

West London Waste Authority

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

16 January 2020

*If you require further information about this agenda please contact: Alison Atherton, Tel: 020 8424 1266, E-mail: [alison.atherton@harrow.gov.uk](mailto:alison.atherton@harrow.gov.uk).*

### **West London Waste Authority**

A meeting of the West London Waste Authority will be held in Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY on Friday 24 January 2020 at 11.00 am

### **MEMBERSHIP**

Councillor Graham Henson, London Borough of Harrow (Chair)  
Councillor Philip Corthorne, London Borough of Hillingdon  
Councillor Guy Lambert, London Borough of Hounslow  
Councillor Mik Sabiers, London Borough of Ealing  
Councillor Krupa Sheth, London Borough of Brent  
Councillor Julia Neden Watts, London Borough of Richmond

## **AGENDA**

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

1. Apologies for absence
2. Declarations of interest

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

3. Minutes of the meeting held on 20 September 2019 **(Pages 3 - 6)**
4. 2020/2021 Budget **(Pages 7 - 38)**
5. Treasury Management **(Pages 39 - 42)**
6. Governance Matters **(Pages 43 - 48)**
7. Budget Monitoring Report Period 8 (November) **(Pages 49 - 54)**

8. Joint Municipal Waste Management Strategy Development **(Pages 55 - 62)**
9. Operations Update **(Pages 63 - 70)**
10. Projects Update **(Pages 71 - 72)**
11. Contracts Update **(Pages 73 - 76)**
12. Waste Minimisation Update **(Pages 77 - 82)**

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

13. Contracts Update **(Pages 83 - 84)**

### **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 20 September 2019 at 10.00 am at the Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

**Present:**

Councillor Graham Henson (Chair)

Councillor Guy Lambert, Councillor Mik Sabiers and Councillor Julia Neden Watts

**Apologies for Absence**

Councillor Keith Burrows and Councillor Krupa Sheth

**23. Apologies for absence**

Apologies for absence were received from Councillors Keith Burrows and Krupa Sheth.

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.

**24. Declarations of interest**

There were no declarations of interest.

**25. Minutes of the meeting held on 28 June 2019**

**RESOLVED:** That the minutes of the meeting held on 28 June 2019 be taken as read and signed as a correct record.

**26. Operations Update**

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

Sarah Ellis, Operations Manager, outlined the content of the report drawing attention to the decrease in the number of preventable near misses on site for the period May to July 2019. Emma Beal, Managing Director, advised that near miss reporting was likely to increase as a result of raising awareness but the near misses were likely to become smaller in nature.

Following a Member's suggestion that all job descriptions include reference to employees' responsibility for Health and Safety, Jay Patel, Head of Finance stated that this could be flagged in the brief to the HR Consultant and discussed with the management team together with other factors for potential inclusion.

In response to a Member's question in relation to the disposal of asbestos and the need to ensure that staff were trained in handling this material, the Operations Manager reported

that Twyford accepted asbestos waste from each of the six constituent boroughs. There were procedures in place if an individual tried to dump asbestos at the site.

**RESOLVED:** That the report be noted.

## **27. Projects Update**

Members received a report which provided an update on the Authority's efficiency and joint working projects.

Peter Tilston, Projects Director, outlined the content of the report and provided an update on the procurement for the MRF. He advised that the biggest impact would be on the recycling of materials (collections and processing) and that there was currently too high a risk for an Authority wide contract. Two interim contracts would be live by April 2020 and June 2020. The Managing Director added that the relevant legislation would be available in 2021.

**RESOLVED:** That the report be noted.

## **28. Contracts Update**

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

Tom Beagan, Senior Contracts Manager, introduced the report and, following requests from Members, undertook to circulate the Authority's report on carbon measuring and to quantify the increase in cost of dealing with waste 'out of hours' from 1 October 2019.

**RESOLVED:** That (1) the report be noted;  
(2) the Managing Director, following consultation with the Chair and the Chief Technical Advisor, be authorised to award the contracts for out of hours waste.

## **29. Waste Minimisation Update**

Members received a report which provided an update on the Authority's waste minimisation activities.

Mildred Jeakins, Waste Minimisation Manager, outlined the content of the report and noted the comments made by Members as follows:-

- There appeared to be a correlation between the amount of food waste collected and deprived areas in that residents were more likely to buy vegetables in bulk/ more cheaply therefore resulting in increased waste;
- There was a need to prioritise missed food collection waste over refuse bin collection;
- Further consideration/ work was required to promote the use of reusable nappies.

In terms of reusable nappies, the Waste Minimisation Officer advised that the officers were in contact with National Childbirth Trust (NCT) groups and had visited libraries in order to promote the use. Members suggested that the National Association of Health Visitors and use of appropriate and relevant Facebook groups might also assist with the promotion of the scheme.

**RESOLVED:** That the report be noted.

### 30. 2019/20 Budget Monitoring Report Period 4

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

Jay Patel, Head of Finance, reported that, in summary, the Authority was on track in terms of budget.

**RESOLVED:** That (1) the current financial position and forecast for 2019/20 be noted;  
(2) the Key Performance Indicators be noted;  
(3) the financial decisions taken under the Scheme of Delegation to officers be noted;  
(4) the update on the exercise to validate Household Reuse and Recycling Centres waste flows be noted.

### 31. Treasury Management Update including 2018/19 Outturn

Members received a report which provided an update on treasury management activities.

**RESOLVED:** That (1) the treasury management outturn for 2018/19 be noted;  
(2) the update for the current year, including the treasury management and prudential indicators, be noted.

### 32. Any other urgent business

During the course of the meeting, Members agreed to have a discussion on each constituent authority's priorities in order to provide officers with a steer for the Authority's short and long term plans and to determine whether there was any consensus/ clear focus moving forward.

Members commented/ raised issues as follows:-

- (a) Waste minimisation in light of tackling climate change
- (b) Public awareness of waste related issues
- (c) Traffic issues in the areas surrounding HRRCs and working to reduce car movements across boroughs in light of air quality issues
- (d) Plastics and their disposal overseas and whether this material could be dealt with locally
- (e) Data needed to be effective, correct and timely
- (f) To make progress on initiatives it was necessary to see the impact of the work carried out by the Authority
- (g) Finding solutions for more challenging types of waste
- (h) Measurement of targets – how?
- (i) Consistent measures /figures and regularity of data
- (j) Pressure needed to put on central government to take the lead on plastics ie producer responsibility, public awareness, lobbying ministers. There was a need to be proactive rather than reactive. Involving citizens builds communities.
- (k) Reduction of residual waste
- (l) There was a need for 'joined up' thinking/working across boroughs
- (m) For 2030, standardisation across boroughs should be supported but that this should also be in line with central government eg collection methodology.

Keith Townsend, Chief Technical Officer, made the following observations:

- (a) There was a need to consider disposal capacity in the medium term;
- (b) That he endorsed cooperation between boroughs
- (c) Behavioural change was a long term issue eg encouraging residents not to drive

around the boroughs in order to drop off waste.

The Managing Director thanked Members for their thoughts/ views which would assist in shaping the way forward for the Authority. She advised that a report would be prepared for a future meeting and commented that 'joined up' thinking/working was a key opportunity. The Chair requested that a report on the direction of travel be submitted to the next meeting and that Members forward any further ideas for inclusion in the short and long term plans for the Authority to the Managing Director.

### **33. 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 item for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
12.	Treasury Management Update including 2018/19 Outturn	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

### **34. Treasury Management Update including 2018/19 Outturn**

**RESOLVED:** That the report be noted.

**The meeting finished at 11.25 am.**

The minute taker at this meeting was Alison Atherton.

## 2020/21 Budget

### SUMMARY

This report sets out the 2020/21 budget proposal following consultation with boroughs including key areas of focus in the next 12-60 months to deliver our targets on residual waste reduction.

### RECOMMENDATION(S)

The Authority is asked to:-

- 1) Approve the 2020/21 budget for consultation with boroughs
- 2) Approve the Pay As You Throw (PAYT) rates in section 14 and PAYT levy made up of two components totalling of £48.8 million
- 3) Approve the Fixed Cost Levy (FCL) of £13.5 million in section 15
- 4) Approve the new proposed capital budgets in section 17
- 5) Approve the target level of reserves of £8.1 million to act as a buffer for managing risks and avoiding supplementary levies, in section 18
- 6) Approve setting aside £3m of reserves to fund locally agreed invest to save initiatives to increase food waste collection only

## 1. Introduction

1.1 In December an initial draft budget was circulated to members, shared with borough colleagues and sent to borough Finance Directors for a formal response. Borough colleagues were also invited to a meetings in December and January to discuss the proposals and adjustments made for their feedback.

1.2 The report follows and has been updated to include:

- Changes from the meetings with borough colleagues (CTB1, levy option, food incentive)
- Formal feedback from borough Finance Directors
- The latest 2019/20 year end forecast
- A summary of the medium and long term plan updated for this budget
- Minor changes / finalisation of numbers with managers

## 2. Executive Summary

2.1 A focus on controlling costs has delivered a budget lower than the underlying conditions and comfortably within the level forecast in the last approved long-term financial plan. Costs and

total levies (£62.3 million) proposed for 2020/21 are 2.4% higher than 2019/20. This is in context of both a 1.3% growth in total residual waste tonnage forecasts and underlying inflation at 2.1%.

2.2 There are two key messages in the proposed 2020/21 budget, both of which support collaborative change across the whole system to reduce to net zero carbon by 2030.

2.3 Firstly, the budget proposes to take greater initiative in attempting to address the single greatest constituent in the residual waste stream, food waste. Reserves will be set aside to incentivise boroughs to extract more food waste from the residual waste stream as explained in section 18.

2.4 Secondly transparency of the cost of residual waste with an improved approach to levy setting in response to feedback from boroughs regarding recycling business cases. Managing waste collectively increases the overall system efficiency across west London. Sections 13-15 detail the changes.

2.5 The table below sets out the 2020/21 budget and the movement from the 2019/20 budget. The latest 2019/20 forecast is also included to provide context and illustrate the current level of activity.

	<b>2019-20 budget £ 000's</b>	<b>2019-20 forecast £ 000's</b>	<b>2020-21 budget £ 000's</b>	<b>Changes in budgets £ 000's</b>
<b>Costs</b>				
Waste Transport and Disposal	46,198	45,582	47,916	1,718
Depreciation	8,485	8,861	8,778	293
Financing Cost	5,659	5,615	5,360	(299)
Premises	2,686	2,627	2,607	(79)
Employees	2,031	2,028	2,173	142
Supplies and Services	992	901	900	(92)
Revenue Funding of Debt	862	900	920	58
Concession Accounting Adjustments	(4,215)	(4,215)	(4,296)	(81)
<b>Total costs</b>	<b>62,698</b>	<b>62,300</b>	<b>64,358</b>	<b>1,660</b>

<b>Income</b>				
Levies	60,810	59,990	62,273	1,463
Other Income	1,888	2,605	2,085	197
<b>Total income</b>	<b>62,698</b>	<b>62,595</b>	<b>64,358</b>	<b>1,660</b>

<b>Total (surplus)/deficit</b>	<b>0</b>	<b>(295)</b>	<b>0</b>	<b>0</b>
--------------------------------	----------	--------------	----------	----------

2.6 The budget headings are per our usual format for regular budget monitoring reports. The most notable movement in spending is for Waste Transport and Disposal, which is reflected in an overall increase in Levies and partly offset by improvements across other budgets. Details of all budget items follow.

### 3. Waste Transport & Disposal (WTD)

3 The Contract Management budget accounts for the majority of the total WLWA budget - this is because it contains all waste transport and disposal costs which make up 77% of the overall budget. This is where most of the significant savings opportunities can be found.



3.1 The 2020/21 WTD budget is £47.9 million an increase of £1.7m despite strong savings in a number of areas. 40% of the growth is caused by agreed contractual mechanisms and indexation, which we have little influence over. However, the remainder is driven by tonnage increase – particularly in residual waste which accounts for 45% of the budget growth. The tonnage figures come from estimates provided by the Boroughs.

3.2 The boroughs' overall 2020/21 residual tonnage forecasts show an increase of 1.3% (5,399 tonnes) compared to the 2019/20 budget. Based on these estimates, residual waste per household in 2020/21 will be 637kg/hh, the same as in 2019/20. Any additional waste will now be above the 300,000 tonne threshold of the PPP contract and will attract a higher market rate partly offset by spreading financing costs over more tonnes. This accounts for £0.7 million of the growth.

3.3 In order to avoid contractors risk pricing in contracts almost every contract across all materials includes pricing inflation using RPIX. The governments Office for Budget Responsibility's forecast for RPIX of 2.1% has therefore been used in budget setting for next year. This is the other main factor contributing to the WTD budget growth.

3.4 The 2020/21 budgeted tonnage is made up of the following materials:

<b>Material</b>	<b>2019/20 Total Tonnes</b>	<b>2020/21 Total Tonnes</b>	<b>Change</b>
Residual	415,006	420,405	5,399
Mixed organic	16,300	17,000	700
Green	45,562	43,663	(1,899)
Wood	20,646	22,400	1,754
Kitchen	31,646	31,068	(578)
Other	16,320	11,907	(4,413)
<b>Budgeted tonnages</b>	<b>545,480</b>	<b>546,443</b>	<b>963</b>

#### **4. Depreciation**

4.1 The budget for 2020/21 of £8.8 million is £0.3 million higher than in 2019/20. This principally reflects property asset valuations agreed with auditors for the latest audited accounts.

4.2 The largest element of depreciation relates to the SERC (Sevenside Energy Recovery Centre) and totals £7.6 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.

4.3 Depreciation for the remaining assets have been calculated using the audited accounts and subsequent change in the asset registers (i.e. additions and disposals).

#### **5. Financing**

5.1 The financing costs reflects the interest paid on mortgages. These have reduced from £5.7 million in 2019/20 to £5.4 million for 2020/21 primarily as a result of the payment profile of repayment mortgages. With repayment loans a fixed sum is paid every year comprising of

both interest and principal repayment. The interest element will continue to fall over coming years, conversely the principal repayment will rise.

5.2 The largest component of financing costs relates to borrowing from boroughs for the construction of the SERC and totals £4.8 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%.

5.3 The interest on loans for the purchase of transfer station freeholds in 2019 makes up the balance of £0.6 million as represents a PWLB loan at 2.24%.

## 6. Premises

6.1 The budget for 2020/21 of £2.6 million is £0.1 million less than the £2.7 million in 2019/20. The majority of this is due to lower SERC rates and reduced office running costs.

6.2 The largest component of the premises costs are business rates which account for £2.4 million of this budget of which SERC rates make up £1.5 million.

## 7. Employees

7.1 The 2019/20 budget of £2.2 million is £0.2 million higher than the 2019/20 level. This covers growth for a wide range of employee costs including wage inflation, team realignments, training and pensions.

7.2 The 2020/21 establishment is planned to remain unchanged from last year remaining at 36.4 full time equivalent (FTE) posts with a minor re-alignment of staffing to focus on the increasing volume of activity arising from projects aimed at delivering improvements across the West London area.

7.3 A breakdown of the establishment by area of activity is provided below:

<b>Activity</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Change</b>
Contract Management	3.0	3.6	0.6
Corporate Services	7.2	7.0	0.0
Operations (Twyford)	15.6	15.6	0.0
Projects	3.6	3.0	(0.6)
Waste Minimisation	7.0	7.0	0.0
<b>Total</b>	<b>36.4</b>	<b>36.4</b>	<b>0</b>

7.4 Putting this into context the Authority employed 88 FTE in 2012/13 (with many in-house services), 42 FTE in 2014/15 and over the last few years FTE numbers have been in the mid 30's. The size of the staffing establishment numbers remains stable and small whilst undertaking an increasing volume, variety and complexity of work.

7.5 There are two points to note. Firstly, work is underway to deliver efficiency savings at Twyford which will pass through to Brent Council in the form of a lower agency fee for the provision of HRRC services. The work includes closing two days per week and introducing a waste minimisation focus which will deliver benefits to Brent and a net neutral impact on the Authority's finances.

7.6 Secondly there is a minor change from the original proposed establishment in the December paper which identified a minor 0.6 reduction. Through work finalising the proposed budget it became clear that this resource may still be required to deliver existing workloads.

## **8. Supplies & Services**

8.1 The 2020/21 budget for Supplies & Services is £0.9 million and is £0.1 million less than the 2019/20 level.

8.2 A wide variety of spends make up this total, the most notable being insurances, waste minimisation projects, borough services (e.g. committee services, treasury etc.) and business plan projects.

8.3 Pricing inflation has been offset by managers' efficiencies and stripping out/reducing unused 2019/20 budgets, the most significant being £70,000 savings from the insurance procurement in 2019.

## **9. Revenue Funding of Debt**

9.1 The loan to finance 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 repaying the loan principal.

9.2 The Revenue Funding of Debt is the element repaying the sites loan and totals £0.9 million for 2020/21. This is £0.1 million more than in 2019/20 reflecting that within a typical repayment loan, the amount of principal repaid increases over time and amount of interest falls.

9.3 It is worth providing the following brief recap of the revenue funding of debt which was detailed in Authority papers recommending the site purchase in 2017/18.

9.4 It is a requirement for public bodies to ultimately fund the cost of assets through levies and taxes. For the Authority this is achieved through a combination of the depreciation charge and revenue funding of debt.

9.5 Typically the acquisition of assets result in an annual depreciation charge. This annual expenditure is recovered through the levy mechanism and therefore the levies over the life of the asset fund its purchase. However, the acquisition of the sites freehold is essentially a purchase of land. For land, accounting rules do not allow a depreciation charge. This means that in order to fund the purchase through levies a different (but comparable to depreciation) annual charge is made – the revenue funding of debt.

## **10. Concession Accounting Adjustments**

10.1 Essentially under a PPP arrangement a contractor pays for the construction of an asset and then recovers its investment over a long period through its operational charges to the local authority (i.e. its price per tonne).

10.2 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 for a period of time and the contractor is *essentially* a lender financing the construction of the asset.

10.3 The key feature of the accounting is the calculation of a concession accounting adjustment to separate out the disposal and financing costs, followed by stripping out from expenditure a notional sum for the repayment of any underlying borrowing by the contractor.

10.4 The concession accounting adjustments over the term of the contract were agreed with the auditors during the approval of the latest accounts. For 2020/21 they total £4.3 million, compared to £4.2 million in 2019/20. This accounting adjustment reduces overall costs and levies by £0.1 million.

## 11. Growth and Savings

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

11.2 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 2020/21 plans and proposed savings to a budget challenge session with the Chair and Chief Officers.

11.3 The tables below identify the growth and savings which are included within the 2020/21 draft budget. The tables separate out real growth and savings from other movements reflecting longer term decisions.

