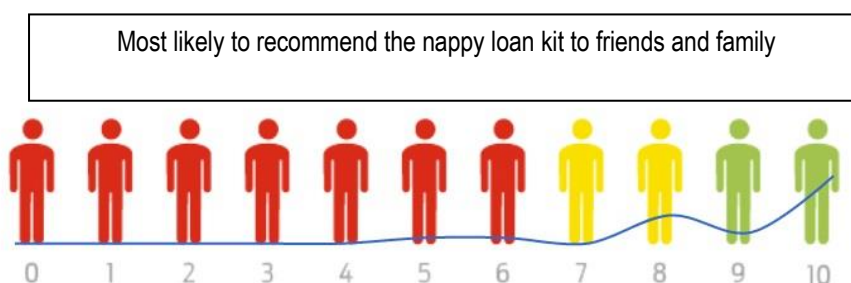
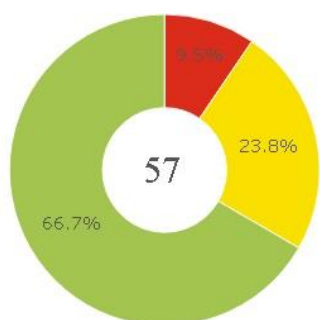
Ref	Activity and Description	Measurements	Status
N1	Raise awareness and promote the use of washable nappies to parents	<ul style="list-style-type: none"> ➤ Number of parents taking trial packs on loan ➤ Campaign engagement ➤ Trial pack recommendations 	<div style="background-color: #92d050; padding: 5px; text-align: center;">Green</div> <p>Budget and spend to date</p> <p>Budget: £0 Spend to 31/12/17: n/a</p>
Aim – Reduce Cost & Drive Change			

Progress

This year we will continue to promote the benefits of using washable nappies by offering west London parents/guardians the opportunity to trial a fully stocked washable nappy kit for 3 weeks.

Between April and December a total of **46 nappy pack loan applications** have been received and a total of **549 people** have visited our nappies website so far this year.

- Trial packs loaned – Since the scheme launched in Jan 2017 we have had **52 full applications** for a nappy loan kit. **46** of those applications were received between April and December with **21 full loans** (taken & returned) in that time.
- Campaign engagement – **2 events** were held this quarter where nappies had a specific focus. A total of **26 nappy related events** have been held so far this year.
- Trial pack recommendations – We have had a **100% feedback rate** for all the kits loaned year to date. Of the 21 parents who took a nappy kit so far this year, **57%** (net promoter score) already have or are likely to recommend the pack to their friends and family.



Over the next few months...

In the coming months, we will continue promoting the nappy loan kit at children centres and other parent and child focused groups across our 6 boroughs. We will also be surveying those who have loaned a kit from us to determine whether they have purchased reusable nappies since their initial loan.

E V E N T S

Ref	Activity and Description	Measurements	Status
Ev1	Spread waste reduction messages through direct engagement with residents	<ul style="list-style-type: none"> ➤ Number of events (100) ➤ Number of people engaged with events ➤ Waste minimisation information given out at events 	Green
			Budget and spend to date Budget: costs included within Resource Management
Aim – Drive Change			

Progress

Our team have attended a number of different events across our boroughs with our activities engaging a wide section of residents interested in reducing their waste.

- Number of events – **89 events year to date**
- Number of people engaged with at events this year – **5,734 people**
- Tools/information given out at events this year – **7,886 items** (includes, spaghetti measurers, bag clips, recipe cards, borough leaflets, compost leaflets, food waste caddy liners and food waste caddies)

Events by Borough (year to date)

Brent	9 events	643 residents
Ealing	17 events	877 residents
Harrow	14 events	441 residents
Hillingdon	12 events	201 residents
Hounslow	19 events	1639 residents
Richmond	18 events	1933 residents

Over the next few months...

The team will be focusing on the New Year WEEE collection bring events, Waste Week collections at primary schools and more community group talks and presentations.

C O M M U N I C A T I O N S

Ref	Activity and Description	Measurements	Status
C1	Grow our online engagement & share our Reduce Re-Use Recycle messages with our followers	<ul style="list-style-type: none"> ➤ Number of unique website visitors ➤ Returning visitors to our website ➤ Page views ➤ Newsletter subscriptions ➤ Social media engagement across all platforms (twitter, facebook & Instagram) 	Amber
C2	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 	Budget and spend to date Budget: £25,560 Spend to 31/12/17: £1,300
C3	Run a large-scale partnership event focusing on specific waste streams	<ul style="list-style-type: none"> ➤ Measures to be agreed with partner organisations 	
Aim – Drive Change & Improve Quality			

Progress

C1 – Online Engagement

Communications touches every part of what we do as a team. As our presence grows, so too does our need to keep pace with changes in how we communicate with our public. Our first dedicated Communications Strategy was implemented this year and as part of that strategy, a review of our overall online presence is being conducted.

