

NORTH LONDON WASTE AUTHORITY

At a meeting of the **NORTH LONDON WASTE AUTHORITY** held on **THURSDAY, 14TH DECEMBER, 2023** at 2.30 pm in Council Chamber, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE AUTHORITY PRESENT

Councillors Clyde Loakes (Chair), Rowena Champion (Vice-Chair), Mete Coban (Vice-Chair), Robert Chapman, Geof Cooke, Isidoros Diakides, Paul Douglas, Elif Erbil, Mike Hakata, Adam Harrison, Richard Olszewski, Bektas Ozer and Diarmaid Ward

MEMBERS OF THE AUTHORITY ABSENT

Councillors Alan Schneiderman

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. APOLOGIES

Apologies for absence were received from Councillor Alan Schneiderman.

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

Councillors Clyde Loakes, Mete Coban and Rowena Champion 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 they had been given dispensations from their local authorities to participate and vote on the items.

3. MINUTES

RESOLVED –

THAT the minutes of the meeting held on 5th October 2023 be approved and signed as a correct record.

4. 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 remotely, 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.

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

The Chair announced that a report on membership of the Authority had been published as an urgent item in the Supplementary Agenda and would be considered under *Item 14: Any other items the Chair decides to take as urgent*.

6. DEPUTATIONS (IF ANY)

There were no deputations.

7. GOVERNANCE OF LONDONENERGY LTD

Consideration was given to the report of the Managing Director.

In response to a request for clarification over the Electricity Generator Levy, Justin Price (Finance Director, LondonEnergy Ltd (LEL)) explained that following the energy crisis 18 months previously, electricity prices had increased significantly. The Government had introduced what was effectively a supertax on the electricity sold by generators resulting in a large liability for the company, without which it would not need additional funding.

It was explained that the forecast £9 million gap between income and expenditure in 2024 was as robust as possible. It was a straight-line forecast, neither too cautious or aggressive. There were risks in running the plant given its age. In 2023, the plant had been run at 7% lower production than had been planned, with 1% reduction in production equating to approximately £1 million. Having worked with external advisers, the plan was as robust as it could be given the uncertainties.

With regard to the improvement noted in the safety record, Jim Kendall (Managing Director, LEL) noted that it was difficult to draw a causal link between actions and a reduction in accidents but there had been work on a fatality prevention programme, focused on implementation of “life-saving rules” around areas of greatest risk.

The Managing Director confirmed that without the Electricity Generator Levy there would not have been a forecast gap between income and expenditure. It was unlikely that the forecast gap would be a one-off situation and NLWA officers were working with LEL to understand the continuing pressures. A report would be brought

to the Authority in the first half of the next financial year to provide early insight on the impact of external factors.

In response to a question about sending waste for processing at alternative energy from waste facilities, the Managing Director of LEL explained that the overwhelming majority of the capacity of the Energy from Waste plant was used to treat waste from the seven north London boroughs. Where waste from the seven north London boroughs could not be treated at the Edmonton plant for reasons of planned or unplanned maintenance, LEL would divert it to a licensed third party contractor such as Cory Riverside in South East London in order to meet its obligations.

RESOLVED –

- (i) THAT the comments on the company's performance and activities be noted;
- (ii) THAT the company budget for the year 2024 be approved; and
- (iii) THAT the approach set out in section 7 to formal reappointment of board members appointed in January 2021 be agreed.

8. WASTE PREVENTION PLAN UPDATE

Consideration was given to the report of the Head of Strategic Communications.

The Chair commended the waste reduction programme, including the reusable period products project, and requested a table be circulated breaking down uptake by borough of the reusable nappy subsidy before and after the voucher value had been increased.

ACTION: Head of Strategic Communications

There had been significant support from residents for the Together We Recycle campaign which had come from the Member Recycling Working Group and the evidence indicated that it was having an impact. The Chair requested information on how the School Uniform Exchange project was working.

ACTION: Head of Strategic Communications

It was noted that there was an intention to embed anti-racism into evaluations of the projects but that the report did not go into detail on this. Many organisations had done valuable work on this and it was queried whether any discussions had taken place with them on what those mechanisms looked like. It was also queried whether there was any analysis of how many Black and Global Majority groups applied and were successful with their proposals to the Community Fund, and how they were supported through the process. Officers confirmed that they would be working with boroughs to identify best practice for the next round of the Community Fund. The fund was being advertised through voluntary and community sector networks developed by borough partners. Organisations were being supported through the process of making a proposal with both one to one sessions and webinars.

Councillor Mete Coban offered to share the findings on behavioural change initiatives in Hackney with officers.

The campaign work was welcomed as a key part of the work of the NLWA, acknowledging that all those within the seven boroughs needed to work in partnership to achieve waste reduction. The Community Fund was recognised as important for funding of local groups. Further metrics on how much waste reduction and carbon reduction had been achieved from the Fund and other programmes was requested, although it was acknowledged that external groups may not be able to gather that data. Officers explained that the Fund had been split, allowing smaller groups to complete a different evaluation mechanism than organisation that received a larger grant and would be expected to provide different levels of benchmarking and robust data. Quantifying carbon savings from the diversion of waste would be explored further.

ACTION: Head of Strategic Communications

Members requested to see performance indicators for the success of the Community Fund to provide clarification on the difference being achieved.

ACTION: Head of Strategic Communications

RESOLVED –

- (i) THAT the update be noted;
- (ii) THAT it be approved that officers include in their proposals for the 2024/25 and 2025/26 budgets funding for the North London Community Fund budget of £250,000 in each year.

