

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

STRATEGY UPDATE

REPORT OF:

PROCUREMENT DIRECTOR

FOR SUBMISSION TO:

NORTH LONDON WASTE AUTHORITY

DATE:

26 September 2013

SUMMARY OF REPORT

This report provides the regular update on planning and waste and energy policy issues affecting the Authority and its procurement for future services. The Authority is asked to note consultation responses.

RECOMMENDATIONS

The Authority is recommended to note the following consultation responses:

- A. The Waste Management Plan for England;
- B. Updated National Waste Planning Policy: Planning for Sustainable Waste Management;
- C. DEFRA and DECC's Call for Evidence: Environment and Climate Change; and
- D. The Electricity Market Reform – Delivery Plan Consultation.

SIGNED:

Director of Procurement

DATE: 26 September 2013

1. PURPOSE OF REPORT

- 1.1 This report asks the Authority to note a number of submitted responses to planning, waste strategy and energy policy consultations that have been submitted to meet externally imposed deadlines since the last Authority meeting. The responses reflect previous Authority decisions or officer responses submitted after consultation with the Char and Vice Chars.

2. PLANNING STRATEGY ISSUES

THE WASTE MANAGEMENT PLAN FOR ENGLAND

- 2.1 Government has consulted on their draft Waste Management Plan. This plan is required by the revised Waste Framework Directive and aims to set the strategic planning framework for the allocation of sites for waste management and the accompanying policies to be used when planning applications for waste facilities are assessed.
- 2.2 The Waste Management Plan for England is essentially a compilation of existing waste management information and policies. It reflects the conclusions of the Government Review of Waste Policy in 2011 and developments since the Review was published. The Plan does not introduce new waste management measures but provides a single reference document for all the different policies, plans and regulations in England which together meet the revised Waste Framework Directive requirement.
- 2.3 The response, submitted after consultation with the Chair and Vice Chairs, is attached at Appendix A. The response is generally supportive but also made some comments on:

- The difficulties of monitoring the environmental impact of the implementation of the plan when the plan is essentially a combination of a range of existing and future measures, some of which already have monitoring regimes in place;
- The draft statement *'that there are likely to be no additional burdens for businesses, consumers and local authorities from adoption of the Plan'*. The response suggested that it was difficult to assess the level of burdens when some elements of the plan were still under consideration.

UPDATED NATIONAL WASTE PLANNING POLICY: PLANNING FOR SUSTAINABLE WASTE MANAGEMENT

- 2.4 Government has consulted on updating the existing waste planning policy framework (currently Planning Policy Statement 10 – PPS10).

- 2.5 At the time of writing this report the Authority's draft response at Appendix B has been circulated to the Chair and Vice Chairs for consideration, but has not been submitted. It is, however, due to be submitted prior to the Authority meeting.
- 2.6 The draft Authority response is broadly supportive of the new proposals but also includes the following points:
- The need for guidance on projections of future waste treatment capacity to ensure more consistency in local authority approaches and on how to measure the cumulative impact of previous waste disposal facilities on the well-being of a local community to be taken into account when making site and area assessments;
 - The policy document suggests that where an energy-from-waste facility is the most appropriate type of development, consideration should be given to siting facilities to enable the utilisation of the heat produced as an energy source. The response is supportive of this addition, but also suggests that it may be helpful to include proximity to heat users as a potential site or area assessment criteria.

COMMUNITY INFRASTRUCTURE LEVY (CIL) CONSULTATIONS

- 2.7 Since the last Authority meeting in June, there have been four CIL consultations:
- Islington Consultation on Community Infrastructure Levy – Draft Charging Schedule and Supporting Information, June 2013
 - Legacy Corporation Community Infrastructure Levy – Preliminary Draft Charging Schedule consultation (for the area covered by the London Legacy Development Corporation).
 - Waltham Forest Publication of the Community Infrastructure Levy Draft Charging Schedule and Revised Planning Obligations Supplementary Planning Document;
 - Camden's Preliminary Draft Charging Schedule
- 2.8 Officers have responded to the first three and propose to respond to the fourth (Camden) in accordance with the 1 October deadline. In all instances the responses reflect the previously agreed NLWA view that CIL approaches should reflect the development of waste facilities as community infrastructure.