11.4 Summary table:

	<b>£ 000's</b>
Budgeted levies 2019/20	60,810
Growth	2,341
Savings	(849)
Other movements	(29)
<b>Budgeted levies 2020/21</b>	<b>62,273</b>

11.5 Growth table:

<b>Area</b>	<b>Explanation</b>	<b>Growth £ 000's</b>
Waste Transport and Disposal	Increased residual tonnages, band changes and inflation (£1,509k), increase in price and volume of wood (£240k), range of other smaller price and tonnage movements (£389k)	2,138
Employees	Salary/NI inflation per NJC award (£51k), team realignments including job evaluations (£86k), training (£10k), pensions (£8k)	155
Supplies and Services	New bin sensor and HRRC efficiency project costs (£30k), new telephony service (£12k) and other minor items (£6k)	48

**2,341**

11.6 Savings table:

<b>Area</b>	<b>Explanation</b>	<b>Saving £ 000's</b>
Waste Transport and Disposal	Savings from mattress pricing (£267k) and other minor savings (£152k)	(419)
Supplies and Services	Insurance procurement savings (£70k), reduced lease and other site machinery costs (£33k) and other minor savings (£37k)	(140)
Premises	Lower SERC rates (£51k) and other minor office costs savings (£28k)	(79)
Employees	Staffing realignment savings (£14k)	(14)
Other Income	Site rental income (£97k), growth in trade waste (£100k)	(197)
		<b>(849)</b>

11.7 Other movements table:

<b>Area</b>	<b>Explanation</b>	<b>Increase / (Decrease) £ 000's</b>
Depreciation	Reflecting property valuations agreed with auditors for the last accounts	293
Financing Costs	Reflecting reducing interest in repayment mortgages for SERC with boroughs	(299)
Revenue Funding of Debt	Reflecting rising repayment of principal in repayment mortgage for sites with PWLB	58
Concession Accounting Adjustment	Reflecting adjustments agreed with auditors for the last accounts	(81)
		<b>(29)</b>

## 12. PAYT / FCL split

- 12.1 PAYT costs relate 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.
- 12.2 The PAYT also includes an element for the recovery of SERC financing costs, depreciation, rates and concession accounting adjustments etc. For 2020/21, to address feedback from borough colleagues, this element of financing cost £8.1 million (2019/20: £8.6 million) will be separately identifiable within PAYT. The overall cost is unaffected by this move.
- 12.3 The purpose of this move is to properly recognise the cost of waste disposal which is cheaper through WLWA and more expensive if Boroughs act unilaterally. It also ensures business cases for recycling reflect the actual level of savings on offer.
- 12.4 For example boroughs increasing commercial or trade waste through the Authority will improve the whole system efficiency because the financing costs will be spread over a greater tonnage. Menu pricing can be used in a similar way and members may recall the introduction of a PAYT rate for gully waste for the same reasons in June 2019.
- 12.5 Factoring in the above changes, the breakdown of the budget between PAYT and FCL activities is as follows:

<b>PAYT (disposal cost)</b>	<b>2019/20 £000's</b>	<b>2020/21 £000's</b>	<b>Change £000's</b>
Waste Transport and Disposal	39,109	40,661	1,552
Depreciation (SERC)	6,806	0	(6,806)
Financing Costs (SERC/WLRWS)	4,193	0	(4,193)
Premises (SERC)	1,289	0	(1,289)
Concession Accounting Adjustment	(3,623)	0	3,623
PAYT Levy	(47,774)	(40,661)	7,113
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>PAYT (SERC cost)</b>	<b>2019/20 £000's</b>	<b>2020/21 £000's</b>	<b>Change £000's</b>
Depreciation (SERC)	0	6,486	6,486
Financing Costs (SERC/WLRWS)	0	4,103	4,103
Premises (SERC)	0	1,225	1,225
Concession Accounting Adjustment	0	(3,645)	(3,645)
PAYT Levy	0	(8,169)	(8,169)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FCL</b>	<b>2019/20 £000's</b>	<b>2020/21 £000's</b>	<b>Change £000's</b>
Waste Transport and Disposal	7,089	7,255	166
Employees	2,031	2,173	142
Premises	1,397	1,382	(15)
Supplies and Services	992	900	(92)
Depreciation	1,679	2,292	613
Financing	1,466	1,257	(209)
Revenue funding of Debt	862	920	58
Concession Accounting Adjustment	(592)	(651)	(59)
Non Levy Income	(1,888)	(2,085)	(197)
FCL Levy	(13,036)	(13,443)	(407)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

12.6 Note the PAYT has been split to show its two main components.

### 13. Change in Levy Setting

13.1 As previously reported, Officers have been working with borough colleagues to improve the levy setting approach, demonstrated by the introduction of the gully waste PAYT earlier in the year.

13.2 The new approach provides far better transparency of the true cost of disposal by splitting the PAYT into two components the disposal cost and SERC costs.

13.3 Boroughs will see no change in the overall amount they pay compared to the original method but will now also have the opportunity to send more residual waste to the Authority at a much more competitive rate. Any resulting increase in residual tonnage will improve the overall system efficiency.

13.4 The levy to boroughs will have 3 parts

1. PAYT (disposal) – Rates (£/tonne) for different materials which reflect the average prices paid to contractors (e.g. £102.46 per tonne for residual waste), charged to boroughs initially on the basis of budgeted tonnes but then reconciled and adjusted (with rebate/charge) at the end of each quarter to reflect the actual tonnages.
2. PAYT (SERC) – this is the apportioned recharge equivalent to £22.20 per tonne for the £8.1 million SERC costs. The cost is initially apportioned and charged on the basis of budgeted tonnes then at the end of every quarter recalculated using the actual tonnage with any adjustment being rebated/charged to the borough.
3. FCL (fixed) – this is the recharge for all other costs (i.e. HRRC, overheads etc) on the basis of boroughs tax base from their CTB1 returns in October. Note that following feedback from boroughs, an exercise will be undertaken to consider the pros and cons of using the final Council Tax base instead of the October CTB1 return figure and will inform the 2021/22 budget/levy setting recommendation.

Details of these are in Sections 14 and 15.

13.5 The table below provides an overall picture of the amounts boroughs will pay for 2020/21 under both existing method and new approach. It also shows what the PAYT rate is for each method.

Borough	Existing approach			Proposed approach				Difference in amount to pay
	PAYT	FCL	Total	PAYT (disposal)	PAYT (SERC)	FCL	Total	
Brent	8,838	2,214	<b>11,052</b>	7,311	1,527	2,214	<b>11,052</b>	0
Ealing	10,162	2,740	<b>12,902</b>	8,391	1,771	2,740	<b>12,902</b>	0
Harrow	6,425	2,054	<b>8,479</b>	5,345	1,080	2,054	<b>8,479</b>	0
Hillingdon	10,222	2,333	<b>12,555</b>	8,658	1,564	2,333	<b>12,555</b>	0
Hounslow	7,603	2,024	<b>9,627</b>	6,322	1,281	2,024	<b>9,627</b>	0
Richmond	5,580	2,078	<b>7,658</b>	4,634	946	2,078	<b>7,658</b>	0
<b>Total</b>	<b>48,830</b>	<b>13,443</b>	<b>62,273</b>	<b>40,661</b>	<b>8,169</b>	<b>13,443</b>	<b>62,273</b>	<b>0</b>
PAYT Rate	124.66			102.46	22.20			
Gully rate	54.43			54.43				

13.6 Previous consideration of changes to levy mechanism have resulted in some boroughs paying more and other less. This solution however, maintains the status quo and continues to provide better stability and consistency of charging.

#### 14 PAYT Levy Income

14.1 As identified above the PAYT will be made up of two components and therefore the PAYT levy too. Combined the PAYT levy will total £48.8 million (from the table above £40,661 plus £8,169).

14.2 The table below shows the proposed disposal rates for non residual waste in 2020/21.

Material (Disposal)	2019/20 £ per tonne	2020/21 £ per tonne
Gully	52.01	54.43
Food	10.04	10.35
Green	27.87	29.16
Mixed food and green	49.50	49.50
Wood	41.38	42.84
Rubble	24.91	45.93
Soil	25.00	45.95
Gypsum	94.76	93.93
Mattresses (per mattress)	6.91	4.55

14.2 Note that following the contraction of the carpet recycling market, carpets are now included in the residual waste rate.

14.3 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 2020/21 are provided below.

Material (Transport)	2019/20 £ per tonne	2020/21 £ per tonne
Residual (collected)	8.00	8.18



Other recyclables (collected)	9.21	12.11
-------------------------------	------	-------

14.4 These rates represent the average cost to the Authority for the disposal and transport of materials. They reflect the blended price paid to a number of contractors. Note that the increase in transport costs for 'other recyclables' is not caused by contractor price increases, but rather by low loading weights at Borough sites, which WLWA and the Boroughs are working to resolve.

14.5 These rates will be applied to the 2020/21 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 Using tonnage forecasts from boroughs, the PAYT charges for 2020/21 are as follows:

Borough	2019/20 PAYT disposal charge £000's	2020/21 PAYT disposal charge £000's	Reduction £000's
Brent	8,740	7,311	(1,429)
Ealing	10,033	8,391	(1,642)
Harrow	6,391	5,345	(1,046)
Hillingdon	9,074	8,658	(416)
Hounslow	7,790	6,322	(1,468)
Richmond	5,746	4,634	(1,112)
<b>Total</b>	<b>47,774</b>	<b>40,661</b>	<b>(7,113)*</b>

*\*The reduction is offset by a growth in the PAYT SERC charge see 14.11*

14.7 It is worth noting that the above levies use borough forecasts for the volumes of waste, including any implications from service changes. The borough's PAYT tonnage forecasts for residual waste, the largest component of PAYT, are provided below:

Borough	2019/20 budgeted tonnage	2020/21 budgeted tonnage	Growth tonnage
Brent	69,457	69,659	202
Ealing	80,148	80,061	(87)
Harrow	49,200	48,619	(581)
Hillingdon	64,510	70,489	5,979
Hounslow	61,044	59,060	(1,984)
Richmond	45,000	42,845	(2,155)
<b>Total</b>	<b>369,359</b>	<b>370,734</b>	<b>1,374</b>

*The 2020/21 tonnage includes 2,698 tonnes of gully waste*

14.8 The above table illustrates that the growth WLWA is seeing is the result of positive growth, more waste coming through WLWA for whole system efficiency. It is worth repeating that should borough waste volumes be higher or lower than they've forecast, then each quarter they will be charged or refunded a sum to ensure they pay only for what is actually delivered.

14.9 The second, PAYT (SERC) component relates to the £8.1 million SERC cost, equivalent of £22.20 per tonne. This will initially be apportioned and levied on the basis of 2020/21 budgeted residual waste tonnages excluding gully waste. Following feedback from boroughs, a quarterly exercise will then adjust this sum to reflect the actual tonnages delivered that quarter with a reimbursement or additional charge. The calculation and example of reconciliation can be found in Appendix 1.

14.10 To allocate and levy these SERC costs on any other basis would result in some boroughs paying more and others less than the current approach. Adjusting the sum to reflect actual tonnages also is consistent with the current treatment and also removes the uncertainties and risks of using forecasts (as initially considered in the December report).

14.11 The initial apportioned annual charge is per Appendix 1 and summarised below. This will be reconciled and adjusted to reflect actual tonnages every quarter.

<b>Borough</b>	<b>2019/20 PAYT SERC charge £000's</b>	<b>2020/21 PAYT SERC charge £000's</b>	<b>Growth £000's</b>
Brent	0	1,527	1,527
Ealing	0	1,771	1,771
Harrow	0	1,080	1,080
Hillingdon	0	1,564	1,564
Hounslow	0	1,281	1,281
Richmond	0	946	946
<b>Total</b>	<b>0</b>	<b>8,169</b>	<b>8,169*</b>

*\*The growth is offset by a reduction in the PAYT SERC charge see 14.6*

## 15. FCL Income

15.1 The FCL charge primarily relates to the costs of managing the treatment and disposal of household waste delivered to HRRC sites and transfer stations. It also includes the Authority's administration and nets off other income. These costs are apportioned to the boroughs.

15.2 The costs in the FCL will be apportioned using the Council Tax base per the CTB1 (October 2019) returns provided by the boroughs. As mentioned previously this will be reviewed for the 2021/22 budget setting. Officers will attend the West London Treasurers forum to address this.

15.3 On this basis the FCL (fixed) charge is as follows:

<b>Borough</b>	<b>2019/20 FCL charge £000's</b>	<b>2020/21 Council Tax base</b>	<b>2020/21 FCL charge £000's</b>	<b>Change £000's</b>
Brent	2,134	96,012	2,214	80
Ealing	2,649	118,865	2,740	89
Harrow	1,983	89,077	2,054	71
Hillingdon	2,264	101,243	2,333	71

Hounslow	1,966	87,820	2,024	58
Richmond	2,040	90,092	2,078	38
<b>Total</b>	<b>13,036</b>	<b>583,109</b>	<b>13,443</b>	<b>407</b>

15.4 The FCL (fixed) sum will not change over the course of the year. The Authority bears any loss or surplus resulting from overspend or underspend.

## 16. Other Income

16.1 The 2020/21 budget is £2.1 million, which is £0.2 million more than 2019/20. An increase in trade waste income and higher rental income for Victoria Road are the growth items resulting in this improvement.

16.2 The majority of the income is from trade waste (£1.4 million) and prices have been maintained at 2019/20 levels.

16.3 The proposed main trade/DIY charges per tonne at Twyford are provided below:

<b>Type of waste</b>	<b>2019/20 £</b>	<b>2020/21 £</b>
Trade waste residual and wood	160.00 for account customers and £165.00 for others	160.00 for account customers and £165.00 for others
Trade waste recycling	80.00	80.00
Asbestos (Households only)	272.00	272.00
Mattresses (per mattress)	10.00	10.00
Bulky items	218.00	218.00

16.4 Other income includes an agency fee which passes on the costs of running the Twyford HRRC to the local borough. This is being maintained at current levels reflecting planned efficiencies in running the site offsetting any inflationary effects.

## 17. Capital

17.1 The new capital budget requirements for 2020/21 are listed below:

- An increase in the budget (see 17.2) for resurfacing of access roads at Transport Avenue and Victoria Road (£60,000) due to condition of roads.

17.2 It is worth noting the following existing capital budgets. These are balances remaining on budgets for capital works still in progress/to be commenced, which were previously approved by the Authority and will be rolled forward until completion or eliminated if not required.

- Resurface of access roads at Transport Avenue and Victoria Road (£230,000)
- Construction of a bulking facility at Victoria Road (£1.0 million)
- Twyford improvements (£592,000)

The Contract Management Software (£30,000) budget has been stripped out as requirements have changed

## 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 For 2020/21 the proposal for reserves also includes an initiative attempting to address a fundamental issue for the sector and discussed in many Authority meetings, the removal of food waste from the residual waste stream which has significant implications both financially and for the environment.

18.4 The initiative is to provide an incentive funded from reserves to help boroughs overcome barriers they may face in delivering a step change in increasing the amount of food waste removed from collected household residual waste. This is in addition to the approx. £90 per tonne saving that will be achieved by boroughs through this diversion.

On this basis £3 million has been set aside in reserves (£500k per local authority) to incentivise individual boroughs to increase the amount of food waste collected through funding specific invest to save projects.

The mechanism for the distribution of this sum will be agreed in consultation with boroughs.

18.5 A flexible approach will be adopted to recognise that all boroughs have different particular circumstances (service levels, level of investment already made, demographics, geography etc) but ensuring that the £500k is to support delivery of the desired food waste outcomes and that they reflect good value for the investment.

18.6 So moving on to consider reserves in overall terms, 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 follows:

<b>Risk Description</b>	<b>Mitigations</b>	<b>Likelihood</b>	<b>Financial Risk (£000's)</b>
Incentive to help boroughs separate food waste from the household residual waste collection	Capped incentive	Medium	£3,000 (representing doubling of food waste volumes)
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 particularly given uncertainties of Brexit	Use of reputable forecasts e.g. HM Treasury	Medium	£1,000 (representing approx. 2% higher indexation)
Whilst the contractor bears most of the risk in the event of the loss/closure of a transfer station,	Contract terms, contractor business continuity plans and	Medium	£1,200 (representing 2 weeks of

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.	contingency arrangements, insurances		residual waste diversion in our biggest contract)
An extremely challenging insurance market for the waste sector leading to the inability to procure insurances for the Authority's activities	Gradually building reserves to self insure activities	High	£1,000 (representing 20% of current cover)
Borough FCL tonnages are higher than budgeted resulting in an under-recovery of HRRC disposal costs through the FCL charge which is fixed	Using data and working closely with borough colleagues to try and forecast tonnages accurately	High	£700 (based on residual FCL tonnages at 10% in excess of budgeted levels)
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.	Team and professional advisors with experience and knowledge of detailed contract terms	Medium	£600 (based on previous experience of contractual issues)
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.	Principally a range of requirements under the procurement rules including competitive procurement, credit checks, scrutiny at various levels including Authority meetings	High	£300 (based previous experience with mattresses and carpets markets)
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	Ongoing monitoring of trade income and market place	Medium	£300 (representing 25% of trade income)
<b>Target level for reserves</b>			<b>£8,100</b>

18.7 The target level of reserves for 2020/21 of £8.1 million compares to £5.9 million in 2019/20 and reflects an emphasis on, incentivising food waste, financial risks relating to the economic climate (inflation, Brexit) and ensuring business continuity.

18.8 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, the proposed level represents a prudent and not overly cautious target for reserves.

18.9 The forecast reserve position for the year ending 31 March 2020 is:

	<b>£000s</b>
Reserves available to manage risks 31 March 2019 per approved accounts	10,863
Less accumulated revenue funding of debt which artificially increases surpluses/reserves	(1,782)
Disbursement of reserves 2019	(1,900)
Forecast surplus for 2019/20 per period 8 budget monitoring report	295
<b>Forecast position for 31 March 2020</b>	<b>7,476</b>

18.10 Provided that no risks materialise and something close to the £7.5 million forecast position is achieved for 2019/20, the Authority will be slightly below its target level of £8.1 million.

## 19 Medium and Long Term Plan

19.1 The plan has been updated to incorporate the proposed budget and uses base assumptions of 0.5 % for the annual growth in residual tonnages and RPIX of 3.0%. The key outputs can be found in Appendix 2 and this shows a healthy financial position. The assumptions are then flexed to identify the key factors effecting the Authority's finances. These are as expected, the growth in residual waste tonnages and to a lesser extent inflation.

19.2 The key messages from the plan are consistent with last year and are positive.

- The volume of residual waste is the key driver of spend/levies so should be one of the areas of strategic focus
- The effect of inflation is dampened by the PPP contract
- The Authority will be debt free at the end of the plan and will maintain healthy cash balances to manage any liquidity risk

## 20 Borough Responses to Budget Consultation

20.1 The feedback from budget consultation meetings has already been incorporated within the 2020/21 budget proposal.

20.2 The formal boroughs responses to the 2020/21 budget proposals from borough Finance Directors can be found in Appendix 3. 5 responses were received. The common themes (i.e. raised by 3 or more boroughs) are those already highlighted by borough Officers at a meeting in December. These relate to the CTB1, levy option and food waste incentive. This report and the recommendations have incorporated adjustments for this feedback.

