

West London Waste Authority

Hugh Peart
Clerk
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15 March 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 23 March 2018 at 10.00 am

MEMBERSHIP

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

AGENDA

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

1. Apologies for absence
2. Declarations of interest

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

3. Minutes of the meeting held on 26 January 2018 **(Pages 3 - 6)**
4. Business Plan 2017-2020 **(Pages 7 - 18)**
5. Contracts Update **(Pages 19 - 20)**
6. Operations Update **(Pages 21 - 24)**
7. Annual Procurement Plan 2018/19 **(Pages 25 - 28)**

8. Waste Minimisation Plan 2018/20 *(Pages 29 - 36)*

9. Budget Monitoring Report Period 10 (January) *(Pages 37 - 42)*

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

10. Contracts Update *(Pages 43 - 44)*

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 26 January 2018 at 11.00 am at the Committee Room 5, Harrow Civic Centre.

Present:

Councillor Bassam Mahfouz (Chair)

Councillor Amritpal Mann (Vice-Chair)

Councillor Keith Burrows, Councillor Pamela Fleming, Councillor Graham Henson and Councillor Eleanor Southwood

98. Apologies for absence

No apologies were received.

99. Declarations of interest

RESOLVED: There were no declarations of interest.

100. Minutes of the meeting held on 8 December 2017

RESOLVED: That the minutes of the meeting held on 8 December 2017 be taken as read and signed as a correct record.

101. Budget Monitoring Report Period 8 (November)

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

Members welcomed the reduction in residual waste.

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

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

102. 2018/19 Budget

Members received a report, including a confidential appendix, which set out the proposed 2018/19 budget.

Jay Patel, Head of Finance, reported that the budget before Members was unchanged from the draft budget previously considered in December. The report included the feedback received from the boroughs Finance Directors.

The Chair advised that he would circulate a report on the food waste contract to Members for their comments/input the following week.

RESOLVED: That (1) the 2018/19 budget be approved;

(2) the Pay As You Throw (PAYT) rates, as set out in section 14 of the report, and resulting PAYT levy of £46.7m be approved;

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

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

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

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

103. Treasury Management

Members received a report which provided the treasury management plan for 2018/19.

Jay Patel, Head of Finance, outlined the content of the report and advised that he would report back to the Authority once the new CIPFA requirements were clarified.

RESOLVED: That (1) the treasury management plan for 2018/19 be approved;

(2) the prudential indicators and minimum revenue provision, as set out in section 3 of the report, be approved.

104. 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 Chair indicated that he hoped to reach a decision on the food waste contract with the Managing Director the following week following consultation with Members.

RESOLVED: That the report be noted.

105. Operations Update

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

RESOLVED: That the report be noted.

106. Waste Minimisation - Summary Update on the 2017/18 Waste Minimisation Plan

Members received a report which provided an update on the delivery of projects in the 2017/18 Waste Minimisation Plan.

In response to a question as to how the boroughs could promote the nappy scheme, Roger St Paul, Senior Waste Minimisation Officer, advised that the service covered each of the constituent boroughs but that Authority was also looking to engage with the Children's Centres next year. Emma Beal, Managing Director, added that there would be a focus on

Children's Centres, Primary Care Trusts, NCT or NHS groups that nappy kits could be loaned to and who would be able to promote the scheme on the Authority's behalf. Consideration would also be given to a Borough trial of a weekly payment scheme for the kit for those who could not afford a one-off upfront payment. Members expressed their support for this approach and suggested that volunteers within such organisations would be well placed to assist.

RESOLVED: That the progress of activities so far in 2017/18, as set out in the appendix to report, be noted.

107. 2018/19 Budget - Appendix 1

RESOLVED: That the confidential appendix be noted.

The meeting finished at 11.40 am.

The minute taker at this meeting was Alison Atherton.

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WEST LONDON WASTE AUTHORITY

Report of the Managing Director

23rd March 2018

Business Plan 2017 - 2020

SUMMARY

This report provides details of the Authority's Business Plan for the year 2018/19. It provides a list of the key activities started in 2017 which using the strength of the Borough Partnership shapes our approach to market risk and maximising assets.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Note the progress made in 2017*
- 2) *Approve the updates in the Business Plan 2017-20*

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

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

2. 50% recycling and composting by 2020 - In support of JMWMS Policy 3 The Authority is developing waste minimisation proposals which aim to remove waste from the residual waste to; achieve a permanent waste reduction, increase recycling and increase composting. Working in partnership with West London Alliance the Authority and constituent Boroughs are developing joint waste collection projects which target waste reduction, recycling and composting.

3. Future Joint Strategy – The Authority and Borough Partners are starting to prepare for a new joint waste management strategy from 2020 which will consider: commercial waste, regional growth including the old oak common development, Heathrow, HS2 and Crossrail; planning for a circular economy and emerging government and mayoral strategies. It has been identified that existing and proposed Authority contracts support the development of a commercial waste collection strategy and that the development of infrastructure to serve commercial waste in London is hampered by a lack of publicly available commercial waste data.

4. Added Value – In support of JMWMS Policy 7 to provide waste management services that offer good value, that provide customer satisfaction and which meet and exceed legislative requirements, and Policy 8 which is a commitment to work together to achieve the aims of the strategy and to share equitably the costs and rewards of achieving its aims. Five areas were identified in 2017 where West London Waste Authority can lead activity to increase efficiency and improve negotiating positions:

- Waste data inputting, analysis and reporting,
- Waste Minimisation including projects to support the increased quality of dry mixed recycling,
- Joint procurement of dry mixed recycling offtake through a Materials Recycling Facility from 2020,
- Developing a masterplan of waste management sites, a harmonised HWRC and Transfer Station offer for residents and local tradespeople,
- Joint procurements and marketing of waste and recycling materials.

In 2018 a new project area has been added, working with West London Alliance to develop:

- A joint collections strategy which aligns with the joint waste disposal strategy

5. Borough Partnership – As part of the Authority’s commitment to collaboration and transparency, borough officers will be included in information sharing, project development and invited to comment through the Borough Partnership Meetings.

