

NORTH LONDON WASTE AUTHORITY

At a meeting of the **NORTH LONDON WASTE AUTHORITY** held on **THURSDAY, 9TH FEBRUARY, 2023** at 2.30 pm in the Council Chamber, Crowndale Centre, 218 Eversholt Street, London, NW1 1BD

MEMBERS OF THE AUTHORITY PRESENT

Councillors Clyde Loakes (Chair), Mete Coban (Vice-Chair), Kate Anolue, Robert Chapman, Geof Cooke, Paul Douglas, Nelly Gyosheva, Mike Hakata, Richard Olszewski and Alan Schneiderman

MEMBERS OF THE AUTHORITY ABSENT

Councillors Rowena Champion, Isidoros Diakides, Adam Harrison and Diarmaid Ward

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the North London Waste Authority.

MINUTES

1. GUIDANCE ON HYBRID MEETINGS

RESOLVED –

THAT the hybrid meeting procedures set out on the agenda be agreed.

2. APOLOGIES

Apologies for absence were received from Councillors Champion, Diakides, Harrison and Ward.

3. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

Councillors Clyde Loakes and Mete Coban declared an interest in items on the agenda relating to LondonEnergy Ltd (LEL) as they had been appointed as Non-Executive Directors of LEL by the Authority. It was noted that Councillor Loakes had been given a dispensation from his local authority to participate and vote on the items. Councillor Coban had not yet been given a dispensation from his local authority to participate and vote on the items and so would leave the room and not participate in Item 10: Budget and Levy 2023/24 and Item 18: Governance of LondonEnergy Ltd.

Councillors Kate Anolue and Nellie Gyosheva declared a non-pecuniary interest in Item 8: Management of Recyclates from the London Borough of Enfield and indicated that they would leave the room during consideration of the item.

4. MINUTES

In relation to Item 9 of the minutes, the North London Heat and Power Project Programme Director gave a brief update on actions taken following the fatality on the site, and confirmed that the contractor was offering ongoing support to the family of the deceased worker.

RESOLVED –

THAT the public minutes of the meeting held on 15th December 2022 be approved and signed as a correct record.

5. ANNOUNCEMENTS

Broadcast of the meeting

The Chair announced that the meeting was being broadcast live by Camden Council to the Internet and could be viewed on its website for twelve months after the meeting. After that time, webcasts were archived and could be made available upon request.

Those who were seated in the Council Chamber or participating via Teams, were deemed to be consenting to having their contributions recorded and broadcast and to the use of those sound recordings and images for webcasting and/or training purposes.

6. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT

There was no notification of urgent business.

7. DEPUTATIONS (IF ANY)

There were no deputations.

8. MANAGEMENT OF RECYCLATES FROM THE LONDON BOROUGH OF ENFIELD

Councillors Kate Anolue and Nellie Gyosheva left the room and did not participate in consideration of this item.

Consideration was given to a report of the Head of Strategy and Services, who advised that, further to the reference in the report to food waste from the London Borough of Barnet, Barnet had clarified that there was no intention to increase the volume of food waste in 2023/24.

Members of the Authority welcomed the proposal for the Authority to manage dry mixed recycling and organic waste materials collected by Enfield, commenting that it would enhance partnership arrangements and bring financial benefit to all constituent authorities. Officers were thanked for their work on bringing this proposal forward.

In response to a question about contamination rates, the Head of Strategy and Services commented that rates in Enfield were similar to those in other boroughs and a major benefit of this proposal was that the Authority had wider scope to accept contaminated materials.

RESOLVED –

- (i) THAT the update be noted;
- (ii) THAT the effect on borough levies under the menu pricing arrangement be noted; and
- (iii) THAT authority be delegated to the Managing Director, in consultation with the Chair and Vice-Chairs, to vary the existing contract with Biffa Waste Services Ltd for the inclusion of Enfield Recyclate.

ACTION BY: Managing Director

9. 2022/23 FINANCE UPDATE

Consideration was given to a report of the Financial Adviser.

In response to questions, officers made the following remarks:

- The Authority did not hold revenue reserves and any surplus went towards offsetting the following year's levies. The capital reserves were in place to fund the North London Heat and Power Project.

- The £970m that had been borrowed to fund the Project would cover the majority of the cost. It had been borrowed in good time, taking account of low interest rates.
- In the unlikely event that the Authority found in-year that the levy to constituent boroughs was insufficient, it could request additional funding from them but could not impose an additional levy.

