

WLWA 2024-25 Business Plan

SUMMARY

This report introduces the WLWA 2024-25 Business Plan for approval with reviewed and updated strategic priorities.

- Strategic Priority One Organisational Excellence, investing in our people, systems and governance to drive greater outcomes is being led by the senior leadership team (SLT). The Climate Change Act and the Environment Act, coupled with societal change post Covid 19 requires radical change at speed. SLT supported by the Managers Group are improving empowerment, digital infrastructure, policies, processes and integrated waste decision making.
- Strategic Priority Two Re-use has proved that large savings can be made at all 6 Borough household reuse and recycling centres (HRRCs). The HRRC report describes how with external professional support and a cohesive West London operating model there is an opportunity to invest in infrastructure, create operational savings, improved outcomes for the customer and pave the way for circular economy hubs in all West London Boroughs.
- Strategic Priority Three Data Driven Efficiency to highlight and implement efficiencies in all waste related services, has collated and will next integrate varied data sources from WLWA, Boroughs and their contractors so that savings and improvements can be analysed using whole system information.
- Strategic Priorities Four and Five are vital to achieve the targets set nationally and in London and to access the full amount of packaging Extended Producer Responsibility revenue. They remain in development with the Environment Directors Waste Board and the West London Communications Group whilst we decide on Reuse and HRRCs.
- The risk of no change is cost increase and / or failure to access cost savings. The cost increases are expected to come from residual waste tonnage growth and per tonne cost increases from the emissions trading scheme (ETS) or carbon tax. Cost savings can be made from a joined up or cohesive approach to the waste reforms.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) *Approve the updated Strategic Priorities.*
- 2) *Approve the Business Plan for 2024-25.*
- 3) *Note the review of the three year programme budget 2023-2026.*

1. Background – Since 2019, the Joint Municipal Waste Management Plan has focused on outcomes whilst we wait for clarity on new environmental legislation and regulations. WLWA has been working to deliver whole system cost improvements as a “single virtual waste authority” since 2021 and agreed a tactical framework plan with Boroughs in 2022. WLWA created and

has been embedding its values of Leadership, Empowerment, Agility and Partnership to create the capacity internally to grow without duplicating cost. The empowered approach led to a very ambitious and challenging Business Plan in 2023-24 which has resulted in a restructure and increased focus on people and systems and a new focus on governance at every level within the organisation.

2. Roll over from the 2023-24 Business Plan – The following items have rolled over again from the 2022-23 Business Plan: The HR Strategy, Joint Plan for 2030, Infrastructure Investment Plan, and Extended Producer Responsibility Strategy. With the exception of the HR Strategy, these are all joint pieces of work with Boroughs taking a long view of the changes ahead.

3. 2024-25 Strategic Priorities - Over the next 12 months, the period of this business plan, using five strategic priorities we will continue to invest in and initiate the change of our waste management model. The strategic priorities are detailed in Appendix 1. Created by the Senior Leadership team and Managers Group it creates clarity and focus for the organisation to ensure all WLWA colleagues are delivering objectives focused on the same five priorities.

4. 2024-25 Business Plan – is detailed in Appendix 2 with updates shown for Q1. The focus for SLT is building new foundations with Strategic Priority One Organisational Excellence, investing in our people, systems and governance to drive greater outcomes. Covid 19 changed how we work at the same time as the Climate Change Act requires radical change to decarbonise and the Environment Act is changing our waste management system. Last year's restructure has allocated strategy, operations and control functions to all three of the SLT roles to create balance, accountability and strength in the face of change at speed. SLT supported by the Managers Group is leading improvements in empowerment, digital infrastructure, policies, processes and integration with Borough waste decisions to achieve the outcomes: improved waste services and reduced whole system cost by reducing waste.

