



Annual
Report
2023-24

CONTENTS

	Pages
CHAIR'S WELCOME	1-2
ACTING CHIEF EXECUTIVE'S FOREWORD	3-4
EXECUTIVE SUMMARY	5-6
CORPORATE OVERVIEW	7-10
CORPORATE OBJECTIVES	11-20
FINANCIAL REPORT	21
POLICY AND OPERATIONAL OVERVIEW	22-34

ANNEXES

ANNEX 1 - JOINT COMMITTEE ATTENDANCE 2023/24	36
ANNEX 2 - KEY PERFORMANCE INDICATORS	37-38
ANNEX 3 - INCOME AND EXPENDITURE STATEMENT	39
ANNEX 4 - GLOSSARY OF TERMS	40



CHAIR'S WELCOME

Councillor Michael Goodman



It's been another year of change in the resources and waste sector; Government has continued to produce legislative proposals to address how we manage waste and increase recycling, and increasingly these appear to be being drafted with limited consideration regarding how they impact upon each other. This means greater rigour is required in responding to ensure that what has been submitted previously is reflected in the new responses. This looks likely to continue for the foreseeable.

Returning to specifics, the local government elections were held in May 2023 and, the following month, at the first new Joint Committee meeting, I was chosen to chair. This arrangement was formalised at the August meeting when I was selected to undertake this role for the 2023/24 year.

It has been a time of change, not least in that seventeen new Members joined the Joint Committee (out of eighteen) during what was the final year of the previous Corporate Plan covering the period from 2020 to 2024 (i.e. the COVID years).

As Members were unfamiliar with the workings of arc21, no Audit Committee was established over the past year and instead, these reports were presented quarterly as part of the regular Joint Committee papers.

In terms of activities, following the Court decision to quash the Minister's decision to refuse planning permission for the arc21 residual waste facilities, work has been undertaken to refresh various chapters in the Environmental Statement to ensure it remains current and up-to-date, several contracts were extended or new ones entered into and the litigation regarding one rumbled on. Turnover exceeded £40M for the first time.

The officers also responded to ten consultations during the year which covered topics as varied as amendments to the Persistent Organic Pollutants (POPs) Regulation through to Northern Ireland's 2030 & 2040 Emissions Reduction Targets & First Three Carbon Budgets – from the niche to the universal.

There was also a number of governance matters covered during the course of the year – yet again, the annual NIAO report provided the arc21 Joint Committee and the constituent councils with an assurance that there was nothing to report, George Craig, one of the longest standing members of staff retired, the lease agreement for office space in Belfast Castle was renewed and the present management arrangements were extended until the end of 2025.

The new Corporate Plan covering the period from 2024 to 2028 is taking shape and following the challenges of COVID is promising to focus on supporting the councils and the delivery of a raft of new policy interventions over the next few years.

In drawing this foreword to a close, it is worth highlighting that while the format of the Joint Committee meetings has changed during the year, moving from online to in-person, the Members have engaged positively with the arc21 agenda and continued to test and support the work of the officers.

It is probable that the return to in-person meetings may not work for all Members but, should they have to step back, I would like to thank them for their valuable contribution and constructive comments during the year. And as the only Member from the earlier Joint Committee, I would like to commend the officers within arc21 as the work rate of this team has continued unabated throughout the year and, on reflecting upon the previous years, it is conceivable that the amount done has increased. They have done a tremendous job to keep abreast of what is a fast-moving policy area while also delivering brilliantly for the councils, from the classroom to contracts.

ACTING CHIEF EXECUTIVE'S FOREWORD

Tim Walker



arc21 has now entered its third decade, having drafted its first Waste Management Plan back in 2002. Since then, over £500M has been spent managing the treatment and disposal of over 5M tonnes of wastes on behalf of its constituent councils. The local government elections in 2023 effectively engaged with the sixth cohort of Members to sit on the Joint Committee.

As highlighted by the Chair, there were seventeen new Members and over the course of summer there were several induction sessions to bring them up to speed on what arc21 does, the major works underway and to highlight what we were seeking to achieve from the Corporate Plan [2020-

2024]. This had adopted an ambitious stance on assisting our constituent councils address the COVID pandemic and had also sought to realise greater opportunities to valorise waste but unfortunately, despite recognising issues with reducing the amount of waste sent by the councils to landfill, developing infrastructure and minimising multiple risks – ultimately the duration of the pandemic, followed by the Ukraine War and cost of living crisis meant that some of the objectives were not realised as anticipated. This was particularly acute in our objectives to expand our activities and develop new partnerships.

While this was disappointing, the team rose magnificently in each of arc21's core functions from **advocacy** – engaging widely locally and nationally on how to maintain “*business as usual*” services while also responding to 40 consultations, to **planning and policy** which involved navigating the outworkings of Brexit and an accelerating policy landscape which sought (and is seeking) to introduce increasingly strident change as the requirements to deliver Net Zero crystallise. There were further developments with the proposed facilities at Mallusk which resulted in more work. Notwithstanding the abnormal circumstances arc21 and the councils were addressing, **procurement** continued with several contracts being extended (to facilitate the uncertain times) or new contracts being let on haulage, residual waste treatment and insurance cover. The risk of litigation is ever-present here. The **compliance and contract management** functions had to adapt to new working practices during the pandemic but bore up remarkably well and have now reverted to normal, while the **outreach** service was temporarily suspended – over the past year, this has sprung back with considerable demand from both existing and new events.

When drafting the Corporate Plan, it was recognised that there were a number of new policies which were going to impact upon councils and ultimately, over the past four years, these progressed more slowly than planned – perhaps understandably given the other pressures.

During this time, another aspect which had been underplayed began to cast a shadow over the resources and waste sector – that of how to manage “*forever chemicals*”. This remains an open book but the importance of dealing with these is going to be with us for many years to come and will involve the development of and investment in new infrastructure. The scale or implications of this have not really broken into public consciousness yet.

Returning to the “*day job*”, as arc21 is unique in Northern Ireland, I wanted to determine if the services and approach used by us stood up to comparison to similar local government organisations in GB. For that reason, over the past four years, arc21 has benchmarked its cost and performance against several organisations over the past four years. What this demonstrated was that arc21 provides a similar level of performance to these which having a lower cost base – a result which has been consistent each year.

The new Corporate Plan [2024-2028] has got its work cut out in terms of prioritising how best to support arc21’s constituent councils in normalising the introduction of what could be a significant batch of new policies during its term. Certainly, Extended Producer Responsibility is due to arrive in 2025, along with waste tracking, and the collection of plastic film is due shortly thereafter. The various policies are expected to be covered in the soon-to-be released draft Waste Management Strategy from DAERA which is eagerly awaited. Meantime, following the appointment of consultants last year arc21 has worked quite closely to prepare an addendum to the Waste Management Plan which aims to identify what steps need to be taken until 2028. It is expected that this will be finalised before Halloween.

On a personal note, during the year I have been involved with a number of external bodies, such as the Chartered Institution of Wastes Management (CIWM), the National Association of Waste Disposal Officers (NAWDO), the Waste Network Chairs (WNC) and DEFRA’s Advisory Committee on Packaging (ACP). This has given me valuable insight into many of the policy initiatives which are underway or proposed (there will be more on this within the report). It has also meant that I’ve been asked to either moderate or present at various events such as Chair of the NI Waste & Resource Management Conference 2023; present on NI waste strategy and collection issues at the Local Authority Recycling Advisory Committee (LARAC); present a QUB Panel Discussion on “*The Circular Economy - Fantasy or Reality?*” and I’m due to talk at another at Ulster University on e-waste shortly.

I was fortunate over the year to be recognised as a champion for the resources and waste management sector in a couple of media publications, and later this year I will take on the presidency of the CIWM – I’m immensely chuffed to have been given this opportunity. As the 108th President, I am following in the footsteps of John Quinn who was previously Chief Executive of arc21 and fulfilled this role a decade ago. It’s worth drawing attention to the fact that arc21 is a small organisation but has provided this institution with two of its presidents this century.

In conclusion, I would like to thank the Members of the Joint Committee for engaging so enthusiastically with arc21. I recognise that resources and waste management is not everyone’s bag but it is a fascinating and dynamic area which will be going through an amazing transition over the next decade or so. I would also like to recognise the dedication, commitment and hard work which each of the team has put in over the past year and, indeed, over the past four years to ensure that our performance appears seamless. They have displayed the utmost professionalism and resilience during the most testing of times. Well done.

