

Appendix D – Statement of Principles (2)

DRAFT

Statement of Principles 2: Principles relating to Inter-Authority Agreement including Household Waste Recycling; sale of recyclates; collection systems and pooled targets

The Authorities intend to enter into a Statement of Principles as follows:

STATEMENT OF PRINCIPLES made the [] day of [] 2008

BETWEEN

North London Waste Authority of Town Hall, Judd Street, London WC1H 9JE
("NLWA")

London Borough of Barnet of Town Hall, North London Business Park, Oakleigh Road South, London N11 1NP ("Barnet")

London Borough of Camden of Town Hall, Judd Street, Camden, London WC1H 9JE
("Camden")

London Borough of Enfield of Civic Centre, Silver Street, Enfield, London EN1 3XA
("Enfield")

London Borough of Hackney of Town Hall, Mare Street, Hackney, London E8 1EA
("Hackney")

London Borough of Haringey of Civic Centre, High Road, Wood Green, London N22 8LE
("Haringey")

London Borough of Islington of Town Hall, Upper Street, Islington, London N1 2UD
("Islington"); and

London Borough of Waltham Forest of Town Hall, Forest Road, Walthamstow, London E17 4JF ("Waltham Forest")

(together the "Authorities"); each of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest are waste collection authorities for their respective areas (together "WCAs", and each a "WCA")

BACKGROUND

This statement of principles is made pursuant to clause 5.5 of the Memorandum of Agreement between the parties

The Authorities agree that the following are the overarching principles which the Inter-Authority Agreement (IAA) will adhere to:

1. That the IAA will establish arrangements which are fair and equitable for all parties to the agreement
2. That all detail on the operation of the IAA will be transparent with open book accounting and verifiable audit trails by all parties
3. That the agreement will seek to ensure the achievement of best value for all boroughs by maximising the containment of waste disposal costs by the NLWA over the life of the agreement and thereby containing the cost of the levy to the WCAs
4. That the IAA will seek to incentivise the Authorities towards the achievement of the desired outcomes and required targets

5. That any part of the IAA which relates to rewards and defaults for individual WCAs will operate fairly and equitably and no WCA will profit from another by the operation of the IAA. Benefit from the agreement will be derived by all boroughs from the maximisation of the containment of levy costs
6. That efficient and effective waste collection by the WCAs is a recognised factor in the achievement of containment of waste disposal costs and is part of the achievement of overall best value.
7. That the menu pricing mechanism specified in the IAA will operate fairly and equitably in the overall interests of the Authorities
8. That except for separate arrangements related to household waste recycling centres, the basis of charges to WCAs through the levy will be linked to and based upon the amount and type of waste delivered to NLWA
9. That LATS Trading Allowances either bought or sold will be part of the levy calculations for the WCAs and will be used fairly and equitably for the benefit of all parties to the IAA
10. That the Authorities agree to the Household Waste Recycling Centres becoming the responsibility of NLWA post 2014; and that arrangements which are fair, equitable and transparent will be established for the transfer of facilities to NLWA, to be operated thereafter to the benefit of all the Authorities. If appropriate the process will recognise, including financially, the level of WCA internal investment in individual sites on transfer
11. That NLWA will be the responsible body for the sale of all collected recyclates on behalf of the Authorities and that all recyclates collected by the WCAs will be delivered to NLWA.
12. That NLWA will operate a transitional compensation arrangement if any Authority is disadvantaged by the payments for recyclates against its existing agreements at the time of changeover
13. That the WCAs undertake to review formally their collection arrangements against models provided by NLWA (Entec UK), taking into account local environmental considerations, in order to move towards more like systems by 2014 or in subsequent years. Each WCA will decide individually on best fit to its circumstances whilst taking the achievement of like systems into full account
14. That the Authorities agree to the pooling of recycling targets for achievement of 45% by 2015 and 50% by 2020 as agreed in the North London Joint Waste Strategy
15. That the pooling of targets will be operated in a fair and equitable way which will both reward and penalise Authorities in financial terms and ensure all Authorities work to secure the maximum level of recycling achievement prior to pooling. The pooling will be managed by NLWA as a transparent internal trading process, including financial adjustments where appropriate
16. The use of material produced under The NLWA solution will be assessed using criteria which includes carbon impact and any material exported outside of The United Kingdom will be assured by The NLWA for appropriateness or handling and processes.
17. That all Authorities will seek to ensure all existing or new short term contracts related to recyclates will expire prior to 2014
18. That the WCAs will work in partnership with NLWA to submit bids for monies from the £74m currently available from the London Waste and Recycling Fund and any other appropriate identified grant regimes
19. That the Authorities will continue to work together on waste minimisation and the reduction of waste per person figures including public education exercises to encourage waste reduction and recycling

Signed by

[each Authority – by Leader]