Strategic Priority Two Re-use builds on early work to harmonise and invest in our HRRCs. We intend to scale up re-use and measure social value to maximise value and educate more effectively. The results of previous projects prove that improvements can be made at all six Borough household reuse and recycling centres (HRRCs) and that external professional support and a cohesive West London operating model is needed. Continuing the piecemeal approach increases risk and loses both timeliness and the synergy savings and improvements of systemic change. The HRRC report describes the plan to pave the way for circular economy hubs in every Borough in West London by investing in our infrastructure, improving outcomes for the customer, improving operating models and increasing social value whilst decarbonising, reducing waste, reducing cost and making operational savings. The Circular Economy and Net Zero team is the internal consultancy driving the work forward with Operations. Once the decision has been made and the procurement launched this valuable resource will have capacity for the remaining strategic priorities.

Strategic Priority Three Data Driven Efficiency, to highlight and implement efficiencies in all Borough waste related services using a digital twin has collated and will integrate varied data sources from WLWA, Boroughs and their contractors so that savings and improvements can be analysed using whole system information. The shift to circular economy creates complexity in the range, number and value of materials being handled, building the data and new sources of data such as social value is vital to track change. There is a risk of 'forever project' associated

with this work, which is being mitigated by providing focused support for the other strategic priorities.

Strategic Priority Four Access to Services, to expand the capture of food waste, e-waste and textile waste to include more of West London relates to collection services run by Boroughs. To achieve the targets set nationally and in London and to access the full amount of packaging Extended Producer Responsibility revenue, it is essential to ensure all residents are receiving and using the full range of recycling services. This is a crucial piece of work. Deciding on Reuse and procuring a best practice HRRC contract with investment into the sites removes risk from WLWA and Boroughs and creates capacity to focus on Access to Services.

Strategic Priority Five Citizen Perception will start with a report to baseline West London Citizens' perception of "the value of waste". The baseline can be used to provide focused support for the other strategic priorities. Deciding on Re-use and procuring a best practice HRRC contract will bring investment, improved outcomes for the customer and an opportunity to change people's perception of the value of waste, re-use and social value.

5. Financial Implications – The business plan is budgeted. It supports our financial principles of reducing costs, providing stability around WLWA levies, effective management of financial risk and creating infrastructure and collaborative projects with Boroughs to do so. The aim is to continue providing long term stability and predictability as per the finance strategy.

The budget year FY23/24 had an approved budget of £2.8 million for three programmes of work, to be carried out over three financial years, ending in 2025/26. The funding has been allocated from the one third PPP income retained by the Authority as per the Finance Strategy to be used on initiatives and projects to drive residual waste down and mitigate against the risks of legislative change.

Some of the investment was delayed due to a lack of Borough engagement with the projects, reported in September 2023. In December 2023 all Boroughs were offered individual budget meetings and this will be repeated in December 2024. Our aim is to link the outputs of the programmes to savings made direct by Boroughs. The recruitment of a Governance Manager as part of Strategic Priority One, investment in our people, systems and governance to drive greater outcomes is supporting this ambition and will link WLWA into Borough decision making processes.

Because of the delay, there is a risk the budget will be incorporated back into reserves retained by the Authority (£0.76 million in 2023/24) and potentially again in 2024/25 with a year to date spend of £0.12 million, again largely on employees. The Director of Finance and Director of Circular Economy and Net Zero will review the approved programmes budget 2023-26 and resubmit the proposal through the budget challenge process, taking account the delayed investment, new information that has become available and noting that the emissions trading scheme is expected to increase the cost of waste disposal from January 2028.

5. Risk Management – Waste growth and per tonne cost growth are the risks we are seeking to mitigate with the business plan. The strategic risks relating to the investment of £2.8m over 3 years are that waste will continue to grow for reasons not in WLWA’s control; that WLWA can’t prove cost savings made direct to Boroughs, and that Boroughs may not all agree to a joint WLWA HRRC procurement. These specific risks identified are subsections of Risks 1 and 2 in the strategic risk register