9. FINANCE UPDATE

Consideration was given to the report of the Financial Adviser.

It was noted that the issues around cost increases driven by the age and condition of the current energy from waste facility indicated the kind of costs the Authority would have been facing from a pause and review of the North London Heat and Power Project. A pause and review would also have exposed the Authority significantly more to rising interest rates. It was also emphasised that the reduction in the forecast levy for Camden was off-set by the increase in charges due to a recategorisation of waste tonnage forecasts, with the overall payment by Camden Council remaining the same. With regard to the timing of audits, it was recognised that many local authorities faced delays and this was not due to any fault of the Authority.

In response to questions about the Haringey levy forecast, it was clarified that the Inter-Authority Agreement in 2016 established a menu-pricing model that meant the more waste a borough produced, the more it paid. Work on waste reduction and

behaviour change was ongoing. The exact details for how the forecast levy for Haringey Council had been calculated could be provide to the Haringey Members.

ACTION: Director of Corporate Services

It was clarified that funding the £9 million gap at LondonEnergy Ltd (LEL) between income and expenditure would not contribute to the increased levy as interest on existing balances would be used.

Key risks to the levy for 2024/5 related to the timely transition into operation of the resource recovery facility, to avoid the need for continued waste diversion. This had been flagged and was being actively managed. There was also uncertainty over insurance premiums for the new facility and officers were working with the Authority's insurance brokers. The risk had been budgeted for.

In response to questions about the potential duplication of communications activity between the Authority and boroughs, it was confirmed that the Waste Prevention and Communications Programme was included as a line item in the budget. Discussions were ongoing with boroughs to understand the scope of their work, avoid duplication and ensure the Authority was providing support.

In response to suggestions that efforts be redoubled given the increase in residual waste and reduction in recycling successes, the Chair commented that borough councils had a role in waste reduction, including through promoting recycling services and changing service offers to prioritise recycling as default. There had been a plateau in recycling rates in urban areas but north London waste tonnages should not be compared with that of small rural district councils, which have very different densities and far more garden waste. Dry recycling tonnages were fairly similar. There was also a need to challenge the Government to ban items which contributed unnecessarily to waste streams.

Officers explained that the Authority was a shareholder of LEL and had a contract with the company to dispose of the majority of its waste. The Authority paid less to LEL per tonne of waste than other waste authorities paid to private contractors. As the owner of LEL, the Authority did not require large profits and bonuses to be paid, which enabled lower costs. LEL faced higher costs due to the age of the facilities and it being less reliable. The additional maintenance and diverting waste to third parties was not covered by the contract payments by the Authority. Given the uncertainties of recent years with challenges and windfalls alternating, it was not proposed to amend the contract but to treat the funding gap as a shared problem. The forecast gap had been reduced to £9 million from £20 million and it was anticipated that similar processes would reduce any future gaps. In the event of not funding the £9 million gap, the money would probably have been used to reduce the repayment profile on borrowings to fund new facilities.

With regard to carbon capture, the work being undertaken was to study the technologies, transport and storage arrangements, and regulatory requirements. The intention was to put forward a carbon capture solution in a few years. The

Government was progressing less quickly than expected. A briefing would be given to the Member Finance Working Group in January 2024 and a report would be brought to the full Authority in February 2024.

ACTION: Managing Director

RESOLVED –

- (i) THAT the review of the 2023/24 financial position be noted;
- (ii) THAT the current assessment of the budget and resource requirements for 2024/25 and the factors that could affect the level of the 2024/25 levy be noted;
- (iii) THAT the issues that will need to be addressed in setting the budget and levy for 2024/25 at the Authority meeting on 8 February 2024 be noted; and
- (iv) THAT the Audit Strategy Memorandum in appendix D to the report be noted.

10. CONSULTATION AND POLICY UPDATE

Consideration was given to the report of the Managing Director.

RESOLVED –

- (i) THAT the update provide on “Simpler Recycling” waste reforms and the response to related consultations related Simpler Recycling consultation be noted;
- (ii) THAT the recent response to the Government’s consultation on “Creating a Smoke free generation and tackling youth vaping” be noted; and
- (iii) THAT the recent response to the Government’s consultation on “Ban of the manufacture, supply and sale of wet wipes containing plastics” be noted.

11. NORTH LONDON HEAT AND POWER PROJECT UPDATE AND REPORTS

Consideration was given to the report of the Managing Director. The Chair congratulated the North London Heat and Power Project on winning two sustainability awards at the Environment Analyst Brownfield Awards.

RESOLVED –

THAT the content of the report be noted.

12. BRINGING THE NEW RESOURCE RECOVERY FACILITY INTO OPERATION

Consideration was given to the report of the Head of Strategy and Services.

RESOLVED –

THAT the update on Transition Arrangements be noted.

13. FORWARD PLAN

Consideration was given to the report of the Managing Director.

RESOLVED –

THAT the report be noted.

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

Membership of the Authority 2023/24

Consideration was given to the report of the Managing Director in the Supplementary Agenda.

The Chair had agreed that the report be brought to the Authority as an urgent item of business. This is because a Member of the Authority was at risk of ceasing to be a Member unless the Authority accepted a reason for their absences at the meeting.

RESOLVED –

THAT the reason for absence of Councillor Alan Schneiderman from the Authority's meetings, being unavoidable work commitments which could not be rearranged, be approved until the 8 February 2024, the date of the next Authority meeting.

The meeting ended at 3.40 pm.

CHAIR

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MINUTES END