

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: STRATEGY AND POLICY UPDATE

REPORT OF: MANAGING DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 9 OCTOBER 2025

SUMMARY OF REPORT:

This report updates on local and national policy developments relevant to the strategy and operations of the Authority including progress with approving the North London Joint Waste Strategy and progress on national initiatives concerning extended producer responsibility and emissions trading.

RECOMMENDATIONS:

The Authority is recommended to note the report.

SIGNED:  Managing Director

DATE: 29 September 2025

1. INTRODUCTION

- 1.1. This paper provides an update for Members on north London strategy and public affairs activity, as well as government consultations and policies that are relevant to the Authority and have the potential to affect the Authority's operations, performance and/or costs. It provides an update on:

- 1.1.1. North London Joint Waste Strategy 2025-2040;
- 1.1.2. Extended Producer Responsibility for Packaging (pEPR) payments;
- 1.1.3. Emissions Trading Scheme (ETS);
- 1.1.4. Public affairs activity

2. NORTH LONDON JOINT WASTE STRATEGY 2025-2040

- 2.1. Following the approval of the Strategy at the NLWA Authority Meeting on 19 June 2025, the Strategy has now been considered in the governance processes of the majority of north London boroughs. The outcome of each is as follows:
- 2.1.1. 17 June - Barnet – Cabinet – approved
 - 2.1.2. 22 July - Waltham Forest – Senior Leadership Team – approved
 - 2.1.3. 15 July - Haringey – Cabinet – approved
 - 2.1.4. 16 July - Camden – Cabinet – approved
 - 2.1.5. 21 July - Hackney – Cabinet- approved
 - 2.1.6. 25 September – Islington Executive Meeting – Approved (subject to call-in)
- 2.2. It should be noted that no significant changes to the Strategy have been requested at these meetings, and any questions submitted have now been answered by officers.
- 2.3. The London Borough of Enfield will consider approving the Joint Waste Strategy at their Cabinet Meeting on 15 October. NLWA officers are working with officers from the London Borough of Enfield to ensure they have the necessary briefing material and information to ensure the governance process goes smoothly.
- 2.4. Provided London Borough of Enfield approve the Strategy and London Borough of Islington decision is not subject to call-in, there will be an update at the NLWA Authority Meeting on 4 December to confirm the Strategy has been formally adopted by the Authority and its constituent boroughs. Following this, work will start to prepare the first Strategy Delivery Plan, in collaboration with all seven boroughs.

3. Extended Producer Responsibility for Packaging (pEPR) Payments

- 3.1. 2025/26 will be the first year of pEPR being in operation. The scheme intends to shift the way in which packaging waste is generated and managed, by ensuring that businesses pay a fairer contribution towards the collection, recycling, and disposal of household packaging waste that arises from their products. As part of this, local authorities (LAs) are due to receive a yearly payment according to the amount of household packaging waste in their waste streams and the costs that are incurred to manage it.
- 3.2. Following the provisional payment assessments for the first year of pEPR shared with LAs in November 2024, the Department for Food and Rural Affairs (Defra) and PackUK (the pEPR Scheme Administrator) shared a revised set of assessments for 2025/26 in July 2025, based on amendments to the payment calculation model and additional information.
- 3.3. As a result of these amendments to the model, north London as a whole could be better off. This can be seen in the below table which shows the changes between the 2025/26 provisional and updated assessments for north London.

	Nov24 Assessment	Jul25 Assessment	Difference	% Change
Barnet	£4,509,420	£6,079,454	£1,570,034	35%
Camden	£2,305,917	£3,008,585	£702,668	30%
Enfield	£3,260,220	£4,608,456	£1,348,236	41%
Hackney	£2,759,487	£3,884,419	£1,124,933	41%
Haringey	£2,899,695	£3,448,908	£549,213	19%
Islington	£2,371,623	£2,669,446	£297,823	13%
Waltham Forest	£3,283,676	£4,113,722	£830,046	25%
NLWA	£14,479,000	£13,204,359	-£1,274,641	-9%
North London Total	£35,869,038	£41,017,350	£5,148,312	14%