EXECUTIVE SUMMARY

CORPORATE STRATEGY

The development of the four-year Corporate Plan, 2020-2024, which set out the organisation's Strategic Objectives, was approved by stakeholders in 2020. This is the fourth, and final year of the Plan and progress has continued to deliver the various work streams contained within it.

The Action & Improvement Plan, which sits below the Corporate Plan, sets out a range of activities to help arc21 and its officers deliver the Corporate Strategic Objectives and this is updated on a rolling basis throughout the year. Regular updates are presented to the Steering Group on a quarterly basis to provide performance accountability and oversight of what's being done, and when.

Within the Corporate Plan, there are fourteen Corporate Strategic Objectives (CSOs) grouped into four core areas:

1. Stakeholder Focus
2. Improving Processes
3. Operations, Finance & Governance
4. Learning and Growth

The priorities within both the Corporate Plan and the Action Plan provide the framework within which each of the Corporate Strategic Objective, and their associated business objectives are reviewed to achieve the Plan. As stated last year, the Action Plan makes this process more real by identifying activities to deliver each of the CSOs.

GOVERNANCE & ORGANISATION

Highlights of the year included:

- Progress continued to be made implementing the Corporate Plan 2020-24, and Action & Improvement Plan
- Despite not reaching a conclusion, there has been ongoing engagement with and between constituent councils regarding the preparation of an addendum of the Waste Management Plan
- ISO 9001 was maintained
- Governance Excellence Accreditation was maintained¹
- Operational resilience was maintained as of the pressures of COVID abated
- Responses were provided for 11 consultation exercises during the year

FINANCE

Turnover was £43.8m, compared to £35.6m on the previous year, representing an increase of £8.2m (18.8%), mainly due to a new contract for Residual Waste beginning part-way through the year. Tonnes processed were 18.2% higher compared to prior year.

The overall value of expenditure on waste treatment contracts awarded by arc21 since 2005 now stands at £517m.

¹ This is the final year for this award as it has now been suspended.

Cost savings in 2023/24 on Recycling and Composting contracts was in excess of £11.5m, when compared to the equivalent figure of this material being sent to landfill. Revenue share from the sale of recyclates from the mixed dry recycling contracts fell as market prices reduced across all categories.

POLICY AND OPERATIONS

arc21 continued to support councils by providing consultation responses and participating in strategic forums and workshops.

Contracts remained operational across a range of service areas and performance was actively monitored. A new contract for the treatment and recovery of residual waste was initiated.

EDUCATION AND AWARENESS

The Waste Promotion Officer continued to provide an education and awareness programme throughout the arc21 region to schools, community groups, youth organisations and summer schemes. Feedback from users was extremely positive.

CORPORATE OVERVIEW

HISTORY & CONSTITUTION

Following the six constituent councils' decision to reconstitute arc21 in April 2015, engagement took place with the Department of Agriculture, Environment & Rural Affairs (DAERA)² under the scope of the Local Government (Constituting a Joint Committee a Body Corporate) Order (NI) 2015 to ensure that the previous services continued uninterrupted.

TERMS OF AGREEMENT

arc21 operates under five important Principles which are:

1. Principle of Consensus
2. Principle of Limit of Delegation
3. Principle of Functional Responsibilities
4. Principle of Equitable Shared Funding
5. Principle of Equal Committee Representation

ADMINISTRATIVE AREA

The population of Northern Ireland is circa 1.9m with just over 1.1m in the arc21 administrative area, the equivalent of 59% of the overall population.

The municipal waste arisings in the arc21 constituent councils' area was circa 594,592 tonnes in 2023/24 which accounts for approximately 59% of the waste managed by all of NI's Councils. This was approximately 3.5% higher than the amount collected in 2022/23. The collective household recycling rate for the arc21 administrative area rose slightly in 2023/24 to reach 50%. In arc21, two of its councils had respectively the smallest and largest amounts of household waste: 0.93 tonnes (Belfast City Council) and 1.32 tonnes (Antrim & Newtownabbey).

KEY PRODUCTS AND SERVICES PROVIDED BY ARC21 TO PARTNER COUNCILS

Currently, arc21 provides five distinct services:

(i) advocacy - developing a common agenda on behalf of its constituent councils on a wide range of waste, resources, procurement and other environmental matters and presenting and promoting these to different audiences and potential external partners as appropriate.

(ii) planning & policy - assisting partner councils to identify compliance issues and determine what facilities are needed, what delivery methods are available and what procurement actions to take and resources to apply to deliver these.

(iii) procurement - selecting and overseeing a variety of statutory processes to purchase goods and/or services on behalf of the partner councils. This has frequently involved litigation reflecting the very litigious marketplace we operate in.

(iv) compliance & contract management - managing the creation, execution and analysis of contracts to maximise operational and financial performance while reducing risk for the partner councils.

² At the time of this reconstitution, arc21 engaged with DAERA's predecessor – the Department of the Environment (DOE)

(v) **outreach** - providing education, information services and resources to its constituent councils to supplement their waste and environmental education programmes.

GOVERNANCE FRAMEWORK

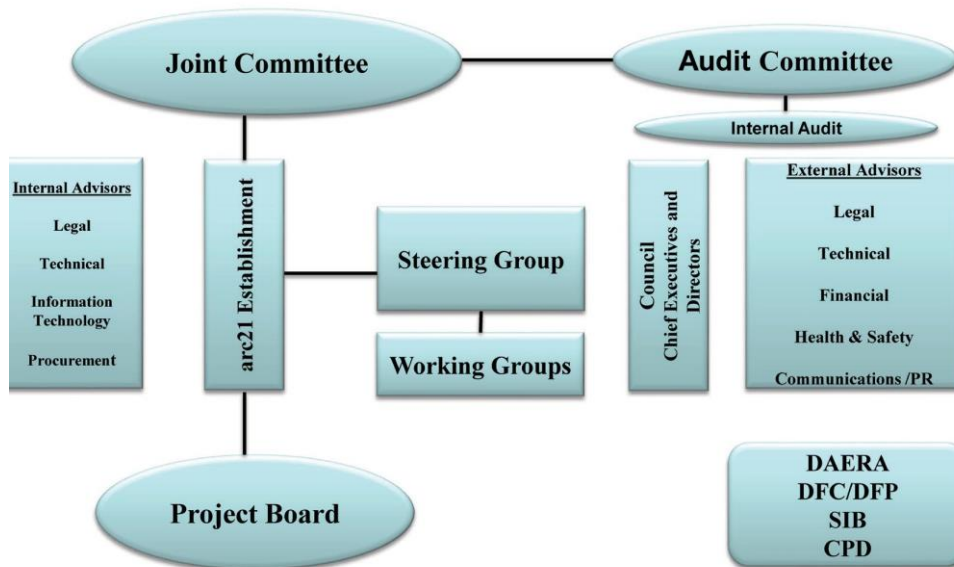
arc21 was originally established back in 2004 and, following a refresh post-Local Government Reform in 2015, is now overseen by a Joint Committee made up of 18 elected Members – three from each of arc21’s constituent councils.

The Joint Committee meets mainly on a monthly basis to decide on issues within its remit, concerned with advancing resources and waste management in support of the waste management strategies of its constituent councils. As a consequence of homeworking due to COVID, the Joint Committee moved online to ensure that lawful decisions continued to be made. The Coronavirus Act 2020 (Extension of Provisions Relating to Local Authority Meetings) (No. 2) Order (NI) 2023 provided councils and joint committees the flexibility to hold meetings by remote or hybrid means until 6 March 2024. Since that date, meetings have been held in person. Throughout 2023/24, the Joint Committee meetings achieved quorum at arc21’s regular events which allowed business to proceed in a timely manner, except for the meetings in April 2023, which was cancelled due to the local government elections and in March 2024.

At the core of the governance framework is the adoption of a corporate planning process. This Annual Report is the key element in reviewing arc21’s delivery of its Corporate Plan throughout the term of each of the Corporate Plans. Following consideration of the Annual Report, it is posted to the arc21 website.

Minutes of the Joint Committee meetings are available to the public, and are published on arc21’s website www.arc21.org.uk

GOVERNANCE FRAMEWORK



The Joint Committee constitutes a special purpose vehicle to support arc21’s constituent councils’ in their implementation and discharge of their statutory duties within the Waste Management Plan, and other relevant waste management strategies.

The Joint Committee requires a quorum in order to enable lawful decisions to be made. The quorum must be made up of two key elements, with:

- (i) at least six Members representing,
- (ii) at least four councils.

