

## **NORTH LONDON WASTE AUTHORITY**

At a meeting of the **NORTH LONDON WASTE AUTHORITY** held on **THURSDAY, 13TH FEBRUARY, 2025** 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), Mike Hakata (Vice-Chair), Sinan Boztas, Dana Carlin, Robert Chapman, Elif Erbil, Adam Harrison, Arjun Mittra, Richard Olszewski, Alan Schneiderman, Diarmaid Ward and Sarah Young

### **MEMBERS OF THE AUTHORITY ABSENT**

Councillor Paul Douglas

**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 Paul Douglas and apologies for lateness were received from Councillor Richard Olszewski.

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

Councillors Clyde Loakes, Rowena Champion and Mike Hakata 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 –**

- (i) THAT the public and exempt minutes of the meeting held on 5<sup>th</sup> December 2024 be approved and signed as a correct record; and
- (ii) THAT the minutes of the Audit and Governance Committee meeting held on 5<sup>th</sup> December 2024 be noted.

#### **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**

There were no items of urgent business.

#### **6. DEPUTATIONS (IF ANY)**

The Chair announced that he had agreed to hear two deputations.

Consideration was given to a deputation from David Twine (Islington Environmental Alliance).

Members asked questions about the deputees' argument that the detailed audit review by Arup of Acciona's engineering, procurement, and construction (EPC) activities to date was not truly independent, noting that it was an external organisation and had global recognition as a leader in its field. David Twine explained that the professionalism of NLWA and Arup officers was not being questioned. However Arup had been embedded in the project and a more independent review team could stand back from the project and give constructive criticism to the internal team, offering a cold eyes opportunity. The proposed review would give assurance, providing another perspective. It was noted by the deputees that the use of external audit did not mean the professionalism of internal audit was being questioned.

Members suggested that there were many eyes on the project from different angles already. It was queried how a three to five day exercise could offer more depth than the twelve week audit under way. David Twine responded that the difference was in the interpretation of the information. The proposed independent review could highlight probability curves for the outturn cost with one to one interview data offering a different narrative to the current audit review.

In response to a query about the differing timescales and methodologies, David Twine expressed a view that assurance required hearing different views including the contractor's perspective.

The Chair thanked David Twine for the deputation and made the following points:

- It was considered that a twelve week audit review was more appropriate than the proposed three to five day review due the complexities and issues involved.
- There was agreement with the need for the project to have appropriate assurance.
- Further consideration of the review approach may be undertaken as the audit and project more generally proceeded.

Consideration was given to a deputation from Caroline Royds (Islington Climate Centre).

In response to questions, the depute clarified that concerns were focused on the reduction in the Waste Prevention and Communications Programme budget from £816,000 to £723,000 and the Recycling Initiatives budget which was going from £206,000 to £211,000. The Chair confirmed the budget movements between 2024/25 and 2025/26, explaining that the Waste Prevention and Communications Programme budget reflected the cycle of spend through the community programme and how organisations had been procured and commissioned to deliver services. The Recycling Initiatives budget was for spend with relevant charities, based on waste avoided through their activities. The estimate cost for the year was based on forecast tonnages expected to be evidenced by the charities.

In response to a suggestion that the general balance in the proposed budget was not towards waste prevention, the Chair commented on the NLWA having the largest waste prevention programme of any waste disposal authority in the country. Investment in the voluntary and community sector had helped deliver significant waste prevention programmes and projects. The Extended Producer Responsibility (EPR) payment would help the Authority deal with the consequences of having to dispose of packaging waste produced by businesses. Further EPR payments had not been confirmed by the Government so it was right to be prudent. The NLWA would continue to invest in waste prevention.

Caroline Royds proposed that there could be more joint action between the seven boroughs on waste prevention, using the communications resources of the NLWA. Given the climate crisis and low recycling rates, there needed to be greater ambition and money ring-fenced for waste prevention. The Chair agreed that waste authorities needed more funding for its work on waste prevention and noted that there had been conversations with the new government on the need for national messaging.

## **7. MEMBERSHIP OF THE AUTHORITY**

Consideration was given to the report of the Managing Director.

The Chair gave the Authority's best wishes to Councillor Paul Douglas for a speedy recovery from sickness.

**RESOLVED –**

THAT the reason for absence of Councillor Paul Douglas from the meeting on 13 February 2025, being long-term sick leave, extending membership until 24 April 2025, the date of the next Authority meeting, be approved.

**8. 2024/25 FINANCE UPDATE**

Consideration was given to the report of the Financial Adviser.

In response to questions about efficiencies driven by the Waste Data Management system, the Director of Corporate Services confirmed that the system was now live across all seven boroughs. The discussion had moved on from achieving the statutory returns for waste data to considering what could be done differently and being more outcome-focused.

On the capital programme, the budget variance had arisen due to the EcoPark South facilities completing construction later than planned. The Minimum Revenue Provision policy on the loan meant that once the facility opened, interest would be payable from a year after opening.

It was confirmed that the Reuse and Recycling Centres had received higher tonnages of wood and green waste. This had resulted in an increased cost to manage the material which the public had taken to these facilities.