As well as welcoming our first dedicated Communications Officer to the team, a review of our website, corporate communications and social media platforms is currently being undertaken to make sure we keep pace with the ever-changing facets of having an online presence. The quarterly figures in the table will be used in baseline measurements that we can use to form effective targets going forward to measure our growth.

Qtr.	Unique website visitors	Returning website visitors	Page views	Newsletter subscriptions	Online Engagement (twitter, facebook & instagram)
Q1	22,596	5,129	46,459	262	1,975
Q2	19,064	4,038	38,140	104	1,283
Q3	17,362	3,685	34,036	85	1,184
Total	59,022	12,852	118,635	451	4,422

Website

As part of a review of our overall online presence, we are aiming to redesign our main WLWA website to make it more accessible and user-friendly. As more information is consumed on the go, we will be focusing

on redesigning the website to make it more mobile friendly, adapt page structures to make it easier to read on mobile devices and make sure residents and visitors are able to easily access the right information more quickly.

While website visitors appear as if they decrease each quarter, it reflects the changing nature and focus of our quarterly activities and identifies a beneficial baseline to measure our activities and identify improvements. In fact, the same quarterly trend is evident every year since we first started measuring communications individually in 2013/14. For example, high first quarter website visits reflect the time we engage most with the public through our outdoor events programme resulting in residents visiting the website to find out where and when our activities are being held. The reduction in quarter 2 visitors falls in line with our reduction in outdoor events and the onset of most residents' summer holidays. Similarly, quarter 3 reflects the back to school period and a change of focus in the team to concentrate on projects with our borough teams (e.g. this year's food waste project with Brent). In quarter 4, as in previous years, we expect there to be an uplift in visitor numbers as a result of our New Year WEEE campaign focus.

By understanding how, when and why visitors visit our website, we can understand the type of information they are accessing, how they access it and subsequently how we can deliver a more interactive redesign of the website for our residents to engage with.

Newsletters

This quarter saw a total of **85 people** subscribe to our monthly newsletters. A total of **451** subscribers have been added so far this year. For those followers who may not regularly engage in our online discussions but are happy to follow our activities, particularly for our swishes, the newsletters represent a way to follow us and keep up to date with what's happening. To view or sign up to our monthly newsletters, visit westlondonwaste.gov.uk/newsletter

Social Media

Over the last 4 years, social media has allowed our team to spread our waste reduction messages far and wide to local residents, businesses and community groups nationally and internationally. We have built up a loyal online following of people who love sharing our messages and are keen to support, promote and contribute to what we do.

Moving forward, we want to not only increase the quality of our social media engagement but measure how engaged our followers are with us. By counting all the actions of our followers after a message goes out on our social media platforms, we can measure the number of people that interact with us whether they retweet, share, like, favourite or comment on what we say. We will be putting out engaging content and campaigns about waste and what we can do to reduce it.

Our social media campaigns over the last 3 months have supported –

- Love Your Clothes Festive Repair workshops
- Reducing food waste for Halloween
- Second-Hand First Week
- Reducing, Reusing & Recycling waste for Christmas

Through social media, we have been able to join the discussion on numerous topics relating to reuse, reduce and recycling.

Topics such as the plastic bottle scheme, the recent BBC documentary “Planet Earth 2” with David Attenborough as well as the recent recycling of takeaway coffee cups, has shed more light on plastic pollution and recycling across the UK.

We want to position our social media platforms as a place where residents can get information on how they can recycle as well as the latest news in the recycling world. We’re experimenting with our social media platforms and analysing how our different social media platforms can be best tailored to support specific waste streams for easier content consumption.

For example, our efforts on Instagram are tailored to our Get Swishing initiative due to the large fashion community that shares inspirations across the platform. By tailoring specific waste streams to specific platforms, we want to engage with the sustainable fashion community of like-minded individuals to help deliver the overall message of reusing and recycling textiles rather than buying new.