## 21 Financial Implications

21.1 These are included 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

22.1 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.

Contact Officers	Jay Patel, Head of Finance	01895 54 55 11
	<a href="mailto:jaypatel@westlondonwaste.gov.uk">jaypatel@westlondonwaste.gov.uk</a>	
	Ian O'Donnell, Treasurer	
	<a href="mailto:ianodonnell@westlondonwaste.gov.uk">ianodonnell@westlondonwaste.gov.uk</a>	
	Emma Beal, Managing Director	01895 54 55 15
	<a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	

## Appendix 1

### 1) Initial PAYT (SERC costs) tonnage Calculation

Borough	Budgeted residual tonnage (excluding gully waste)	Percentage share %	Apportioned annual charge	Quarterly total paid in monthly instalments
Brent	68,775	18.7	1,527	382
Ealing	79,725	21.7	1,771	442
Harrow	48,619	13.2	1,080	270
Hillingdon	70,489	19.2	1,564	391
Hounslow	57,734	15.7	1,281	320
Richmond	42,693	11.5	946	237
<b>Total</b>	<b>368,035</b>	<b>100.0</b>	<b>8,169</b>	<b>2,042</b>

*Note that 2,698 tonnes of gully waste are have a very different disposal treatment and different much lower PAYT rate so are excluded from this calculation*

### 2) Illustrative example of quarterly PAYT (SERC costs) tonnage reconciliation at the end of each quarter

Borough	Actual residual tonnage (excluding gully waste) for Quarter	Percentage share %	Apportioned charge	Quarterly sum paid	Adjustment to be (rebated) / charged
Brent	17,000	18.7	382	382	0
Ealing	20,000	22.0	449	442	7
Harrow	12,000	13.2	269	270	(1)
Hillingdon	18,000	19.8	404	391	13
Hounslow	14,000	15.4	314	320	(6)
Richmond	10,000	11.0	224	237	(13)
<b>Total</b>	<b>91,000</b>	<b>100.0</b>	<b>2,042</b>	<b>2,042</b>	<b>0</b>

*Note: the actual tonnage is a notional value simply used to illustrate the calculation*

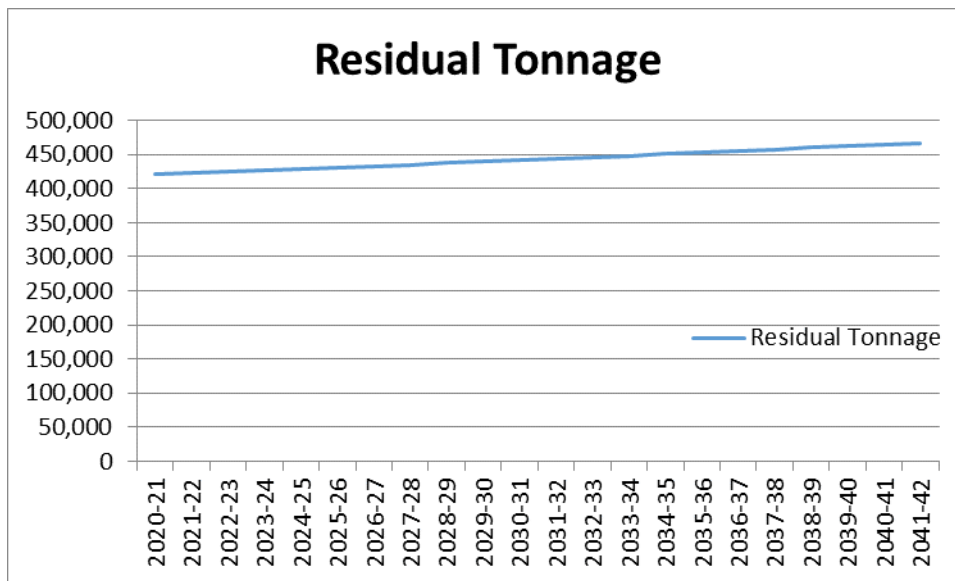


## Appendix 2

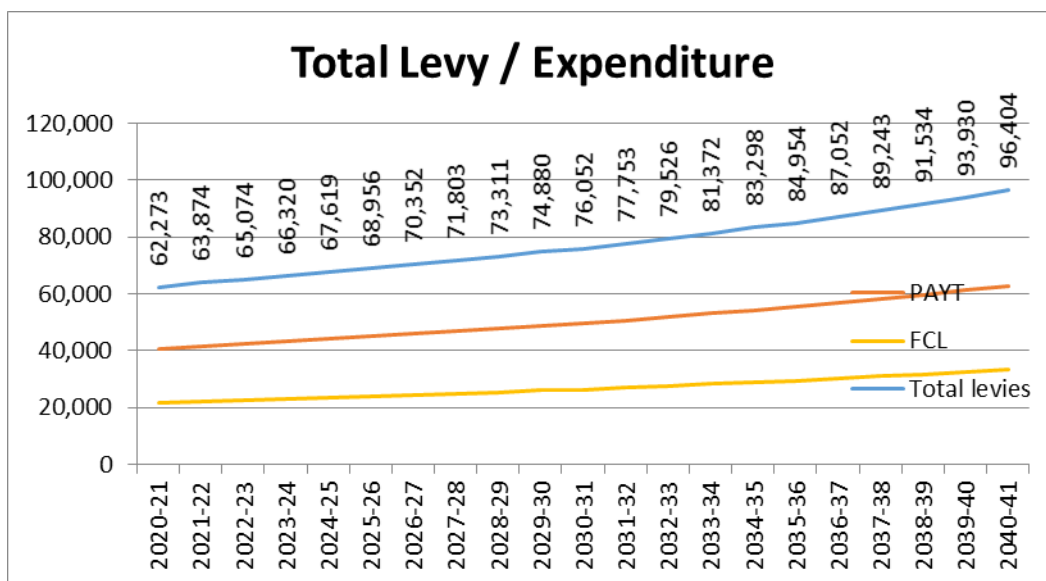
### Outputs

Using the proposed budget and base assumptions, the medium and long term financial model then gives us some outputs, for example, how our costs (and consequently levies to boroughs) change over time, or how our loan balance changes over time. The main outputs are provided below and illustrate that effecting residual waste tonnages is the key.

**Tonnage** – The chart below illustrates the impact of the base assumption of 0.5% annual growth in residual tonnage. Over the life of the plan, the residual tonnage rises from 420,405 to 466,826 tonnes, although the impact of this growth could be mitigated by all boroughs implementing plans to increase the capture of food waste.



**Overall expenditure** – This equates to the total levies charged to boroughs and the chart below has been split to show the PAYT and FCL as well as the total. The chart illustrates the growth in overall expenditure and levies over time.

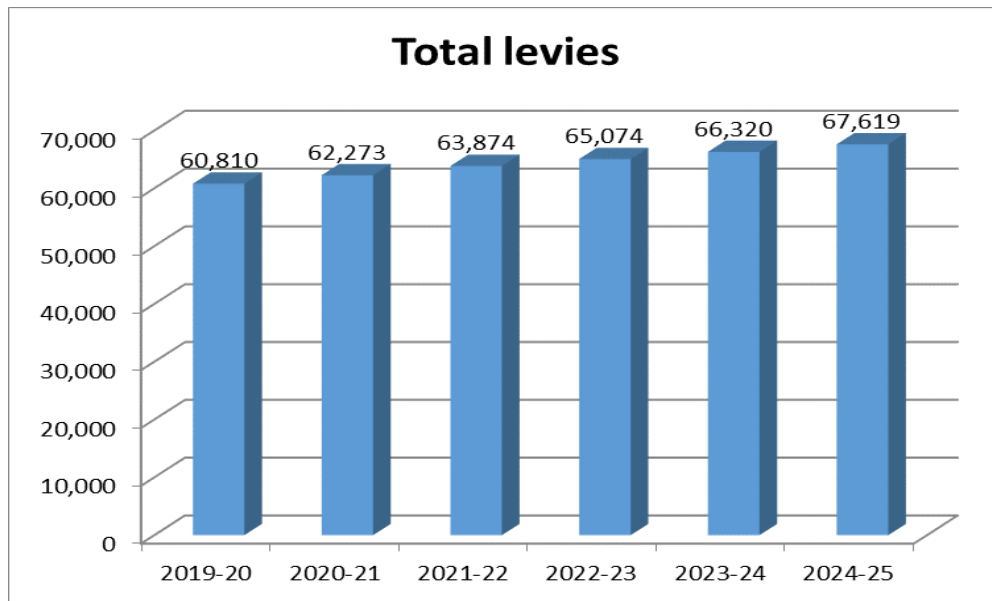


This chart above illustrates an average annual growth of 2.2% over the long-term which is significantly lower than the 3.5% underlying growth from general contract inflation RPIX (3.0%) and annual growth in tonnages (0.5%).

This growth is contained a result of the way the PPP contract is structured. The contract is for up to 300,000 tonnes of waste with the first 235,000 tonnes having pricing uplifts essentially capped at up to 1.5%. This significantly dampens the effect of inflation over the whole life of the contract.

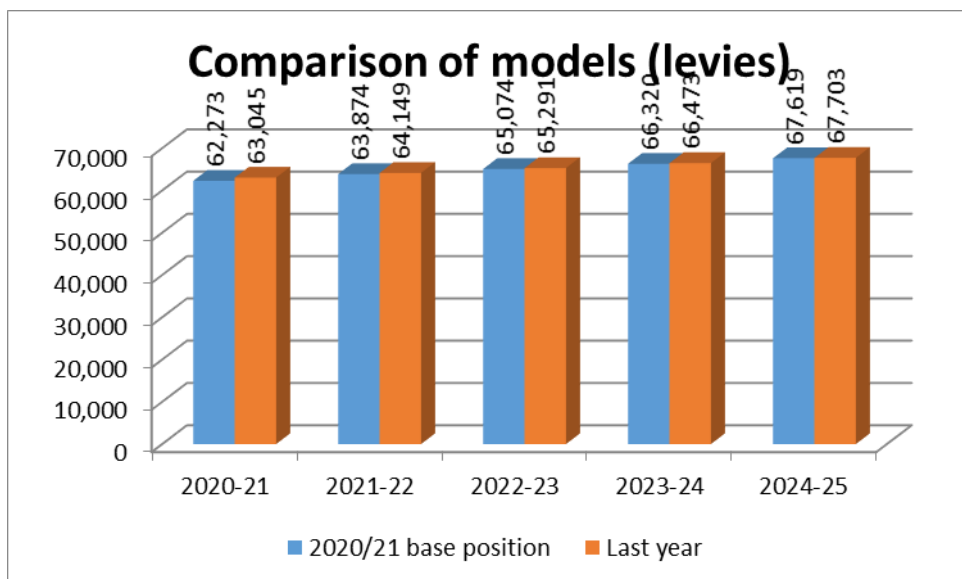
It should be noted that projects like the MRF procurement and HRRC services have a net nil/neutral effect as costs and revenues will be passed on to relevant boroughs directly. Given that projects are still in early stages and details are not yet available, no allowance for these has been made in the long-term plan.

The dampened growth in costs and levies is further illustrated in the medium term in the chart below.

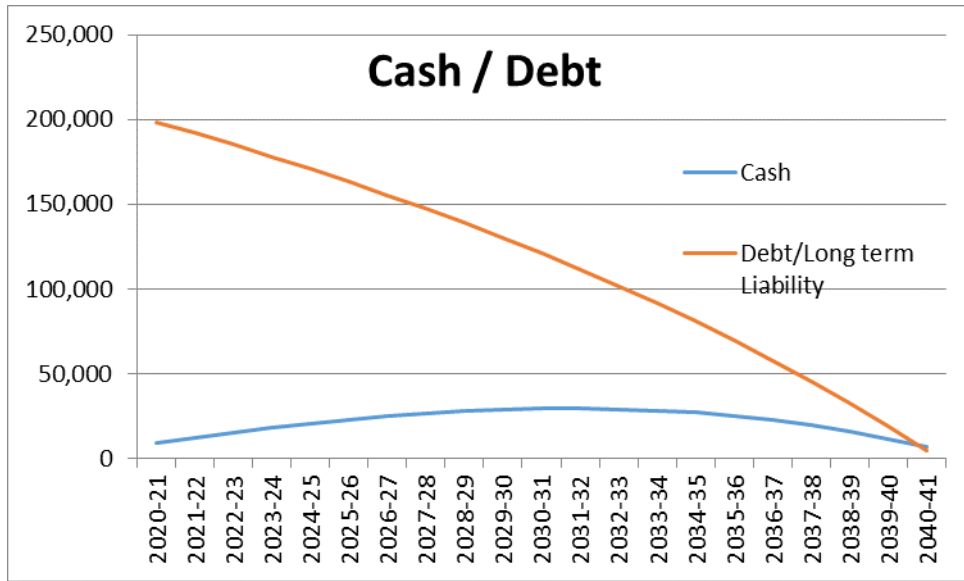


The table above shows an average growth in levies of 2.1% per year over the next 5 years. Boroughs may want to consider using this as an estimate of the increase in the WLWA levies within their medium term financial plans.

The chart below shows how the current medium term plan compares to the plan reported last year and this shows a consistent picture.



**Debt / long-term liabilities and cash** – The following chart illustrates the movement in the debt / long-term liabilities as they are paid / settled. The repayments commence at a low level and progress at increasingly larger sums, resulting in the debt/long term liability curve. This effect is reflected in the cash balances which build up in early years when repayments are small and fall in later years when loan repayments are large.



At the end of the plan, the Authority will be debt free.



Brent Civic Centre,  
Engineers Way,  
Wembley  
Middlesex HA9 0FJ  
TEL / MOB 020 8937 4043  
EMAIL [Minesh.Patel@Brent.gov.uk](mailto:Minesh.Patel@Brent.gov.uk)  
WEB [www.brent.gov.uk](http://www.brent.gov.uk)

---

Jay Patel  
Head of Finance (Deputy s73 Officer)  
West London Waste Authority  
Unit 6 Britannia Court  
The Green  
West Drayton  
UB7 7PN

6 January 2020

Dear Jay,

**Re: Response on the consultation regarding the WLWA Budget and Levy for 2020/21**

We have reviewed WLWA's budget and levy for 2020/21.

We are pleased to see the focus on collaborative change across the whole system, which supports Brent's own climate emergency declaration. Brent Council also aims for carbon neutrality by 2030 which we are already dynamically working towards.

We have two substantial points which we believe would put this in a stronger position:

**1 Apportionment of new fixed costs**

- 1.1 Our view is that the new fixed costs should be apportioned in the same way as the existing fixed costs.
- 1.2 Paragraph 15.2 of the 2020/21 Budget Report of the Treasurer and Managing Director states that the fixed element previously in PAYT will be apportioned on the basis of 2020/21 budgeted tonnages as a base and reviewed periodically.
- 1.3 This approach is overall inconsistent, creates perverse incentives and is likely to cause issues in the future. We can see the benefit of there being no net change in what the boroughs would pay in 2020/21 under the proposals (provided each borough perfectly hits their forecasts). However, this short-lived benefit shouldn't cloud the rationality of apportioning costs in this way.
- 1.4 The proposed approach creates a 'pseudo-variable cost' and bases apportionment on an estimate which can be manipulated and will not be relevant over time. For example, if a borough's actual tonnage is substantially lower than forecast, that borough would have over-contributed in terms of fixed costs. This undermines the incentives to reduce tonnages. If there was a 'truing up' exercise on actual tonnages to fix this problem, this would make the cost equivalent to a variable cost which undermines the proposals in the document.

- 1.5 If the forecast tonnages (as they are) were used for future years, they would quickly become out of line with reality as different boroughs adopt different strategies in the future. Were there to be a rebasing at a later point, boroughs would have an incentive to understate their forecasts (since this would lead to a lower fixed cost attributable to that borough). This would in turn undermine WLWA's ability to plan.
- 1.6 Given these have been identified as fixed costs, WLWA should be consistent and use the previously agreed method of apportionment i.e. the Council Tax base per the CTB (October 2019) returns. This would be the clear, consistent and future-proof approach.

## 2 Incentive payments to boroughs

- 2.1 Brent are dedicated to reducing the borough's waste and to removing food waste from the residual waste stream. We are supportive of the lower food PAYT rate.
- 2.2 If the removal of food waste from the residual waste stream has significant implications financially for WLWA (Para 18.3), we believe that the best financial incentive would be for the PAYT rate to fully account for this. The correct PAYT rate would create a clear, neat and administratively low incentive for member local authorities.
- 2.3 We disagree with £3m being set aside to fund incentives (para 18.9) such as the 'increasing food waste' incentive. This is for two primary reasons: firstly, the practicality of the required controls and secondly due to the impact on WLWA's reserves.
- 2.4 As WLWA state in para 18.10, controls would be required to ensure that new food waste is actually coming out of the collected household residual waste stream rather than being diverted from a contractor to the WLWA. The document does not state what these controls would be. This means that it is likely to be a complex incentive to operate in practice. The set-up and monitoring of this incentive risks diverting attention away from delivering the positive changes we all seek.
- 2.5 The table in para 18.11 suggests that removing the incentive payments would allow the target level of WLWA's reserves to be reduced by £3m. This in turn would have a financial benefit to the members. This would be welcome in light of the continuing budget pressures facing local authorities and could immediately be used to deliver changes. For example, we could fund service change, specific trials and other work that WLWA's research suggests would have a positive impact.

We would be happy to discuss these points further if that would be helpful.

Kind regards,



Minesh Patel  
Director of Finance  
Brent Council



LB Ealing not received at time of writing



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

6<sup>th</sup> January 2020

Dear Ian

Thank you for your letter of 6<sup>th</sup> December 2019, which sought the views of constituent boroughs on the 2020/21 draft budget.

I note from your letter that some amendments will be made to the budget proposal following boroughs' feedback at the meeting on 6<sup>th</sup> December 2019. These are broadly in line with my view, but more specifically, I would like to set out more details of these in the context of Harrow below.

Harrow's achievement on food waste recycling has been significant since its introduction of separate food waste collection in October 2015. As indicated in the budget papers, Harrow currently collects around 1.5kg of food waste per household per week which represents 28% of the total tonnage collected among West London boroughs. The food waste initiative in the draft budget proposes a financial incentive for boroughs who increase food waste by 0.5kg/hh/week or 1.0kg/hh/week. Given that Harrow has a high baseline tonnage, I feel that setting an overarching financial incentive based on a fixed increase in tonnage does not provide a fair approach and potentially puts Harrow in a disadvantageous position. The aim of this initiative is to incentivise boroughs to divert food waste from the residual waste stream, therefore the target should be proportionate to each borough's baseline tonnage to maximise the benefits. Alternatively, the approach of having a collective target for boroughs who have a separate food waste collection may be considered. I would welcome a workshop between Environment Directors and Finance Directors to agree a way forward in due course.

