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Meeting	Cabinet Resources Committee
Date	4 November 2013
<b>Subject</b>	<b>North London Waste Authority levy arrangements</b>
Report of	Cabinet Member for Environment
Summary	The report seeks agreement to a minor change to the North London Waste Authority levy arrangements relating to a proposed Household Waste Recycling Centre at Western Road, Haringey. It seeks agreement that the previously agreed allocation of costs would be applied to a different site than the one originally envisaged.

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Officer Contributors	Lynn Bishop – Street Scene Director Michael Lai – Acting Waste Strategy Manager.
Status (public or exempt)	Public
Wards Affected	All wards
Key Decision	Yes
Reason for urgency / exemption from call-in	
Function of	Executive
Enclosures	
Contact for Further Information:	Michael Lai, Acting Waste Strategy Manager. Email: <a href="mailto:michael.lai@barnet.gov.uk">michael.lai@barnet.gov.uk</a>

## **1. RECOMMENDATIONS**

### **That Cabinet Resources Committee**

- 1.1 agrees that changes are made to the alternative levy apportionment arrangements previously agreed by all North London Waste Authority constituent boroughs in January 2012, to take effect from the apportionment of the North London Waste Authority's 2014/15 levy.**
- 1.2 agrees to authorise the Cabinet Member for Environment to agree minor changes to the proposed amendments by the North London Waste Authority and the constituent boroughs to the provisions of the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, in consultation with the Chief Finance Officer and Street Scene Director if such changes become necessary as a result of other boroughs' consideration of the same.**
- 1.3 agrees, for the avoidance of doubt, that all other parts of the current locally agreed levy apportionment arrangements remain unchanged.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee 24 September 2013 – agreed that changes could be made to the alternative levy apportionment arrangements previously agreed by all North London Waste Authority (NLWA) constituent boroughs in January 2012. These changes allow for adjustments to the apportionment of levy costs such that Barnet's share of the additional levy costs arising from consignment of its comingled recycling to the NLWA from October 2013 will be brought in line with the payments made by the other constituent boroughs, subject to similar decisions being agreed unanimously by the other boroughs.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The council's Corporate Plan 2013-2016 includes the priority of 'To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough'. This includes the following success measures relevant to this decision:
  - a) Increase the percentage of household waste sent for reuse, recycling and composting to 40 per cent
  - b) Maintain overall satisfaction levels for the recycling and refuse service (80 per cent)

## **4. RISK MANAGEMENT ISSUES**

- 4.1 If the council does not agree that the alternative levy apportionment arrangements previously agreed by all North London Waste Authority (NLWA) constituent boroughs in January 2012 can be applied to the Western Road site rather than the Cranford Way site, the council would bear a greater proportion

of the costs of the proposed Household Waste Recycling Centre under the statutory levy arrangements.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 It is not envisaged that the proposal will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The proposal does not compromise the council in its compliance of the statutory equality duty.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 From 2012/13 the NLWA levy was apportioned on an alternative basis as unanimously agreed by all seven constituent boroughs in order to facilitate the transfer of their Household Waste Recycling Centres (HWRCs) to the NLWA on various dates from 1 April 2012 in such a way as to ensure that constituent borough councils only bore the costs associated with the running of HWRCs that are situated within their borough boundary. This kept costs broadly in line with the boroughs' prevailing cost profile.
- 6.2 The costs of the NLWA's previously proposed freehold purchase of land at Cranford Way from LB Haringey (to construct a replacement for an existing HWRC within the borough) were to be apportioned based upon the results of a recent visitor survey at the nearby site that the proposed Cranford Way HWRC was proposed to replace (Hornsey High Street). It was agreed that this cost would be shared, as the asset was to be owned by NLWA and therefore would come into something akin to common ownership by the boroughs.
- 6.3 The alternative levy arrangements agreed in January 2012 reflect that all costs in relation to Cranford Way (including the purchase of land) would be apportioned between the boroughs as set out in Table 1 (see section 9.2).
- 6.4 Since this agreement the NLWA and LB Haringey have decided to instead develop an alternative site in Western Road, Haringey, as a replacement for the Hornsey High Street HWRC. The levy arrangements agreed in January 2012 did not envisage the proposed change from Cranford Way to Western Road.
- 6.5 It is therefore proposed that the alternative levy arrangements that were previously agreed in relation to Cranford Way (based on a visitor survey conducted by the Authority at the High Street Hornsey HWRC) will now apply directly to Western Road in the same way. The decision is required to ensure that the change of site and site name is unanimously agreed so that the previously agreed principles of cost allocation apply to the new site rather than the previous site. The agreement of this change is expected to make a negligible difference to the costs allocated to Barnet.
- 6.6 If the any constituent councils do not agree to this change to the site that is named in the alternative levy arrangements, the default levy position would

apply, resulting in increased costs to constituent councils other than LB Haringey.