3. WASTE AND ENERGY STRATEGY ISSUES

CALL FOR EVIDENCE: ENVIRONMENT AND CLIMATE CHANGE

- 3.1 Delegated authority was provided to the Director of Procurement at the June meeting to respond to the joint Defra and DECC Consultation on how EU Environment and Climate Change policies affect the UK.

- 3.2 A copy of the submitted response is at Appendix C. The response is supportive of EU's Competence on Waste as it has driven the UK to act on waste issues and suggests there is a benefit in having a continuing European Framework in place.

ELECTRICITY MARKET REFORM – DELIVERY PLAN

- 3.3 Previous reports to the February and June 2011 meetings reported of the Electricity Market Reform (EMR) and agreed an Authority consultation response on the broad framework. The Authority supported the overarching objectives of the EMR which identified that security of supply, decarbonisation and affordability must be addressed to reform the electricity market and in order for the UK to meet its 2050 emissions reductions targets.
- 3.4 In July, DECC published a consultation on the EMR Delivery Plan seeking views on two key policy proposals; the strike price for the Contracts for Difference (CfD) for renewable technologies and the reliability standard for the Capacity Market. The Authority's interest is in the strike price for the CfD for renewable technologies as this is the support mechanism for renewable energy that will replace the current ROC regime from 2017.
- 3.5 The Authority's response, submitted after consultation with the Chair and Vice Chairs, is attached at Appendix D. It highlights three issues where we consider the Government's proposals worsen the level of support. These are:
- Government's assumption that there is a relatively rapid reduction in the cost of financing for investors;
 - The Government's proposal to inflate the Strike Price in line with Consumer Price Index (CPI) along with a shortened timeframe of 15 years (Projects receiving ROCS are eligible for 20 years);
 - Proposals to exclude energy used at the relevant site ('parasitic load') from the CfD calculation.

4. LEGAL ADVISOR COMMENTS

The Legal Adviser has been consulted in the preparation of this report and has no comments.

5. FINANCE ADVISOR COMMENTS

The Financial Adviser has been consulted in the preparation of this report and has no comments.

DOCUMENTS USED

The Waste Management Plan for England; Available at:

<https://www.gov.uk/government/consultations/the-waste-management-plan-for-england>

Updated National Waste Planning Policy: Planning for Sustainable Waste Management; Available at:

<https://www.gov.uk/government/consultations/updated-national-waste-planning-policy-planning-for-sustainable-waste-management>

Community Infrastructure Levy (CIL) Consultations:

Islington Consultation on Community Infrastructure Levy – Draft Charging Schedule and Supporting Information, June 2013; Available at:

http://www.islington.gov.uk/services/planning/planningpol/community_infrastructure_levy/Pages/islingtons-community-infrastructure-levy-cil.aspx

Legacy Corporation Community Infrastructure Levy – Preliminary Draft Charging Schedule consultation; Available at:

<http://www.londonlegacy.co.uk/planning-policy-and-decisions/>

Waltham Forest Publication of the Community Infrastructure Levy Draft Charging Schedule and Revised Planning Obligations Supplementary Planning Document; Available at:

<http://www.walthamforest.gov.uk/pages/news/cil-consultation.aspx>

Government's Call for Evidence: Environment and Climate Change; Available at: https://consult.defra.gov.uk/eu/balance_of_competences

Electricity Market Reform – Delivery Plan; Available at:

<https://www.gov.uk/government/consultations/consultation-on-the-draft-electricity-market-reform-delivery>

Contact Officers:

Tim Judson
Director of Procurement

Tel: 020 8489 4367

Mobile 07748 656 467

E-mail: Tim.Judson@Camden.gov.uk