In terms of the proposed changes to levy setting, although the draft budget report indicates that there is no change in the overall levy that each borough pays compared to the original methodology, this is achieved by apportioning the fixed element of costs previously in PAYT using 2020/21 budgeted tonnage. I note that the draft report will be updated to include a quarterly financial reconciliation to reflect the amount that each borough should be liable based on actual tonnage. However, this is the arrangement for 2020/21 only. As all other fixed costs are apportioned using Council Tax base, Harrow would be worse off should the fixed element of costs in PAYT be included in the overall fixed costs for

calculating Fixed Cost Levy in future years. It would be helpful for the Authority to have some early consideration on the future arrangements for apportioning Fixed Cost Levy and consult with boroughs accordingly.

Paragraph 3.2 of the report explains a net growth in disposal costs of £0.7m due to residual waste tonnage above the 300,000 threshold of the PPP contract thereby attracting a higher gate fee. As the overall estimated tonnage is far more than the guaranteed minimum tonnage required for the SERC and Lakeside, I would like to understand if there is any possible way of minimising the cost impacts by diverting some tonnage to cheaper suppliers for disposal whilst meeting the PPP contractual requirements. It would be useful if the Authority could provide an analysis of any alternative options to help demonstrate that sending the tonnage to the SERC represents best value for money.

The employees budget is set to increase by 7% yet there is a reduction in the number of FTEs by 0.6 in 2020/21. Team realignments including job evaluations have resulted in almost £90k increase in salaries. As staffing is one of the largest operating costs for the Authority, I suggest that the budget report provides more details of the posts being affected by the realignments.

Harrow currently delivers its food waste to Veolia site at an extra bulking cost pending the new bulking facility being made available at Victoria Road. The delay in the construction of the facility by the Authority has resulted in additional disposal costs for us. I suggest that the Authority considers reducing or waiving the charge to Harrow in 2020/21 to minimise its cost impact.

I agree in principle that a reasonable level of reserve should be maintained to mitigate financial risks and uncertainties. Any disbursement of excess reserves back to boroughs will be welcome. Harrow has no financial capacity for any 'in-year' additional levy.

Yours sincerely,



Dawn





# HILLINGDON

LONDON

Jay Patel  
Head of Finance, West London Waste Authority

c/o [jaypatel@westlondonwaste.gov.uk](mailto:jaypatel@westlondonwaste.gov.uk)

Ref: PW/AP/396

6<sup>th</sup> January 2020

Dear Jay,

**RE: West London Waste Authority (WLWA) Levy Consultation 2020/21**


Thank you for your email of 9<sup>th</sup> December 2019, which sought the views of constituent authorities on the 2020/21 draft budget and levy as outlined in the report.

Hillingdon notes the headline increase of 2.4% in the draft 2020/21 levy budget with the principal driver being the increased levels of residual waste and inflationary largely within Waste Transport and Disposal costs. Hillingdon welcomes the mitigating impact of £849k savings outlined in paragraph 1.6 of the budget report.

In paragraphs 3.3 and 3.4, the report refers to higher costs of the PPP contract and the 300,000 tonne threshold. It would be useful if the report could exemplify in more detail the tonnage bandings and gate fees that apply and the risk this presents given that this accounts for £0.5 million of the increased costs in the 2020/21 draft budget.

In terms of the change in the PAYT/FCL split Hillingdon support the principle of establishing a clearer basis for the cost of waste disposal but would seek further details on how the fixed element that has transferred will be treated going forwards. Paragraph 15.2 states "...the fixed element will be apportioned on the basis of the 2020/21 tonnages as a base and reviewed periodically".

In response to the proposal to incentivise food waste recycling it is noted that the letter of 9<sup>th</sup> December from Ian O'Donnell WLWA now proposes to "...work with Boroughs to agree an approach for disbursing the sum". While this approach could mitigate some of the concerns with the original proposal, we would reiterate that any disbursement mechanism



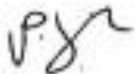
Paul Whaymand  
Director of Finance  
T.01895 556074  
[pwhaymand@hillingdon.gov.uk](mailto:pwhaymand@hillingdon.gov.uk)      [www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)  
London Borough of Hillingdon,  
3E/01 Civic Centre, High Street, Uxbridge, UB8 1UW

needs to recognise both specific local circumstances (including the waste collection methods) and that the success of food waste recycling initiatives are very difficult to predict.

On the more general issue of reserves Hillingdon accepts the principle of retaining reasonable levels of reserves to offset operational risks but would ask that the individual risks and attached provisions sums be reviewed periodically during the year given that constituent authorities remain under significant financial pressure.

We look forward to the opportunity to discuss the proposed budget, in particular the proposal on the incentivisation of food recycling, at the meeting later this week.

Yours sincerely,



Paul Whaymand  
Corporate Director of Finance

- C.C. Cllr K Burrows, Cabinet Member for Planning, Transportation & Recycling and London Borough of Hillingdon's representative on the WLWA Board
- Jean Palmer – Deputy Chief Executive & Corporate Director – Residents Services
- Perry Scott – Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT
- Cathy Knubley – Head of Waste Services
- Andy Evans – Deputy Director - Corporate Finance
- Carolyn Stanton - Finance Business Partner
- Emma Beal - Director, WLWA



Niall Bolger  
Chief Executive

Chief Executive's Office  
Hounslow House  
7 Bath Road, Hounslow

Mr Jay Patel  
Head of Finance & Performance  
Deputy S.73 Officer  
West London Waste Authority

Your contact: Clive Palfreyman  
Direct Line: 020-8583-2430  
E-Mail: [clive.palfreyman@hounslow.gov.uk](mailto:clive.palfreyman@hounslow.gov.uk)  
Our ref:  
Your ref:  
Date: January 6<sup>th</sup>, 2020

Dear Mr Patel,

Re: West London Waste Authority 2020-21 Budget

Thank you for your email sent on 9 December 2019 and its attachments – the 2020/21 consultation letter and the draft WLWA 2020/21 budget report. We note the five recommendations in the report, and the amendments to the report following the 6 December meeting. We acknowledge WLWA's efforts in attempting to keep costs low, noting that the proposed budget increase in costs is 2.4% against underlying inflation of 2.1% and anticipated volume growth of 1.3%. During the year Hounslow received a £0.3m WLWA reserve disbursement which demonstrates the Authority's responsiveness, commitment to partnership working but also indicates that charges have been set at a rate above the underlying costs being incurred. It is noted that the forecast for 2019/20 is to deliver a surplus of nearly £0.4m. We welcome the WLWA's initiative to minimise residual waste through incentivising actions to reduce the level of food waste entering the household residual waste stream. Work on this is already in progress and a proposed Climate Emergency Action Plan going to January Cabinet demonstrates Hounslow's obligation to reduce food waste and carbon emissions. We are committed to continue working with the WLWA to make significant strides in this area in the year ahead and will agree with the WLWA an approach for disbursing an agreed monetary sum.

Hounslow firstly commends the WLWA's responsiveness and attempts to improve transparency by costing gully waste as a separate waste stream and restructuring levies to appropriately classify fixed and variable costs. The proposed levy setting approach results in no 'winners' and 'losers' as the fixed element previously in Pay-As-You-Throw is to be apportioned based on 2020/21 budgeted tonnages with quarterly reconciliations to actual tonnages. Hounslow stands to benefit from the new reduced PAYT rate for residual waste and intends to exploit more commercial waste opportunities in the coming year. This new arrangement however, will need to be monitored during the year to enable a full evaluation at the end of the year, including impact on behaviour, to inform the approach to be taken in following years. Works also need to continue to ensure WLWA's PAYT rates for the various waste streams are reflective of true costs, and any variable costs captured within the Fixed Cost Levy are also correctly treated.

Hounslow is in support of a review and discussion about the current arrangement in apportioning FCL using boroughs' CTB1 figures as opposed to the council tax base. Hounslow is estimated to have paid an additional £137k in FCL since 2015 when we believe the change was introduced. However, working to

improve transparency and collaborative working, and the level of scrutiny by boroughs of decisions that impact them is considered more of a priority. I have written to you separately regarding this with the support of the West London Treasurers Group and look forward to being able to agree a way forward.

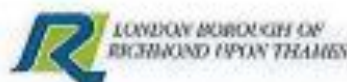
We look forward to a collaborative year ahead working with the WLWA.

Yours sincerely

**Clive Palfreyman**  
**Executive Director, Finance & Resources**



Resources Directorate  
Mr Mark Maidment  
Director of Resources & Deputy Chief Executive  
Phone: (020) 8891 7171  
Email: M.Maidment@richmondandwandsworth.gov.uk



6<sup>th</sup> January 2020

Ian O'Donnell  
Treasurer  
West London Waste Authority  
Unit 8, Britannia Court,  
The Green,  
West Drayton,  
UB7 7PN

Dear Ian,

West London Waste Authority draft 2020/21 Budget

Thank you for your letter dated 6<sup>th</sup> December 2019 seeking written views on the draft budget and levy for the forthcoming year. My comments are as follows:

**1) PAYT / FCL change to provide a lower PAYT rate**

We note the proposed movement of £8.1m from the PAYT levy element to the FCL charge, and for this to be apportioned on the current PAYT proportions. As identified in the draft budget report, this means that boroughs will see no overall change in the amount they pay by creating an FCL calculated using 2 bases (Council Tax base & budgeted tonnages). This then enables WLWA to offer a lower PAYT rate per tonne of £102.46 instead of £124.66.

As Richmond Council currently sends all our PAYT waste to WLWA this proposal therefore is of no financial benefit to Richmond and the proposed change may create some future risks. It would be of concern to Richmond if this new arrangement were to be 'subject to review' and for instance, in future the whole FCL were to be apportioned by Council Tax Base. Our preference is that if there is to be a change, then it is one that is made permanent. Before being supportive of any change, we would like to have a clear outline of how long this proposed arrangement would be for and what any future changes may look like, as we are currently unclear of the reasons and benefit of making this change.

**2) Use of CTB1 instead of Council Tax Base**

Richmond has previously highlighted that we do not know why CTB1 figures are being used as the apportionment basis and not the actual Council Tax Base figures. Since 2016/17 when we believe the change was made, four of the Boroughs have paid additional FCL and two Boroughs have paid less. The table below sets these amounts as

per our calculations, and as can be seen, Richmond is the least affected out of all the Boroughs. Under the regulations, without there being agreement to use an alternative basis, the charging basis for the FCL should be the Council Tax Base. We are unaware of having agreed for the change to CTB1 and therefore we would like to revert to using the Council Tax Base as the apportionment basis. We will provide you with our Council Tax Base figures as soon as they become available annually.

Total Variance per Borough	£
Brent	-196,944
Ealing	102,509
Harrow	52,203
Hillingdon	-131,025
Hounslow	136,510
Richmond	36,747
<b>Total</b>	<b>0</b>

Our approved Council Tax base for 2020/21 is 88,742.

### 3) Use of Reserves and Food Waste Incentive

Richmond already provides a food waste collection service to households and have conducted trials in flatland properties. An incentive and payment mechanism as proposed, is much more easily achieved by Boroughs who don't already have effective food waste collection services in place. We therefore consider that the proposal isn't a preferable approach in achieving its aims, as it does not treat the Boroughs equally.

While I appreciate the attempt to be innovative and to incentivise the Council's to improve their food waste collection and to remove it from residual household waste, the environmental impact and the ongoing financial benefits in removing food waste with a lower disposal cost of £10.35 per tonne should be incentive and reward enough for achieving this. The proposal in 1) above to reduce the PAYT cost per tonne by 18% may counteract this and contribute to reducing the incentive to increase food waste collections, as it reduces the cost differential between residual and food waste, and this diminishes the business case for providing such a service.

Often the barrier to introducing or increasing the food waste service is the costs of implementing (such as new vehicles, bins and cost of additional rounds). We could benefit more from the ability to use these reserves towards the capital costs of introducing and improving further food waste collection services.

Yours Sincerely



Mark Maidment  
Director of Resources and Deputy Chief Executive  
London Borough of Richmond Upon Thames

[www.richmond.gov.uk](http://www.richmond.gov.uk)

London Borough of Richmond upon Thames  
Civic Centre, 44 York Street, Twickenham TW1 3BZ  
Tel 020 8891 1411 Fax 020 8891 7713

**Treasury Management**

**SUMMARY**

This report provides the treasury management plan for 2020/21

**RECOMMENDATION(S)**

The Authority is asked to:-

- 1) Approve the treasury management plan for 2020/21
- 2) Adopt the prudential indicators and minimum revenue provision in Section 3.

**1. Background**

1.1 This report sets out the annual plan for 2020/21 alongside various information as required by the CIPFA Prudential Code and CIPFA Treasury Management Code

1.2 The Authority's current Treasury Management Policy Statement is provided in Appendix 1 and is reflected in the two following key treasury management activities.

1.3 The first key activity is to ensure that the Authority's 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.

1.4 The second key activity 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.

**2. Annual Treasury Management Plan for 2020/21**

2.1 The plan for 2020/21 is low risk and very simple.

2.2 There are no significant capital spending requirements / plans and no plans for any new borrowing.

2.3 Therefore, the focus will be on managing cash to ensure adequate liquidity for day-to-day operations whilst also using low risk options to deliver a return. The current arrangements (a service level agreement with Ealing Council) remain the best option and provide both a return and quick access to cash. The arrangement also allows the Authority to tap into money market rates offering a better return i.e. funds can be placed with the local authority for fixed periods to achieve better returns. Placing funds with a local authority is a low risk option.

### 3. Prudential indicators & minimum revenue provision (MRP)

3.1 The CIPFA Prudential Code prescribes a range of indicators and provides a framework to support decision making. These are more pertinent to organisations with complex treasury management arrangements, however are provided in the table below with a brief explanation of what they illustrate:

Prudential Indicator	Prudential code	Description	2019/20 Estimate £000s	2020/21 Estimate £000s	2021/22 Estimate £000s
Ratio of financing costs to net revenue stream	73/74	This is an indicator of affordability of plans	9%	9%	8%
Capital expenditure	48/50	This is a summary of the Authority's capital spending plans	248	1,852	0
Capital financing requirement (CFR)	51/54	This is a measure of the Authority's underlying borrowing need	213,537	204,509	195,730
Operational boundary for external debt	56	This is a projection of debt supporting the capital financing requirement	199,967	189,331	179,622
Authorised limit for external debt	55	This provides headroom for debt to deal with any unusual cash movements	209,967	199,331	189,622
Gross debt	60/62	This reflects the amount of gross debt and should be less than the CFR	208,892	198,539	191,935

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 (CFR in the table above) through a revenue charge (the



minimum revenue provision - MRP). The current approach largely follows standard depreciation accounting procedures and provides for a reduction in the borrowing need over the asset's life.

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

**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	01895 54 55 11
	<a href="mailto:jaypatel@westlondonwaste.gov.uk">jaypatel@westlondonwaste.gov.uk</a>	
	Ian O'Donnell, Treasurer	020 8825 5269
	<a href="mailto:Odonnelli@ealing.gov.uk">Odonnelli@ealing.gov.uk</a>	

### WEST LONDON WASTE AUTHORITY

#### TREASURY MANAGEMENT POLICY STATEMENT

The West London Waste Authority (WLWA) defines the activities and objectives of its treasury management policy as follows:-

1. The management of the authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. WLWA regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. WLWA acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques within the context of effective risk management.

**Governance matters**

**SUMMARY**

This report recommends and updates members on a range of governance matters

**RECOMMENDATION(S)**

The Authority is asked to:-

- 1) Approve the job evaluation and Managing Director's new salary
- 2) Note the work with NAWDO
- 3) Approve the Member's Travel and Subsistence Allowance scheme

**1. Job evaluations - background**

The purpose of a job evaluation is to ensure an employee's pay reflects their job description, is consistent with colleagues across the business and in comparison with the employee's peer group. This helps to ensure equality and fairness.

A job evaluation can be triggered by the Authority on creation of a new position, when roles change and develop (and job descriptions) and at the request of an employee with reasonable justification.

To help objectively achieve the aims of equality and fairness the Authority employs an independent external third party (LB Hounslow) to undertake all of its job evaluations.

For Chief Officer roles, LB Hounslow employ the nationally recognised HAY scheme for job evaluation. This is a rigorous and objective system for scoring a variety of characteristics such as management breadth, nature and impact of role, accountability, HR skills and know how to name just a few. The resulting scoring and grade is then subject to a further step within LB Hounslow where a panel scrutinise and moderate the grading.

This approach towards job evaluation reduces the risk of equal pay claims and allegations of unfair treatment and provides the basis of a defence against any litigation.

**2. Job evaluation request**

A job evaluation was requested by the Managing Director on the basis that pay of other Waste Authority Managing Directors was markedly higher than the Authority's, a reasonable justification.

On this basis as with any other employee, the LB Hounslow were asked to undertake a job evaluation for this position and were provided an up to date job description.

The LB Hounslow job evaluation graded the Managing Director post at band CO1 which commences at £134,544 for 2019/20. The Authority's long standing Chief Officer grades are based on LB Hounslow pay scales and are detailed in appendix 1.

The job evaluation is broadly in line with published salaries of Managing Directors of all other waste authorities across London whose scale and operations are broadly similar. Appendix 2

details their published salaries. This provides a good benchmark for assessing the reasonableness of the job evaluation.

Appendix 3 also provides the salaries for borough peers. It shows that the job evaluation is within the wide range of those published salaries.

As the Managing Director's position as the head of paid service is a statutory role, the Authority has to make the final decision on the pay of the Managing Director. Therefore on the basis that the independent job evaluation is reasonable and fair, the recommendation is to pay the Managing Director an annual salary at the CO1 scale point 11 (£134,544) backdated to April 2019.

To ensure that the pay does not materially exceed that of borough peers the annual salary will be capped at CO1 scale point 12 (£142,621).

It is useful to note that the published pay multiple (ratio between highest paid and average salary) will move from 2.7:1 to 3.5:1, this is well below borough multiples. Benchmarking also showed that site salaries are slightly higher than the two constituent boroughs that responded to a request for benchmarking information.

### **3. National Association of Waste Disposal Officers**

In recent meetings members have impressed the importance of the Authority providing leadership within the sector, increasing its profile and pro-actively engaging with key decision makers.

NAWDO represents 80% of local authorities with responsibility for waste disposal. It aims to influence policy and legislation at a formative stage and lobby for change through its good working relations with key officials in a range of government departments/bodies (e.g. DEFRA, DCLG, Treasury).

This brief note is to highlight that the Managing Director is presently the vice Chair of NAWDO and that there is an expectation that she will become the Chair next year, so providing an opportunity to promote the Authority's agenda and engage with key decision makers – leadership is a key theme of the Authority's business plan.