In accordance with the legislation, a simple majority of Members present is needed to make lawful decisions, but the quorum requirements mean that all decisions are made by the majority of councils every time.

It is therefore important, for decision-making, that as full an attendance by Members as possible is achieved at Joint Committee meetings to allow for consideration, debate and approvals on the important issues impacting on arc21's constituent councils and attendance, once again, was closely monitored throughout the year. On average, meetings of the Joint Committee were attended by 47% of the Members and given the major waste management issues impacting on councils, as full attendance as possible is the goal in the next year.

This includes covering progress on the preparation of the councils/arc21 Waste Management Plan addendum, the award of contract and consultation responses.

At the AGM held in August 2023 following the May elections, Members elected Councillor Michael Goodman as Chair and Councillor Gregg McKeen as Deputy Chair of the Joint Committee.

The attendance of the Members who served on the Joint Committee for the year up to March 2024 is provided at Annex 1. This is presented as a simple table listing the Member, their eligibility to attend during the year, and takes into account the Members who joined/left during the year as well as the meetings they attended. Due to local government elections on 18 May 2023, there were no meetings in April and May and the first meeting of the new Joint Committee took place in June 2023.

The Joint Committee is supplemented by an Audit Committee which reports to the Joint Committee and provides an independent assurance on the adequacy of arc21's risk management and associated control environment. The Audit Committee is made up from Members of the Joint Committee and led by a Chair who is distinct from the Chair of the Joint Committee. However, an Audit Committee was not able to be formed during the year due to a limited uptake from Members. As a compromise we have reported the normal Audit Committee papers to the main Joint Committee meeting every quarter during the year. We will seek to re-form the Audit Committee during 2024/25.

During most of the year, the arc21 Joint Committee continued to be conducted virtually. In March 2024 however the enabling legislation lapsed with the consequence that arc21 has now reverted to in-person meetings.

RISK MANAGEMENT

A risk management strategy was developed in line with best practice and is reviewed on an annual basis in conjunction with Belfast City Council's Audit Governance & Risk Services (AGRS), arc21's internal audit service provider.

Risk Action Plans and a Risk Register are reviewed on a quarterly basis to ensure that corporate risks are aligned to the Corporate Strategic Objectives (CSOs) of the Corporate Plan. Risks are evaluated using a likelihood/impact methodology and risks related to major contracts and procurement exercises are identified as part of the ongoing project management processes within arc21.

THE CORPORATE PLAN 2020-24

The Corporate Plan sets out what arc21 intends to do to meet the expectations of its key stakeholders, the constituent councils. In developing the Plan, arc21 consulted engaged with key stakeholders. The Plan commits arc21 to 14 x CSOs made up of initiatives and performance targets, with a timetable spanning from April 2020 to March 2024.

In terms of delivering, an Action & Improvement Plan is used to enable arc21 to identify the actions to be taken to achieve the overall CSOs during any particular year. This is reviewed by the Senior Management Team on a quarterly basis and presented to the Steering Group to ensure accountability and that arc21 remains aligned to both the CSOs and constituent councils' expectations.

STRATEGIC OBJECTIVES & PRIORITIES FOR ACTION

In order to maintain a focus on priority areas, arc21 adopted the CSOs to frame its work over the term of the Plan and by achieving these, it was considered that it could best support its constituent councils and the delivery of their Waste Management Plan and other objectives.

The first set of objectives are **Stakeholder Focus**, and responding to the needs and expectations of the constituent councils, recognising that these can only be achieved by **Improving Processes & Operations, Finance & Governance**. None of this would be possible if arc21 did not develop and motivate its team by ensuring they have the capacity to lead, manage and deliver in their area of work (**Learning & Growth**).

This approach was adopted to ensure that arc21 had a strategy which could support any new initiatives arising from the strategic review, currently being undertaken by SoLACE, which consider future waste governance arrangements³, the Circular Economy package, and what that may mean for NI local government, the implications of the UK leaving the EU, as well as the major new waste policy changes (such as EPR) as they emerge.

PROGRESS AGAINST CORPORATE PLAN

arc21's Corporate Plan for the four-year period, 2020-2024, was published in 2020 and set out 14 x CSOs, underpinned by prescribed aims and actions.

Using the balance scorecard framework, activities in the Action Plan were placed against each CSO, with a range of specific activities identified to enable progress to be delivered in a structured manner.

Ultimately, arc21's aim is to use the specific activities identified in the Action Plan each year to monitor, manage and deliver the Corporate Plan over its four-year life span. This Annual Report specifically focuses on delivery of the 2023/24 objectives.

³ This piece of work remains ongoing with no end date yet specified.

CORPORATE OBJECTIVES

These objectives were identified as part of the 2020-24 Corporate Plan and have been aggregated into four distinct areas of (i) Stakeholder Focus (ii) Improving Processes (iii) Operations, Finance & Governance and (iv) Learning & Growth. Each year, the Annual Report covers the delivery of various actions under each of these headings and, in this manner, record progress on delivery of the Corporate Plan.

Key for tables below:

red	not achieved
amber	partly achieved
green	completed
grey	In abeyance or not within our control

STAKEHOLDER FOCUS (SF)

SF.1 - Monitoring, influencing and adapting to the external environment, and establishing what it will mean and how we can contribute to the future development and implementation of a Waste Management Plan in a value-added manner for our partner councils

Action Plan Activities	Action Undertaken
Review the current Waste Plan 2015 - 20 against objectives and draft a report	In abeyance
Input to the development of the Waste Plan Addendum	Completed
Implement organisational and governance review.	Review completed as part of Corporate Plan, but not approved
Develop Implementation Plan for arc21 councils Waste Plan Addendum	In abeyance
Develop new Corporate Plan 2024-28	Completed
Create an Action Plan for 23/24 year to monitor delivery of the Corporate Plan term and the updated Waste Management Plan.	Delayed as new Action Plan will follow approval of Corporate Plan
Engage with Departments to contribute constructively to DAERA Waste Strategy (due to be completed by Dec23)	Dependent on draft Strategy, out of our control
Raise with DAERA that Waste Plan is being undermined by operations at Council (built into Waste Strategy reply) e.g. Council planners determining waste applications without reference to technical departments and/or consideration of the Waste Management Plan	Verbally raised with the Dept

SF.2 - Developing our role in supporting partner councils to address climate change and maximising the economic potential of waste and resource management and available assets through stakeholder working to minimise risk

Action Plan Activities	Action Undertaken
Keeping tabs on what is happening nationally re Climate Change Act, circular economy & social responsibility & try to apply locally.	Ongoing
Depending upon Sectoral Plan for Net Zero, implement a carbon metric for arc21 operations consistent with Climate Change Act (NI) 2022	In abeyance
Provide opportunities for managers, staff & members to increase their understanding of waste, resources management & circular economy (ongoing all year)	Annual seminar In March with packaging as subject
Support arc21 councils regarding management of individual wastes	Worked with NMDDC on HWRC & LCCC on haulage contract
Maintaining contact with DEFRA workshops for direction of travel on EPR, Digital Waste Tracking etc.	Ongoing attendance at workshops and seminars
Consider resourcing around responding to consultations	No extra resource identified during organisational review. JC have agreed policy for responding to consultations.

SF.3 - Enhancing our advocacy role on behalf of the sector through strengthening our relations with stakeholders and building a cadre of champions who recognise arc21 as the go-to organisation for waste and resource management solutions

Action Plan Activities	Action Undertaken
Contribute to development of waste, resources management & circular economy with relevant organisations	Ongoing as noted before
Identify funding opportunities for the councils	SG officers advised in of Alupro's MetalMatters Campaign re funding and Alupro's free digital resources

SF.4 - Expanding the outreach services we provide to our stakeholders in terms of education and awareness supported by a robust communications strategy

Action Plan Activities	Action Undertaken
Monitor and report on the communications campaign.	No communications budget
Include development of a communications campaign incorporating promotion of the CE for new Corporate Plan	No communications budget
Providing support and assistance to councils regarding appropriate messages	Ongoing through SG and responses to direct queries
Implement organisational review	Organisational review carried out for new CP which is still to be finalised and agreed so not implemented as yet

Outreach Requests and Support

Queens University sought arc21's support for their application to develop a Centre for Doctoral Training, and a letter of support was issued. This has been successful, and the consortium is to receive almost £11 million to open a doctoral training centre to focus on use of biomass to replace fossil fuels and removal of CO2 leading the UK towards net zero.