6. Financial Implications – Financial provision has been included within the approved 2018-2019 budget for business plan activities for this year as set out in the appendix to this report.

7. Risk Management – The proposals detailed in this business plan will be aligned with the requirements of the Authority’s T&C Regulations.

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

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

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

Background Papers	WLWA Business Plan 2017 – 20 Report 24 th March 2017	
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	Keith Townsend, Chief Technical Advisor WLWA TownsenK@ealing.gov.uk	020 8825 9551

West London Waste Authority Business Plan 2017-2020

- updated March 2018



Section 1: Role and Services

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

Our statutory duties are to arrange:

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



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

Partnership

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

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

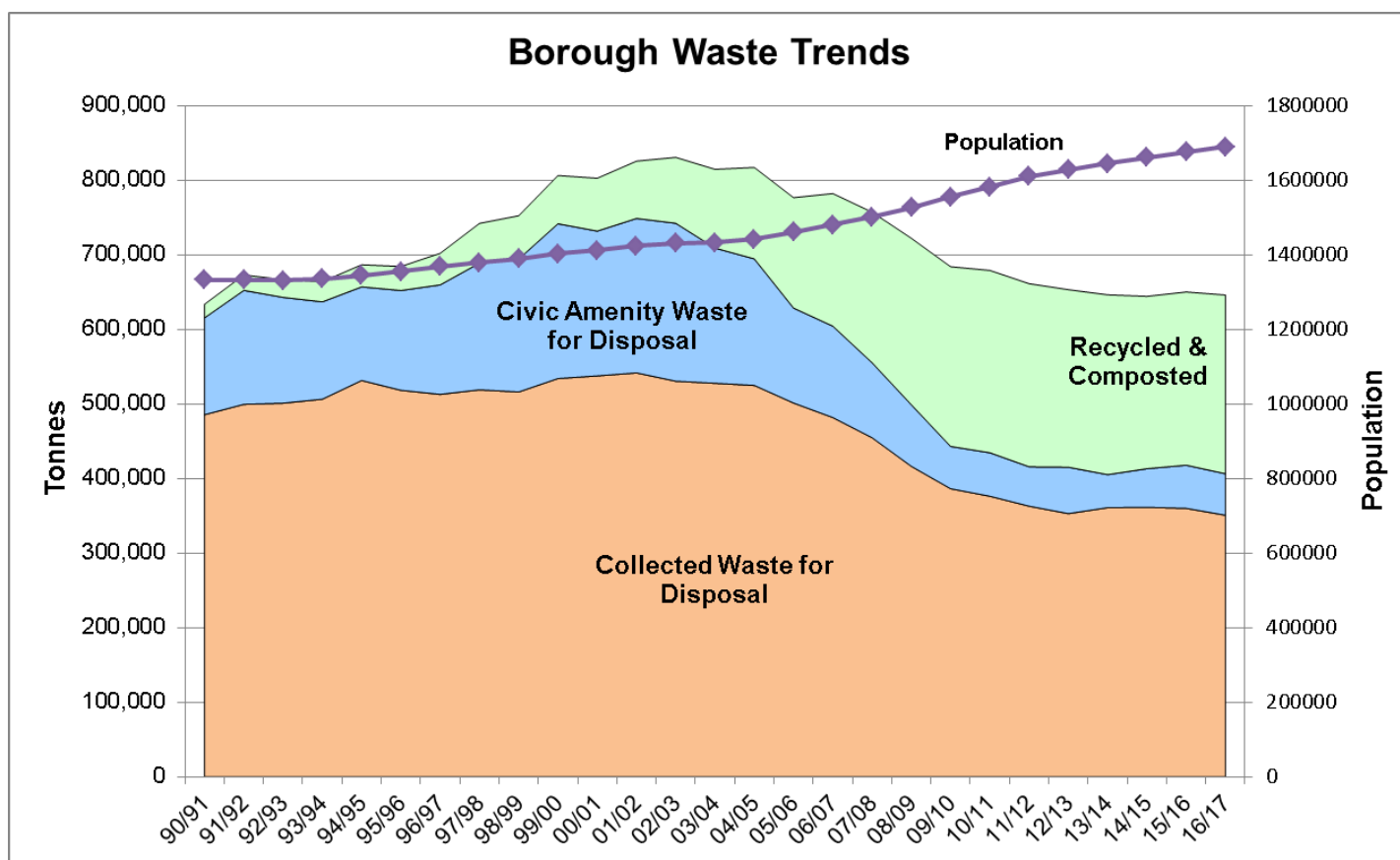
Strategy

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

The current strategy was first agreed in 2006 with an addendum agreed in 2009 as part of the preparations for the residual waste services procurement and expires in 2020. The most recent review of the action plans was completed in September 2017.

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

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



Core Services

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

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

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

Section 2: 2017/18 in review

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

Organisational review – The management structure combines contracts and operations management to ensure we lead best practice and continuous improvement through all of our services. The development of strong project management skills in the waste minimisation team, new project management and communications support posts and the management restructure at Twyford will assist delivery of the challenges ahead of us.

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

Contracts and Operations – All of the Authority’s contracts continued to deliver good value for money and have met service requirements in year. Significant improvements have been made by SUEZ and the boroughs to ensure that the Severnside Energy Recovery Centre does not need to come offline due to the bulky waste. The Authority has re-procured its food waste treatment service and is currently evaluating tenders for its organic and transport services. At the Authority’s Twyford Waste Transfer Station efficiency projects to; reduce transport costs by splitting bulky and black bag waste, maximise the amount of recycling from trade waste and HWRC waste have been successfully rolled out, as well as the restructure of the management of site. The Authority has developed joint MRF strategy which has been adopted by boroughs, with a project board being created to oversee the development of procurement strategy and support projects. Finally, a joint contracts register has been created.

Waste Minimisation – This year, the Waste Minimisation Plan has focused on more collaborative projects to help our borough partners reduce cost, drive behaviour change and improve the quality of materials for recycling across the WLWA area. Achievements this year include a continued focus on delivering food waste intervention & recycling projects, launching a free reusable nappy loan pack for residents in our boroughs and successfully applying for funding to implement a WEEE collection trial project. In addition to new initiatives, the team has continued to promote the Reduce Reuse Recycle message to residents by attending over 100 events, speaking with over 6000 residents and engaging more with people online through our multiple social media channels.