However, it should be noted that there will be greater input required from the Managing Director to fulfil the role of Chair, but this will also be beneficial to the Authority. There are no problems envisaged and the wider team will be able to support the Managing Director in this role (e.g. providing admin, hosting meetings, taking on delegated work etc.) and also ensure business continues as normal.

### **4. Members travel and subsistence allowance**

Allowances in the public sector are commonplace to ensure members are not out of pocket as a result of holding public office and to reduce the financial barriers that can make it challenging to achieve good levels of attendance.

However, under the Local Authorities (Members Allowances) Regulations 1991 waste authorities are limited to only paying members a travel and subsistence allowance.

Therefore to keep the process and administration simple the recommendation is to pay members a fixed amount of £1,000 per year as a travel and subsistence allowance, paid only to members on a pro-rata basis following each day of attending Authority/Audit Committee meetings. i.e. Normally 5 days of meetings per year, so £200 following each days meeting. This is a notional sum and half of the basic allowance paid by many local authorities to reflect the smaller amount of time/travel needed for Authority business compared to Council business.

However to ensure there is no duplication with travel and subsistence paid by constituent boroughs' members will be required to confirm that no claims for travel and subsistence relating to Authority business will be made to their constituent boroughs.

**5. Financial Implications** – These are detailed in the 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	01895 54 55 11
	<a href="mailto:jaypatel@westlondonwaste.gov.uk">jaypatel@westlondonwaste.gov.uk</a>	
	Ian O'Donnell, Treasurer	
	<a href="mailto:ianodonnell@westlondonwaste.gov.uk">ianodonnell@westlondonwaste.gov.uk</a>	
	Emma Beal, Managing Director	01895 54 55 15
	<a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	

## Appendix 1

### Pay scales

The Authority's standing Chief Officer pay scales are based on historic London Borough of Hounslow's pay scales and are as follows.

<b>Band</b>	<b>Point</b>	<b>2019/20 salary £</b>
CO3	1	84,102
	2	88,306
	3	90,011
	4	95,012
	5	100,012
	6	105,013 current grade
CO2	7	106,797
	8	112,537
	9	118,387
	10	126,465
CO1	11	134,544 proposed grade
	12	142,621
	13	150,700
	14	157,607
	15	166,521

## Appendix 2

### Comparable pay

The Managing Director's salaries for other waste authorities across London are published in their annual accounts. The table below summarises the minimum annualised salaries taken for the last published accounts.

<b>Waste Authority</b>	<b>2018/19 salary £</b>
East London Waste Authority	136,425
North London Waste Authority	152,579
Western Riverside Waste Authority	143,762

## Appendix 3

### Benchmarking with borough salaries

Taken from Council websites.

i.e. Accounts, pay statements, senior salaries disclosures.

Note that the information was variable as no consistent data was available.

#### Senior Salaries

Staff Group	Brent 2019/20 £	Ealing 2019/20 £	Harrow 2017/18 £	Hillingdon 2019/20 £	Hounslow 2018/19 £	Richmond 2019/20 £	WLWA 2019/20 £
Chief Executive	202,880	177,660 to 189,129	150,789 to 171,375	230,844	171,504 to 188,151	249,717	N/A
Corporate Directors/MD	136,167 to 153,927	127,689 to 141,021	129,159 to 141,033	170,552 to 216,345	131,905 to 163,256	129,545 to 177,935	134,544
Directors/Heads of Service	57,430 to 129,490	96,210 to 116,550	82,134 to 127,845	85,775 to 158,007	104,703 to 123,986	74,716 to 138,628	80,217



**Budget Monitoring Report Period 8 (November)**

**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 2019/20
- 2) Note the KPIs
- 3) 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
<b>Expenditure</b>						
Employees	1,354	1,260	-94	2,031	2,028	-3
Premises	1,791	1,743	-48	2,686	2,627	-59
Waste Transport & Disposal	30,799	30,640	-159	46,198	45,582	-616
Other supplies	661	402	-259	992	901	-91
Depreciation	5,657	5,907	251	8,485	8,861	376
Financing and Other	4,364	4,343	-20	6,546	6,515	-31
Concession Adjustment	-2,810	-2,810	0	-4,215	-4,215	0
	<b>41,815</b>	<b>41,485</b>	<b>-331</b>	<b>62,723</b>	<b>62,300</b>	<b>-423</b>
<b>Income</b>						
Levies	-40,540	-40,311	228	-60,810	-59,990	820
Trade and other	-1,275	-1,930	-654	-1,913	-2,605	-692
	<b>-41,815</b>	<b>-42,241</b>	<b>-426</b>	<b>-62,723</b>	<b>-62,595</b>	<b>128</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>-756</b>	<b>-757</b>	<b>0</b>	<b>-295</b>	<b>-295</b>
Disimbursement back to Boroughs		1,900	1,900		1,900	1,900
<b>Net position after disbursement</b>	<b>0</b>	<b>1,144</b>	<b>1,143</b>	<b>0</b>	<b>1,605</b>	<b>1,605</b>

The summary shows how financial performance compares to the budget for both the period in question and the forecast for the year. The overall performance for the period is close to budget and the forecast surplus for the year shows a small favourable variance (i.e. underspend) of £0.3 million.

The largest variations relate to residual waste volumes. The forecast uses the previous years' monthly profile of tonnages which show that the latter part of the year has a proportionately lower volume of waste. Therefore the projection is for WTD to be lower than budgeted primarily a result of residual waste volumes. This is also reflected in the lower PAYT rate.

The surplus also includes income from the PPP arrangement of £0.5 million which is a share of the revenue earned (above a threshold) by the contractor from third parties and power generation.

Other smaller but notable variances include updated depreciation reflecting the valuations for the 2018/19 accounts, a share of the increased cost in SERC insurance premiums (under the PPP arrangement the Authority has to pay a share of the increase in premiums if the increase exceeds 30%) and a mixture of wasteflow volume variations (e.g. lower than budgeted price for mattresses and higher than budgeted volumes of rubble).

There are no concerning trends. However, it is important to note that waste volumes can change significantly from month to month so waste flows will be continually monitored over the course of the year and the forecast will be updated and reported accordingly.

The disbursement to boroughs of £1.9 million as detailed in earlier Authority meetings was paid in July as planned and this results in a final forecast net position of a £1.6 million deficit.

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 and provides commentary on the variances.

## **2. KPIs for 2019/20**

The KPI table (Appendix 2) illustrates the performance across a wide range of key activities. Most indicators are on target with a couple of outliers to note:

- KPI3 and KPI4 reuse, recycling and composted rates – The November performance is comparable or better than last year however it remains below target with some of it a result of seasonal fluctuations.
- KPI5 trade debt as proportion of levy income – the performance is significantly skewed by one debtor. This debt is being chased and we are currently awaiting a court date. It is expected that the debt will be recovered.

## **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 Managing Director and/or Chief Officers under the Scheme of Delegations since those reported to the last Authority meeting.

There were none.

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

## **5. 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	01895 54 55 11
	<a href="mailto:jaypatel@westlondonwaste.gov.uk">jaypatel@westlondonwaste.gov.uk</a>	
	Ian O'Donnell, Treasurer	
	<a href="mailto:ianodonnell@westlondonwaste.gov.uk">ianodonnell@westlondonwaste.gov.uk</a>	
	Emma Beal, Managing Director	01895 54 55 15
	<a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	

## 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	24,483	23,744	-738	Tonnage lower than estimated	36,724	35,540	-1,184	Potential savings due to lower rates and estimated tonnage
Waste - Food	212	197	-14		318	296	-22	
Waste - Mixed Organic	538	615	77	Effect of green waste seasonality	807	820	13	
Waste - Green	546	687	142	Effect of seasonality	818	885	67	
Waste - Other	295	405	110	Unbudgeted recyclables and transport	442	607	164	Unbudgeted recyclables and transport
Financing	2,795	2,881	85		4,193	4,321	128	
Depreciation - SERC	4,537	4,381	-157	Impact of valuation	6,806	6,571	-235	Impact of valuation
Premises - SERC	860	860	0		1,289	1,289	0	
Concession Accounting Adjustment	-2,415	-2,415	0		-3,623	-3,623	0	
PAYT Levy income	-31,849	-31,621	229	Higher tonnage during first half of the year	-47,774	-46,954	820	Potential rebate due to lower tonnage
<b>PAYT Net Expenditure</b>	<b>0</b>	<b>-267</b>	<b>-267</b>		<b>0</b>	<b>-248</b>	<b>-249</b>	

Fixed Cost Levy	Period 8				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	1,354	1,260	-94	Effect of unfilled vacancies	2,031	2,028	-3	Effect of vacancies
Premises	931	883	-48		1,397	1,338	-59	
Waste - Residual	2,963	3,679	716	Higher than estimated tonnage	4,444	5,407	963	higher than estimated tonnage
Waste - Green	301	214	-87		451	304	-147	
Waste - Wood	438	646	208	Higher than estimated tonnage	657	992	335	Forecasted high tonnage
Waste - Other	1,025	452	-572	Lower than estimated tonnage and rates (rubble, mattresses)	1,537	732	-805	Lower than estimated tonnage and rates (rubble, mattresses)
Other Supplies	661	402	-259	Uneven spending pattern during the year	992	901	-91	
Depreciation	1,119	1,527	407	Impact of valuation	1,679	2,290	611	Impact of valuation
Financing	994	863	-131	Lower borrowing cost than budgeted	1,491	1,295	-196	Lower borrowing cost than budgeted
Revenue Funding of Debt	575	600	25		862	900	38	
Concession Accounting Adjustment	-395	-395	0		-592	-592	0	
Trade Waste and Other Income	-1,275	-1,930	-654	High trade waste income and extra income from 19-20	-1,913	-2,605	-692	High trade waste income and extra income from 19-20
FCL Levy income	-8,691	-6,791	1,900	Disimbursement to Boroughs	-13,036	-11,136	1,900	Disimbursement to Boroughs
<b>Fixed Cost Levy Net Expenditure</b>	<b>0</b>	<b>1,410</b>	<b>1,410</b>		<b>0</b>	<b>1,853</b>	<b>1,853</b>	

## Appendix 2

KPI No	Measure	2019/20 Target	Forecast	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Comments
<b>Efficiency</b>												
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 518,206 to 572,754 tonnes	542,495	45,467	47,030	46,642	48,206	45,295	43,407	44,909	40,707	
KPI2	Total kgs WCA waste per dwelling	847	851	856	871	873	882	876	866	863	851	
KPI3	HRRC reuse, recycling, composted % (Twyford)	40%	37%	40%	41%	41%	37%	38%	34%	32%	31%	The November figure is equal to the rate achieved in November 2018/19. Less recyclable material tends to be delivered in the winter months.
KPI4	Borough HRRC Average reuse, recycling, composted %	40%	31%	30%	34%	31%	31%	30%	32%	26%	31%	The November figure this year is 3% higher than 18/19 rate. Some sites are achieving over 40% but others are below 20%.
KPI5	Trade debt as proportion of non levy income	Max of 8% (1 month)	4.7%	12.0%	11.9%	10.5%	8.2%	15.5%	15.1%	13.9%	11.5%	Skewed by one large debt being pursued through courts and expected to be recovered by year end. This accounts for 7%
KPI6	Average days to pay creditors	Max of 30 days	29	29	29	29	29	28	28	28	30	
KPI7	Number of audit actions or recommendations overdue	0	0	0	0	0	0	0	0	0	0	
<b>Service Delivery</b>												
KPI8	Residual waste landfill diversion rate	96%	100%	100.00%	100.00%	100.00%	99.59%	99.64%	99.71%	99.76%	99.78%	Figures are for year to date
KPI9	Recycling rate for residual waste	2.00%	5%	2.84%	2.73%	6.25%	3.59%	3.97%	3.59%	3.57%	3.64%	Figures are for year to date
<b>Safety</b>												
KPI18	Lost Time injury frequency rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Following the H&S recommendation to review KPI's for H&S reporting this is being added to the reported KPI's. It's an indicator that is widely used and recommended in the waste sector and used by the HSE to compare performance between industries.
KPI10	RIDDOR rate at rail transfer stations (previously incidents)	0	0	0	0	0	1	0	0	0	0	This has been reported as an incident rather than a rate as we do not have the information available at time of publishing to provide the rate.
KPI11	RIDDOR rate at Twyford (previously incidents)	0	0	0	0	0	0	0	0	1	0	This is an absolute number rather than a rate
<b>Environment</b>												
KPI12	EA reported incidents at rail transfer stations	0	0	0	0	0	0	0	0	0	0	
KPI13	EA reported incidents at Twyford	0	0	0	0	0	0	1	0	0	0	Very small fire
<b>Education</b>												
KPI14	Number of people engaged at events	3,000	4,230	24	358	679	351	29	482	362	335	
KPI15	Engagement on social media	8,000	9,944	595	1,239	842	523	1,040	1,028	805	557	
KPI16	Items identified in annual training plan and subsequently	68	79	11	0	6	6	0	4	28	6	
KPI17	Number of visitors to our website	40,000	78,899	6,883	6,677	6,433	3,963	6,727	6,545	6,821	6,550	

\* KPIs reflect the most recent data available at the time of writing

Date prepared: 27 Dec 2019

This page is intentionally left blank

WEST LONDON WASTE AUTHORITY

Report of the Managing Director and Senior Contracts Manager

24 January 2020

**Joint Municipal Waste Management Strategy Development**

**SUMMARY**

This report provides details of the development of a new Joint Municipal Waste Management Strategy for the Authority and the Boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond upon Thames for the years 2020-2035.

**RECOMMENDATION(S)**

The Authority is asked to:-

- 1) Note the progress to date, and
- 2) Approve the direction of travel

**1. Background** – The Authority and Boroughs committed in 2005 to a Joint Municipal Waste Management Strategy (JMWMS) which included waste prevention, reuse, recycling, infrastructure and contracts. The action plans were reviewed and updated in September 2017 and approved by the Authority. The remaining key aims were to support boroughs to deliver a 50% recycling target and to ensure availability of appropriate waste treatment and recycling infrastructure to meet future needs.

The Authority developed a new three-year Business Plan which was approved in March 2017 and committed to develop a new JMWMS from 2020-2035 in partnership with the constituent Boroughs.

**2. Borough priorities** – In September 2019, the Authority members shared their Borough priorities for Officers to consider. The strategic outcomes created are:

- Effective and efficient operations focused on - **WHERE WE WANT TO BE IN THE FUTURE**
- Our climate emergency response is to focus on - **NO MORE WASTE**
- Recognise the only workforce we have is our - **RESIDENTS and COLLEAGUES**
- Tackling clean streets and flytipping – **WASTE IS A CRIME**
- We can't wait for legislation – **BE PROACTIVE**
- Joined up and consistent - **USING HIGH-QUALITY DATA**

In October 2019 the Borough Environment Directors held a future-vision workshop which is being developed through the West London Environment Directors Board. The outcomes include:

- Financial stability
- Better transport
- Carbon neutral by 2030
- Smart City Models
- A Virtual Single Waste Authority
- Greening communities

- Collaborative models in the sub-region and pan London

In December 2019 the WLWA Projects Director attended the world expo on the future of smart cities and data management to understand the opportunities in hardware, software and data visualisation and best practice from leading cities around the world. This has informed the scope and architecture of the proposed data hub. Other opportunities identified have led to the refinement and design of a new measurement systems using Internet of Things sensors for gathering data.

Officers are working with smart technologies including artificial intelligence and machine learning to help automate and standardise data across the numerous information streams available to WLWA and ensure consistent and efficient management of data for the Boroughs. These technologies help to identify new efficiency projects and provide in depth trend analysis to better prediction of impacts from interventions and external factors influencing the waste in our region.

**3. Lessons Learned** – In developing plans for the future, WLWA and Boroughs must be mindful of what lessons can be learned from the existing JMWMS. The only strategic aim not yet met is the 50% recycling and composting target. This is not only a local issue; it is part of a national trend. The analysis demonstrates that the way the recycling and composting rate is calculated on gross tonnes, with no baseline in 2005, counteracts with waste reduction, the primary activity. Success in the future will need to be measured on a kgs/household/week basis.

The long-term waste picture and individual Borough trends can be seen in appendix 1. The data is taken from waste data flow and the audited version is only just available in January 2020 for data relating to the year 2018-19. The uptick in gross waste was expected due to information gleaned through budget monitoring throughout 2018-19 but the late availability of the information demonstrates the need for us to develop more up to date reporting that can be shared to make collective decisions in a timely way. kgs/household/week remains fairly flat with growth mainly attributed to population increases, new trade waste and increased recycling.

Our attempts to change behaviour and increase reuse have delivered small changes in percentage and highlighted the need for changes in law and increased funding, i.e. the plastic bag tax and extended producer responsibility.

Only a significant increase in food waste recycling will deliver the 50% recycling and composting target. Building food waste recycling habits is a long, slow process of change and is particularly challenging without a supportive national policy. The weight of recycling put out for collection has dropped by 0.05 tonnes per household per annum due to packaging regulations.

**4. Vision of 2040** – The new JMWMS needs to consider the wider policy context, which includes the following targets:

- 65% recycling: by 2035 (UK Government target) by 2030 (GLA target)
- Net-zero greenhouse gas emissions by 2050 (UK Government target) by 2030 (Borough Climate Emergency targets)
- Zero vehicle emissions by 2050



The JMWMS will need to set per capita waste reduction targets, per capita carbon reduction targets and air quality targets. The WLWA business plan project work to date indicates that by successfully meeting the necessary targets with the current legislative and policy framework will necessitate 95% of people doing 90% of the right thing 90% of the time and potentially result in, e.g.:

- All flats, houses and businesses participating fully in food waste recycling (current household level is estimated at 35%)
- All flats, houses and businesses participating fully in recycling paper, cardboard, metal and glass
- New recycling sorting infrastructure for west London
- A presumption for only reuse of plastics
- Separating glass from paper and cardboard recycling collections
- New collection systems for hard to recycle materials, e.g. tetrapaks, pouches, crisp packets, coffee pods etc
- Subregional transfer sites for hard to recycle materials
- Adapting classic HRRC to local smaller bring sites freeing up transfer sites
- Technology supported needs-led dynamic collections for business, houses, flats and bring sites
- Charges for landlords not meeting recycling rates in flatted properties
- Business waste recycling included in business rates
- Extended producer responsibility for mattresses, furniture, food waste, textiles, etc
- Fully electric fleet and aligned collection and delivery systems
- Collection methods that involve fewer or no vehicles
- Replacing the energy from waste fleet at the end of its natural life
- Chemical recycling

The Boroughs' regeneration and growth strategies will have an impact on waste and recycling across the WLWA area. In addition, the Authority and Borough Partners will need to consider the impact of growth associated with the park royal and old oak common development, Heathrow, HS2, Crossrail etc.