The centre, based at Aston University, will bring together world-leading research expertise and facilities from the University of Nottingham, Queens University Belfast and the University of Warwick and more than 25 industrial partners. Further information can be found [here](#)

arc21 were asked to contribute to research being undertaken by UCL's Plastic Innovation Hub and their latest research on nappies and absorbent hygiene products. A letter of support was issued and the published findings can be found [here](#)

Unfortunately, arc21 was advised that two QUB projects which had supported in 2022 were unsuccessful:

- QUB - Research Project – Plastic Waste to Ethylene – One-Step Plasma Catalysis - Queen's Research Project - Circular Economy Call; and
- Circular PET - EPSRC application

During the year, arc21 was asked to take part in recording a podcast with Keep Northern Ireland beautiful looking at waste and plastics in NI, which can be listened to [here](#)

Funding Opportunities during the year included:

arc21 engaged with its constituent councils to promote the Material Focus's "recycle your electricals campaign" and Alupro's "Foil Recycling Campaign". Alupro also launched a communications campaign offering 70% funding for councils towards the total cost of running either a leaflet or digital version of the campaign, with the council contributing the remainder of the costs.

In addition, the free digital marketing resources for “Easter Recycling 2024” made available from Alupro were also brought to the councils attention during the year.

arc21 Annual Seminar - “What’s in the Box - Developments in Packaging and implications for councils”

The arc21 annual seminar took place on 20 March 2024 and included a variety of speakers from across industry presenting on Extended Producer Responsibility for packaging (pEPR), its ramifications for councils and the support available to them, developments in packaging, the sale of recyclates post-collection and the other developments following in quick succession.

There were around 25 attendees which included officers and Members from the arc21 councils and an attendee from DAERA, although the invitation had been extended to the wider audience of all NI councils, DAERA and DfE. While attendance was disappointing, the feedback was positive with comments received noting how interesting, informative and timely the event was.

IMPROVING PROCESSES (IP)

IP.1 - Refocusing our role and services to stakeholders by redefining the relevance of what we do and ensuring we exceed expectations and demonstrate this through an annual performance report (Annual Report)

Action Plan Activities	Action Undertaken
Conduct annual customer survey with key stakeholders to inform development of our services	Completed
Report progress on delivery of our Corporate Plan in the Annual Report	Completed and presented to JC
Re-establish the Projects Board to review progress on the RWTP	In abeyance

IP.2 - Maintaining the quality requirements of ISO 9001, seek other relevant quality assurance accreditations and place these at the core of risk management and assurance in terms of quality service

Action Plan Activities	Action Undertaken
Annual recertification of ISO 9001	Completed
Determine if ISO14001 is appropriate in 2023/24 &, if so, timetable for implementation	Other priorities took preference & the focus was on service delivery
Ensure that H&S issues in relation to contracts are monitored & updated as necessary	In place and ongoing

IP.3 - Benchmarking and build an appropriate database to develop our improvement plan

Action Plan Activities	Action Undertaken
Review finance & performance information to ensure alignment with Action Plan (end of yr. accounts for LGA)	Completed
Monitor and report on Key Performance Indicators (KPIs)	Presented to SMT monthly
Complete 2022/23 benchmarking exercise & report to SG/JC	Completed
Review the governance review and implement as appropriate	Residing with CEXs
Review the organisational review and implement as appropriate	Underway as part of new Corporate Plan but not implemented as yet
Determine scope for a benchmarking club with NAWDO	No update

OPERATIONS, FINANCE & GOVERNANCE (OFG)

Key Performance Indicators

In order to better monitor progress within the Action Plans to achieve our CSOs, a review of activities across the organisation was undertaken during the 2021/22 year and a new suite of Key Performance Indicators (KPIs) were developed. These have remained unchanged for this year.

The KPIs for 2023/24, along with what was achieved and the new suite of Corporate KPI targets for 2024/25, are attached at Annex 2.

OFG.1 - Procuring access to appropriate waste, infrastructure, services & supplies to deliver the Waste Management Plan, supported by appropriate contract management

Action Plan Activities	Action Undertaken
Finalise adjustments to the Contract Management Plans for a risk-based approach	Completed
Maintain up-to-date procurement programme	Presented monthly to SMT
Maintaining currency of RWTP programme (subject to planning)	Programme maintained with further FEI submitted to the Dept
Award at least 6 Call-Off Contracts under the DPS procurement for Interim Residual Waste	Awarded 1 and a programme for the release of 6

Action Plan Activities	Action Undertaken
Procure contracts for WEEE	Incomplete consultation on WEEE concluded in March
Extend or procure Lot 1 MRF	Extended
Extend or procure Lot 2 MRF	Contract extended to Mar 25
Extend Municipal Waste Lot 2 Contract	Extended. Biffa advised they will not seek extension post 31 Jan 25
Extend Residual Haulage Contract for L&CCC as required to meet service requirements	New Contract awarded in Mar 24
Procure or extend a contract for Legal Services	Completed
Procure Contracts for Servicing and Processing of Glass, Textiles, Paper and Cans from Bring Banks	Completed
Procure contract(s) for the receipt, processing, treatment, recycling & disposal of street sweepings	Procurement undertaken currently being evaluated
Procure services for organisational review	Waiting on direction of JC
Progress the business case for organic waste treatment facilities post Nov 2029	Cost received order to be raised and work commenced
Procure tender for HR services	Develop in new Corporate Plan 2014-18
Revisit procurement of services for recruitment of a new CEX	Secondment extended for 2 years
Procure services for development of new Corporate Plan	Completed
Extend or procure NM&DDC haulage contract for Mixed Dry Recycling	Contract extended to 31 March 2025 at Jan JC meeting
Maintain a system for ordering supplies to support Councils waste services	In place and ongoing
Ensure there is a minimum of one quarterly meeting with all service contractors	All meetings took place
Ensure site visits are conducted based on site usage	2 site visits were missed in Jan 2024
Ensure contingency arrangements for contracts are regularly verified	Ongoing and process is in place

Action Plan Activities	Action Undertaken
Ensure Councils are supplied with monthly contract data, support documentation and invoicing	In place and ongoing
Provide end destination information quarterly	Complete for quarter
Provide advice and assistance to Councils on waste activities and procurements as required (ad hoc)	In process of reviewing a NM&DDC tender
Collaborative working with bidder to get positive outcome from legal process	Order quashing refusal of planning permission obtained May 23
Secure title of site (RWTP)	In abeyance
Secure title of ancillary land (RWTP)	In abeyance
Secure approval of final tender documents by Joint Committee	In abeyance
Assemble business case taking into account all sources of financing & affordability of project	In abeyance

OFG.2 - Maintaining a high standard of financial assurance, governance and risk management

Action Plan Activities	Action Undertaken
Submit annual revenue estimates for approval	Completed
Undertake an annual business continuity exercise	Reviewed and amended
Keep under review potential sources of new revenue streams and associated funding required to support new revenue streams (progressing action is dependent on arc21 & councils returning to steady state)	No ability for external revenue in arc21's existing Terms of Agreement. Would require review of Terms of Agreement to give potential scope
Review and assess potential operational efficiency measures	Ongoing, such as the development of a SharePoint website for information sharing with councils
Implement actions from Internal Finance Controls audit	All prior actions from IFC audits have been completed. No new actions arising from the IFC audit in 2023
Emphasise importance of Audit Committee attendance as part of induction for new members	No current Audit Committee. Not able to be re-formed following local government elections in May23

Action Plan Activities	Action Undertaken
Maintain Risk Action Plans in line with Corporate Plan	Completed
Update the Corporate Risks quarterly	Completed
Review and refresh the 3-year Internal audit strategy/plan of activities	Completed – approved at Apr24 Joint Committee meeting (originally due to be at Mar24 meeting but this was inquorate)
To undertake a review of the CIPFA Codes of Practices (Procurement and Fraud)	Completed

OFG.3 - Identifying efficiency measures, new revenue streams and report on financial performance

Action Plan Activities	Action Undertaken
Determine if arc21 services can be commercialised beyond the partner councils - revisit	Revisited and determined that this is not allowable under arc21's existing Terms Of Agreement
To track Belfast City Council's document management systems and implement as appropriate	In abeyance. Any changes need to be in line with Belfast City Council as we avail of their IT systems
Review hybrid working arrangements for staff	Completed. Staff have now returned to the offices for a minimum of 2 days per week

OFG.4 - Ensuring appropriate governance arrangements are in place to deliver the Corporate Plan

