

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:**

STRATEGY UPDATE

**REPORT OF:**

PROCUREMENT DIRECTOR

**FOR SUBMISSION TO:**

NORTH LONDON WASTE AUTHORITY

**DATE:**

16 APRIL 2013

**SUMMARY OF REPORT**

This report provides an update on policy and strategy issues that are relevant to the Authority's operations and its current procurement exercise.

**RECOMMENDATIONS**

The Authority is recommended to:

1. Approve the draft Authority response to the consultation on the Draft Materials Recovery Facility (MRF) Regulations attached at Appendix 1;
2. Agree delegated authority to Director of Procurement to respond to LB Haringey's Draft Development Management Policies Consultation in accordance with section 4 of this paper and in consultation with Members of the Planning Sub-Group;
3. Note other updates on Waste Strategy matters.

**SIGNED:** Director of Procurement

**DATE:** 5<sup>th</sup> April 2013

## **1. COMMINGLING RECYCLING JUDICIAL REVIEW**

- 1.1. Previous Strategy Update reports have kept Members informed of the progress with a Judicial Review sought by a campaign group representing some recycling businesses to challenge Government's inclusion of commingled waste collection as a form of 'separate collection' in the Government's revision of the Waste (England and Wales) Regulations 2012.
- 1.2. The Court has now found in the Government's favour and rejected the challenge. The campaign group has subsequently confirmed that it will not appeal this case.
- 1.3. The outcome provides helpful certainty as the Authority and Constituent Boroughs seek to roll out new systems and to procure treatment facilities to support the substantial improvement in recycling that is envisaged in the Municipal Waste Management Strategy.

## **2. MATERIALS RECOVERY FACILITIES (MRF) REGULATIONS**

- 2.1. The Strategy Update report to the February 2013 Authority meeting identified the publication by Government of draft MRF Regulations for insertion into Environmental Permitting (England and Wales) (Amendment) Regulations 2013. That report identified that the general principle of the code was welcome but that the frequency and costs of sampling and testing may be a cause for concern.
- 2.2. Officers have now completed a review of Government's proposals. A draft response to the consultation is attached at Appendix 1. This draft welcomes the principle, but also expresses concern on the frequency of the sampling and composition testing proposals as these appear to be on a "one size fits all" basis.
- 2.3. Government estimate the one-off costs to MRF businesses of purchasing equipment as approximately £8,400 and annual costs to MRFs of separating and sorting samples, testing and recording data of approximately £55,000 per year from 2014 for large MRFs.
- 2.4. The draft also comments on the cost assumptions within the draft Impact Assessment as they appear to be underestimated particularly in the London area.
- 2.5. The deadline for the Consultation Response is 26 April 2013. The Authority is recommended to approve the response at Appendix 1.

## **3. OTHER WASTE STRATEGY ISSUES**

- 3.1. A separate paper on the same Authority meeting agenda addresses the Government's call for evidence in relation to waste prevention. In addition, there are a number of strategy developments where officers do not propose specific action by the Authority, but which Members

may wish to note as potentially relevant to the long term interests of the Authority and the implementation of the agreed North London Municipal Waste Strategy.

- **LGA Waste Management Review**

- 3.2. At its February meeting the Authority agreed a response to the LGA waste management review. This review is intended to provide the means for local government to proactively lead the future direction of waste policy.
- 3.3. The first meetings related to the review have been held and it is reported that some of the major topics being discussed as part of the review are about creating a fairer distribution of the benefits of the waste management industry across the supply chain and a better share of responsibility for waste costs. This might include, for example, allowing councils to become involved in the packaging recovery note system, limiting exports and dealing with recycling in the UK to boost economic growth and create local jobs; and a greater focus on domestic infrastructure to deal with recycling.

- **Budget 2013**

- 3.4. The 2013 Budget included no announcement on landfill tax rates beyond the pre-announced increase to £80/ tonne in 2014-15. Prior to the Budget, the LGA and industry representative bodies had been calling for longer term certainty on landfill tax rates but also no substantial increase as an appropriate platform for decisions about future waste management investments.