- 3.4. The north London boroughs all received increased amounts in their revised assessments. This is mainly due to the changes in methodology for grouping waste collection authorities, which determines the cost per tonne for collection of residual waste and dry recycling. Officers in the Authority and constituent boroughs continue to highlight the challenges and costs of managing waste in dense urban areas. The allocations suggest that there is growing recognition of this. It is important to note that while borough assessments have been increased, authorities' receipt of payment for this additional amount is dependent on PackUK raising sufficient funds from producers' fees.
- 3.5. NLWA has however been allocated a lower amount in its revised assessment, reduced by almost £1.3m or 9%. This is in line with the majority of disposal authorities across the country. While the exact calculations behind the model are still unknown, it is believed that the main drivers behind this reduction are changes

to how facility gate fees are accounted for, and how adjustments to account for inflation are calculated.

- 3.6. For the first year of the scheme, the Treasury have guaranteed that all LAs will receive the amounts originally presented to them in the provisional assessment notices in November 2024. This means that if an authority has been allocated a lower amount in their revised assessments, they will still receive the original higher amount. For those authorities, such as NLWA, the shortfall will be paid via Section 31 grants by the Ministry of Housing, Communities and Local Government in March 2026.
- 3.7. The Authority – along with other local authorities – has recently been approached by Defra to sign a declaration to confirm its ‘intention to spend the pEPR funds solely on household packaging waste management and recycling.’ This appears to be a straightforward declaration to make since costs for managing waste and recycling far outweigh pEPR income. However, officers from NLWA and other authorities will seek clarification as to whether any wider verification of pEPR expenditure is intended.
- 3.8. Local authorities will also be informed of their payment amounts for 2026/27 by 1 November 2025.

4. EMISSIONS TRADING SCHEME (ETS)

- 4.1. The UK ETS is a cap-and-trade system which sets a limit on the total level of permitted carbon emissions across obligated sectors. The scheme requires operators in the power and industrial sectors to purchase carbon dioxide emission allowances equivalent to the total emissions from their installations within a given year. The number of allowances available to purchase is capped and reduces year-on-year, creating a carbon market. In 2023, the government confirmed its intention to expand the scope of the ETS to include waste incineration and energy from waste (EfW) installations by 2028. A consultation was published in May 2024 seeking views on the planned approach to include the waste sector in the ETS.
- 4.2. In July 2025, the government published an interim response to their 2024 consultation. This interim response primarily addresses the scheme’s monitoring, reporting and verification (MRV) period. Other details have been deferred to a subsequent response which will be published at a (yet to be confirmed) later date.
- 4.3. A voluntary MRV period will commence from 1 January 2026 during which obligated facilities can volunteer to monitor and report on their emissions without the need to purchase and surrender carbon allowances. This period will be used by government to gather data and test approaches before making final policy decisions, which will be set out in the second consultation response.

- 4.4. Officers are considering with LondonEnergy Ltd the practical requirements of taking part in the voluntary MRV period. Government is due to publish detailed guidance later this year, after which a decision will be taken on LondonEnergy Ltd's potential participation.
- 4.5. The Government's consultation response for the first time made explicit recognition that the scheme places challenges on local authorities, who have limited control over the composition of the waste they are required to collect and manage. This reflects the concerns raised by NLWA and others in the sector throughout the consultation process. The consultation response includes an undertaking from Government that "local authorities will not be expected to cover full ETS costs." However, detailed proposals to help local authorities manage the impacts of the scheme are not set out and will instead be included in the second consultation response. The interim response does confirm that the ETS will align with pEPR so that the additional carbon costs incurred by local authorities for disposing of packaging materials are considered as part of the calculation of future pEPR payments. It is not yet clear how this policy will be implemented, but it should result in the ETS burden of fossil-based packaging waste being placed at least partially on producers rather than local authorities. This again reflects a key ask raised by NLWA in its consultation responses and public affairs activity.
- 4.6. The government's second consultation response is not expected until sufficient data has been collected from the MRV period, meaning that it is unlikely to be published until summer 2026 at the earliest. In the meantime, the Authority will continue to engage with government and campaign to influence the final policy decisions and design of the scheme.