Action Plan Activities	Action Undertaken
Maintain Governance Excellence Accreditation	Programme not being continued
Ensure alignment between arc21 governance review & constituent councils' review (SIB paper)	
Ensure HR processes align to direction of travel from constituent councils' review (SIB paper)	
Check on status of legislation re remote meetings	JC meetings have returned to in-person in line with legislation
Emphasise importance of JC attendance as part of induction for new members	Completed. Discussed at Mbrs briefings and JC meetings

Action Plan Activities	Action Undertaken
Joint Committee carrying out recruitment of permanent Chief Executive	Chief Executive current secondment arrangements extended for 2 years until Dec25. Recruitment exercise planned for 2025/26 as per new Corporate Plan

LEARNING & GROWTH (LG)

LG.1 - Developing and implementing a Human Resources strategy

Action Plan Activities	Action Undertaken
Develop an HR Strategy including staff resources, HR Policies, staff performance, staff training and development	Completed
Ensure staffing levels align with the outcome of the organisational review	Organisational review completed for new CP - CP to be finalised & approved
Complete formal staff appraisals & PDPs	Completed
Identify the training requirements for the Joint Committee Members	Actioned at the Jan24 Joint Committee meeting
Identify the training requirements for the Audit Committee Members	No current Audit Committee. Not able to be re-formed following local government elections in May23
Annual update of H&S policy	Completed
Regular/ongoing communication with staff on progress with SIB/SoLACE review	Discussed at staff meeting in March 2024

LG.2 - Strengthening capacity building on waste and resources management, climate crisis, energy and the circular economy

Action Plan Activities	Action Undertaken
Annual Seminar including external organisations and Partner Councils	Actioned
Organise a schedule of site visits for technical officers & Members	Offered site visits to JC for Cottonmount & ReGen
Prepare a matrix to present to SG reviewing developments which may affect contracts (existing/pending)	Not achieved
Represent arc21 on relevant strategic waste forums (e.g. NAWDO, GWWG, CIWM, etc)	Attended a number of relevant forums

Action Plan Activities	Action Undertaken
Develop a target message around waste prevention for use by Councils - requires buy-in from Councils	Not achieved
Engage with Chief Executives to ensure that JC members have the appropriate knowledge, time & understanding to contribute appropriately to arc21	No discussion on this at the Jan CEXs meeting
Visit all Councils (Committee or Full Council) to advise Members what arc21 does for their Council	Ongoing offer to visit councils but only 1 committee invited to during year

LG.3 - Developing a more collective leadership approach with stakeholders

Action Plan Activities	Action Undertaken
Review Action Plan with Steering Group	Completed
Quarterly meeting with the CEXs/Directors	Completed
Produce Regular CEXs briefings - preferably on a monthly basis	Completed
Monitor staff absences on an ongoing basis, update staff sickness absence record matrix and report to SMT quarterly	Reported monthly in KPIs to SMT

FINANCIAL REPORT

Financial Highlights of the year were:

- Income increased by £8.2m (18.8%) from £35.6m to £43.8m.
- Cash flow remained healthy throughout the year.
- The Income and Expenditure Statement shows a deficit of £224k on the Provision of Services, which is broadly a result of a planned budgeted return of £175k to the arc21 councils, plus some additional procurement related expenditure.
- The Local Government Auditor certified the 2022/23 Statement of Accounts in September 2023 without qualification. The 2023/24 Statement of Accounts are due to be audited and certification achieved before the end of September 2024.

The Income and Expenditure Statement for the 2023/24 year in comparison with the 2022/23 year is included at Annex 3.

POLICY AND OPERATIONAL OVERVIEW

WASTE MANAGEMENT POLICY

During the year, arc21 continued to monitor the external environment and maintained regular contact with contractors. Key issues that had been identified as risks included potential disruption of the movement of waste/recyclates, disruption and delay in the supply of consumables/parts, labour and container shortages. During 2023/24, these risks did not arise to the degree where it caused a material impact to the delivery of goods and services.

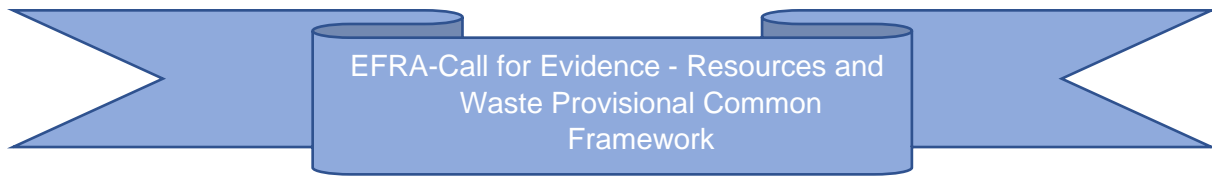
Whilst much of the existing UK environmental policy and legislation derives from the EU, the UK began operating outside of the EU's environmental governance arrangements at the end of the implementation period under the Withdrawal Agreement. The UK Environment Act provided a framework to ensure there were no governance gaps from January 2021 onwards and provided for improvement in respect of specific environment areas including waste and resource efficiency. The full impact of this new Act are still emerging and a number of provisions extend to NI.

During 2023/24, arc21 considered a number of consultations and responded to the following:

- EFRA-Call for evidence - Resources and Waste provisional Common framework
- Consultation on potential amendments to the Persistent Organic Pollutants (POPs) Regulation
- Call for Evidence - Place10X A Sub Regional Economic Approach
- Part 1 Consultation on draft regulations to implement the Procurement Bill
- Part 2 Consultation on draft regulations to implement the Procurement Bill
- Consultation on the McCloud Judgement
- Consultation on the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024
- Plastic Packaging Tax - Chemical Recycling and Adoption of a Mass Balance Approach Consultation
- Consultation on Northern Ireland's 2030 & 2040 Emissions Reduction Targets & First Three Carbon Budgets & Seeking views on Climate Change Committee (CCC) Advice Report: The path to a Net Zero Northern Ireland
- Call for evidence on reforming the producer responsibility system for waste electrical and electronic equipment
- Consultation on reforming the producer responsibility system for waste electrical and electronic equipment
-

It is anticipated that there will be a number of significant consultations in the 2024/25 year, including the NI Waste Strategy which will have a significant impact on the next Waste Management Plan for the region.

Some of the key recommendations highlighted in the arc21 responses are noted below.



EFRA-Call for Evidence - Resources and
Waste Provisional Common
Framework

arc21 commended the Framework regarding developing a timetable for policy development and the schedule of meetings between the relevant officers to deliver this. arc21 recognised that the deliverability of a common agenda between the nations would be paramount as, without this, the Framework would be discredited. Implementing such an approach would highlight differences in priority, knowledge and resources within the nations.

arc21 also flagged the prospect of including local government in the decision-making process would be beneficial but identified that there were likely to be similar restrictions experienced at this tier.

The lack of examples around how the Framework would consider EU legislation, the Circular Economy, issues such as pEPR and DRS was noted as disappointing as it left the consultation floating in the abstract.

arc21 welcomed the commitment within the proposed schedule for review of the Framework as, given the waste and resources sector is undergoing the greatest change in a generation, it would only be appropriate that it should be revisited, refined and refreshed in light of what actually transpires. In this regard, arc21 requested that the Committee continue to pay close attention to how the Framework operates in practice.



Consultation on Potential
Amendments to the Persistent
Organic Pollutants (POPs)
Regulation

arc21 endorsed the NAWDO response which highlighted issues for councils as follows:

- funding be made available for Local Authorities in order to achieve regulatory compliance without impacting on other services;
- lack of data and information on materials, products and chemicals and the potential impact of POPs on human, animal and plant health to appropriately manage going forward; and
- sufficient time to allowed to permit councils to be able to deliver compliant systems that are both efficient and effective.

arc21 also highlighted the need for:

- clarity and the need for a Regulatory Position Statement (RPS) for councils in Northern Ireland;
- the of proximity was flagged as there was a potential lack of suitable local infrastructure ;
- the prospect of an expanded range of additional materials covered in the consultation;
- the need for differentiation of waste types, practical and cost aspects associated with identifying and segregating specific categories of waste from the wider waste stream; and
- funding, arc21 suggested that consideration should be given to introducing an EPR scheme for POPs (and PFAS) as council's' budgets are facing unprecedented demands at present and placing further financial burdens upon this sector would stretch limited resources.