- **EU 7<sup>th</sup> Environment Action Programme**

- 3.5. The European Commission has published a proposal for a new Environment Action Programme (EAP) to guide EU environment policy up to 2020. Previously the EU has adopted a series of EAPs to set the strategic direction of all EU environment policy. The Commission believes that the new draft Programme will step up the contribution of EU environment policy in achieving a resource efficient, low-carbon economy, and providing an overarching framework to 2020.
- 3.6. In the Action Programme, the Commission identifies nine priority objectives, including:
  - Protecting nature and strengthening ecological resilience;
  - Boosting sustainable, resource efficient, low carbon growth; and
  - Effectively addressing environment related threats to health.
- 3.7. Defra have produced a briefing note which describes the UK Governments position on the EAP. It says the Government welcomes reviews of existing environment legislation if the Commission adheres to its own principles of smart regulation within the proposals. The

proposals should look towards promoting sustainable growth and reducing where practicable the burdens on industry. Furthermore, the UK will not support the development of new targets and legislation within the 7<sup>th</sup> EAP without clear and robust justification.

- 3.8. The causes of concern are highlighted in a letter from a Defra Minister to the House of Lords EU select committee. In the letter it is stated that *“Areas which cause us most concern include the proposals to revisit the stalled Soil Framework Directive, proposals to phase out landfilling completely and proposals that may call for review of access to justice regulations”*.
- 3.9. There is some risk that the proposed EAP may lead to more significant pressures on the Authority as (a) the UK is at the EU average for recycling and continues to landfill a higher percentage of waste than the EU average (49% compared to an average 36%); and (b) because North London is the second largest waste disposal authority in the UK.

- **Waste Exports**

- 3.10. On 18 March 2013, Government published the Consultation on tightening enforcement and control of the waste exports regime. The proposed changes by Defra include:
- Setting up a legal gateway to allow HMRC to disclose relevant export data to competent authorities (CAs) in the UK;
  - Clarifying the role of the CAs for the transit of waste and the marine area;
  - Allowing the Border Force to stop and detain suspect containers should the opportunity arise.
- 3.11. At the same time the Chartered Institution of Wastes Management has commissioned work to assess the future of the export market for waste-derived fuels following a 600% increase in exports of Refuse Derived and Solid Recovered Fuel to Europe.

- **Restricting Wood Waste to Landfill**

- 3.12. In 2012 Government consulted on restricting or banning the disposal of wood waste to landfill. The Authority responded to the call for evidence on the basis that whilst its procurement is consistent with restricting wood waste to landfill, the Authority foresees a potential risk that the introduction of a restriction of wood waste at this time will simply encourage the export of such material. Following the review, Defra have concluded that it is not the right time to introduce a restriction on wood waste to landfill as it will result in additional costs to businesses.

#### **4. LB HARINGEY DRAFT DEVELOPMENT MANAGEMENT POLICIES AND SITE ALLOCATIONS CONSULTATIONS**

4.1 At the end of March 2013 LB Haringey issued a consultation on a draft set of Development Management Policies (DMPs). The full document is available through the Haringey website at:

[http://www.haringey.gov.uk/index/housing\\_and\\_planning/planning-mainpage/policy\\_and\\_projects/local\\_development\\_framework/development-management-dpd.htm](http://www.haringey.gov.uk/index/housing_and_planning/planning-mainpage/policy_and_projects/local_development_framework/development-management-dpd.htm)

4.2 Haringey is also seeking proposals for sites to be included in its Site Allocations DPD. A form is provided for submitting site proposals.

4.3 The consultations close on 10 May 2013, prior to the next Authority meeting in June 2013. Once adopted, the policies will form part of the Local Plan and will be a key document for deciding on planning applications.