Section 3: The Future

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

Challenges over the next two years

- Local authority funding pressures – the Authority is effectively wholly funded by levy on the constituent boroughs and therefore significant savings need to be found. The Authority’s focus on financial control, its long term financial planning and its key contract dampening the impact of pricing inflation will provide certainty of per tonne costs for residual waste.
- Recycling targets – the Authority is striving to reach 50% recycling and composting by 2020 despite the volatility of recycling markets. It will be increasingly difficult to achieve weight based recycling targets due to:
 - pressure for increased quality of recycling materials,
 - reduced weight of recycling materials
 - fewer recycling materials available for capture due to waste minimisation activity, and
 - increasing population density,
- Data and Information – improving our capture and analysis of data will enable us to ensure future targets are appropriate, achievable and drive the right behaviour. The Authority needs access to good quality commercial waste data to be able to plan for the future.

- Market volatility – the Authority has adapted and streamlined its management structure to focus on contract management and supply chain management. The waste disposal contracts bring financial stability but the recycling markets will experience continued volatility due to the market link to oil and other primary resources.
- Measuring behaviour change – measuring and understanding the barriers, triggers and motivators to behaviour change will enable the Authority to deliver our long term vision of preventing valuable materials becoming waste.

Key themes

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

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

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

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

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

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

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

Key activities	Owner / Lead	Timescales	Outcomes from activities
Establish new Head Office location and put in place new IT infrastructure	Head of Finance and Performance	<u>Dec</u> 2018	Preferred options recommendation by June 2017 Successful office move and implementation of new IT infrastructure before the expiry of current office lease in 2018
Review / change / improve processes to comply with changing accounting requirements reducing timescales for publishing accounts	Head of Finance and Performance	July 2018	Approved, published, audited 2017/18 final accounts by 31 July 2018
<i>Deliver the Waste Minimisation Plan focusing on food waste, waste electricals, textiles, furniture, nappies and dry mixed recycling</i>	<i>Waste Minimisation Manager</i>	<i>March 2020</i>	<i>Progress report as part of Waste Minimisation projects update</i>
<i>Increase waste recovery, recycling and reuse at IRRCs and TSs</i>	<i>Operations Manager</i>	<i>March 2020</i>	<i>Progress report as part of contracts and operational updates</i>
Drive efficiencies from existing contracts, operations and supply chains	Operations Manager	March 2020	Progress report as part of contracts and operational updates

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

Business Plan Objective:	<i>We will treat waste as a valuable resource and prepare for the future by examining data, challenging the status quo and communicating the results of our projects transparently.</i>
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Key activities	Owner / Lead	Timescales	Outcomes from activities
Develop a Communications Strategy	Managing Director	June 2017	Authority approval and adoption of Communications Strategy
Source mobile IT hardware and software to capture data and information	Head of Finance and Performance	June 2017	Capturing baseline behaviour change information at waste minimisation events
<u>Propose</u> a commercial waste and recycling strategy for Boroughs	Managing Director	Sept 2017	Updated action plan in the JMWMS
→ Review / change / improve processes for the management of the Authority's and Borough's data	Head of Finance and Performance	Sept 2017	Provide users more accessible strategic information
<i>Assist collections projects supporting waste minimisation, MRF strategy, HWRC and TS blueprint and to drive supply chain efficiencies</i>	<i>Managing Director</i>	<i>March 2019</i>	<i>Projects reported in waste minimisation projects updates and to Borough Partnership and WLA Environment Board</i>
<i>Update website and WLWA branding</i>	<i>Waste Minimisation Manager</i>	<i>March 2019</i>	<i>Updated website and WLWA rebrand</i>
<i>Develop a new Joint Municipal Waste Management Strategy from 2020</i>	<i>Managing Director</i>	<i>March 2020</i>	<i>Joint Municipal Waste Management Strategy from 2020 including joint collections strategy, joint commercial waste and recycling collections strategy and waste infrastructure masterplan</i>
Develop circular economy / extended producer responsibility / sustainable development projects	Managing Director	March 2020	Updated Waste Minimisation Plan in JMWMS 2020

Lobby for the legislative or policy changes needed to support circular economy / sustainable development targets.	Managing Director	March 2020	Communicate WLWA statistics and conclusions Updated JMWMS 2020 with policy leading targets
Develop methods to capture regional waste management data	Head of Finance and Performance	March 2020	Access to regional waste management data

Key			
Grey coloured rows indicates task complete			
<u>Underlined</u> text indicates changed text or a changed date			
<i>Text in italics indicates a new activity</i>			

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

The one year anniversary of the full services at Severnside Energy Recovery Centre (SERC) took place on Wednesday 7th February 2018. At the event, West London Waste Authority and SUEZ named a train "Resourceful". The event was considered a success by all who attended.

6. Procurements Update

Below is a summary of the procurements that have recently been tendered:

- Food waste – Following market engagement, WLWA developed a strategy to deliver sustained low cost food waste treatment. Six strong submissions were received on 20th December for a 10 year contract to transport and treat food waste from West London. The recommendation report was circulated to Members and on the 14th February 2018, the Managing Director in consultation with the Chair and the Chief Technical Officer approved the appointment of Bio Collectors Limited as the chosen contractor for the Food Waste Treatment Services contract. Bio Collectors Limited offers boroughs an excellent opportunity to increase food waste capture rates from residents and to develop commercial food waste recycling collections, minimising waste and making a cost saving. Mobilisation of the contract has begun ready to start on 1st April, in addition the Contractor has committed to achieving ISO 18001 accreditation or similar relating to Health and Safety within the first year. Officers will report back to Members when this has been achieved.
- Organics Treatment – The OJEU was issued and 18 Tenderers signed up to the tender portal. Following several extension requests from tenders, the final submission date for tenders was 12 noon on 1st March 2018. A one month extension has been granted to the incumbent service providers to provide sufficient time to mobilise the new contracts. The new contracts are due to commence on the 1st May 2018.
- Transport Services - The OJEU was issued and 20 Tenderers signed up to the tender portal. The submission date for tenders was 12 noon on 27th February 2018. A one month extension has been granted to the incumbent service providers to provide sufficient time to mobilise the new contracts. The new contracts are due to commence on the 1st May 2018.