	Risk Area "There is a risk that..."	Analysis of Risk "Which will result in..."	Type	Assessment of Risk			Management Actions Implemented or Planned (in bold)	Assessment of Risk after mitigations			Responsible Officer
				Impact	Probability	Rating		Impact	Probability	Rating	
1.	Waste tonnes per capita will continue to grow	Additional cost and levy growth	Financial	4	5	20	Continue to present the food waste capture graphs and request Boroughs act to insist on use of the food waste recycling service	4	3	12	Director of Circular Economy and Net Zero
2.	We can't prove the cost savings outside WLWA	Difficulty proving the efficacy of projects	Financial	4	5	20	Collaborate with Boroughs to plan savings in and review jointly	4	3	12	Director of Finance
3.	Boroughs will not agree to a joint WLWA HRRC procurement	Ongoing additional cost and risk Lack of capacity for future projects	Operational	5	4	20	Change the levy mechanism to allow individual Borough accountability for cost reduction. Continue to invest in linking HRRC decisions in WLWA and Boroughs.	3	2	6	Director of Operations

Rating	Status	Service disruption	Financial Loss	Reputation	Failure to provide statutory service / meet legal obligations	People
5	Extreme	Total failure of service	Over £5m	National publicity > than 3 days Resignation of leading member or chief officer	Multiple civil or criminal suits. Litigation, claim or fine of above £5m	Fatality or one or more clients/staff
4	Very high	Serious disruption to service	£500k-£5m	National public or press interest	Litigation claim or fine £500k-£5m	Serious injury. Permanent disablement of one or more clients / staff
3	Medium	Disruption to service	£50k-£500k	Local public /press interest	Litigation claim or fine £50k-£500k	Major injuries to individual
2	Low	Some minor impact on service	£5k-£50k	Contained within department	Litigation claim or fine £5k-£50k	Minor injuries to several people
1	Negligible	Annoyance but does not disrupt service	< £5k	Contained within unit/section	Litigation claim or fine less than £5k	Minor injuries to an individual

Likelihood Classification	Risk Rating/Scoring = Impact x likelihood. Prioritisation of Risks
1. Rare - May occur only in exceptional circumstances (0-5%)	20-25 (Red) Those risks requiring immediate management and monitoring
2. Unlikely- Could occur at some time (6%-20%)	9-19 (Amber) Those risks requiring management and monitoring but less time critical
3. Possible - likely to occur (21%-50%)	1-8 (Green) Those risks which require ongoing monitoring
4. Likely-Will probably occur in most circumstances (51%-80%)	
5. Almost Certain - Expected to occur in most circumstances >80%)	

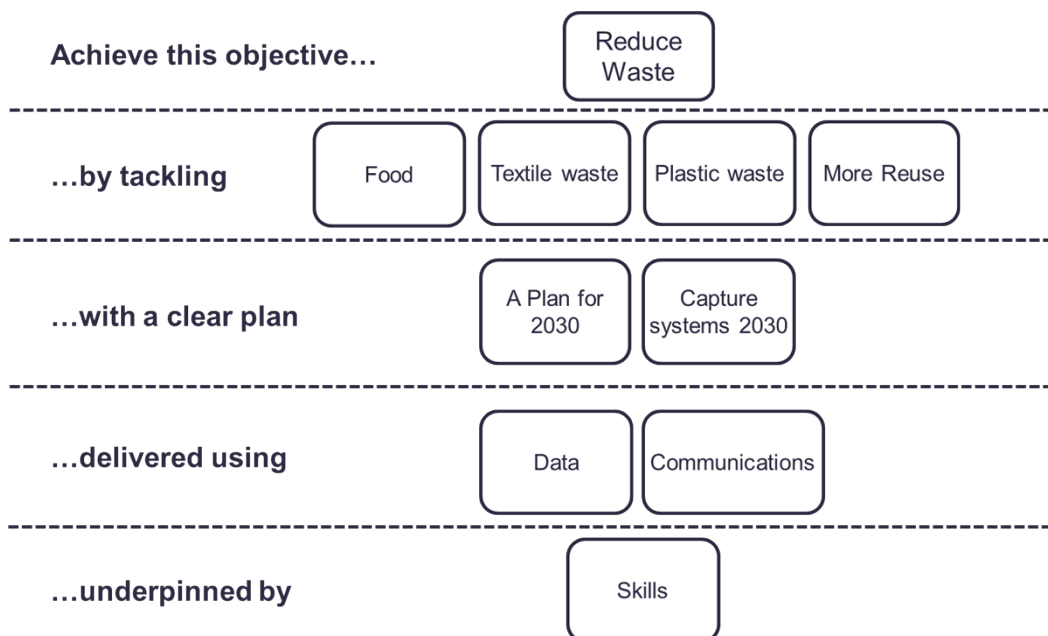
6. Legal Implications – The amount and scope of change being managed is significant. The Waste Network Chairs timeline of changes is shown in Appendix 3.