There was a suggestion that the financial accounts could include data on the savings achieved through waste prevention and recycling activities. It was recognised that this would be extremely complicated, with a need to have regard to the various systems and services that boroughs had in place. However, it was important to keep challenging and trying to identify progress.

It was requested that an analysis of the trends identified from revised forecasts be included in reports. While borough officers could provide a localised interpretation of why tonnages might have reduced or increased, it would be useful to see a cross-borough analysis. The Director of Corporate Services confirmed that NLWA officers met regularly with borough Directors of Environment to understand the local analysis. On a global basis, residual waste was stable. The Managing Director noted that a report was brought to the April meeting of the Authority that offered more detail on tonnages.

**RESOLVED –**

THAT the review of the 2024/25 revenue budget be noted.

## **9. BUDGET AND LEVY 2025/26**

Consideration was given to the report of the Financial Adviser.

In response to a question about efficiencies in operating costs that contribute to the overall budget. The Director of Corporate Services explained that the carbon capture programme was informed by developments at national government level, so the project had been slowed resulting in a reduced spend for 2025/26. Corporate resourcing was stable, with efficiencies from existing staffing. It was proposed to use income from the packaging Extended Producer Responsibility Funding (pEPR) to reduce borough levies for future years.

There was a request for forecast costings in the event of not having an energy from waste plant available in the short or longer term. The Director of Corporate Services outlined two workstreams through which LondonEnergy Ltd was extending the life of the current facility: managing planned outages well and employing a capital programme. The Managing Director confirmed that a piece of work would be undertaken which modelled what would happen if the Authority had a significantly reduced or no energy from waste plant available to it.

### **ACTION: Managing Director**

#### **RESOLVED –**

- (i) THAT, the Authority having satisfy itself that the proposed budget would be sufficient to meet the net expenditure requirements for the year ahead, the 2025/26 budget be agreed;
- (ii) THAT it be agreed to use revenue balance of £4.440m to support the 2025/26 budget;
- (iii) THAT the levy resource requirement for 2025/26 as laid out in table 1 in paragraph 1.16 be agreed;
- (iv) THAT the Financial Adviser be authorised to make the arrangements for collection of the levy and charges for non-household and household waste;
- (v) THAT the prudential indicators and the basis for calculating the Minimum Revenue Provision as laid out in sections 6 and 7 be approved;
- (vi) THAT the per tonne charge for non-household and chargeable household residual and recyclable waste as laid out in table 4 in paragraph 2.24 be noted; and
- (vii) THAT the medium-term budget forecasts for 2026/27 and 2027/28 be noted.

## **10. EDMONTON ECOPARK HOUSE TRANSITION INTO OPERATIONS**

Consideration was given to the report of the Director of Corporate Services.

The Chair commended officers for the achievement of accreditation by the Council for Learning Outside the Classroom. The Authority was the first organisation in

London and one of four across the country to achieve this. Activities at EcoPark House for January had been booked up before advertising had started. Schools had already started visiting to learn about the circular economy with positive feedback.

In response to a query about performance indicators, officers agreed that maximising usage of EcoPark House was a measure of success. There was a lot of interest and bookings for activities. Customer feedback would be analysed. The Chair expressed that accreditation was critical as it indicated the value offered by the visitor and education centre.

It was suggested that waste management data could provide information on which areas should be targeted by promotions to schools and civic organisations. The Chair confirmed that borough officers were exploring this.

The experience of Ferry Lane Primary School which had visited EcoPark House was highlighted as evidence of the effective partnership between the Authority and LondonEnergy Ltd. It was noted that the focus on delivery through circularity and environmental standards was coming together with projects such as EcoPark House.

There was a request for a regular update on EcoPark House operations.

**ACTION: Director of Corporate Services**

**RESOLVED –**

THAT the contents of the report be noted.

**11. NORTH LONDON HEAT AND POWER PROJECT UPDATE**

Consideration was given to the report of the Programme Director.

The Chair commended the achievement of exceeding the required number of apprenticeship years as established by the Development Consent Order.

In response to a question about the extent to which the commissioned audit review would deal with the points made by the deputation, the Programme Director confirmed that the Authority did want to understand the problems as experienced by Acciona from the contractor's perspective. It was recognised that officers may not always have a comprehensive picture of the problems being experienced. The key objectives of the audit were to focus on the procurement, construction and completion activities that remained. Arup had brought in specialist resources, including procurement and construction people, to forecast outturn costs and understand what the programme currently looked like.

**RESOLVED –**

THAT the contents of the report be noted.

**12. STRATEGY AND POLICY UPDATE**

Consideration was given to the report of the Managing Director.

**RESOLVED –**

THAT the updates provided within the report be noted.

**13. GOVERNANCE OF LONDONENERGY LTD**

Consideration was given to the report of the Managing Director

**RESOLVED –**

- (i) THAT the comments on the Company's performance and activities in the Q4 2024 Report be noted; and
- (ii) THAT the Board Minutes for October and December 2024 be noted.

**14. FORWARD PLAN**

Consideration was given to the report of the Managing Director.

**RESOLVED –**

THAT the contents of the report be noted.

**15. ANY OTHER ITEMS THE CHAIR DECIDES TO TAKE AS URGENT**

There was no items of urgent business.

The meeting ended at 3.35 pm.

**CHAIR**

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**MINUTES END**