## **7. LEGAL ISSUES**

- 7.1 Section 51 of the Environmental Protection Act 1990 (EPA) makes it the function of waste disposal authorities to arrange for the disposal of the controlled waste collected in its area by its constituent waste collection authorities. The NLWA is the waste disposal authority for Barnet and the council is a constituent waste collection authority of the North London Waste Authority.
- 7.2 The seven constituent boroughs, through unanimous agreement, can agree alternative levy arrangements under section 51 of the EPA and the Waste Regulation and Disposal (Authorities) Order 1985 and the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

- 8.1 The Constitution, Responsibility for Functions, Part 4, Paragraph 4.6, sets out that Cabinet Resources Committee has responsibility for:
- (i) Capital and revenue finance, forecasting, monitoring, borrowing and taxation
  - (ii) Approval of schemes not in performance management plans but not outside the Council's budget or policy framework.

## **9. BACKGROUND INFORMATION**

- 9.1 The NLWA levy can be apportioned between its seven constituent boroughs in any way the boroughs can unanimously agree. This is provided for under the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006. From 2012/13 the North London Waste Authority levy was apportioned on an alternative basis as unanimously agreed by all seven constituent boroughs in order to facilitate the transfer of Household Waste Recycling Centres (HWRCs) to the North London Waste Authority on various dates from 1 April 2012 in such a way as to ensure that constituent borough councils only bore the costs associated with the running of HWRCs that are situated within their borough boundary. This kept the costs to boroughs broadly in line with the distribution of costs prior to the levy change.
- 9.2 In the absence of any further unanimous agreement, the levy apportionment arrangements agreed by all NLWA constituent Boroughs and the NLWA from the 2012/13 levy will apply. The exception to this is that the costs of the NLWA's previously proposed freehold purchase of land at Cranford Way from LB Haringey (to construct a replacement for an existing HWRC within the Borough) were to be apportioned based upon the results of a recent visitor survey at the nearby site that the proposed Cranford Way HWRC was proposed to replace (Hornsey High Street); it was agreed that this cost would be shared, as the asset was to be owned by NLWA and therefore come into

something akin to common ownership by the boroughs. The levy arrangements agreed in January 2012 reflect that all costs in relation to Cranford Way (including the purchase of land) would be apportioned as set out in the proportions set out in Table 1 below. It is estimated that the cost to Barnet would be between £900 and £1300 only and will be incurred in 2013/14.

Table 1: Current Levy Apportionment in Relation to Cranford Way HWRC.

Barnet	0.613%
Camden	0.038%
Enfield	0.383%
Hackney	0.191%
Haringey	97.894%
Islington	0.804%
Waltham Forest	0.077%

- 9.3 The NLWA and LB Haringey have subsequently decided to instead develop an alternative site in Western Road, Haringey, as a replacement for the Hornsey High Street HWRC. It is therefore proposed that the levy arrangements are changed such that the specific provisions previously agreed in relation to Cranford Way (based on a visitor survey conducted by the Authority at the High Street Hornsey HWRC) will apply directly to Western Road in the same way. The agreement of this change is expected to make a negligible difference to the costs allocated to Barnet.
- 9.4 The changes to the levy agreed from 2012/13 were intended to be superseded by changes to the levy as set out in the proposed Inter-Authority Agreement (IAA) to apply from the 2016/17 levy. Each Borough had previously agreed in principle to the signing of an IAA to underpin the previously proposed NLWA procurement process. In relation to HWRCs controlled by the NLWA, the Cost Recovery Mechanism within the proposed draft IAA requires that the costs of these will be apportioned based on a periodic visitor survey, designed to assess the relative level of use made of sites by residents of each of the constituent boroughs. Due to the recent cessation of the NLWA procurement process it is likely that there will be a substantial re-draft of the IAA from the version previously proposed to be entered into to support the contractual arrangements under the procurement process. It is however expected that the redrafted IAA will still incorporate the principle that the NLWA's costs are more fairly apportioned than at present. This is likely to be the subject of a further report to Cabinet.
- 9.5 In the meantime it is necessary to make changes to the current levy apportionment arrangements for 2014/15. These need to be in place by December 2013 so that all NLWA constituent boroughs can be certain about the basis for apportioning the 2014/15 levy.
- 9.6 Boroughs are requested by the NLWA to ensure that all necessary decisions in relation to changes to the levy are taken by mid-November if at all possible so that the NLWA can provide appropriate budget forecasts to the Boroughs from its December meeting.

## 10. LIST OF BACKGROUND PAPERS

10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>SD</b>