7. Impact upon Carbon reduction - The carbon impact is being monitored every 15 months using the waste composition analysis and is informing circular economy and net zero projects. The CO2eq will grow if waste tonnes grows.

8. Impact upon the Environment Directors priorities - The Environment Directors priorities were created in September 2022, the business plan delivers on each of the four pillars, prioritising dealing with the financial challenges whilst delivering on climate change.

Priority	Key points raised within this report
Bringing residents with us	Citizen perception is designed to redefine how people perceive waste.
Sustainable decision making	Data driven Efficiency and Governance are designed to support WLWA and Boroughs with a virtual single waste authority with excellent data for benchmarking and decision making.
Climate adaptation and decarbonisation	Our vision is a carbon neutral West London and our mission is to create the new accepted model for how waste and resources are managed.
Dealing with financial challenges whilst delivering on climate change	Reducing waste reduces cost. Moving waste into food waste recycling reduces cost. Waste reduction and cost reduction programmes are creating an investment plan to manage increased ETS cost in the future

9. Impact on Joint Municipal Waste Management Strategy - The business plan will deliver on the tactical framework agreed in March 2022 by adopting the improvements at Abbey Road and going further and faster to reduce risk and cost at all HRRCs in West London. It will continue to develop skills, data, communications and joined up planning for other areas of the waste services.



Background Papers	
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THE STRATEGIC PYRAMID

COMPANY
PURPOSE

COMPANY
VISION/MISSION

COMPANY GOAL

COMPANY
STRATEGIC
PRIORITIES

THEMATIC GOAL

We exist to be **leaders in 'treating waste as a valuable resource'**

We believe in a **carbon neutral West London** and our mission - in pursuit of that vision - is to **create the new accepted model for how waste and resources are managed; we are going to redefine how people perceive and understand waste.**

Long-term (5-10 years): **A carbon neutral West London**

Medium-term (3-5 years): **Deliver and prove a repeatable model that changes people's understanding of waste, increases access to waste management services, and improves the perceived value of waste amongst citizens.**