4.4 In general terms the Authority's interests in this consultation reflect the potential for site use within the Borough for waste management purposes and sustainability, energy and carbon policies that may have an impact on the achievement of strategic waste management ambitions and the potential costs of delivering those ambitions. The interests cover the potential for Household Waste Recycling Centres (HWRCs) within the borough as well as the Pinkham Way site. For reference the Pinkham Way site is currently designated a Local Employment Area and as a local Site of Nature Conservation Interest.

4.5 An initial officer analysis has identified NLWA interests, and potential conflicts with the Authority's interests, in the following key policy proposals:

- Policies DMP1 and DMP20 propose to safeguard land for employment/ business use, to facilitate local job opportunities and to new local employment and skills generation will be generated as a result of development;
- Policies DMP7 and DMP21 propose approaches to deliver good design and quality of life, including the need for new development to address the locality in a positive manner, and a policy to ensure that there is adequate provision of open space;
- Policy DM9 proposes all developments within the borough are designed to reduce the use of new raw materials. The policy recognises that the North London Waste Plan is currently being prepared by the 7 North London boroughs and Haringey's 237,000 tonne waste apportionment under the London Plan. The draft policy says the Council's policy approach is to continue to safeguard existing waste management sites;

- Policy DM10 proposes that all development in the borough is designed to improve energy efficiency and reduce carbon emissions. The policy proposals include the introduction of a local carbon offset fund to provide a source of funding for initiatives such as decentralised energy networks;
- Policy DMP13 seeks to identify locations where Tall and Large buildings would, and would not, be appropriate;
- Policy DM18 proposes a framework for community infrastructure levy, including Decentralised Energy Networks and utilities infrastructure as community infrastructure, but not including waste management facilities.
- Policy DMP22 seeks the protection and enhancement of biodiversity in the borough, and confirms that suitable mitigation and/or compensation will be required where impacts on nature conservation sites is permitted.

4.6 The Authority has previously considered a number of matters that continue to be relevant and which provide a good framework for an Authority response to this latest LB Haringey consultation. The Authority's consideration includes approving responses to the Haringey Local Plan Strategic Policies document (June and September 2012) and consultation responses to the Haringey Core Strategy (May 2010 and November 2011). The Authority has also agreed representations should be made to North London boroughs in respect to encourage the adoption of LB Islington's approach to including waste developments as community infrastructure for the purposes of community infrastructure levies (September 2012). Finally, in February 2013 the Authority agreed that representations should be made to LB Enfield on Decentralised Energy Network including a generally supportive stance.

4.7 Guided by the Authority's potential interests as identified in this paper and previous Authority decisions, it is proposed that a response is drafted and submitted to LB Haringey to fit with their timetable for consultation responses by 10 May. The Authority is recommended to provide delegated authority to Director of Procurement, in consultation with the Member Planning Sub-Group.

## **5. LEGAL ADVISOR COMMENTS**

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

## **6. FINANCE ADVISOR COMMENTS**

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

## **Local Government Act 1972 – Access to information**

**Documents used:** Defra - Consultation on draft Materials Recovery Facility (MRF) Regulations for insertion into Environmental Permitting (England and Wales) (Amendment) Regulations 2013. Available at: <http://www.defra.gov.uk/consult/2013/02/01/mrf-env-permit-consult-0201/>

Defra – EU 7<sup>th</sup> Environment Action Programme  
Defra Briefing Note – February 2013

Defra - Consultation on draft Environmental Permitting (England and Wales) (Amendment) Regulations 2013. Available at: <http://www.defra.gov.uk/consult/2013/02/07/env-permitting-1302/>

LB Haringey Draft Development Management Policies Consultation Document. Available at: [http://www.haringey.gov.uk/index/housing\\_and\\_planning/planning-mainpage/policy\\_and\\_projects/local\\_development\\_framework/development-management-dpd.htm](http://www.haringey.gov.uk/index/housing_and_planning/planning-mainpage/policy_and_projects/local_development_framework/development-management-dpd.htm)

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