As approved by Members at the December Authority Meeting the award decisions have been delegated to the Managing Director in consultation with the Chair and the Chief Technical Officer. Officers are currently evaluating the tenders for the Transport and Organics services. Delegated decisions from the Managing Director and Chief Technical Officer in consultation with the Chair will be sought in due course and with the outcome being reported back to the Authority in June 2018.

Please note the new and old collection and treatment rates in Table 1 of the PART 2 section of this report.

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 was based on the existing food waste treatment rates; therefore boroughs will see the benefit of the new contract in 2019/20 financial year.

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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	Emma Beal, Managing Director	020 8825 9488
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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, calculated in accordance with NI192, for the HRRC stands at 45% (31 January). In January the site saw the usual post-Christmas increase in general waste received but there was a significant increase in the tonnage recycled as well which resulted in a steady recycling rate.
3. Surveying work to inform the procurement of the structural works is now complete. A drainage survey and topographical survey have also been undertaken, the reports of these are due in March and a further meeting with our engineers has occurred.
4. A new roll on roll off vehicle has been procured for the site following the existing one no longer being fit for purpose. The secondhand vehicle is now working and driver training on this type of vehicle renewed.
5. **Other operations** – In June 2017 the results of an internal trial to increase capture of recyclable materials from bulky waste were reported to the Authority. Further trials have been taking place with external service providers and these have confirmed that, depending on the material coming in, it is possible to extract up to 50% of weight to be recycled or recovered.
6. **Health and Safety Action Plan update** – Work is continuing. The only action that will not be completed by the end of March are the structural works to repair the site following the fire damage in August 2017. The full report on the 2017/18 action plan results will be presented to the Authority in June. Appendix 1 shows the progress year to date.
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
Contact Officers	Sarah Ellis, Operations Manager 020 8825 9414 sarahellis@westlondonwaste.gov.uk Emma Beal, Managing Director 020 8825 9468 emmabeal@westlondonwaste.gov.uk

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 will be built in to contract meetings from the beginning of the new contracts being awarded for food waste, mixed organics and transport.
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	Both audits and inspections have now taken place.
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	<p>July 2017</p> <p>July 2017</p> <p>July 2017</p> <p>July 2017</p> <p>September 2017</p>	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. ▪ Currently seeking a provider for the periodic testing
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	A new fire risk assessment was undertaken on site at the end of January. Recommendations from this are currently being enacted.
7	Undertake a full review of driving needs (including training & licensing), plant safety and maintenance at Twyford WTS and HRRC	Assistant Site Manager	Begin June 2017 and complete by February 2018	Green	Proposals have been received for alternative 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 is now complete.
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 now complete.
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 number of small works have taken place, some new companies still need to be procured for specialist bits of work.
24	Capital works	Operations Manager	Amber	A series of surveys have been undertaken – drainage, topographical, utilities and structural. The results of these will result in technical specifications being drawn up to procure works. 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 ▪ Vibration testing as appropriate ▪ Lifting Operations Lifting Equipment Regulation (LOLER) testing ▪ Obtain portable appliance testing quotes for testing in November 2017 	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 ▪ 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.

WEST LONDON WASTE AUTHORITY

Report of the Managing Director

23rd March 2018

Annual Procurement Plan 2018/19

SUMMARY

This report provides details of the Authority's Annual Procurement Plan for the year 2018/19 and provides a list of the contracts that will require action in year. The report also updates the Authority's Contract Register for publication on the Authority's website and/or other suitable media to discharge the Authority's transparency requirements.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Approve this Annual Procurement Plan for 2018/19; and*
- 2) *Note the published Contracts Register for 2018/19 on the Authority's website.*

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

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

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

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

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

- Support Boroughs to achieve a minimum 50% recycling and composting target by 2020;
- Harmonise the services offered at the Household Re-use and Recycling Centres (HRRC) and transfer station network;

- Ensure appropriate infrastructure is available for the Authority's and constituent borough's waste to be managed in accordance with the waste hierarchy; and
- Deliver shared procurements for recycling on behalf of the boroughs.

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

2. Authority Contract Register - The Contract Register for 2018/19 has been published on the Authority's website in order to comply with the Local Government Transparency Code 2014 requirements. [Click here](#) for a link to the website page hosting the Contracts Register.

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

4. Authority Contracts and Procurement Rules – The Authority's current Contracts and Procurement Rules were updated in 2016 to reflect The Public Contract Regulations 2015. The Contracts and Procurement Rules were approved at the Authority meeting on the 1st July 2016. The Contracts and Procurement Rules provide the structure within which works, goods and services are to be procured and the financial limits that apply to the various tendering routes. As well as the guidance upon the seeking of tenders the Contracts and Procurement Rules also advise on the use of other suitable alternatives including constituent borough contracts and framework agreements. Officers as part of their ongoing programme of updating the Authority's policies are going to review and update the Contracts and Procurement Rules during the next year 2018/19.

