



## **A remarkable victory for the community in North London and for Pinkham Way Alliance**

The North London Waste Authority has announced that it is abandoning its controversial procurement based on granting a £3 to £4 billion 30-year contract to multinational companies to manage its municipal waste. The Authority's announcement, dated 27 September, can be seen at <http://www.nlwa.gov.uk/news/newsdetail/2013/09/27/north-london-waste-authority-decides-to-end-procurement-process>

This is the first time that a community organisation has succeeded in preventing a contract of this size and length from being made by seven local authorities and their waste disposal authority, the second largest in the UK. This is of national significance since it sets a precedent for closer scrutiny of large public sector procurements by the taxpaying public.

### **Complaint to the District Auditor**

For two years the Pinkham Way Alliance of residents' associations, businesses and schools in North London has been arguing against the now abandoned waste strategy. This culminated in four North London electors, supporting the Pinkham Way Alliance, exercising their right under section 8 of the Audit Commission Act 1988 to complain to the District Auditor on 16 November 2012, and again on 25 May 2013, that the NLWA was not giving value for money (i.e. not being effective, efficient and economical) in the pursuit of its procurement. This led to the District Auditor warning, in his report to the directors of the Authority dated 1 September 2013, that their procurement was a "key value for money risk". The Authority has now been forced to admit that dropping the procurement can save £900 million!

### **Accurate analysis**

The complaint to the District Auditor comprised 40 pages of devastating analysis of the failures of the NLWA over the past decade. Just one example was their failure to take into account figures provided by their own consultant accountants showing that the procurement could be 19% cheaper if private finance were not used. Now the NLWA's announcement states that the claimed £900 million saving will be achieved "particularly if the Authority does not use private finance".

### **Campaigning against procurement profligacy at a time of austerity**

At the same time as the complaints were made, PWA contacted councillors to point out that in times of austerity it was inappropriate to commit to spending £3 to £4 billion over the next 30 years on what we considered was a flawed waste strategy; and thousands of residents and businesses signed our petition urging the scrapping of the procurement. Surely, we argued, the Waste Authority cannot be the only one who is exempt from austerity. Clyde Loakes, the Chair of the Authority has now been obliged to accept that local council services would have suffered had the £900 million be wasted on the procurement.

### **Who will take responsibility for the procurement omni-shambles?**

The Authority's announcement implies that planning and energy aspirations lie behind their change in direction, rather than the failure of the procurement. The announcement dwells on

planning policy changes as having driven their change of direction. Yet these changes were flagged up at the start of the year, after which the Authority continued to proclaim its intention to let the £3 billion contract. Similarly, the Authority announces the continuation and further development of Energy from Waste at its Edmonton site, but fails to mention that the only threat to this had been its own procurement, because the bidders wanted to divert residual waste away from Edmonton to fuel their own energy plants outside London.

The role of Pinkham Way Alliance in blocking the procurement is manifestly clear. The Authority's failure to mention this timely democratic intervention from within the North London community is a worrying indication that accountability to the local community is unimportant. £20 million has been spent on this cancelled project, with a further £12 million spent on the unnecessary purchase of the Pinkham Way site. It cannot be right that no-one accepts responsibility for this. The quality of the whole costly and lengthy project is fundamentally called into question by the fact that a strategy which it was claimed would achieve "economies of scale" has turned out to be £900 million more expensive than something thought up at the last minute that is now claimed to be able to achieve the same landfill reduction and recycling targets which drove the procurement.

#### **The future of the Pinkham Way nature conservation site**

Unfortunately the Authority's announcement indicates that they are still determined to use the Pinkham Way site for waste: they only exclude its use for *residual* waste. In a recent document, they stated that the site's central location makes it "strategic" for North London's waste management. This implies that rather than sorting recyclate in a number of smaller local plant, close to where the refuse is collected, which is favoured both by the public and by EU law, they now aspire to truck recyclate from the whole of North London to Pinkham Way. The target of 50% recycling by the year 2020 would imply 424,000 tonnes per year.

Although less smelly than the proposed Mechanical & Biological Treatment plant (MBT) that we defeated last December, that size of Materials Recycling Facility building (MRF) would obliterate the nature conservation site, and add more than 1,000 vehicle movements per day to the junction of the North Circular Road with Colney Hatch Lane, and to all the radial commuter and shopping road routes leading to that point. It is therefore necessary to continue the campaign to safeguard the Pinkham Way nature conservation site.

We remain determined. Our future activity will take place against the backdrop that the credibility of the NLWA, and therefore its influence, must now be critically diminished by its procurement omni-shambles.

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