Using the ideas above to develop our collective understanding of what good will look like in 2035 is the next step for the JMWMS development and describing how the necessary changes will affect various themes:

1. **People**, e.g. flats, houses, businesses, public realm, access to facilities, collection systems, managing change,
2. **Infrastructure**, e.g. space for sorting, waste reduction, reuse, recycling, niche materials, organic waste, commercial waste,
3. **Technology**, e.g. decarbonising, chemical recycling, approach to risk, costs and benefits, legislation, efficiency, data,
4. **Legislation**, e.g. Commercial waste, reuse, extended producer responsibility, deposit return schemes,
5. **Partners**, e.g. Government departments including Defra, HCLG, BEIS; Contractors, Producers (supply chain), consumers.

**5. Revised approach** – The chosen WLWA approach for updating the JMWMS is to develop a vision, then a five, ten and fifteen-year plan with annual review and continuous measurement against targets. The first five-year plan is set out below:

**2020-2025** – This period is characterised by knowing that legislation is expected in 2021 to be enacted in 2023. Packaging Extended Produce Responsibility will bring opportunities for increased income for managing packaging recycling differently, and the Deposit Return Scheme will affect the quantity and method of materials collected. Food waste treatment is low-cost. WLWA has SERC and Lakeside for waste disposal. Weight-based targets will continue.

The joint waste strategy will focus on

- a) Making cost and carbon savings related to reducing the disposal of food waste. The cost savings will provide headroom for future carbon reduction related to waste which may not offer cost savings. The added benefits will be to reduce waste production per capita and increase recycling
- b) Identifying opportunities to join up and work together for greater efficiency. The added benefit will be streamlining waste communications to ensure residents develop a more nuanced understanding of resources and waste
- c) Agreeing on dates for fleet and infrastructure changes which will drive innovation amongst suppliers
- d) Preparing for the impact of new packaging legislation and joint lobbying for further resources and waste legislation, e.g. extended producer responsibility for textiles and WEEE.

### **WLWA Business Plan Ideas 2020-2023 to support the strategy**

- Create Data Hub to offer a single stop shop for west London's waste data.
- Value stream mapping to develop a common understanding of the Borough food waste recycling offers.
- Assist building participation in food waste recycling in houses and flats
- Measure the carbon impact of food waste reduction
- Work together to prepare for carbon targets
- Assist Boroughs to develop commercial food waste recycling
- Textile waste research and data
- Increase capacity of rail transfer of waste
- Improve efficiency of transfer of materials through all HRRC sites / transfer stations
- Investigate hosting DRS technology at, e.g. HRRCs or other in area sites
- Investigate opportunities to work with couriers / distributors / new collection and delivery methods
- Bin sensor technology pilots for communal recycling, food waste and rubbish bins
- Investigate the purchase of new waste sites if needed to secure EPR funding
- Development of existing sites to be fit for future needs

## 6. Next steps

- Develop the WLWA Business Plan for approval in March 2020
- Follow up Borough joint climate emergency meeting
- Organise workshops, presentations and briefings for Members and Directors
- Continue to refine outcomes and themes.

**7. Financial Implications** – These are incorporated in the annual process of long-term financial planning and budget setting. The proposed WLWA budget 2020-2021 focuses on increasing participation in food waste recycling to deliver long term cost and carbon savings.

**8. Legal Implications** – A legal requirement exists for two-tier areas (including two-tier areas in Greater London) to have a JMWMS and keep it under review. The law also says that before formulating policies as part of the strategy, authorities must carry out such consultation as they consider appropriate<sup>1</sup>.

Furthermore, authorities must have regard to any guidance given by the Secretary of State, the most recent of which was published in 2005 and has since been archived. The 2005 guidance is very prescriptive about how a JMWMS is written and what it should contain, such as a strategic environmental assessment (SEA) which is itself subject to additional guidance. As the guidance is almost fifteen years old and is archived, it would be reasonable to consider that it is no longer a live document that authorities must consider when writing a new JMWMS.

The law also requires that the waste authorities for two-tier areas in London ‘have regard to the Mayor’s municipal waste management strategy’, the current version of which is the 2018 London Environment Strategy (LES).

In summary, the Boroughs are required to have a JMWMS, keep it under review, consult as deemed appropriate and have regard to the LES. It should also be a high-level document in order to provide a strong vision whilst maintaining sufficient flexibility to meet the evolving requirements of national and regional policies.

**9. Impact on Joint Municipal Waste Management Strategy** – This work will develop a new strategy from 2020.

Contact Officers	Tom Beagan, Senior Contracts Manager <a href="mailto:tombeagan@westlondonwaste.gov.uk">tombeagan@westlondonwaste.gov.uk</a>	01895 545516
	Emma Beal, Managing Director <a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	01895 545515

---

<sup>1</sup> Section 32, Waste and Emissions Trading Act 2003

## Appendix 1

Figure 1 WLWA Borough waste trends from waste data flow

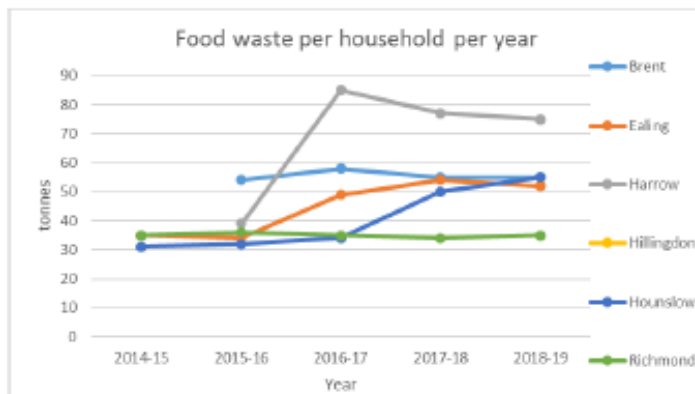
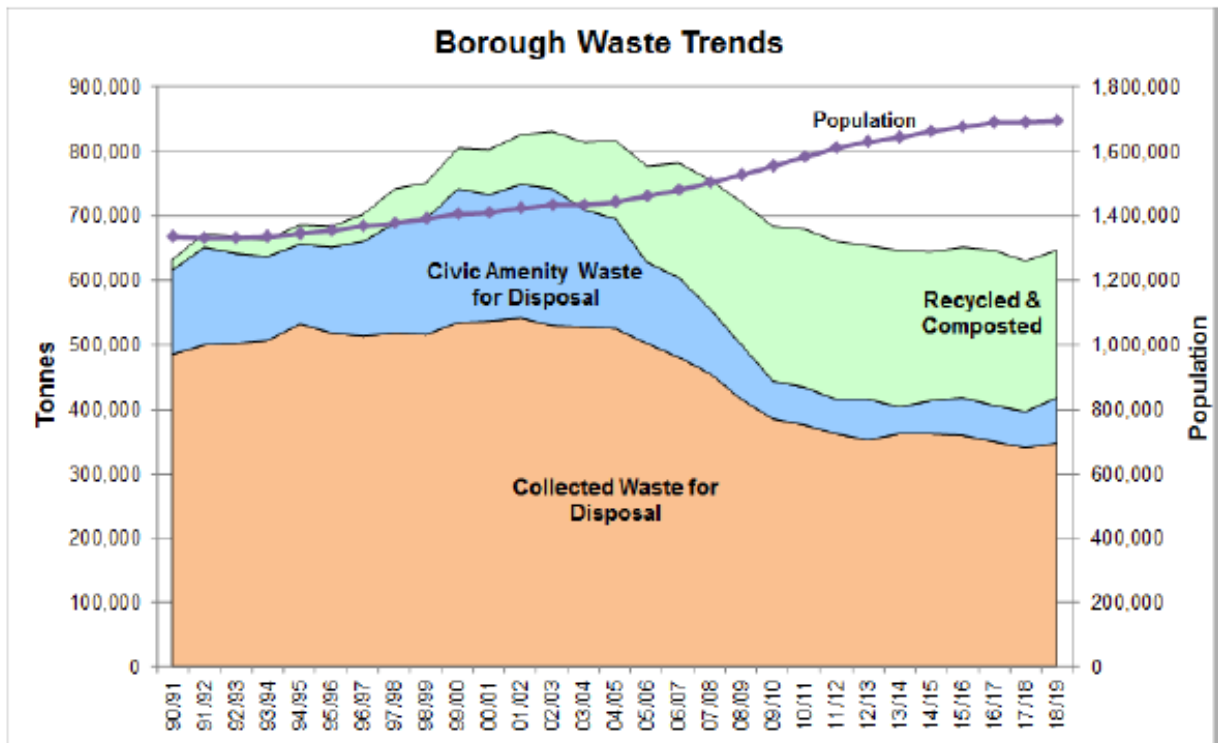
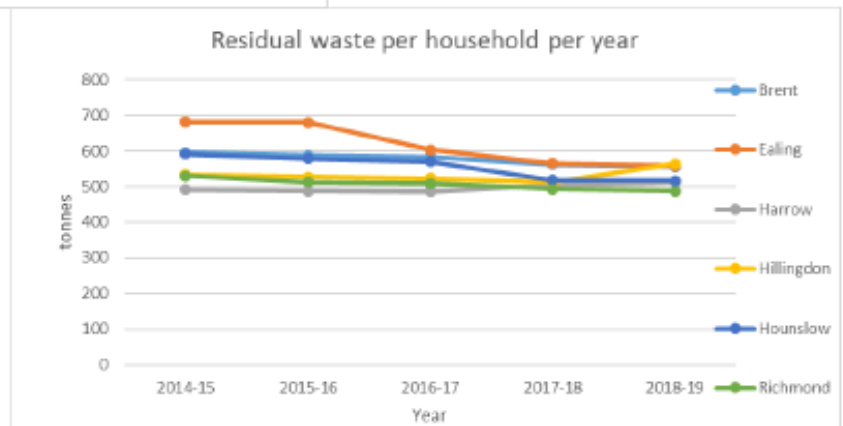


Figure 2 Per household food waste and PAYT residual trends per Borough extracted from Opensky database



## Appendix 2 Programme

Date	Action
September 2019	<b>Confirm approach</b> To be agreed by WLWA Chief Officers and Environment Directors.
January 2020	<b>Develop vision, outcomes and themes with Members</b> Undertake a workshop with Members and Environment Directors.
February 2020	<b>Create document structure</b> Make a structure template that is resident friendly and sets out what a JMWMS is, why it is being produced, the context/background and what the policies are.
March 2020	<b>Agree vision, outcomes, themes, targets, structure &amp; consultees</b> To be agreed by Borough Partnership, WLWA Chief Officers, Environment Directors and Members. Consultees could include, the six Boroughs, central government, the GLA, other local authorities, waste management companies, west London businesses and residents.
May 2020	<b>Consult on vision, outcomes and themes</b> It is suggested that the consultation is on the overarching vision, outcomes and themes rather than a draft document in order to keep the consultation questions focused and avoid abortive work, in case changes are required following consultation.
November 2020	<b>Draft strategy document</b> A full draft to be created and reviewed by Borough Partnership, WLWA Chief Officers, Environment Directors and Members.
January 2021	<b>Finalise strategy document</b> Final draft to be written and approved Borough Partnership, WLWA Chief Officers, Environment Directors. It should then be formally adopted by WLWA Members.
February to April 2021	<b>Agree on JMWMS with individual Boroughs</b> Individual Boroughs to formally adopt the JMWMS through their own approvals processes.

This page is intentionally left blank

**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 is in line with the Authority's values of leadership, efficiency, partnership and good communications.

**2. Christmas**

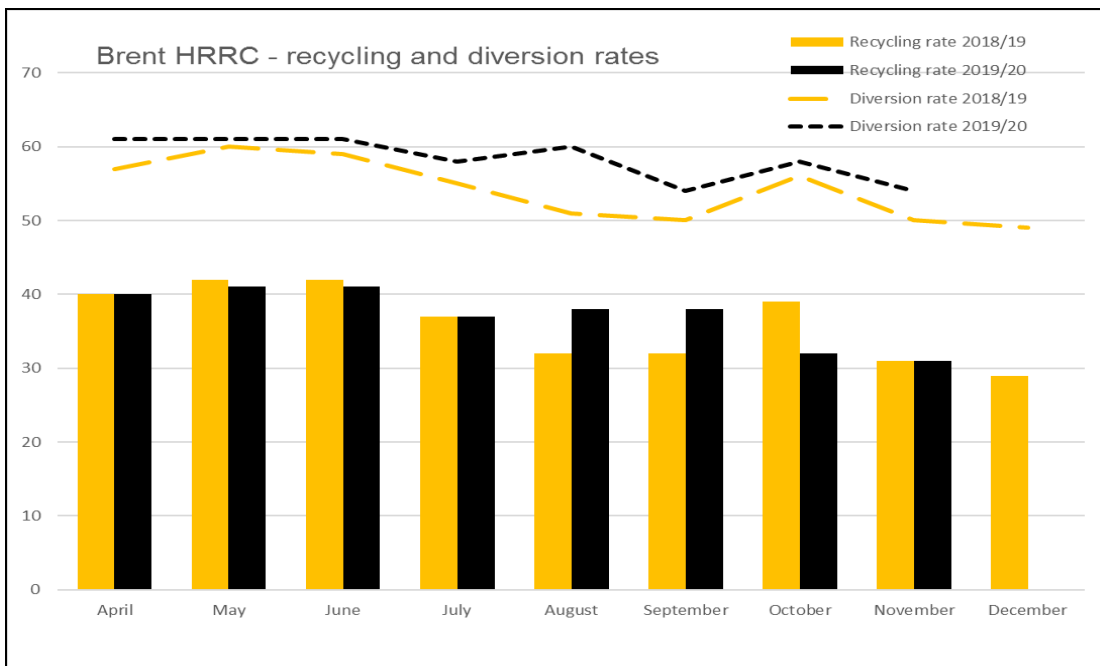
As usual there has been a large amount of waste generated by residents throughout the Christmas period. An increase is always expected and planned for, the reception and onwards transfer of this waste has been very well managed at the waste transfer stations and there have been no issues affecting boroughs ability to deliver waste. The daily waste tracker that worked so well last year was again used to monitor levels of waste on the sites. There were several trains cancelled with short notice over the festive period due to works on the route to SERC. Suez put in place their contingency plans and moved a large quantity of waste by road instead to compensate for this.

**3. Twyford WTS and HRRC**

The majority of the works at site are now complete. The last tasks are to undertake some repairs to the steelwork that holds the netting over the whole working area and to replace the netting. A survey of the steelwork identified parts across the whole structure that needed repair, this was in addition to the original works identified to repair the fire damaged area. It needs to be complete before the netting can be replaced.

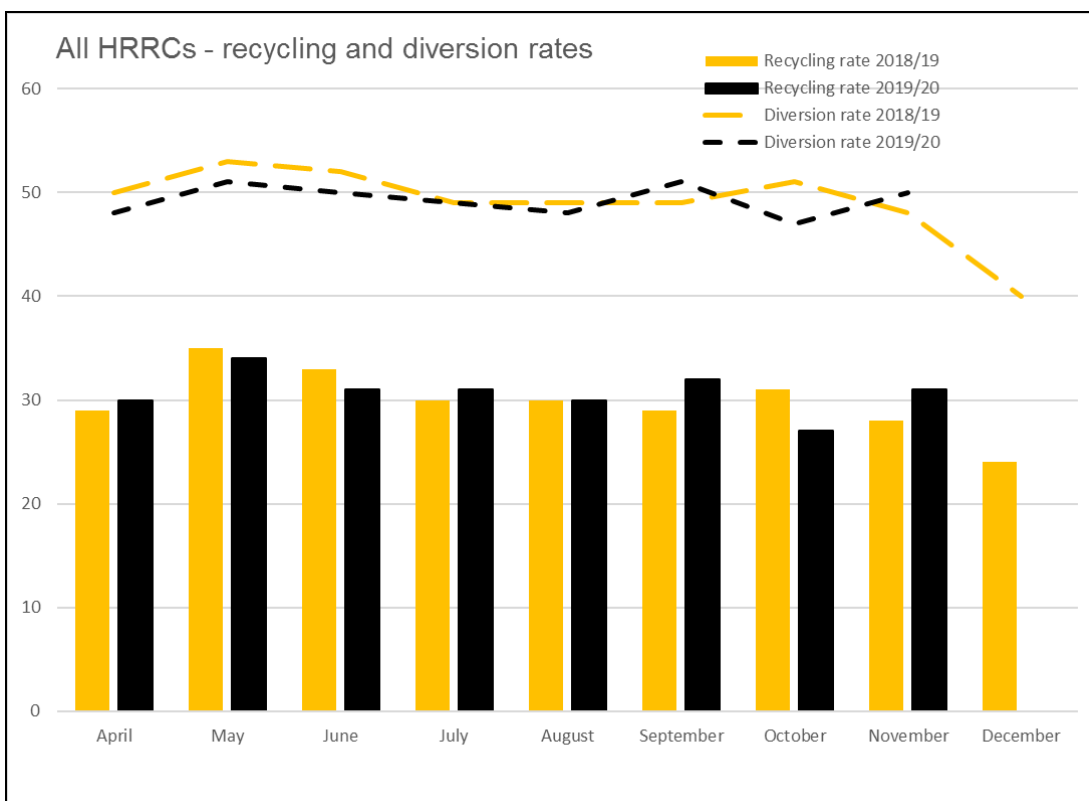
Last year LB Brent requested that the site opening hours were reduced in order to meet a necessary cost saving. Changes to the days of opening will start in March.

The recycling rate on the HRRC for quarter three is similar to last year, the difference in October is the result of less green waste being delivered. The diversion rate remains slightly higher than 2018/19.



#### 4. West London HRRC's

Officers have been comparing the recycling and diversion rates across the HRRC's in west London. The graph below shows the aggregated results. The Site Manager and Operations Manager have begun work with Hillingdon and Richmond to look at potential improvements on the HRRC sites to further increase separation of materials to increase recycling and diversion. Officers have also started a project to look at the content of the residual waste delivered to the waste transfer stations.



This month Officers will offer all borough HRRC's the opportunity to have new weighbridge software installed at their sites. The software will be the same for each site to ensure consistency and comparability of the data. It will also offer additional features to reduce administration on site and allow quicker access to better information.