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

Table 1 - Procurement Plan

Service/Item to be procured	Anticipated quarter of year	Description of Service, etc.
Waste services		
Extraction of recycling from residual waste streams including HRRC and bulky waste	1 st quarter 2018	Multiple lots or multiple contracts to extract recycling
Out of Hours reception service	1 st quarter 2018	Reception and treatment of waste after 5pm
Rubble, hardcore and soil	2 nd quarter 2018	Recycling of hard-core, rubble etc
HRRC recycling (metal, card, paper etc)	2 nd quarter 2018	Multiple lots or multiple contracts to extract recycling
Gypsum disposal service	2 nd quarter 2018	Treatment of gypsum,
Mattress Treatment Service	3 rd quarter 2018	Recycling of mattresses

Service/Item to be procured	Anticipated quarter of year	Description of Service, etc.
Other services	As required	For bulking of materials/collection of waste/reception of waste or treatment of new waste streams .
Support Services		
Planning consultancy advice	1st quarter 2018	Professional Services to assist with MRF project development
Property Advice	1 st quarter 2018	Identification of suitable sites for MRF project development
Plant hire and servicing	1 st quarter 2018	Replacement mobile plant for Twyford waste transfer station
Construction works for Twyford	1 st quarter 2018	Refurbishment work at Twyford waste transfer station
Construction works for the bulking Facility at Victoria Road	2 nd quarter 2018	New bulking facility of food, garden and DMR for boroughs use
Relocation of head office and supporting services	2 nd half 2018	New head office and supporting services such IT.
Security services	1 st quarter 2018	Security services for Twyford
Head office support services	TBC	SLAs with boroughs need retendering e.g. treasury and legal services

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

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

8. Financial Implications – Financial provision has been included within the approved 2018/2019 budget for the provision of the services, including any proposed procurements as set out in this report.

9. Risk Management – The proposals detailed in this procurement plan will be aligned with the requirements of the Authority’s T&C Regulations. It is not considered that specific risk registers will be required for any of the arrangements likely to be subject to the procurements in 2018/2019. Officers will manage any risks that may be identified as they arise.

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

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

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

Background Papers	None
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Waste Minimisation – The proposed Waste Minimisation Plan for 2018/20**SUMMARY**

This report presents the proposed Waste Minimisation Plan for 2018/19 for approval.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Approve the Waste Minimisation Plan 2018-20

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

2. Background – Each year a new plan is developed in consultation with the constituent boroughs. Progress against actions in the plan are reported quarterly to the boroughs and published on the Authority's [website](#). Reports are also regularly presented at Authority meetings. In January this year the results up to December 2017 were reported and in June the 2017/18 annual report will be presented. Actions in the Waste Minimisation Plan (WMP) have been 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.

3. Waste Composition – A review of waste composition changes since 2011 identified the proportion of organic waste had significantly reduced but remains significant. Glass was also recognized to have reduced. Increases worthy of note are a growth in textiles, plastics and disposable hygiene products. The cause of these changes are multiple and complex including: light-weighting of packaging resulting from producer responsibility regulations, Borough' policy on food waste collection and waste restriction, cheap textile production and review of clinical waste collections.

4. Developing the 2018/19 Waste Minimisation Plan (WMP) – In light of ongoing funding pressures and to support our purpose as leaders in treating waste as a valuable resource, the WMP is now more project focused, measuring waste data changes and supported by educational and communication activity. The new plan is intended to show strategic objectives, allowing detailed plans to develop in collaboration with partners and according to opportunity. The detail of projects will be reported monthly to Boroughs with a consolidated report to Authority meetings.

The adaptations to the WMP 2018/20 reflect borough wishes and enable more joint working over a longer period. Borough Partnership discussions over the last year resulted in continuation of the target materials of food waste, textiles, waste electrical and electronic equipment, bulky household waste, nappies and inclusion of plastics and dry mixed recycling. A number of common themes were identified:

- a. **Food waste recycling** – this is an important area for all boroughs. Engaging with residents to encourage them to reduce their food waste and recycle more using the existing services could lead to service efficiencies, significant cost savings and increased recycling rates in the short term and increased waste reduction in the longer term.
- b. **Joint Collections** – there is the potential for a joint collection approach on textiles to increase the amount diverted from residual waste. This will start with WLWA taking on the relationship with textile recyclers on behalf of Boroughs to gain efficiencies and synergy savings. Additional waste streams may also benefit from a joint collections approach such as waste electrical and electronic equipment (for which WLWA has funding to support a trial) and bulky waste and flytipped waste (to support the West London Alliance waste collections project).
- c. **Dry Mixed Recycling** – Without a significant policy shift from government, improved quality is more important than increased quantity of dry mixed recycling from households. Working together WLWA and Boroughs can increase the value of recycling and manage the risk associated with recycling with projects to harmonise the specification of recycling, and improve the quality of recycling materials.
- d. **Measurement** – a more detailed understanding is needed of the waste collected from and delivered by householders. There is also a need to find out more about what action they take following interaction with our activities and what motivates a change in the way they treat the items they no longer want. Measurement is very closely linked to the other three common themes identified.

5. The 2018/20 WMP – The detail of the proposed plan is shown in appendix one. Seventy five percent of the plan should be delivered in the first year and new projects and ideas developed for inclusion in the second year. The plan will be updated and reviewed by the Authority in September 2018.

6. Financial Implications – The WM budget for 2018/19 was approved at the January 2018 Authority meeting and includes a new project management style staffing structure which will be implemented from 1st April 2018.

7. 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.

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

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

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

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

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

Background Papers	
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Waste Minimisation Plan: Aims and objectives	
Material Stream 1 - Food	Objective 1: Decrease the amount of avoidable food waste
Material Stream 2- Textiles	Objective 2: Increase the amount of food waste collected for recycling
Material Stream 3 - Small Waste Electricals	Objective 3: Reduce the proportion of textiles in the residual waste stream
Material Stream 4 - Nappies	Objective 4: Deliver a WEEE recycling campaign to raise awareness and minimise issues
Material Stream 5 - Bulky Household Waste	Objective 5: Reduce the proportion of disposable nappies in the residual waste stream
Material Stream 6 - Plastics	Objective 6: Promote local re-use
Material Stream 7 - Dry Mixed Recycling	Objective 7: Decrease the amount of single use plastics
	Objective 8: Increase the amount of dry recycling
	Objective 9: Improve the quality of recycling

Material Stream 1: Food: Increase food waste recycling and decrease the amount of avoidable food waste