Call for Evidence - Place10X A Sub
Regional Economic Approach

arc21 noted that depending upon governance arrangements, a sub-regional geographic area provided a good platform from which councils could coordinate with private and non-governmental organisations and from which economies of scale in terms of delivery could be achieved.

arc21 noted that while the DfE engagement may primarily be at sub-regional level there was also a role for the Department in terms of remaining engaged and apprised of emerging and proposed developments within councils.

arc21 noted that in terms of delivering the Place 10X agenda, it would be critical for each sub-region to identify an administrative structure to determine what it was going to focus upon and permit appropriate organisational representation to be determined, to facilitate suitable levels of engagement, recognise what the resource commitments would be and identify what outcomes are to be sought (how to measure success).

arc21 noted that success would be when there is a clear sub-regional identity, served by a clear local authority-based sub-regional organisation which had strong connections to academia, businesses and non-governmental organisations/community groups which through iterative processes, combined knowledge which was both informing and being informed by the development and implementation of place-based policies.



Plastic Packaging Tax - Chemical
Recycling and Adoption of a Mass
Balance Approach Consultation

arc21 noted that “*Recycling*” is a misnomer for the decomposition of long chain hydrocarbons found in various waste streams as a feedstock for production of new products as the transformation can be significant and energy intensive. “*Recovery for re-use*” would be a more accurate descriptor given the nature of the process.

arc21 recommended that the onus should be on the re-processor to allocate to its feedstock suppliers/waste stream providers their unique contribution to the overall facility “*chemical recycling*” average and make it part of a mandatory code of practice that suppliers of waste cannot quote one (the facility average) without the other (their proportion of that facility average their deliveries contribute to the facility average).

arc21 noted that a mass balance approach could be appropriate, but it needed to measure input and output process parameters. It should also include process losses (e.g. not allow “*recycled plastics*” to be used as a fuel).

A properly regulated chemical processes performed by a competent operator making a finished marketable product at a specialist facility should not pose a risk to the environment.

arc21 noted that a combination of technologies and behavioural changes are needed to improve recycling rates (that have plateaued at around 50%). Providing UK outlets to plastics that are otherwise destined for export as SRF or RDF and that improves materials recovery performance would be consistent with the revised waste framework directive (e.g. the “*proximity*” principle).

arc21 noted that the internationally recognised waste hierarchy should be the starting point. Ideally international agreement on where “*chemical recycling*” fits in the hierarchy should be agreed to avoid policy objectives in resources and energy management being mutually exclusive (rather than achievable) and to avoid creating trading frictions.

arc21 noted that there should be a QR code on products using recycled content to a website providing information on the audit trail.

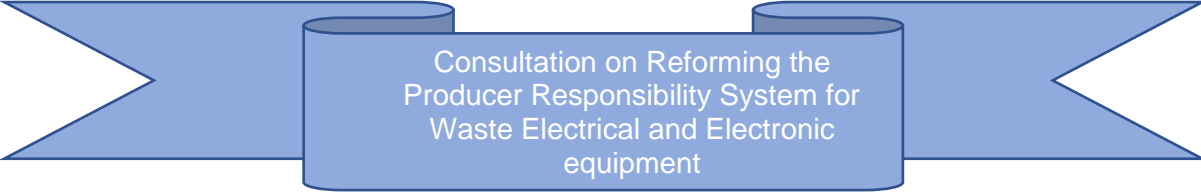
arc21 noted that there should be some obligation placed on the final processor to have visibility of the upstream supply chain.



arc21 was supportive of DAERA's emissions targets and carbon budgets following the current advice provided by the CCC, however, recommended appropriate timescales to allow for forward planning and sustaining support for local government in their long-term decision-making around waste management, especially in relation to infrastructure and systems that enable decarbonisation.

arc21 recommended that DAERA should look to support arc21 councils in their ambition to achieve a sustainable waste management sector, free from the shadow of criminality and with auditable systems and infrastructure.

arc21 recommended a need for additional financial and policy support from DAERA in order to explore, test and implement innovation across all the waste streams which arc21 and its constituent councils manage.



Consultation on Reforming the
Producer Responsibility System for
Waste Electrical and Electronic
equipment

arc21 noted concerns that undue focus was being placed upon councils which have faced considerable financial pressures since 2007.

arc21 applauded the intention to ensure that EPR is contextualized within the Circular Economy and asked that similar consideration would be given to framing how it could also assist with meeting other Government objectives, such as waste prevention and Net Zero.

arc21 recommended that Government should include all packaging materials within the EPR by default, unless they are explicitly excluded.

arc21 recommended that the interaction between the EPR and DRS regarding drinks containers needs greater consideration.

Also, arc21 considered that non-kerbside collected packaging needed greater clarity, and greater definition and determination of recyclability would be required.

arc21 noted that the Regulations should seek to drive material up the hierarchy, as far as possible.

arc21 recommended that independent verification of an item's recyclability would be essential to ensure that it truly was recyclable in practice and that accreditation by an independent panel consisting of trusted representatives from all stages in waste collection, transport and treatment right through to the end destination would be beneficial to ensure that recyclability is proven.

arc21 noted that the functions of the Scheme Administrator were largely defined except that there was a lack of clarity over how it would determine what constituted an "*efficient*" and "*effective*" service.

arc21 asked for clarity regarding how the allocation of packaging charges/costs against specific producers would work in practice, particularly eligibility and proportionality.

Throughout the year, certain key issues continued to be prevalent, such as:

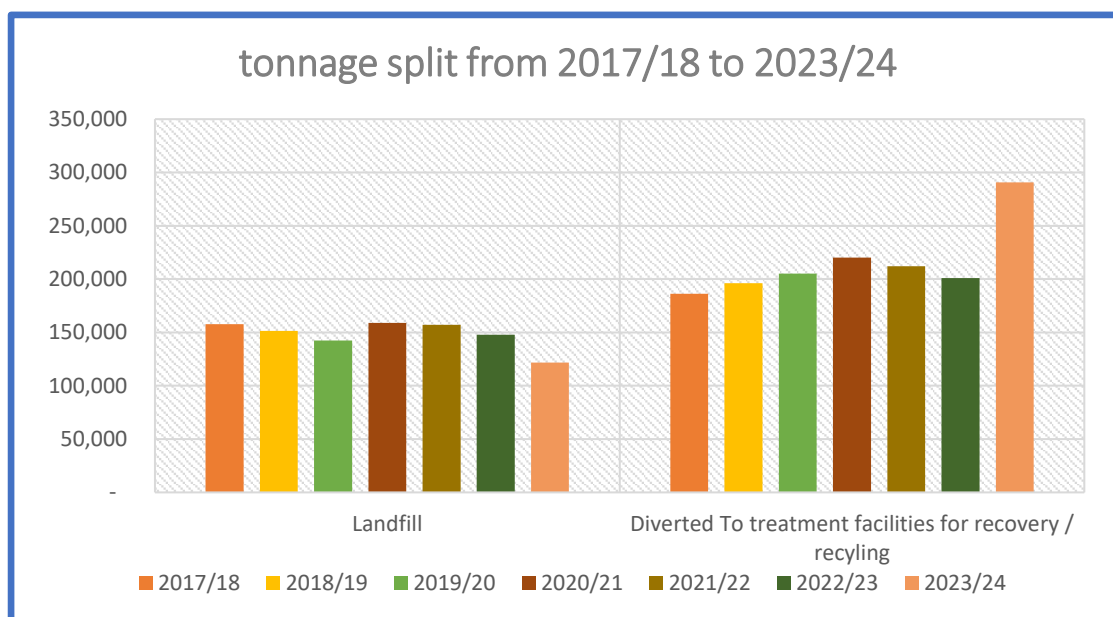
- Lack of articulation of strategic waste policy in NI impacting councils' decision-making processes for the provision of future waste management services. Specific areas included lack of NI Waste Strategy, regulation in relation to Persistent Organic Pollutants, outcome in terms of future recycling requirements in NI;
- Delays in approving council funding applications meant uncertainty re contract requirements;
- Downward pressure on global markets for secondary materials was particularly acute in 2023/24;
- Climate change/Net Zero continued to be in focus;
- Circular Economy Package was progressing slowly; and
- Slow progression with implementation of Extended Producer Responsibility (EPR) with little clarity re-funding amounts etc.

In relation to the review of the arc21 Waste Management Plan, progress was made on the development of an addendum to the Plan.

There appears to have been little progress on the Waste Management Governance Review, commissioned by SoLACE and undertaken by SIB which potentially foresees a single waste body for Northern Ireland. The impact on arc21 remains unclear as it remains unsighted on the proposals. On this basis, arc21 is proceeding to prepare a Corporate Plan for the four-year period 2024-28 and should there be any changes during this term, arc21 will contribute in whatever manner is deemed appropriate.