5. **Health and Safety** – Following a competitive tendering exercise for an external Health and Safety Advisor, Universal Safety Practitioners has been appointed. Appendix one to this report sets out progress against the 2019/20 Health and Safety Action Plan.
6. **Risk** – There are no risks associated with this report.
7. **Financial Implications** – There are no risks associated with this report.
8. **Staffing implications** – There are no staffing implications associated with this report.
9. **Health and Safety Implications** – There are no health and safety implications further to those discussed within this report.
10. **Legal implications** - There are no legal issues arising from this report.
11. **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	01895 545517
	<a href="mailto:sarahellis@westlondonwaste.gov.uk">sarahellis@westlondonwaste.gov.uk</a>	
	Tom Beagan, Senior Contracts Manager	01895 545515
	<a href="mailto:tombeagan@westlondonwaste.gov.uk">tombeagan@westlondonwaste.gov.uk</a>	

This page is intentionally left blank

# Appendix 1: Health and Safety Action Plan 2019/20 – update January 2019

Ref	Action	Responsible person(s)	Target timescale	Further details	Progress to date
1	Appoint new H&S Advisor for WLWA	Managing Director	December 2019  Complete	The revised WLWA Health and Safety policy has resulted in the removal of the management appointee role and creation of a Health and Safety Advisor and enhanced health and safety involvement of managers. The new policy document sets out the responsibilities of this role and an external expert needs to be appointed.	Following an open tender process, Universal Safety Practitioners has been appointed as WLWA's corporate H&S advisor for 2020.
2	Develop additional guidance for: <ul style="list-style-type: none"> <li>• Provision and Use of Work Equipment (PUWER);</li> <li>• Electrical Equipment</li> <li>• Working at Height</li> <li>• Lifting Equipment and Lifting Operations (LOLER)</li> <li>• Reporting of accidents, incidents and near misses</li> </ul> in support of the new revised overarching policy document.	Operations Manager	December 2019	During the revision of the policy and supporting documents the need for these updates was identified.	<p>Consultation on the content of these documents is currently underway with managers. They will be agreed in January and issued to all staff in February.</p> <p>In addition to this guidance new guidance for driving at work has also been developed. The guidance is divided in to documents for driving personal vehicles, driving the new electric vehicle and operating mobile plant.</p>
3	Communicate with all staff so they are informed about the revised document and aware of the contents.	Managing Director	August 2019  Complete	This will be carried out using the new procedure members approved at the June 2019 meeting (appendix 2 to the H&S report).	<p>Toolbox talks have been delivered to all staff. All staff have either been provided with a folder of policies, or directed to the intranet where the files are available.</p> <p>This information will be delivered to all new starters.</p>
4	Make relevant stakeholders aware of the new documentation	Senior Contracts	September 2019	WLWA will share the documentation with boroughs, contractors, partners	All boroughs and waste contractors are now aware of

Ref	Action	Responsible person(s)	Target timescale	Further details	Progress to date
		Manager		etc.	WLWA's new policy.
5	Review all job descriptions to ensure health and safety responsibilities as outlined in the new policy are clearly articulated	Head of Finance and Performance	March 2020	All existing job descriptions will be reviewed and changes made where appropriate.	This work has begun and will be completed before the end of the year.
6	Begin developing a positive reporting culture for near misses, accidents, incidents and property damage.	Operations Manager	March 2020	Work closely with staff to develop their knowledge and understanding of the importance of reporting near misses and accidents to help avoid future injury and ill-health	Work has begun on this with several reports received so far. Further focused work will take place later in the year after the new guidance regarding the reporting of accidents, incidents and near misses is adopted
7	Review head office health and safety arrangements	Head of Finance and Performance	March 2020	Having moved into a new head office and established activities, it will be useful to take stock of and review the head office health and safety procedures to ensure they are appropriate and suitably embedded.	This is being undertaken by the new H&S advisor and will be completed by the end of March.
8	Encourage shared best practice between all the HRRC and WTS	Operations Manager	March 2020 On-going	WLWA will schedule quarterly HRRC best practice meetings with all boroughs to encourage communication and sharing of information.  The user group meetings for Transport Avenue and Victoria Road will continue quarterly with health and safety being a key item on the agenda including the reporting of incident statistics.	The first meeting was held in April 2019. A subsequent meeting was held in September. One will take place in February.
9	Driver induction project for WTS and HRRC's	Operations Manager	September 2019 On-going	To ensure that the WTS and HRRC a project will be undertaken to ensure that all sites have appropriate inductions and checks in place to ensure that all vehicles (excluding residents in cars) are aware of and follow the site rules to help keep everyone safe on site.	Re-inductions have been held for drivers using the Lakeside energy from waste plant.  No HRRC has an induction process in place for ensuring that all vehicles (excluding residents in cars) are aware of and follow the site rules to help keep everyone safe on site. Sites are being

Ref	Action	Responsible person(s)	Target timescale	Further details	Progress to date
					encouraged to introduce them.
10	Develop new staff handbook for Abbey Road HRRC and WTS	Site Manager	March 2020	There have been a lot of changes and improvements at the site. These need to be compiled together and made quickly and easily available for staff. This will also include wider processes and procedures not just those directly related to health and safety.	Staff have been given a new staff folder containing the new health and safety policy and guidance as well as HR policies.  This will be added to during the year to give them a full range of documents.
11	New induction for Abbey Road HRRC and WTS visitors and trade waste customers	Site Manager	August 2019	The current induction will be updated to include new rules and processes being introduced on site.	This has been put on hold until February 2020 because we're going to be sending out new information about opening times, duty of care and wearing of appropriate PPE to customers.
12	Complete the works to repair the fire damage at the Abbey Road waste transfer station and implement all fire risk assessment recommendations.	Site Manager	March 2020	There are a number of stages to this work, the Site Manager will oversee and co-ordinate the work to keep the site safe and operational throughout the works.	The majority of the works are now complete.
13	Organise a DSEAR assessment for storage of gas bottles at HRRC sites	Site Manager	September 2019	This is a new practice being introduced by Suez to their sites across the country. WLWA will adopt this practice and undertake any appropriate actions identified.	This is going to be reviewed by the new H&S advisor.

This page is intentionally left blank

**Projects Update**

**SUMMARY**

This report provides an update on the Authority's efficiency and joint working projects.

**RECOMMENDATION(S)**

*The Authority is asked to:*

- 1) *Note the information within this report, and*
- 2) *Approve the use of bin fill sensors to assist with continuous improvement projects.*

1. **Introduction** - The waste programme has six key themes, initiated by Officers and delivered in conjunction with the constituent Boroughs to develop collaborative working in West London. A Project Board is established for governance of the programme through the Borough Partnership and the Environment Directors Board.
2. **Data** – This is a long-term strategic project, aligned with the Resources and Waste Sector Deal above, to capture and share up to date waste management data for the West London Boroughs. Officers have designed reports and measurement tools to drive the information and inform the design of new efficiency projects. Officers have initiated the next phase of the Data Project to benchmark current performance and design the data architecture needed for future needs.
3. **Waste Minimisation** – Officers are managing a range of projects designed to inform our ability to reduce waste by increasing recycling. Projects are led by interrogating what is remaining in the waste and our current joint target to reach 50% recycling by 2020. Waste composition analysis is being performed with the Boroughs in order to update opportunities for waste reduction. The additional food waste and recycling programme is being rolled out to flats in conjunction with fill sensors (Ealing, Hounslow, Hillingdon and Richmond). The recycling and fill sensor roll out will be accompanied by a full communications campaign for residents. This programme links with the data project and is informing our thinking on how future targets might be reached and improving collection scheduling. Further details of the Waste Minimisation Projects are provided in the Waste Minimisation Update.
4. **Collections** – A long-term project to align the collections strategy with the disposal strategy in West London to ensure we focus on reducing waste, increasing recycling and can take the maximum opportunities offered by Extended Producer Responsibility. Officers are currently updating the model as technical advisors to Boroughs seeking to design new services for future collection contract options including cross border working.
5. **Procurements** – A number of joint procurement opportunities have been identified that could increase efficiency and align benefits with ongoing project aims and objectives. Officers are providing technical advisor support for the short term reprocurement of Dry Mixed Recycling services as well as other material offtake arrangements. Further details on procurements are in the Contracts Report.
6. **Sites** – Officers are reviewing the site and land holding of the Authority and Boroughs in order to identify opportunities to develop new infrastructure or services to benefit the whole waste system across west London as well as commercial opportunities with third parties.

On HRRCs officers are currently working with Brent, Ealing, Hounslow and Richmond across five sites that have been identified as potentially participating in the harmonisation of services.

Officers are engaging with our partners to finalise the design and build of the new transfer facility at Victoria Road and design build and operate a new facility at Twyford for improving collections efficiency and reduce reliance on third party sites.

7. **Processing** – This is a long-term project to use the economies scale available to west London to procure or create new material processing and handling capacity as well as a strong negotiating position in the market. Officers are maintaining dialogue with the market and the government to ensure WLWA is well placed to maximise the opportunities available through new legislation in recyclable processing.

8. **Risk** - Further consultations and a timetable for expected legislation is expected, related to the Resources and Waste Strategy, which must be considered during the development of all projects.

9. **Financial Implications**

There are no financial issues arising from this report.

10. **Staffing Implications** – None

11. **Health and Safety Implications** - None

12. **Legal Implications** - None

13. **Joint Waste Management Strategy**

The projects mentioned in this report are intrinsically linked to the Authority’s Joint Waste Management Strategy. The projects are driving the design of the new policy through data, best practice and identification of opportunities as well as delivering change to meet the desired outcomes and targets in the Strategy.

Contact Officers	Peter Tilston, Projects Director	01895 545510
	<a href="mailto:petertilston@westlondonwaste.gov.uk">petertilston@westlondonwaste.gov.uk</a>	
	Emma Beal, Managing Director	01895 545515
	<a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	



## Contracts Update

### SUMMARY

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

### RECOMMENDATION(S) The Authority is asked to:

- 1) Note the information within this report.
- 2) Give approval to extend the following contracts:
  - a. West London Composting Ltd, by two years from 1 May 2020
  - b. CountryStyle Recycling Ltd, by two years from 1 May 2020
  - c. J Shorten & Sons Ltd, by two years from 1 May 2020
- 3) Delegate contract award of the dry mixed recycling contract to the Managing Director in consultation with the Chair and subject to confirmation of agreement from LB Ealing.

## 1. Introduction

The waste treatment contracts managed by WLWA have delivered a residual waste management solution in accordance with the waste hierarchy that presents value for money and offers long-term reliability. New and existing procurements will deliver Policy 8 of the Joint Municipal Waste Management Strategy "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".

## 2. West London Residual Waste Services Contract

The contract performed well over the busy Christmas and New Year period, despite Suez's rail haulier dropping trains during the first week of the new train path's timetable (WC 16 Dec) and engineering work reducing train movements in the Christmas week. Please see the Operations Update for more information.

Performance against the contract KPIs is very good, with landfill diversion for the year to date at 99.76% (target 96.1%) and recycling of residual waste at 5.6% (target 2.1%).

Improved fire suppression systems will be installed at Victoria Road and Transport Avenue transfer stations in summer 2020 to improve safety. Suez is working closely with WLWA to plan the upgrades in a way that will minimise disruption to the Boroughs.

## 3. Green waste and mixed organics contracts – extensions

West London Composting Ltd contract (Lot 1 and Lot 2) – This contractor provides an excellent service for the collection and treatment of green waste and mixed organic waste. The Lot 1 contract is for the treatment of green waste and the Lot 2 contract is specific to mixed organic waste. Both West London Composting Ltd contracts are performing extremely well and the initial term of both of these contracts is due to expire on 30 April 2020. The market has remained very stable since these contracts were procured and there is no reason to believe that a re-procurement will add value. WLWA would like to recommend that both Lot 1 and Lot 2 contracts are extended for the maximum period of two years as per the contract terms and conditions.

CountryStyle Recycling Ltd contract (Lot 1) – This contract covers the collection and treatment of green waste. The current contractor provides a very good level of service and WLWA and partners are happy with the service provided by CountryStyle Recycling. The initial term of this contract is due to expire on 30 April 2020 and the stability of the market indicates a lack of benefit from re-procuring. WLWA would therefore like to recommend that this contract is extended for the maximum period of two years as per the contract terms and conditions.

#### **4. Transport contracts - extensions**

J Shorten & Sons Ltd contract – This contractor provides an excellent service for the removal of non-recyclable waste from the HRRC's. The initial term of this contract is due to expire on 30 April 2020. Both WLWA and the Borough sites are happy with the service provided and the value for money it offers. Officers therefore recommend that this contract is extended for the maximum period of two years as allowed in the contract terms and conditions.

Suez Transport contract – This contract is for the removal of segregated materials from the HRRC sites in roll on roll off containers. The initial term of this contract is due to end on 31 May 2020, but it is possible to extend the contract by up to two years. The service is generally working well, but there is potential for both sides to make improvements. WLWA and Suez are currently working on these improvements and discussing the case for extending the contract.

#### **5. Dry Recyclables**

The Dynamic Procurement System (DPS) is currently being used to secure a processor for dry mixed recyclables collected by Ealing Council. The new arrangement will commence in June 2020 and run for five years with 12 month rolling break clauses, which will reduce risk-pricing by contractors and enable new arrangements to be sought if necessary, as a result of legislative changes (stemming from the Resources and Waste strategy) or other market changes.

Three strong bids have been received and are in the final stages of evaluation. The contract itself will be between WLWA and the supplier, with all operational costs paid by the Borough on a monthly basis. Any revenue earned from the sale of materials is paid to the Borough, also on a monthly basis. The procurement of this contract allows more Boroughs to join at a later date under the same terms and conditions.

#### **6. Carbon**

WLWA is coordinating joint carbon reduction work across all Borough operations (not just waste) and is reviewing the Boroughs' climate change strategies to help identify a sub-regional approach.

WLWA officers are also continuing to investigate methodologies for measuring carbon, particularly from waste management, and have met with several consultancies and waste management companies to assess the different approaches. Following this market assessment, officers will develop a proposed approach for measuring carbon.

#### **7. Health and Safety**

Following a competitive tendering exercise for an external health and safety advisor, Universal Safety Practitioners (USP) has been appointed. Induction meetings with staff are now taking place and USP is planning a review of health and safety practices within the organisation.

**8. Risk** - Any risks are described within the report.

**9. Financial Implications** - None.

**10. Staffing Implications** - None.

**11. Health and Safety Implications** - None

**12. Legal Implications** - None.

**13. Joint Waste Management Strategy Implication** - The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies.

Contact Officers	Tom Beagan, Senior Contracts Manager <a href="mailto:tombeagan@westlondonwaste.gov.uk">tombeagan@westlondonwaste.gov.uk</a> Emma Beal, Managing Director, <a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	01895 545516  01895 545515
------------------	---	----------------------------------

This page is intentionally left blank

WEST LONDON WASTE AUTHORITY

Report of the Waste Minimisation Manager

24 January 2020

**Waste Minimisation Update**

**1.1 SUMMARY**

This report provides an update on the Authority's Waste Minimisation activities.

**RECOMMENDATION(S)**

The Authority is asked to:

Note the information within this report.

1. **Introduction** – The Waste Minimisation Team delivers the campaigns that focus on minimising the seven key waste streams of food, textiles, waste electrical and electronic equipment, nappies, bulky household waste, plastics and dry mixed recycling. The team is also responsible for the Authority's website, intranet, social media, and media communications.

2. **Key waste streams**

2.1. **Food Waste**

2.1.1. WLWA will launch a West London wide food waste recycling campaign to increase food waste recycling tonnage and participation on the 27<sup>th</sup> of January 2020. The campaign will focus on three key areas of reducing carbon footprint, doing the right thing and saving money to encourage non-participating residents to request for food waste caddies with a roll of complementary liners free of charge provided by WLWA till the 8<sup>th</sup> of May 2020 in a timely manner. The campaign will aim to increase normal food waste receptacle requests during the three-month period by 38%, from 10345 counts to 14276 counts and to further increase food waste recycling from the current 0.87kg/hh/wk.

To ensure an increase in food waste recycling tonnage, WLWA will provide a communications package for borough partners to adopt which includes:

- A dedicated campaign webpage
- An animated video on why one should recycle food waste
- An action video on the journey of food waste across West London
- Digital images, banners and write-ups to increase food waste recycling visibility across council websites, billboards, newsletters and Agripas
- Sponsored articles featuring the support from Members
- Series of roadshows
- Physical displays and a digital kiosk for residents to request for food waste receptacles
- Leaflet dropping across low food waste performing areas
- Guidance on customer service training
- Household Reuse Recycling Centres promotional materials

2.1.2. Drawing from lessons learnt, phase two of introducing food waste recycling across 751 communal properties located in Hampton, Kingston, Teddington & Twickenham in Richmond is yielding approximately 0.61kg/hh/wk of food waste in the first month as compared to 0.196kg/hh/wk from the phase one introduction. The team will continue to monitor food waste recycling tonnage closely and develop dynamic interventions to ensure high food waste recycling participation.

2.1.3. The Waste Minimisation team will introduce food waste recycling to six estates in Ealing in April 2020 and is in the midst of securing collection arrangements.

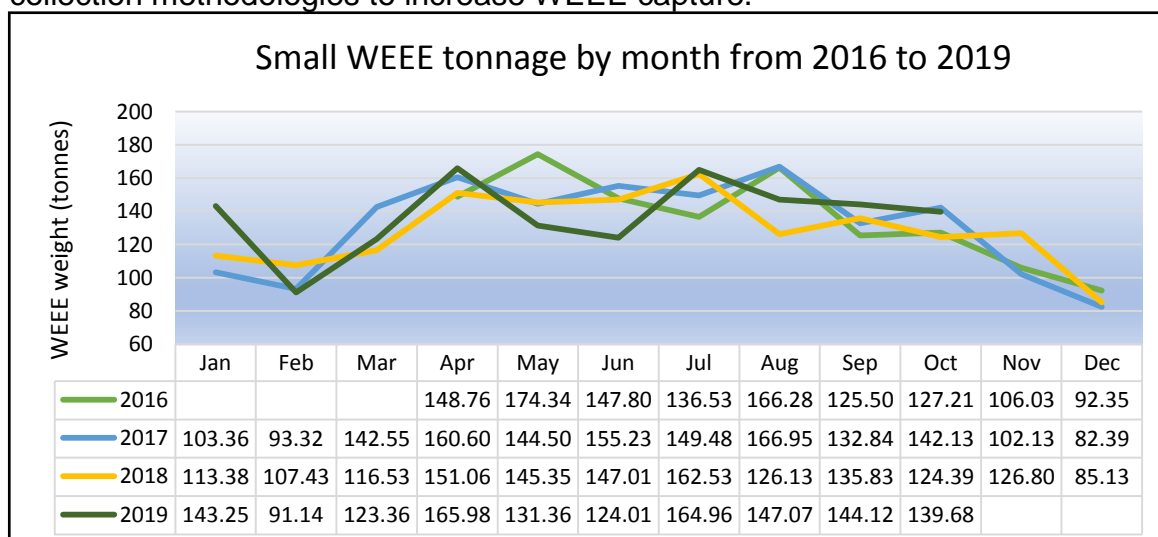
2.1.4. WLWA will install bin sensors to selected communal food waste recycling, dry mixed recycling and residual bins across Ealing, Hounslow, Richmond and Hillingdon for a 12-month period. The trial is a key component of the flats data project, to understand current recycling service performance and to identify opportunities for service optimisation. To ensure transparency, WLWA will notify residents at the selected sites through in-person interactions, notices/advisory stickers within the bin storage areas and posters on communal notice boards. All communications will detail the purpose and benefits of the sensors and privacy of residents is protected as the sensors are not equipped with any sound, picture or video capturing capability.