FO1	Description	Potential Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 1: Decrease the amount of avoidable food waste							
Reduce Cost Drive Change	Implement 3 food waste intervention projects	Harrow, Hillingdon and Hounslow Bio-Collectors Lampton 360	Measure changes in food / residual waste tonnage collected Measure demand for caddies requested Measure local authority food waste website hit rate Measure number of food waste related enquiries	Decreased proportion of food waste in residual waste stream	Bespoke plan per project Set up and promote food waste related events in WLWA Boroughs Digital / short film to engage younger audience	Long Term	£££
Objective 2: Increase the amount of food waste collected for recycling							
Drive Change	Implement school food waste recycling collection projects	A WCA Bio-Collectors LEA Contractor A school food provider	Measure changes in food waste and residual waste tonnage collected Measure disposal cost savings	Increased tonnes of food waste recycled	Bespoke Plan Set up and promote food waste related events in WLWA Borough schools Digital / short film to engage younger audience	Quick Win	££
Material Stream 2: Textiles: Reduce the proportion of textiles in the residual waste stream							
T1	Description	Potential Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 3: Reduce the proportion of textiles in the residual waste stream							
Increase Efficiency Drive Change	Promote the collection of textiles across all WLWA Boroughs	Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond ERC, Traid, LM Barry, Salvation Army West London Alliance	Measure number of tonnes of textiles collected door to door and from bring banks Measure the proportion of textiles in residual waste samples	Decreased proportion of textiles in residual waste stream	Raise awareness of the importance of not putting any textiles in the bin Link WLWA campaigns through Borough websites Contractor run events	Medium Term	£

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Material Stream 3: Small waste electricals: Reduce the proportion of small waste electricals in the residual waste stream

E1	Description	Potential Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 4: Reduce the proportion of small waste electricals in the residual waste stream							
Drive Change	Run a pilot scheme for WEEE household collections	Harrow ERP Defra	Measure tonnes of small waste electricals collected from households Measure number of collections made Measure proportion of weee in the residual waste stream	Decreased proportion of Weee in residual waste stream	Campaign using social media, leaflets, video, recycling truck advertising, local event engagement Raise awareness of the importance of not putting weee in the bin Set up and promote small waste electricals bring events	Quick Win	£££
	Lobby Government to ensure producers continue to innovate to extract waste electricals from the residual waste and cover LA costs where necessary	Resource London Nawdo, Larac, Defra, EPR Dixons Carphone Warehouse	Measure the proportion of Weee in residual waste stream	Change in Producer Responsibility Regulations, or Funding to innovate and increase extraction of small weee	Publishing data	Long Term	£

Material Stream 4: Nappies: Reduce the proportion of disposable nappies in the residual waste stream

N1	Description	Potential Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 5: Reduce the proportion of disposable nappies in the residual waste stream							
Reduce Cost Drive Change	Loan reusable nappy kits to parents and carers across the WLWA area	Borough Communications Teams Hillingdon Childrens Centres Ealing NHS National Childbirth Trust Mothercare Real Nappies for London	Number of parents taking trial packs on loan Number of parents pledging to purchase reusable nappies Number of parents who have made the change to reusable after 3 months	Decreased proportion of disposable nappies in the residual waste	Targetted promotions Set up and promote Events	Quick Win	£
	Run a pilot scheme offering an option for parents to purchase reusable nappy kits through installments	Harrow	Number of parents purchasing nappy packs in installments Number of parents still using and paying for the kits after 6/12 months	Decreased proportion of disposable nappies in the residual waste	Bespoke campaign Promotion of events	Medium Term	££

Material Stream 5: Bulky Household Waste: Promote local re-use and investigate waste reduction through changed methodology

R1	Description	Potential Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 6: Promote local re-use							
Drive Change	Promote local reuse options across the WLWA area	LWARB Advance London Programme	Measure the proportion of bulky household waste in the residual waste Gather flytip data realting to bulky household waste	New project ideas relating to bulky household waste / reuse	Promotional activity	Quick win	£

Material Stream 6: Plastics: Decrease the amount of single use plastics

P1	Description	Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 7: Decrease the amount of single use plastics							
Reduce Cost Drive Change	Create a project to reduce single use plastics within WLWA area	Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond	Measure the proportion of plastic in the residual waste [Measure the amount of water delivered through fountains]	Decreased amount of plastics in the residual waste No plastic alternatives opening in area	Bespoke campaign Promotion of events Pop up events	Medium Term	£

Material Stream 7: Dry Mixed Recycling: Increase participation and improve the quality of recycling set out

R1	Description	Partners	Measurement (Output)	Measurement (Outcomes)	Communication / Events	Type of Initiative	Investment Criteria
Objective 8: Increase Participation							
Drive Change	Increase the amount of dry mixed recycling collected from flats in the WLWA area	Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond Viridor, Biffa, Veolia, Suez, Resource London, Residents Assoc	Measure contamination per tonne Measure contamination types and proportion Measure participation rates measure changes in tonnes of recycling collected	Increased recycling tonnes collected	Develop WLWA campaign to increase recycling, using improved quality specification Promote dry mixed recycling at Events	Medium Term	£££
Objective 8: Improve the quality of recycling set out							
Reduce Cost	Harmonise the recycling materials collected for recycling across the WLWA area	Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond Viridor, Biffa, Veolia, Suez, Resource London, Residents Assoc	Measure contamination per tonne Measure contamination types and proportion Measure participation rates measure changes in tonnes of recycling collected	Reduced percentage of contamination per tonne of recycling collected	Develop WLWA campaign to increase recycling, using improved quality specification Promote dry mixed recycling at Events	Medium Term	£££

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Category	Key	Definitions
Aim		High level statements that provide overall context for what the project is trying to achieve
Objective		Objectives are lower level statements that describe the specific, tangible products and deliverables that the project will deliver
Output / impact		Measure changes that have happened as a result of our intervention. Changes in knowledge, awareness and behaviour
Outcome		Seeks to link the short term (impacts) with the longer term benefits (outcomes)
Investment criteria	£	Up to £5000
	££	Between £5,000 to £20,000
	£££	Above £20,000
Number of months to recover investment	Quick win	Less than 12 months
	Medium term	12 - 24 months
	Long term	Above 24 months

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Budget Monitoring Report Period 10 (January)

SUMMARY

This report provides an update on financial and operational matters

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the current financial position and forecast for 2017/18
- 2) Note the current year performance and KPIs
- 3) Approve the KPIs for 2018/19
- 4) 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