Table 1 below provides the split of tonnages between waste sent direct to landfill against waste sent to service providers for recovery/recycling over the last 6 years through arc21 contracts. Overall tonnages managed by arc21 increased in the 2023/24 year mainly due to the commencement of a new contract for residual waste treatment. Over the course of 2024/25 it is anticipated that the amount of waste sent direct to landfill will fall further as more contracts are let for the treatment of residual waste.

TABLE 1: arc21 Contracts Year-by-Year Comparison of Waste sent directly to Landfill vs Waste sent to Service Providers for Recovery/Recycling



OPERATIONS

Contract management processes remained effective during the year. Site visits to all facilities were undertaken at periodic intervals, external health and safety inspections were completed across the range of operational facilities by an arc21 appointed specialist consultant. The overall tonnage handled through arc21 contracts rose by 18% in the 2023/24 when compared with the previous year. One of the main contributors for this increase was the new contract for the treatment and recovery of residual waste, to include loading and transfer, used by Belfast City Council. This contract resulted in increased residual waste tonnage handled by arc21 of just under 50,000 tonnes. These changes had an impact on internal resources as the additional requirements in terms of contract management had to be absorbed into existing workloads and internally it was recognised that as more of these types of contracts are let, the requirement for additional resource for contract management will need to be considered.

The impact of inflationary rises on contract prices lessened over the course of the year as CPI percentage increases decreased.

Meetings were held with contractors on a quarterly basis with a focus on reviewing operational performance, reporting and contingency arrangements.

Health and Safety accidents and near misses were regularly reviewed both with contractors and with council officers.

Over the course of the year regular reports were produced for internal stakeholders detailing waste tonnages, end destinations and tonnage trends.

23/24

arc21 Contract Highlights



PROCUREMENT

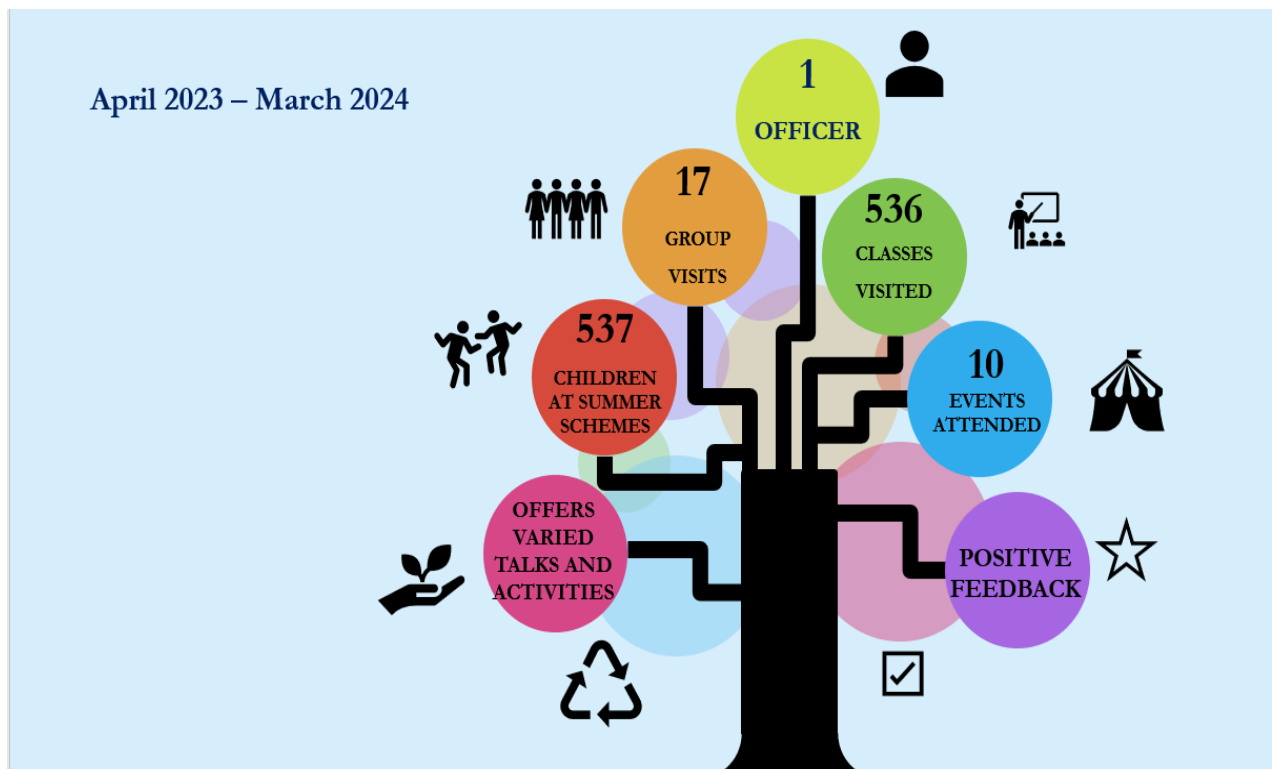
arc21 continued to manage its contracts and, over the course of the year, exercised options to extend a number of existing contracts. During the year, arc21 awarded the first contract for the treatment and recovery of residual waste using the Dynamic Purchasing System (DPS) and let contracts for the servicing and processing of materials collected at a network of Bring Bank facilities over the arc21 region and concluded a procurement for haulage services.

Following the award of the contract for the recovery and treatment of residual waste, legal proceedings were initiated by an unsuccessful bidder and this has resulted in significant resource being applied to the litigation.

EDUCATION AND AWARENESS

The Waste Promotions Officer continued to deliver a wide-ranging programme supporting education from nursery through to secondary level, in addition to community groups, summer schemes, youth associations and events. Feedback provided by users was extremely positive.

The table below provides a high-level overview of activities undertaken by the officer in the 2023/24 year.



SUPPLIES

arc21 continued to purchase supplies of bins, bottle banks, home composters, caddies, caddy liners and boxes on behalf of councils. Over the course of the year, there was an impact of market conditions on prices and delivery timeframes and the likely impact of the introduction of Simpler Recycling in Great Britain on the demand for certain types of products has been regularly reviewed through engagement, with suppliers and feedback has been provided to the arc21 councils.

ISO ACCREDITATION

In 2023, the recertification of arc21's ISO accreditation was successfully completed and it was an endorsement of the internal processes that no issues were highlighted as a result of both the internal and external audits.

RESIDUAL WASTE TREATMENT PROJECT

Following the concession in front of the High Court by Department for Infrastructure (DfI) in May 2023 that previous Minister Mallon had acted unlawfully in directing that planning permission be refused for the development of waste treatment infrastructure at Hightown Quarry, as envisaged under the public procurement for the residual waste treatment project), the client side and specialists from the remaining bidding consortium have set about updating the evidence base supporting the planning application. In particular the 20 chapters making up the Environmental Statement. The passage of time due to delays in making a robust determination on the planning application means such evidence needs to be revisited.

This requires reviewing: - (i) the currency of ecological surveys; (ii) consequential regulatory consents around emissions to air and water and addressing changes in those regimes (iii) changes to the policy and legislative landscape; and (iv) a market review of technologies. This is to address relevant factors that are material to a future redetermination.

The planning application to develop residual waste treatment facilities at Hightown Quarry as envisaged under the Project has been in the Northern Ireland planning system since March 2014.

The planning application has been recommended for approval by planning officials either in the planning authority or the Planning Appeals Commission (PAC) on four occasions – June 2015, March 2017, September 2017 and March 2022. The two opportunities Ministers have had to approve the application (September 2015 and March 2022) were passed over with reasoning that was difficult to correlate with planning officials' recommendations (including the PAC) or the evidence provided as part of the planning application.

Whilst DfI conceded in the High Court that the Department had acted unlawfully in refusing planning permission in March 2022 and the presiding judge issued an order quashing that decision, DfI planning officials have been slow in processing the implications of the High Court order and information supplied by the applicant necessary to make a robust redetermination.

arc21 firmly believes the case for publicly owned, professional operated residual waste treatment infrastructure remains and that the statutory duty outlined in the arc21 councils common Waste Management Plan is best delivered by developing the facilities proposed for Hightown Quarry. It is a long-term solution for a long-term problem.

The wisdom and legacy of former elected Members of the Joint Committee in setting the requirements of the Project have never been clearer. The consequences of the Climate Change Act (NI) 2022; the increase in the scope of the UK and EU emissions trading schemes (ETS) to include waste facilities; the adoption of the EU Circular Economy Package by the UK; the roll out of extended producer responsibility (EPR) regulations; and the Mills Report recommendations following the Mobuoy waste crime scandal all point to the need for the arc21 Councils to have access to modern, purpose built facilities that are future proofed to at least 2050.