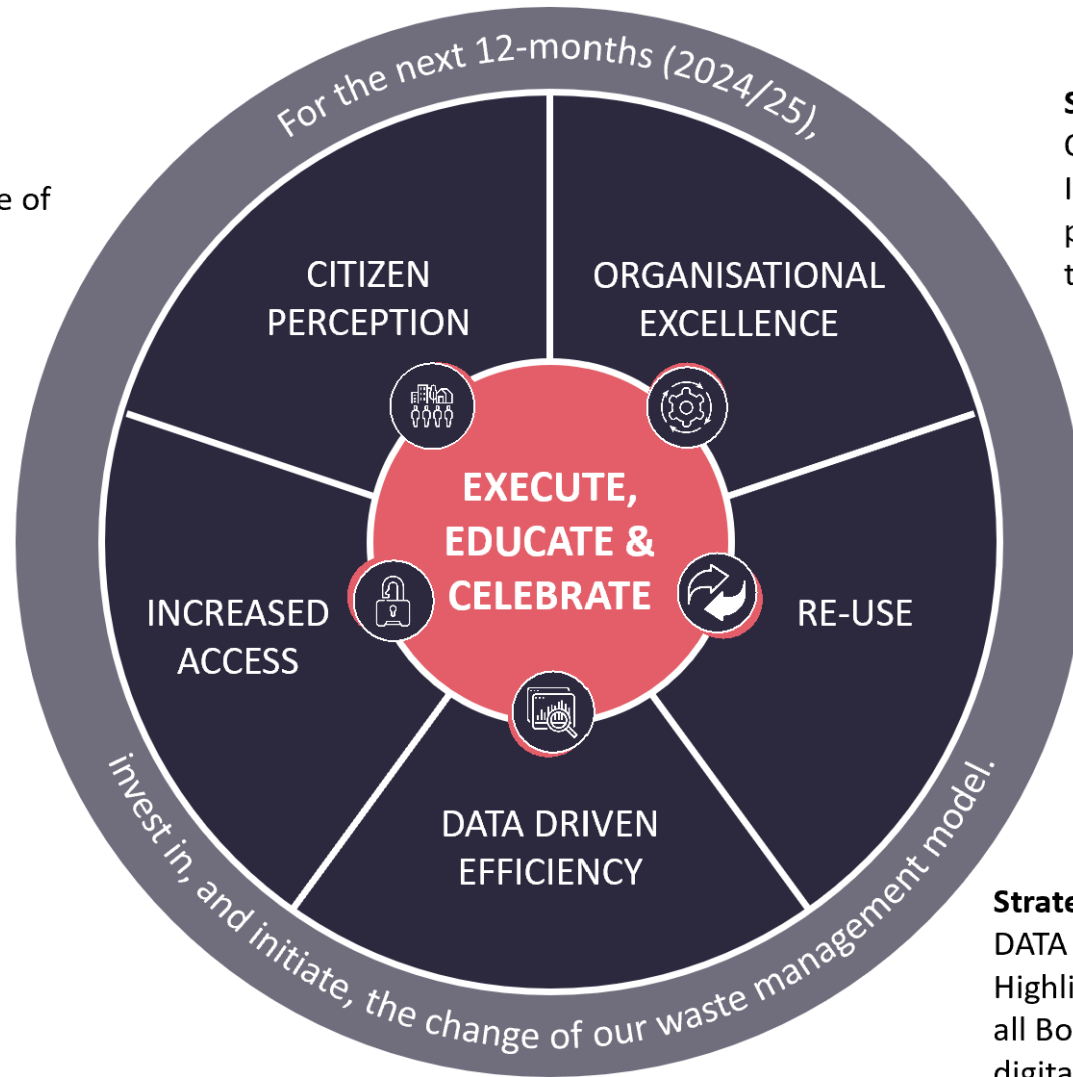
Short-term (2024-2025): **Invest in, and initiate, the change of our waste management model.**

1. **Organisational excellence;** Invest in, and improve, our people, systems and governance to drive greater outcomes.
2. **Reuse;** Scale up 're-use' and measure 'social value' to maximise value and educate more effectively.
3. **Data driven efficiency;** Highlight and implement efficiencies in all Borough waste related services using a digital twin.
4. **Access to services;** Expand food, reuse, e-waste and textile waste capture to include more of West London.
5. **Citizen Perception;** Mapping stakeholders and baseline perceptions of the value of 'waste'.

Execute, Educate and Celebrate!

Strategic Priority 5;
CITIZEN PERCEPTION
Change the perceived value of 'waste'.

Strategic Priority 4;
INCREASED ACCESS
Expand food, reuse, e-waste and textile waste capture to include more of West London.



Strategic Priority 1;
ORGANISATIONAL EXCELLENCE
Invest in, and improve, our people, systems and governance to drive greater outcomes.

Strategic Priority 2;
RE-USE
Scale up re-use and measure 'social value' to maximise value and educate more effectively.

Strategic Priority 3;
DATA DRIVEN EFFICIENCY
Highlight and implement efficiencies in all Borough waste related services using a digital twin.

Appendix 2 Business Plan

1. Organisational Excellence – Accountable: Chief Executive

Invest in and improve our people, systems and governance to drive greater outcomes.