	P10 Budget £ 000s	P10 Actual £ 000s	P10 Variance £ 000s	Year Budget £ 000s	Year Forecast £ 000s	Year Variance £ 000s
Expenditure						
Employees	1,378	1,429	52	1,653	1,748	95
Premises	3,573	3,081	-492	4,287	3,824	-463
Waste Transport & Disposal	30,994	28,702	-2,293	37,193	34,281	-2,913
Other supplies	1,098	503	-595	1,318	700	-618
Depreciation	6,856	6,833	-23	8,227	8,192	-35
Financing and Other	7,527	7,333	-194	9,032	8,767	-265
	<u>51,425</u>	<u>47,880</u>	<u>-3,546</u>	<u>61,710</u>	<u>57,512</u>	<u>-4,199</u>
Income						
Levies	-49,900	-48,526	1,374	-59,880	-58,287	1,593
Trade and other	-1,525	-1,707	-182	-1,830	-1,982	-152
	<u>-51,425</u>	<u>-50,233</u>	<u>1,191</u>	<u>-61,710</u>	<u>-60,269</u>	<u>1,441</u>
(Surplus) / Deficit	<u>0</u>	<u>-2,353</u>	<u>-2,353</u>	<u>0</u>	<u>-2,757</u>	<u>-2,757</u>
Disbursement back to boroughs	0	1,800	1,800	0	1,800	1,800
Net (Surplus) / Deficit	<u>0</u>	<u>-553</u>	<u>-553</u>	<u>0</u>	<u>-957</u>	<u>-957</u>

The summary shows how financial performance compares to the budget for both the period in question and the forecast for the year which is based on activity / spending continuing at the current rate.

The two largest variances relate to the overall volume of waste, primarily residual waste. The forecast for the year is below budget resulting in an under-spend for the Waste Transport & Disposal budget of £2.3 million and lower levies of £1.4 million.

Other notable variances include:

- savings in premises costs primarily from rent reviews being agreed at lower than budgeted levels
- savings in cost of other supplies across a range of activities including reduced plant leasing, running and maintenance costs and lower consultancy costs
- Concession accounting (financing) and depreciation savings resulting from 2016/17 closing accounts valuations and agreed accounting treatment with EY.

The net surplus from operating activities is offset by the disbursement of excess reserves to leave a favourable position for the period and forecast for the year end, of £0.9 million.

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.

Setting aside any changes resulting from year end accounting valuations (including property and pensions) the summary essentially reflects the sort of position that we are forecasting to be presented in the annual statement of accounts assuming the trend of lower waste flows continues for the remainder of the year.

In terms of the annual statement of accounts, it is worth noting that new accounting requirements will mean the final audited statement of accounts will be reported earlier, to the June Authority meetings instead of September.

2. Operational KPIs

The KPI table (Appendix 2) illustrates the performance in key activities.

The performance is largely consistent with the period 8 report and most KPIs are on track with a few minor exceptions:

- KPI3 and KPI4 reuse, recycling and composting waste. These were set with aspirational targets and have been reviewed for next year based on the current year experience.
- KPI16 engagement on social media has been updated for the next year incorporating input from our new Communications Officer.
- KPI17 the training days target is unlikely to be achieved this year due to staffing changes and prioritisation of project work.

3. KPIs for 2018/19

The current suite of KPIs provides a good range of indicators for monitoring business wide performance. Therefore Appendix 3 provides the KPIs for 2018/19 and shows that the

measures remain largely unchanged with many of the targets either the same or better than in the current year.

The exceptions to this are KPI3 and KPI4 (HRRC reuse, recycling and composting) where the targets are aligned to the Joint Waste Management Strategy of achieving 50% recycling and composting by 2020. This will be a step towards the longer term goals of higher rates. KPI5 (HRRC recycling) has also been removed as it is already included in the above two KPIs.

4. Delegated decisions

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

There was one delegated decision to report and this relates to the food, organics and haulage contract which is reported elsewhere in today's agenda. In December the Authority delegated contract award decisions to the Managing Director and Chief Technical Officer in consultation with the Chair. Following a full tender exercise for the food waste, bids were evaluated and the contract was awarded to the highest scoring tenderer, Bio Collectors. Tenders for organics and transport services were received on 1 March and 28 February respectively. Delegated decisions will still be required at the end of March/start of April.

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

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

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

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Appendix 1

Pay As You Throw	Period 10				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	19,868	18,235	-1,632	lower than budgeted waste tonnage	23,841	22,266	-1,575	assuming lower tonnages continue 17-18
Waste - Residual: EFW Bulked	5,798	6,148	349	temporary fluctuation due to	6,958	7,032	74	
Waste - Residual: EFW Delivered	3,166	3,205	39	diversions	3,799	3,845	46	
Waste - Food	595	610	15		714	732	18	
Waste - Mixed Organic	783	840	56	larger tonnage then budgeted	940	933	-7	
Waste - Green	898	954	57		1,077	1,060	-17	
Waste - Other	212	278	66		254	338	84	
Waste - Concession interest	-2,871	-2,719	152		-3,445	-3,263	182	concession underspend per 2016/17 agreed/audited accounting treatment
Waste - Concession liability	-2,493	-2,886	-393		-2,991	-3,463	-472	
Financing SERC - Interest	2,871	2,719	-152		3,445	3,263	-182	
Financing SERC - Concession interest	3,692	3,679	-12		4,430	4,387	-43	
Premises - SERC	1,114	1,147	32		1,337	1,474	137	
Depreciation - SERC	5,834	5,646	-188	per 2016/17 year end property valuation	7,001	6,766	-235	per 2016/17 year end property valuation
PAYT Levy income	-39,467	-38,093	1,374	rebate resulting from lower waste tonnage	-47,360	-45,767	1,593	estimated final reconciliation
PAYT Net Expenditure	0	-238	-238		0	-398	-398	

