

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: CONSULTATION AND POLICY UPDATE

REPORT OF: MANAGING DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 05 DECEMBER 2024

SUMMARY OF REPORT:

This report provides an update on national policy developments and consultations, and an update on the Joint Waste Strategy development.

RECOMMENDATIONS:

The Authority is recommended to:

- A. Note the update on the Joint Waste Strategy;
- B. Note the update on Extended Producer Responsibility Payments;
- C. Note the update on the ban on single-use vapes;
- D. Note the Government Budget 2024 and its implications for the waste and resources sector; and
- E. Delegate authority to the Managing Director, in consultation with the Chair and Vice Chairs, to respond to ongoing Government consultations and policies which will impact Authority operations or activities.

SIGNED:  Managing Director

DATE: 25 November 2024

1. INTRODUCTION

- 1.1 This paper provides an update for Members on 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 also provides an update on the development of the new North London Joint Waste Strategy.
- 1.2 The report is organised as follows:
 - 1.2.1 Joint Waste Strategy update;
 - 1.2.2 Extended Producer Responsibility (EPR) payments update;
 - 1.2.3 Update on the ban of single use vapes;
 - 1.2.4 Budget 2024.

2. JOINT WASTE STRATEGY UPDATE

- 2.1 The draft North London Joint Waste Strategy (the Strategy) is a joint strategy between Barnet Council, Camden Council, Enfield Council, Hackney Council, Haringey Council, Islington Council, NLWA and Waltham Forest Council.
- 2.2 The Strategy has been developed over the past two and a half years and is now in its formal consultation phase. It has been prepared by the NLWA but in collaboration with each north London borough. The NLWA have developed the draft document through an extensive development process including borough officer and Member engagement. As part of this, the draft document was considered by borough scrutiny committees in November 2024 (Camden, Islington, Hackney and Waltham Forest).
- 2.3 The NLWA undertook initial consultation through a 12-week public listening exercise with the public which informed the development of the Strategy's aims, objectives and priorities in 2023. The listening exercise was a key initial stage and enabled residents to outline their priorities and meant that the development of the Strategy was informed from the outset by engagement with citizens. Citizen engagement has been a key feature of the work on this issue and will continue to be during the formal consultation.
- 2.4 Assessments have been produced to support the development of the document. This includes a Strategic Environmental Assessment (SEA), which reviews relevant national and local plans and programmes and establishes the baseline and therefore sets out how the Strategy will comply with existing environmental policy frameworks. It also includes projections of potential waste to be managed, an options appraisal report and an Equalities Assessment.

- 2.5 The Strategy is ambitious, reflecting the importance for the environment and society of preserving resources and reducing environmental impacts, especially climate impacts from waste generation and treatment. However, it also reflects the international, national and local governance arrangements within which it operates. There is a hierarchy of influence when it comes to effective waste management. Within the UK, central government can do most to deliver a sustainable economy for example through regulation, taxation and sending long term signals which drive national behaviour.
- 2.6 Next, manufacturers and retailers can change their goods and services to be more environmentally responsible. Local government and residents can provide services and initiatives within the parameters provided by these groups and manage the by-products of society's decisions on consumption. In that context, the Strategy looks at service reforms, waste minimisation and behaviour change (amongst other proposals) to improve how will we manage waste over the strategy period. Unless and until major changes occur at national level, they will significantly affect what is achievable at the local level.
- 2.7 Formal public consultation is now underway on the draft Strategy by the Authority and the constituent boroughs. This formal consultation seeks feedback on the draft Strategy. It consists of a survey hosted on a citizen engagement platform and an outreach survey conducted out and about in north London communities. The consultation is open until 23 January 2025. The consultation, the draft strategy and appendices (supporting documents) can be accessed on [commonplace](#).
- 2.8 Following this exercise, NLWA will produce a revised version of the Strategy, conscientiously taking into account the consultation responses. Each of the individual boroughs will then be asked to take a decision as to whether or not to approve the revised final draft in 2025. Once approved locally by each of the boroughs, NLWA will be asked to adopt the Strategy as NLWA policy (programmed late 2025).

3. EXTENDED PRODUCER RESPONSIBILITY FOR PACKAGING (EPR)

- 3.1. Extended Producer Responsibility for Packaging (EPR) is a forthcoming reform to the way in which packaging waste is paid for. The scheme aims to reduce the amount of packaging that is placed on the market and to incentivise businesses to switch to more reusable or recyclable packaging materials through the implementation of the "producer pays principle" EPR had been subject to numerous delays during the previous Government, with their most recent date for the scheme set for the start of the 2025/26 financial year. The new government has laid the legislation required for the scheme to commence on 1 April 2025. This is the date that producers will become liable to pay for the packaging they place on the market.

- 3.2. The first budget of the new Government made reference to the scheme, highlighting that local authorities will receive £1.1bn in funding through pEPR. Additionally for the first year of payments only, the Chancellor of the Exchequer committed to providing a guaranteed top-up in the event that producer fees do not raise enough funds to cover the total £1.1bn. It is understood that that this top-up would be provided through the Local Government Finance Settlement.
- 3.3. Local authorities, including waste disposal authorities such as NLWA, are expected to receive the initial pEPR funding payments in October 2025, covering the first three quarters of 2025/26. Following this, payments are anticipated to be made on a quarterly basis. The payments are intended to cover the “efficient” costs of managing packaging waste. This means the payments cover what Defra expects it should cost for a local authority to manage packaging waste if it were operating an efficient service.
- 3.4. Defra have indicated that their intention for the initial years of the scheme is to get pEPR operational, acknowledging it will not be a finished product, and that improvements and adjustments will be made to the scheme in future years.
- 3.5. From year two of the scheme (2026/27) onwards, local authorities may start to be judged on the “effectiveness” of their services. The details of how authorities will be judged are yet to be published by Defra, however it is anticipated that there will be a series of metrics that will be used to compare LAs with each other. If a local authority performs poorly against these metrics, it is expected to be placed on an Improvement Action Plan and risk having their payments deducted by a maximum of 20%.