Item	Responsible Owner	Progress to date	RAG
Employee engagement survey	Director of Operations	Response period in August with feedback organised to Leaders and Managers 2 away days in September 2024.	Green
Develop an HR Strategy	Director of Operations		
Filling vacant posts with suitably qualified candidates	HR Manager	Eight roles recruited since 1 April 2024	Green
Objectively measure employees' adherence to values	HR Manager	360 feedback completed in March 2024.	Green
Three key accountabilities in every job description	HR Manager	Complete for SLT in May 2024. Drafted for Managers.	Green
Implement leadership and management development programmes	HR Manager		
Create and implement Data, Digital and technology Strategy	Director of Finance	Strategy approved. Implementation has started.	Green
Procure IT Provider	Director of Finance	Consultant engaged to assist with procurement business case.	Green
Draft cyber policies and provide training	Finance Control and Systems Manager		
Transition to O365	Finance Control and Systems Manager	Complete June 2024.	Green
Plan for integrating external data sources into our systems	Finance Control and Systems Manager	Working with HR Manager on new HR software.	Green

Objectively measure usage of systems and report to Manager's group	Finance Control and Systems Manager		
Draft Corporate Governance Strategy	Director of Circular Economy and Net Zero		
Integrate risk management vertically and horizontally (corporate, function and service level)	Director of Circular Economy and Net Zero		
Align Strategic Priorities 25/26 with budget preparation	Director Of Circular Economy and Net Zero	On agenda for Leaders and Managers in September	Green
Set up Strategic Briefings for Boroughs, create forward plan	Governance Manager	Briefings started May 2024.	Green
Objectively assess level of integration of WLWA and Borough decision making	Governance Manager		
Environment Directors Board SLT, Managers Group and Procurement Review Board meetings to have forward plans and minutes	Governance Manager	Environment Directors Board and SLT implemented	Green
Launch new internal governance framework and carry out training.	Governance Manager	Basic training carried out at whole organisation team meeting June 2024	Green

2. Re-use – Accountable: Director of Operations

Scale up re-use and measure social value to maximise value and educate more effectively.

Item	Responsible Owner	Progress to date	
Increase capture of re-use items from Abbey Road.	Operations Manager	1282 items sent for re-use in Q1.	Green
Propose the HRRCs of the future to unlock Circular Economy in West London.	Circular Economy Delivery Manager	Vacant post	
Procure a best performing HRRC Service for participating Boroughs.	Head of Procurements and Contracts	Business case under development	Green
Change the HRRC levy methodology to drive performance improvements.	Circular Economy Delivery Manager	Vacant post	
Create a business plan for a circular economy hub with re-use and social value KPIs	Circular Economy Delivery Manager	Vacant post Business Plan agreed with Ealing for ReActon circular economy hub.	Green
Build a physical circular economy hub in Acton with LB Ealing	Director of Circular Economy and Net Zero	Planned but ongoing delays. Using partnership with Acton Market. Investigating potential alternative sites and potential for pop ups.	Amber

3. Data Driven Efficiency – Accountable: Director of Finance

Highlight and implement efficiencies in all Borough waste related services using a digital twin.

Item	Responsible Owner	Progress to date	RAG
Consolidate and analyse data to support in Borough budget savings next year	Director of Circular Economy and Net Zero		
Offer management and automation of waste data flow to all six Boroughs	MI Manager	Four of six Boroughs participating.	Green
Research and procure new tool for layering data into visual model	MI Developer		
Build trusting relationship with Boroughs on data use and management	MI Manager	Training (relationship building) planned in with two of six Boroughs	Green

4. Access to Services – Accountable: Director of Circular Economy and Net Zero

Expand the capture of food waste, e-waste and textile waste to include more of West London.