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Fixed Cost Levy	Period 10				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	1,378	1,429	52		1,653	1,748	95	
Premises	2,288	1,758	-530	negotiated lower rent uplift than initially requested	2,745	2,124	-621	negotiated lower rent uplift than initially requested
Waste - Residual	3,325	3,297	-28	higher than budgeted tonnage	3,990	3,938	-52	higher residual tonnage than expected
Waste - Green	709	296	-413	lower tonnage and transport cost	851	329	-522	lower tonnage and transport cost
Waste - Wood	950	654	-296	negotiated lower disposal rate with different provider	1,140	785	-355	negotiated lower disposal rate with different provider
Waste - Other	877	651	-225		1,052	781	-271	
Other Supplies	1,098	503	-595		1,318	700	-618	not extending expired leases
Depreciation	128	322	194	2016/17 year end property valuation increase	154	390	236	per 2016/17 year end property valuation
Financing and Other	-42	-46	-4		-50	-55	-5	
Trade Waste and Other Income	-1,526	-1,708	-182	higher trade waste income	-1,831	-1,983	-152	
Waste - Concession interest	-440	-417	23		-528	-500	28	concession underspend per 2016/17 agreed/audited accounting treatment
Waste - Concession liability	-382	-443	-61		-458	-531	-73	
Financing SERC - Concession Interest	440	417	-23		528	500	-28	
Financing SERC - Interest	566	564	-2		679	672	-7	
Premises - SERC	171	176	5		205	226	21	
Depreciation - SERC	893	865	-28		1,072	1,036	-36	
FCL Levy income	-10,433	-8,633	1,800	1.8M dispersed to Boroughs	-12,520	-10,720	1,800	1.8M dispersed to Boroughs
Fixed Cost Levy Net Expenditure	0	-315	-315		0	-559	-559	

Appendix 2

KPI No	Measure	2017/18 Target	Forecast	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Comments
Efficiency														
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 515,899 to 570,204 tonnes	516,008	40,313	46,182	47,934	43,980	45,518	42,906	41,785	40,931	39,307	41,151	
KPI2	Total kgs WCA waste per dwelling	867	824	64	74	77	70	73	68	67	65	63	66	
KPI3	HRRC reuse, recycling, composted % (Twyford)	60%	44%	39%	46%	49%	46%	47%	41%	40%	46%	41%	40%	The target is a aspirational target and there have been some changes on site.
KPI4	Borough HRRC Average reuse, recycling, composted %	60%	41%	42%	46%	46%	43%	45%	46%	45%	44%	20%	31%	The target is a aspirational target and it is the first time it has been collated by the Authority. Space Waye was shut to the public for 2 weeks in December.
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)	3.7%	2.4%	2.3%	2.4%	5.9%	1.0%	4.3%	1.8%	1.8%	7.5%	7.8%	
KPI7	Average days to pay creditors	Max of 30 days	18	14	17	18	18	18	18	19	20	21		
KPI8	Number of audit actions or recommendations overdue	0	0	0	0	0	0	0	0	0	0	0	0	
Service Delivery														
KPI9	Residual waste landfill diversion rate	96%	96%	65%	98%	94%	99%	100%	99%	100%	100%	100%	100%	
KPI10	Recycling rate for residual waste	2.00%	1.1%	0.57%	0.85%	0.47%	1.30%	1.43%	1.34%	1.78%	1.37%	0.73%	0.99%	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	1	0	0	0	0	0	0	0	1			TBC
KPI12	RIDDOR reported incidents at Twyford	0	0	0	0	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	0	0	0	
KPI14	EA reported incidents at Twyford	0	0	0	0	0	0	0	0	0	0	0	0	no reported incidents, although we did notify EA of fire and they visited site
Education														
KPI15	Number of people engaged at events	Min of 6,000 people	6,918	169	1,112	1404	1253	204	795	576	221	0	31	No public engagement events were held in Dec 17
KPI16	Engagement on social media	Provisional 8,000	5,934	929	528	518	444	481	469	449	464	277	386	Communication Officer appointed and to review in year
KPI17	Number of Training days per WLWA employee	4	3.0	1.0	0.1	0.0	0.1	0.0	0.1	0.3	0.0	0.8	0.4	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	80,018	8,437	7,417	7,207	6,875	6,434	6,094	6,426	5,560	5,715	6,517	

Appendix 3

KPI No	Measure	2017/18 Target	Forecast	2018/19 Target	Notes
Efficiency					
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 515,899 to 570,204 tonnes	516,008	+/- 5% i.e. 511,929 to 565,816 tonnes	Per borough budgeted tonnage
KPI2	Total kgs WCA waste per dwelling	867	824	853	Per borough council tax base
KPI3	HRRC reuse, recycling, composted % (Twyford)	60%	44%	45%	Measurement in accordance with NI192 industry standard towards long term JMWMS target of 50%
KPI4	Borough HRRC Average reuse, recycling, composted %	60%	41%	45%	Measurement in accordance with NI192 industry standard towards long term JMWMS target of 50%
KPI5	% of HRRC residual waste recycled	TBC	-		Removed as included in above
KPI6	Trade debt as proportion of non levy income	Max of 8% (1 month)	3.7%	Max of 8% (1 month)	Reflects monthly billing cycle
KPI7	Average days to pay creditors	Max of 30 days	18	Max of 30 days	Industry standard
KPI8	Number of audit actions or recommendations overdue	0	0	0	per previous experience
Service Delivery					
KPI9	Residual waste landfill diversion rate	96%	96%	96%	per principal contract
KPI10	Recycling rate for residual waste	2.00%	1%	2.00%	per principal contract
Safety					
KPI11	RIDDOR rate at rail transfer stations (previously incidents)	0	0	TBC	new H&S industry wide measure
KPI12	RIDDOR rate at Twyford (previously incidents)	0	0	TBC	new H&S industry wide measure
Environment					
KPI13	EA reported incidents at rail transfer stations	0	0	0	per previous experience
KPI14	EA reported incidents at Twyford	0	0	0	per previous experience
Education					
KPI15	Number of people engaged at events	Min of 6,000 people	6,918	6,000	per previous experience
KPI16	Engagement on social media	Provisional 8,000. Communication Officer to review in year	5,934	8,000	per previous experience
KPI17	Number of Training days per WLWA employee	4	3.0	4	to improve on current years performance
KPI18	Number of visitors to our website	Min of 60,000 hits	80,018	60,000	per previous experience

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