ESTIMATED pEPR PAYMENTS FOR NLWA

- 3.6. Defra have said they will released the long-awaited estimates for local authority payments in November 2024. At the time of writing, these have not yet been announced. The estimates will provide an indication of how much money each authority will be paid over the course of the first year of pEPR.
- 3.7. In order to understand how much NLWA should receive through pEPR, officers have created a model to calculate how much it costs NLWA to manage household packaging waste. These calculations were based on consolidated costs per tonne of managing residual waste and dry recycling provided by the NLWA finance team, and waste composition analysis data to determine how much material is in-scope of pEPR.
- 3.8. Based on this, it is estimated that NLWA should be receiving over £15.6 million to manage household packaging waste in its waste streams. This comprises £5.7 million in net costs of managing packaging waste in dry mixed recycling, and £9.9 million in costs of managing packaging waste in the residual waste stream. Given the uncertainty over the amount that the amount that might be announced by

Government, nothing has been included in the draft budget as part of the Finance Update paper also on this agenda. NLWA await the announcement on EPR payments and will provide an update to members following this. In the meantime, NLWA continue to campaign and lobby Defra to ensure that the full scope of relevant costs as set out in the regulations are incorporated into the calculation of local authority payments.

4. BAN ON SALE AND SUPPLY OF SINGLE-USE VAPES

- 4.1. In October 2024, Defra announced that a ban on the sale of single-use vapes will apply from 1 June 2025. The ban is being brought in on environmental and public health grounds. Last year it was estimated that every week almost five million single-use vapes were either littered or thrown away in general waste.
- 4.2. In November 2023, NLWA responded to the government consultation on creating a smokefree generation and tackling youth vaping, emphasising that there should be restrictions on the sale and supply of disposable vapes (those that are not rechargeable, not refillable or that are neither rechargeable nor refillable). Disposable vapes contribute to the fastest growing waste stream in the UK. Their complex material composition means that they will always be logistically difficult, labour-intensive and expensive to recycle, which is why we believe a total ban is the best solution.
- 4.3. The announcement of a ban on single-use vapes is welcome news. These products are extremely difficult to recycle, and disposal in refuse and recycling services increases the risk of fires in waste vehicles and facilities that cost money and pose a significant hazard to people working in this sector. However, there is a risk that the regulations do not go far enough, allowing manufacturers to make minor modifications to products so they can be recharged or refilled and thus bypass the ban on their sale. This means we could see little actual impact on the amount of these products on the market that end up being disposed of unsafely. Vapes are representative of a growing culture of 'throwaway' electrical products, which is not only putting a strain on local authority services but also increasing the drain on natural resources.
- 4.4. Authority responses have urged the Government to tighten regulations on the design, manufacture, import and sale of all vapes, to reduce the ongoing risks that even reusable products continue to pose. This would see extended producer responsibility (EPR) introduced for all vapes as a matter of urgency, to encourage better design and to make producers responsible for the costs of waste arising from vapes and their refill containers.

5. GOVERNMENT BUDGET 2024

- 5.1. On 30 October 2024, the new Chancellor of the Exchequer delivered her Government's first budget. There were headline announcements on a range of issues including matters relating to waste and resources.
- 5.2. Recognising the importance of local authorities being able to effectively plan their budgets, the Treasury will guarantee that if local authorities do not receive EPR income in line with the central estimate there will be an in-year top up, with the detail on this to be set out through the Local Government Finance Settlement (LGFS) process.
- 5.3. Local authorities can expect to receive around £1.1bn on funding in 25/26 through the new EPR scheme (see above for details).
- 5.4. The government will increase the Plastic Packaging Tax (PPT) rate for 2025-26 in line with CPI inflation, to incentivise businesses to use recycled instead of new plastic in packaging.
- 5.5. The Government confirmed the previously announced adjustment to Landfill Tax rates from 1 April 2025. The government recognises the importance of maintaining the real-terms value of Landfill Tax rates. To ensure they reflect up-to-date market and economic conditions, the government will announce future Landfill Tax rates at the fiscal event immediately before, so those applicable from 1 April 2026 will be announced at Budget 2025.
- 5.6. The government also announced £3.9bn funding in 2025/2026 and £8bn of private investment for carbon capture. This is part of the £21.7bn of investment for track one carbon capture projects announced earlier in October (this does not include the North London Heat and Power Project).
- 5.7. The budget did not make any reference to outstanding issues on simpler recycling reforms or the proposed extension of the Emissions Trading Scheme (ETS). The latter could result in many local authorities having to make extremely difficult decisions when it comes to providing essential services, and whilst some will receive new funding through EPR, this is likely to be offset by increased financial pressure resulting from other schemes (such as the ETS).

6. EQUALITIES IMPLICATIONS

- 6.1. The impact of implementing the Government consultations listed above is unknown at this stage. However, if any equalities implications for residents are identified at the next stage of consultations, these will be set out in future reports to members.

7. COMMENTS OF THE LEGAL ADVISER

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

8. COMMENTS OF THE FINANCIAL ADVISER

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

Contact officer:

Martin Capstick
Managing Director
North London Waste Authority
Unit 1b Berol House
25 Ashley Road
London N17 9LJ