Twitter, our largest and fastest growing platform is regularly used to update our followers on the latest news and events across West London. Due to our large reach of followers, we regularly comment on the latest news and join any discussions regarding reduce, reuse and recycling.

Our Facebook following is more localised and many of our followers are residents in our 6 constituent boroughs. This allows us to share events and generate topics that are more relevant to local residents.

C2 – WLWA Reuse Guide

The team’s focus on supporting re-use will shift to support organisations already promoting reuse in our boroughs. Activities under this action will be discontinued for the remainder of this financial year.

C3 – Partnership Event

The team are worked with multiple organisations to organise holding a large scale ‘Fashion & Food’ event in March 2018 in a west London venue. Working with several sustainable fashion organisations and food awareness-raising charities to engage the residents of our west London boroughs, the search for an appropriate free venue has proven increasingly difficult. However, the team and all the organisations involved are dedicated to pulling off the event and have agreed to run the event in 2018/19 financial year instead.

Over the next few months...

The team will continue to monitor engagement across our digital platforms and release engaging content to encourage residents not only to reduce their waste but to also view it as a valuable resource.

R₁ E₁ S₁ O₁ U₁ R₁ C₃ E₁

M₃ A₁ N₁ A₁ G₂ E₁ M₃ E₁ N₁ T₁

Ref	Activity and Description	Measurements	Status
RM1	Using a variety of interventions to help residents and businesses to reduce, re-use and recycle more.	Includes all costs for staffing, training, travel and all fees and materials associated with events	Green
RM2	Actively seeking out potential funding opportunities and/or commercial partnerships		Budget and spend to date
RM3	Waste Minimisation Team staffing, training and travel.		Budget: £195,682 The whole of the budget has been allocated
Aim – Reduce Cost, Improve Quality & Drive Change			

Progress

RM2 – Funding Opportunities

In August, Waste Disposal Authorities across the country were invited to apply for funding from the fourth phase of the WEEE Distributor Takeback Scheme (DTS). Funded by retailers and producers of electrical equipment and approved by the government, the scheme is aimed at supporting new and innovative projects that can deliver increased levels of re-use and recycling of waste electrical equipment.

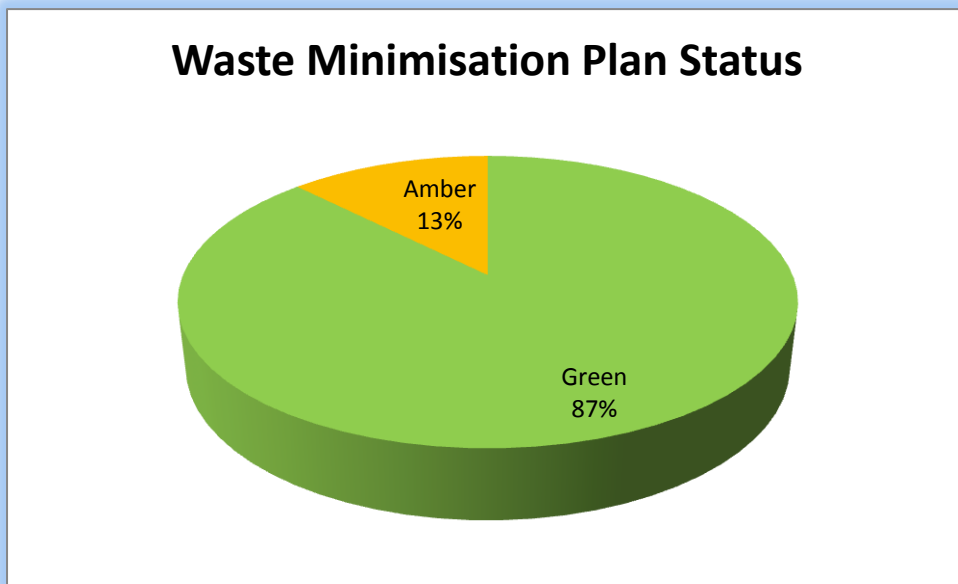
In November, the team was awarded £24,330 in funding from the DTS scheme to work on an innovative WEEE trial project with one of our borough partners.

Over the next few months...

Planning will begin around implementing our WEEE trial project which should begin in 2018/19.

S₁ U₁ M₃ M₃ A₁ R₁ Y₄

There are 8 sections within the Waste Prevention Action Plan relating to our priority materials and focus for the year. The overall status for the plan is indicated by the pie chart below.



The total budget for the activities outlined in this progress report is **£380,242**. The total spent to date is on track to be within this budget.

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