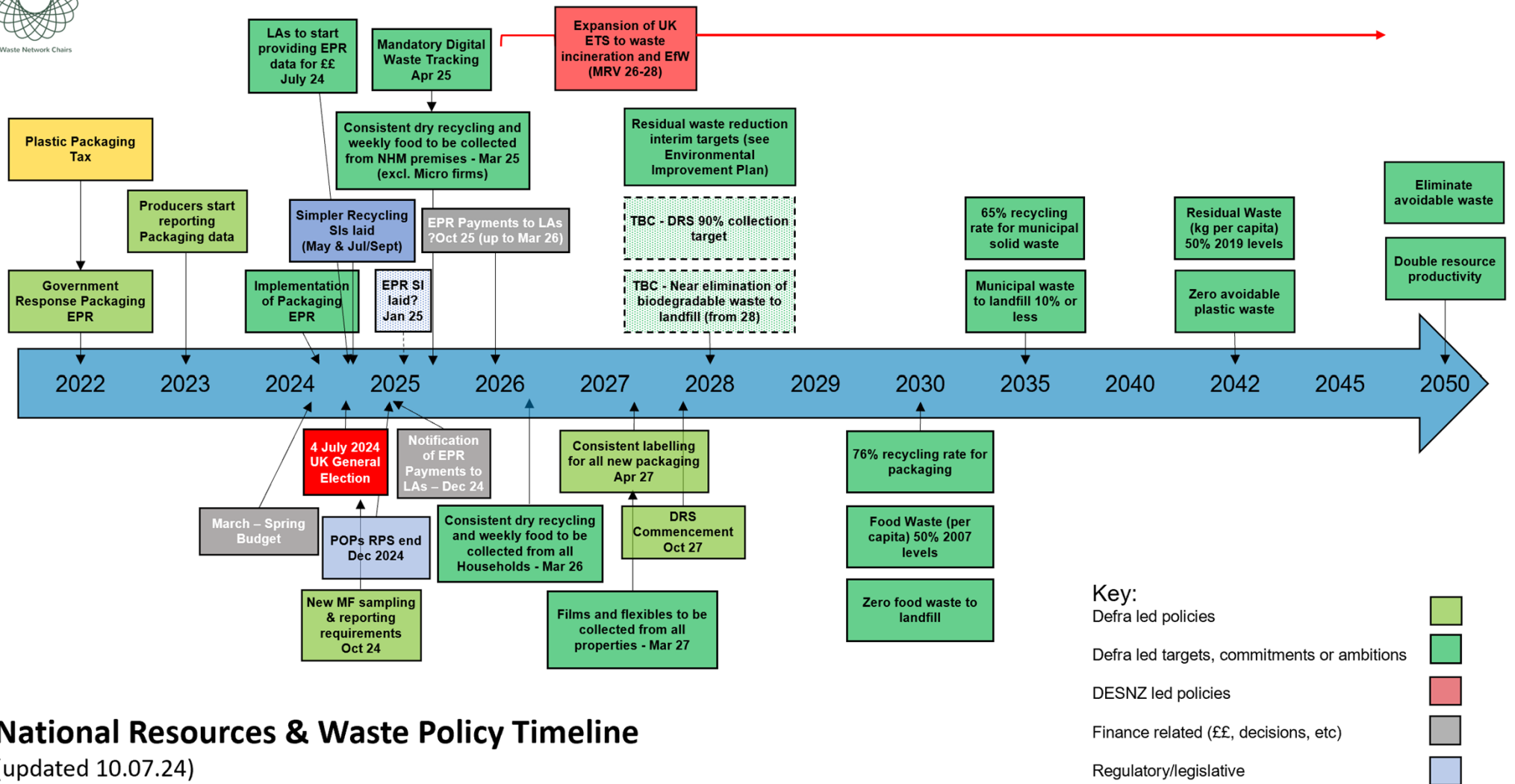
Item	Responsible Owner	Progress to date	RAG
Agree in principle one point of contact with packaging EPR scheme administrator	Director of Finance		
Plan agreed in principle with Environment Directors to maximise EPR funding	Circular Economy Development Manager	New starter ETA November 2024	Amber
Plan agreed in principle with Environment Directors to minimise ETS costs	Circular Economy Development Manager	New starter ETA November 2024	Amber

5. Citizen Perception – Accountable: Director of Circular Economy and Net Zero

Change the perceived value of waste.

Item	Responsible Owner	Progress to date	RAG
Publicise danger and expense of waste fires	Director of Operations	Lack of buy-in at a Communications' Manager/Director level to a west London approach.	Amber
Publish annual report June 2024	Communications Manager	Prepared but not published yet	Amber
Report baseline findings of West London citizens perception of "the value of waste"	Communications Manager	Report complete, headlines to be shared in Strategic Briefing July 2024	Green

Appendix 3 Waste Network Chairs Timeline of Changing Legislation



National Resources & Waste Policy Timeline

(updated 10.07.24)

Adapted from Defra slide