The Project is compatible with internationally accepted waste hierarchy and provides facilities:

- able to cope with landfill bans;
- meet increasing targets for materials recovered and recycled from residual waste;
- ready to recover and provide low carbon heat to local businesses and citizens;
- able to be include ETS mitigation; and
- able to recover energy to provide synchronous electric power generation valued by the grid system operator that will enable other renewables to connect to the grid.

The Project respects the revised Waste Framework Directive principles of proximity and self-sufficiency while providing councils with locally operated, compliant waste treatment facilities.

Also, having access to its own local treatment facilities councils will provide predictability in future costs of the management of residual waste; give transparency on cash-flows and assurance on the final outlets for recyclates and destinations of all products managed by the Project. A gain sharing mechanism will be built into the Project so arc21 councils can see some benefit from periods of high market prices for electricity and materials.

ANNEXES

ANNEX 1 JOINT COMMITTEE ATTENDANCE APRIL 2023-MARCH 2024

Member	Council	No of meetings eligible to attend ⁴	No of meetings attended
Councillor M Goodman (Chair)	Antrim & Newtownabbey BC	8	4
Councillor E McLaughlin	Antrim & Newtownabbey BC	8	3
Councillor Paul Michael	Antrim & Newtownabbey BC	8	1
Councillor A Cathcart	Ards & North Down BC	8	6
Councillor C Blaney	Ards & North Down BC	8	1
Councillor J Cochrane	Ards & North Down BC	8	4
Councillor T Kelly	Belfast City Council	7	4
Councillor B Smyth	Belfast City Council	7	2
Councillor E McDonough-Brown	Belfast City Council	7	1
Councillor A Givan	Lisburn & Castlereagh CC	8	6
Alderman S Skillen	Lisburn & Castlereagh CC	8	2
Councillor P Kennedy	Lisburn & Castlereagh CC	8	8
Councillor G McKeen (Deputy Chair)	Mid & East Antrim BC	8	7
Councillor R Quigley	Mid & East Antrim BC	8	2
Alderman A Wilson	Mid & East Antrim BC	8	1
Councillor T Andrews	Newry, Mourne and Down DC	8	4
Councillor C Enright	Newry, Mourne and Down DC	8	5
Councillor K Murphy	Newry, Mourne and Down DC	7	5
Total		140	66
			47% attendance

Councillors Kelly, Smyth, McDonough-Brown and Murphy were nominated to the Joint Committee in August 2023

⁴ There were 8 meetings scheduled in the year, however the March meeting was inquorate and could not go ahead

ANNEX 2 KEY PERFORMANCE INDICATORS

No.	Description	KPI Target 2023/24	Achieved 2023/24	Comments
Stakeholder Focus				
1	Total waste diverted from landfill through arc21 contracts - tonnes diverted	> 200k	214k	
2	arc21 team advocacy with relevant stakeholders - number of key meetings attended	> 100	186	
3	arc21 engagement with partner councils - number of visits to partner councils' chambers	4	1	Dependant on requests from councils
Improving Process				
4	Conduct annual customer survey	1	1	
5	Internal processes in place to deliver/ maintain ISO9001	1	maintained	
6	Benchmark to assess comparative costs & performance with similar waste management organisations	1	1	
Operations, Finance & Governance				
7	Establishment costs of arc21/total tonnes of waste delivered to arc21 contractors	< £2.80	£2.51	
8	Aggregate cost per tonne of total tonnes of waste delivered to arc21 contractors	< £105.50	£94.31	
9	Establishment costs of arc21 per tonne/aggregate cost per tonne of waste delivered	< 4%	2.7%	
10	Ratio of operating costs to turnover	< 5%	3.0%	
11	Percentage of invoices paid to suppliers within 30 days of receipt	> 90%	97%	
12	Debtor days	< 20 days	12.6 days	
13	Percentage of non-compliance re level of service resolved within 72 hours	>95%	100%	
14	Percentage of tender invitations which result in 2 or more submissions	>90%	33%	Includes 4 tender exercises in limited markets.
15	Percentage of procurements successfully delivered	100%	100%	
16	Percentage of non overweight vehicles in haulage contract	100%	97.2%	Ongoing review within the contract management process.
17	Percentage of turnaround times within contract limit - recorded at landfill/recycling facilities	> 95%	99.5%	
18a	High standard of financial assurance, governance and risk management by:			
	- monthly management accounts	12	12	
18b	- maintain risk management strategy	4	4	
18c	- maintain an audit management strategy	1	1	
18d	- identify efficiency measures and new revenue streams/annual budget	Ongoing	Ongoing	

18e	- maintain Joint Committee schedule	8	7	Mar24 meeting was inquorate.
18f	- maintain Audit Committee schedule	3	0	AC not reformed after May23 elections due to low level of nominations from Members.
Learning & Growth				
19	Percentage of staff that have an annual PDP and receive an annual appraisal and review	100%	100%	
20	Number of capacity building engagements	1	1	
21	Number of CEX meetings	> 4	10	
22	Percentage of days arc21 staff are absent from work	< 67.5 days	26 days	

ANNEX 3 INCOME AND EXPENDITURE STATEMENT

A Summary of the Comprehensive Income and Expenditure Statement is set out below in respect of the 2023/24 year in comparison with the 2022/23 year.

	2023/24	2022/23
INCOME:	£	£
Participant Councils	994,000	960,000
Financing and Investment Income	86,946	14,240
-		
Landfill Service and Residual Waste	24,564,708	17,773,974
Organic Waste	10,287,097	8,970,053
Mixed Dry Recyclates	3,654,235	3,847,173
Haulage	1,705,942	1,327,182
Supplies	1,209,801	1,589,882
Street Sweepings	694,991	534,024
Bring Service	599,799	561,279
Other Contract Income	5,838	6,594
	42,722,411	34,610,161
TOTAL INCOME	43,803,357	35,584,401
EXPENDITURE:		
Employee Costs	701,037	771,282
Financing and Investment Expenditure	-	17,000
Other Costs and Administrative Costs	603,599	694,540
<u>Contract Expenditure:</u>		
Landfill Service and Residual Waste	24,564,708	17,773,974
Organic Waste	10,287,097	8,970,053
Mixed Dry Recyclates	3,654,235	3,847,173
Haulage	1,705,942	1,327,182
Supplies	1,209,801	1,589,882
Street Sweepings	694,991	561,279
Bring Service	599,799	534,024
Education Vehicle	-	151
Other Contract Income	5,838	6,594
	42,722,411	34,610,312
TOTAL EXPENDITURE	44,027,047	36,093,134
SURPLUS / (DEFICIT) ON THE PROVISION OF SERVICES	(223,690)	(508,733)
Re-measurement of the Net Defined Benefit Liability (Asset)	37,000	839,000
Other Comprehensive Income and Expenditure	37,000	839,000
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	(186,690)	330,267

ANNEX 4

GLOSSARY OF TERMS

ACP	Advisory Committee on Packaging
AGM	Annual General Meeting
AGRS	Audit, Governance and Risk Services, Belfast City Council
CEXs	Chief Executives
CIPFA	Chartered Institute of Public Finance and Accountancy
CIWM	Chartered Institution of Wastes Management
CSO	Corporate Strategic Objectives
DAERA	Department of Agriculture, Environment and Rural Affairs
DEFRA	Department for Environment Food & Rural Affairs
DPS	Dynamic Purchasing System
DfE	Department for the Economy
EPR	Extended Producer Responsibility
ETS	Emissions Trading Scheme
FEI	Further Environmental Information
GWWG	Government Waste Working Group
H&S	Health & Safety
HR	Human Resources
JC	Joint Committee
KPI	Key Performance Indicator
LARAC	Local Authority Recycling Advisory Committee
LCCC	Lisburn & Castlereagh City Council
MRF	Material Recovery Facility
NAWDO	The National Association of Waste Disposal Officers
NIAO	Northern Ireland Audit Office
NMDDC	Newry, Mourne and Down District Council
PAC	Planning Appeals Commission
PDP	Personal Development Plan
POPs	Persistent Organic Pollutants
RWTP	Residual Waste Treatment Project
SG	Steering Group
SIB	Strategic Investment Board
SMT	Senior Management Team
SOLACE	Society of Local Authority Chief Executives and Senior Managers
WEEE	Waste Electrical and Electronic Equipment
WNC	Waste Network Chairs