5. PUBLIC AFFAIRS ACTIVITY

- 5.1. Over the past six months, officers have worked to develop several policy position statements on pertinent areas of government policy – including the Emissions Trading Scheme, the Deposit Return Scheme and lithium-ion batteries - with further statements in development. These statements ensure messaging is clear and consistent when officers and members are conversing with government officials and other decision makers.
- 5.2. A draft 'Call to Action' document is being prepared and will be considered by the Member Recycling Working Group. This public facing document would set out the Authority's priority recommendations for government and provide a clear internal and external focus for influencing work over the coming year.
- 5.3. The Authority has secured significant engagement to highlight the issue of waste fires caused by batteries. This includes a meeting with Defra officials responsible for waste batteries as well as attending a policy roundtable convened by the Industry Council for Electronic Equipment Recycling and another jointly by Material Focus and Defra. Councillor Clyde Loakes, Chair of the Authority also spoke to this issue at

the LetsRecycle WEEE conference held in March, while the Authority will be co-hosting a parliamentary roundtable with the charity Electrical Safety First to highlight this issue to parliamentarians (this was initially scheduled for early September, but had to be postponed due to industrial action on the Parliamentary Estate).

- 5.4. Officers have made efforts to ensure regular engagement with key political stakeholders in order to develop relationships and build awareness of NLWA. This includes establishing a quarterly newsletter, which provides an update on behaviour change and education activities, NLHPP progress and policy priorities. Officers have also provided opportunities for these stakeholders to see the Authority's work in action. Deputy Mayor Coban attended the launch of the Lifeafterhummus cafe which NLWA helped to fund through the North London Community Fund, while Bambos Charalambous MP visited EcoPark House and the ERF construction site in August.
- 5.5. The Authority's work with Parliamentary Knowledge Schemes (PKS), a not-for-profit, impartial and cross-party social enterprise developed under the patronage of The Speaker, will also support this effort. PKS put together modular schemes for MPs to equip them with the knowledge and experience to do their job and would like NLWA to be a part of their Environment and Energy scheme by hosting a visit. The visit will be attended by 17 cross-party MPs and officers are currently putting together a proposal to outline what the visit could look like.
- 5.6. NLWA has been approached to place forward representatives to speak or participate in an increasing number of panel discussions and roundtables, illustrating its growing reputation as a respected local authority voice on issues relating to waste and the circular economy. Just a few recent examples of this include an upcoming panel event held by the All Party Parliamentary Group on Sustainable Resources to discuss how to mainstream the circular economy, an event at Labour Party conference hosted by the Socialist Environment and Resources Association (SERA), Labour's Environment Campaign, a speech on food waste at the Local Authority Recycling Advisory Committee (LARAC) conference, and a speaking opportunity at the Carbon Capture and Storage Association (CCSA) annual conference on scaling carbon capture for energy from waste.
- 5.7. In the coming months, NLWA will host its own parliamentary roundtable for key political stakeholders in the context of the new Joint Waste Strategy, it will also consider how the circular economy can create green growth in north London. In addition, the Authority is organising a roundtable – in partnership with Electrical Safety First – on the issue of waste battery fires and is planning a panel event to highlight the challenges posed by waste caused by Absorbent Hygiene Products (AHPs).

5.8. A government reshuffle took place in early September resulting in a number of ministerial moves pertaining to the Authority's work. This includes the appointment of Emma Reynolds MP as Secretary of State for Environment, Food and Rural Affairs and Steve Reed MP as Secretary of State for the Ministry for Housing Communities and Local Government. Councillor Loakes wrote to both Ministers on their appointment, outlining priorities and requesting a meeting.

5.9. The quarterly lobbying report, which will be circulated to Members in October, will give a more detailed overview of public affairs activities during the last quarter.

6. EQUALITY IMPLICATIONS

6.1. There are no equality issues arising from this report.

7. COMMENTS OF THE LEGAL ADVISER

7.1. The Legal Adviser has been consulted in the preparation of this report, and comments have been incorporated.

8. COMMENTS OF THE FINANCIAL ADVISER

8.1. The Financial Adviser has been consulted in the preparation of this report, and comments have been incorporated.

List of documents used:

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