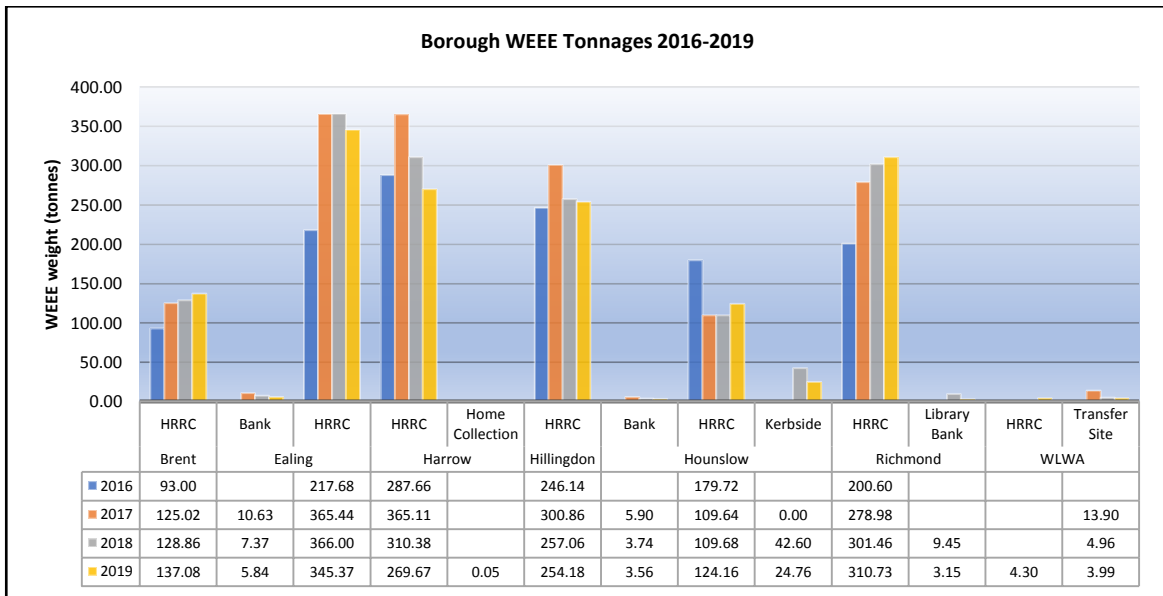
2.1.5. The Waste Minimisation team will encourage food waste recycling at schools beginning with the London Borough of Ealing and Richmond upon Thames. The programme will include a series of receptacle inventory, introduction of food waste recycling, signage improvement, students and staff training and educational workshops. Work will prioritise schools with existing food waste recycling service looking to optimise collection, following with identifying and upselling the service in collaboration with commercial waste to schools with no food waste recycling collections.

## 2.2. WEEE

2.2.1. WLWA and Harrow Council launched a combined on-request home collection of textiles and WEEE with Traid in October 2019. The first month saw six collections totalling of 51kg. WLWA recommends borough partners to execute continuous engagement and communication to ensure the longevity of service.

2.2.2. WLWA now obtains all WEEE data collected across the six West London boroughs. The difference in WEEE tonnage between 2018 and 2019 is minimal, and the team is continuously working with borough partners to explore various collection methodologies to increase WEEE capture.

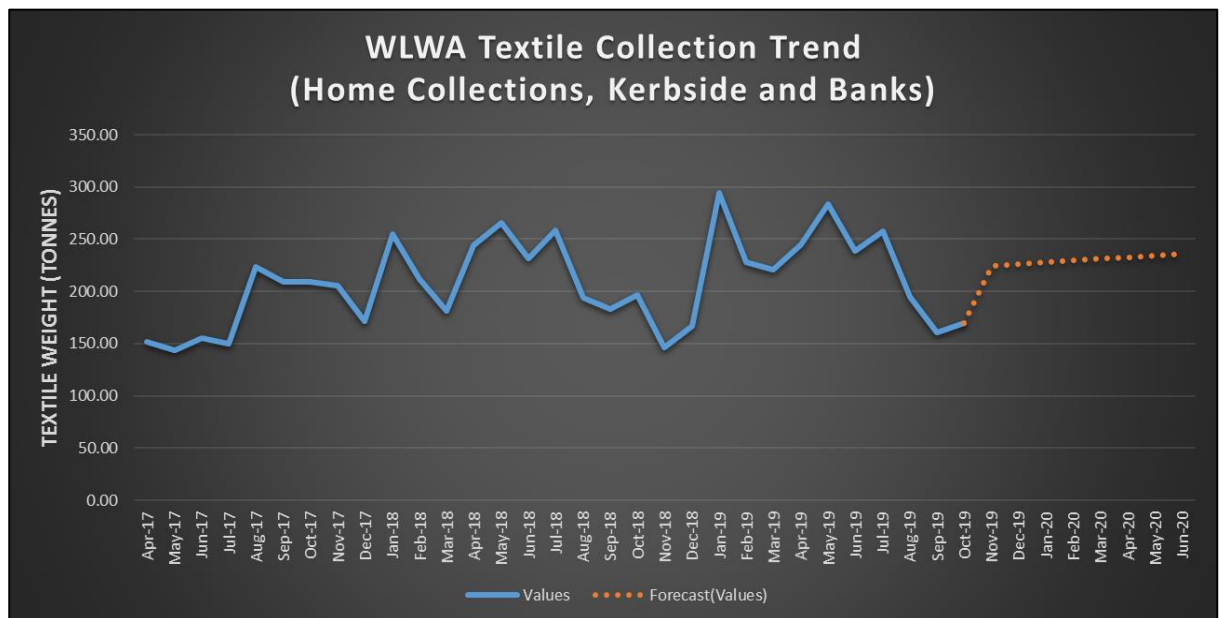


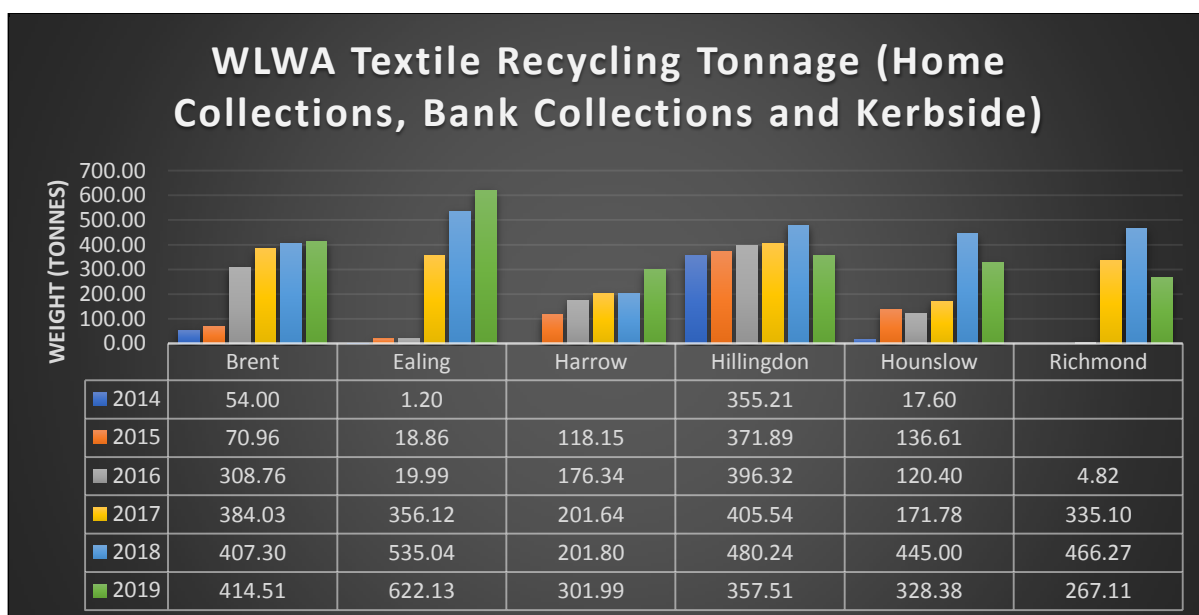


## Textiles

2.2.3. The team is focusing on increasing the capture rate of textiles and on providing as many options for residents to reuse and recycle unwanted textiles to achieve overall waste disposal savings.

On-request home textile collections operated by TRAIID across Richmond, Harrow and Brent increased from 853 requests in 2018 to 1450 requests in 2019.





2.2.4. To encourage textile reusing and recycling across West London, WLWA ran a campaign for any West London resident booking in on a textile collection through TR Aid from the 23<sup>rd</sup> of April to the 22<sup>nd</sup> September 2019 to win an upcycled couture wedding dress made from offcuts donated by Arcadia Group. In result, the campaign received 71 requests, totalling of a whopping 7500 items weighing 2.15 tonnes. Half of TR Aid's donors are repeat users and donates approximately 2.5 times a year. The projection is that half of the competition entrants will repeat donations resulting in three tonnes of textiles being reused and recycled. Due to great success, the team hopes to continue with the competition in the coming year and to include a more inclusive prize.

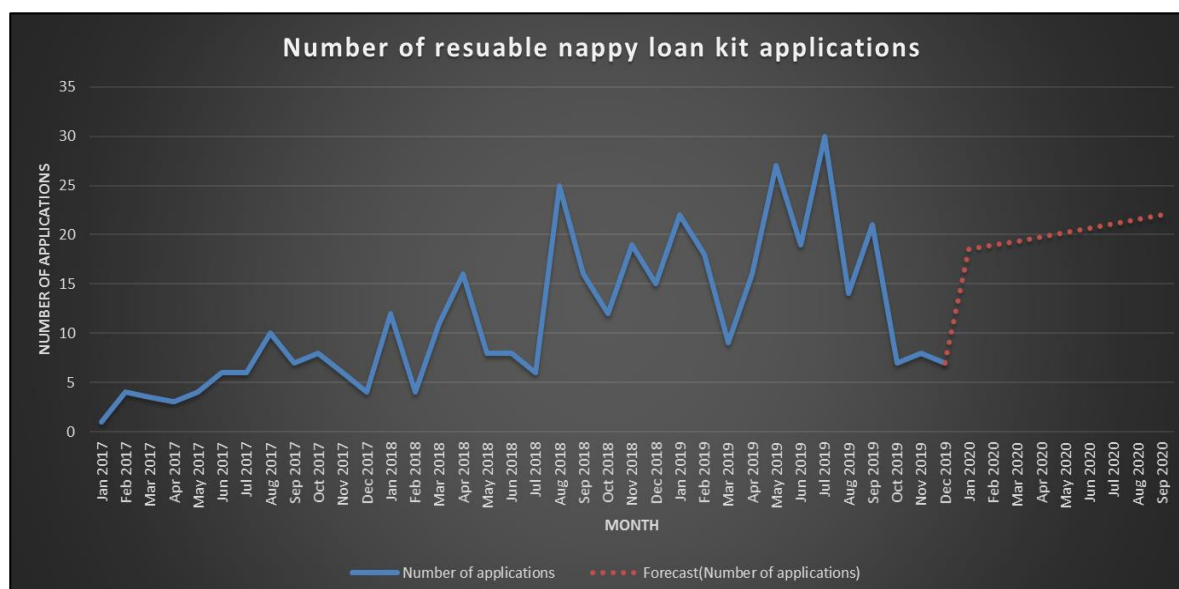
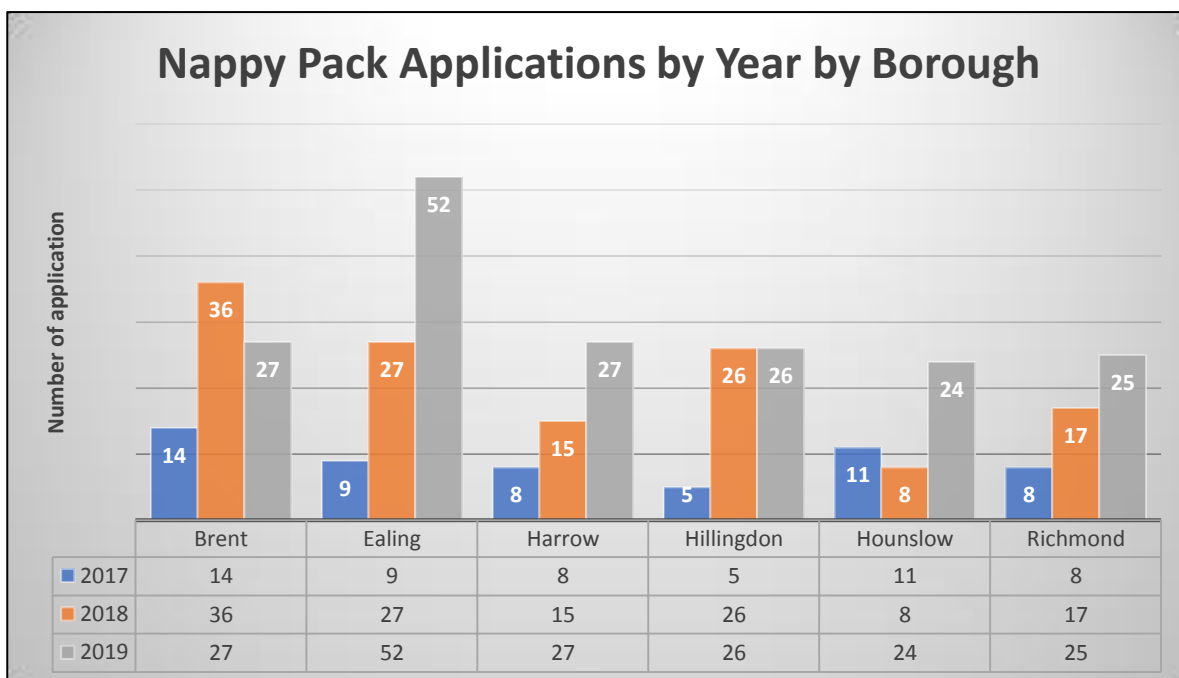
2.2.5. Hounslow Council received approval to trial five Salvation Army textile banks which will receive up to a total of 15 tonnes starting from January 2020. The team will closely monitor the amount collected and will evaluate the practicality of making the service permanent.

2.2.6. WLWA is working closely with a business park located in Hounslow to run a record-breaking clothes-swapping event in the first quarter of 2020 to divert the public from throwing textiles in their rubbish bins. The event hopes to invigorate and see the participation of thousands of local employees.

## 2.3. Reusable Nappies

2.3.1. The uptake of the reusable nappies scheme increased from 129 requests received in 2018 to 181 requests received in 2019. The team will continue to expand on promoting reusable nappies and develop a new programme to encourage the use of reusable period products to tackle single-use plastic waste.



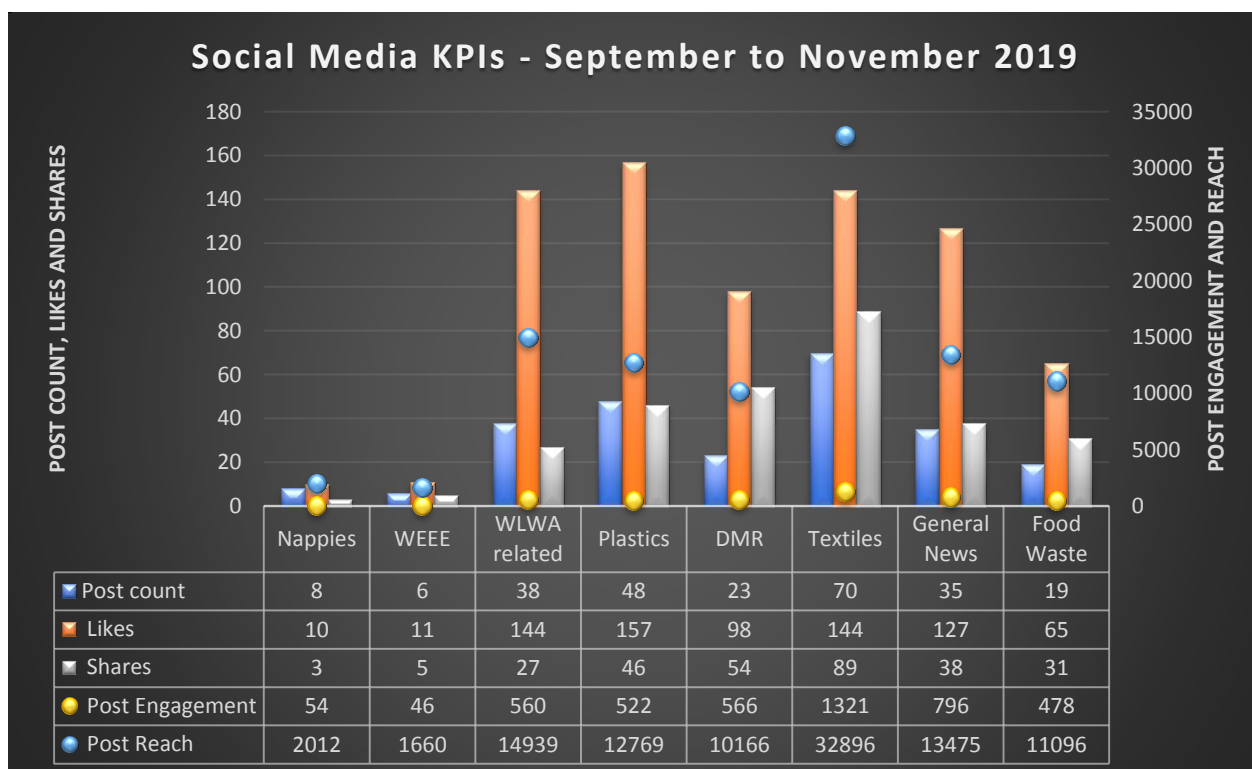


## 2.4. Communications

WLWA spoke at Recycling Waste Management Show on the 12<sup>th</sup> of September to voice the authority’s position and action to influence national policy on food waste recycling. On the 19<sup>th</sup> of September, WLWA attended the Suez Customer Conference and presented the authority’s response on the Resource and Waste Strategy Consultations. WLWA also presented independent findings of the challenges of recycling plastics at the Plastics Recycling and Resources Conference hosted by RECYCLING OF USED PLASTICS LIMITED (RECOUP) on the 26<sup>th</sup> of September 2019. It was well received, followed up with a request to provide corporations guidance to conduct their own plastic analysis.

WLWA recently submitted an application for the TVE Sustainability Awards for the video produced by the Waste Minimisation Team for the Upcycled Wedding Dress campaign. In addition, entries were made for the EDIE Sustainability Leaders Awards

and the Local Government Commission Awards for Health and Safety improvements made at the Household Reuse and Recycling Centre.



## 2.5. General;

2.5.1. The Waste Minimisation programme is on track.

Contact Officers	Mildred Jeakins, Waste Minimisation Manager <a href="mailto:mildredjeakins@westlondonwaste.gov.uk">mildredjeakins@westlondonwaste.gov.uk</a>	01895 546 623
	Emma Beal, Managing Director <a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	01895 545 515

Document is Restricted

This page is intentionally left blank