The Chair remarked that the budget forecast was based on the previous year's activity and information about service changes planned by the constituent boroughs, and had not, as far as he was aware, ever led to a need to request further funding from the boroughs in-year. Rather there was often a small surplus at the end of the year, which was then subtracted from the following year's levies. The Managing Director remarked that there were occasions when an individual borough's levy in one year turned out to be insufficient to cover its own liabilities, in which case the deficit was carried into the following year, but overall the tonnage forecasts were generally accurate.

RESOLVED –

- (i) THAT the update on the audit of 2020/21 and 2021/22 accounts be noted; and
- (ii) THAT the review of the 2022/23 revenue budget be noted.

10. BUDGET AND LEVY 2023/24

Councillor Mete Coban left the room and did not participate in consideration of this item.

Consideration was given to a report of the Financial Adviser.

Members welcomed the way that the Authority had treated the windfall rebate, which had been very helpful to the constituent boroughs at a time when the cost of living crisis had placed additional pressures on them. Officers were thanked for their work in this regard. A Member also commented that the situation revealed the flaws of the marginal pricing system in the energy market, but the fact that the LEL facility was wholly owned by the Authority at least meant that there was some benefit to residents from the surplus generated by that system.

RESOLVED –

- (i) THAT, the Authority having satisfied itself that the proposed budget will be sufficient to meet the net expenditure requirements for the year ahead, the 2023/24 budget be agreed;
- (ii) THAT it be agreed to use revenue balance of £10.439m to support the 2023/24 budget;

- (iii) THAT the levy resource requirement for 2023/24, as laid out in table 1 in paragraph 1.8 of the report, be agreed;
- (iv) THAT a rebate to the levy of £10.2 million to reflect the windfall income that will be received in-year from LondonEnergy Ltd, as laid out in paragraphs 1.10 to 1.13 of the report, be agreed;
- (v) THAT the Financial Adviser be authorised to make the arrangements for collection of the levy and charges for non-household and household waste;
- (vi) THAT the basis for calculating the Minimum Revenue Provision, as laid out in section 6 of the report, be approved;
- (vii) THAT the per tonne charge for non-household and chargeable household residual and recyclable waste, as laid out in table 4 in paragraph 2.21 of the report, be approved; and
- (viii) THAT the medium-term budget forecasts for 2024/25, 2025/26 and 2026/27 be noted.

ACTION BY: Financial Adviser

11. NORTH LONDON HEAT AND POWER PROJECT UPDATE AND REPORTS

Consideration was given to a report of the Programme Director.

The Chair remarked that the communications that had gone out in respect of National Apprenticeship Week had been excellent and he thanked the officers concerned, adding that the social value aspect of the Project was very important to Members of the Authority. He asked officers to increase efforts to recruit more apprentices from Islington, Camden and Barnet. Finally, he remarked that some of the ward names in the report were incorrect as there had been some recent changes.

In response to a question regarding the recycling of pallets, the Programme Director commented that this had been highly successful and was part of Taylor Woodrow's programme to recycle 99% of construction waste. On the delays to the programme for delivery of the Resource Recovery Facility (RRF), he remarked that this was a challenge but officers were working very closely with the contractor and confidence was increasing that this could be successfully dealt with.

A Member commented that the use of 2019 prices in the budget reporting felt a little odd in the light of recent price rises. The Managing Director remarked that the intention was to bring forward proposals to address this and work was in hand to increase the clarity of budgeting reporting for the Project.

In response to a question about the destination of the various materials, the Head of Strategy and Services pointed Members to paragraph 6.6 of the report which set out the destinations for the major waste streams, and added that, with the exception of Cory, all third party suppliers were within a relatively short distance of the EcoPark. It was only day four of the offsite programme but it had started well, with good cooperation from the boroughs.

The Programme Director commented that dialogue had already commenced with the Environment Agency regarding the licensing of the RRF. The Managing Director of LondonEnergy Ltd explained that the Project facilities already had a super-licence and LEL were now in the process of discharging a number of conditions that were required to be met before the new facilities could begin operations.

In response to a question about the RE-Power community initiative, the Programme Director confirmed that there would be several more rounds and that it would be open to organisations from all boroughs to apply for grant funding. The Chair suggested that Members enthusiasm for the initiative be conveyed to Acciona and that they be asked to begin the next round as early as possible.

RESOLVED –

THAT the report be noted.

12. CONSULTATIONS AND POLICY UPDATE

Consideration was given to a report of the Managing Director.

In response to a question about the new food waste infrastructure being trialled in Islington and Hackney to address the challenges of collection from certain types of property, the Head of Strategic Communications commented that the evaluation was ongoing. The Chair requested an update to Members before the next meeting.

ACTION BY: Head of Strategic Communications

A Member commented on the fact that the Government proposals to ban certain single use plastics in takeaway services did not include plastic sandwich boxes and remarked that further lobbying was required on this. He added that was worth noting that the Authority had been working with the Local Government Association on the Electricity Generator Levy.

In response to a question about the Deposit Return Scheme and whether the Authority would be able to claim the deposit back on bottles placed in recycling, the Managing Director remarked that the government was proposing that local authorities would be able to claim deposits back. However, more work was needed on how to separate these out from the waste stream, clean them and return them in fair condition in order to maximise the income from this. A Member commented that this might provide a further impetus to explore pre-sorting technology.

The Chair commented that when Extended Producer Responsibility (EPR) and the Deposit Return Scheme (DRS) were first consulted on, the understanding had been that funding from EPR would be passed back to collection and disposal authorities to fund the changes to services needed to increase recycling. The delay in implementing EPR therefore meant that funding these changes could become an extra burden for local authorities. The Managing Director remarked that dilution of proposals could adversely affect environmental gains, though it was positive that at least Ministers acknowledged that there was a constructive agenda on waste and some new momentum to move this work forward. The Chair remarked that he would take up the need to progress EPR with the Local Government Association and he encouraged colleagues to lobby on this too.

RESOLVED –

- (i) THAT the proposed Government Electricity Generator Levy be noted;
- (ii) THAT the update on the Deposit Return Scheme be noted;
- (iii) THAT the update on the Government Consistency of Collection consultation, including new information on proposals for Separate Food Waste Collections, be noted;
- (iv) THAT proposals for further Packaging Reforms and the ban of single use plastics in takeaway settings be noted; and
- (v) THAT authority be delegated to the Managing Director, in consultation with the Chair and Vice Chairs, to respond to ongoing Government consultations and policies and liaise with Government officials on proposals which will impact Authority operations or activities.

ACTION BY: Managing Director

13. FORWARD PLAN

Consideration was given to a report of the Managing Director.

RESOLVED –

THAT the report be noted.

14. ANY OTHER ITEMS THE CHAIR DECIDES TO TAKE AS URGENT

There were no items of urgent business.

15. LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

RESOLVED -

THAT the press and public be excluded from the proceedings of the North London Waste Authority on 15th December 2022 during consideration of the following items on Part II of the agenda, on the basis that, were Members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

Specifically:

Exempt Information Category 3 – Information relating to the financial or business affairs of any particular person, including the authority holding that information, and not required to be registered under various statutes: the reasons why the public interest favours withholding the information are that the release of such information would prejudice the Authority's conduct of a commercial operation OR because the disclosure of the information is likely to prejudice the commercial interests of the Authority and organisations engaged in commercial activities as the information related to commercial activities that are conducted in a competitive environment.

16. MINUTES

RESOLVED –

THAT the private minutes of the meeting held on 15th December 2023 be approved and signed as a correct record.

17. NORTH LONDON HEAT AND POWER PROJECT PROGRAMME UPDATE

Consideration was given to a report of the Programme Director.

A Member remarked that, whilst it was good to have a grip on the base costs of the project, he was very keen to see the costs adjusted for inflation. The Chair suggested an informal session with Authority Members on project finances and costs adjusted for inflation.

ACTION BY: Managing Director

RESOLVED –

THAT the cost and commercial status summary be noted.

18. GOVERNANCE OF LONDONENERGY LTD

Councillor Mete Coban withdrew and did not participate in this item.

Consideration was given to a report of the Managing Director.

A Member remarked that the practice in the company minutes of referring to attendees as Mr or Mrs was rather antiquated. The Managing Director undertook to pass this observation on to the secretariat.

RESOLVED –

- (i) THAT the comments on the Company's performance and activities be noted; and
- (ii) THAT the report for the Fourth Quarter 2022 on LondonEnergy Ltd's activities and Board Minutes for October and December 2022 be noted.

19. ANY OTHER EXEMPT ITEMS THE CHAIR DECIDES TO TAKE AS URGENT

There were no exempt items of urgent business.

The meeting ended at 3.52pm.

CHAIR

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MINUTES END