# PINKHAM WAY ALLIANCE

**SUBMISSIONS TO THE**

**EXAMINATION IN PUBLIC**

**OF THE**

# NORTH LONDON WASTE PLAN

**MAY 10TH 2012**

# MAIN MATTER 2

# THE NEED FOR ADDITIONAL WASTE MANAGEMENT FACILITES

**Main Matter 2 – The Need for Additional Waste Management Facilities**

1. For the reasons set out in PWA's original submission and expanded upon below, NLWP's assessment of the need for additional waste management facilities is fundamentally unsound. This conclusion is supported by Environ[1].

2. None of the recent documents published by the NLWP provides any satisfactory explanation for the errors and flawed assumptions highlighted in PWA's original submission. On the contrary:

   2.1. Whereas that submission focussed on the flawed assumptions underpinning the apportionment figures, the calculation of the existing capacity and throughput figures is also unsound and based on flawed assumptions and basic miscalculations.

   2.2. While the over-estimation of waste apportionments contained in the draft London Plan 2008 has been modified in the London Plan 2011, it is still significantly higher than the NLWA's projections which, by the NLWP's own admission, are sounder.

   2.3. Furthermore, the 2010-2011 NLWA Annual Monitoring Report ("AMR"), which records actual waste arisings and not mere forecasts, published in December 2011, confirms that municipal waste levels in north London have decreased by 8% since 2006/2007 "despite an increase in the population of the north London area over the same period".

<u>Flawed assumptions underpinning assessment of existing capacity</u>

3. Self-evidently, the calculation of existing capacity/ throughput is fundamental to calculating the existence and scope of any current and future capacity gap, and therefore the need for any additional waste management facilities during the life of the plan. Three main assumptions underpin this calculation:

[1] Appendix 1 Environ Report 2012

3.1. The baseline capacity figure is based on actual *throughput*, as ascertained from the telephone survey described in section 5 of the Technical Report, rather than the figure of 75% of total licensed *capacity* which was used for the purpose of the London Plan 2004. If the latter is unsatisfactory, the former is little better since it elides the concept of throughput with the concept of capacity.

3.2. The baseline capacity is assumed to remain static throughout the Plan period, contrary to the guidance contained in Annex D to the companion guide to PPS10.

3.3. The throughput per annum figure of existing sites is assumed to lie, and to continue throughout the plan period to lie, in the middle of the national range of 20,000-80,000 tonnes per hectare per annum.

4. As we go on to explain, these assumptions are flawed and undermine the calculation of the capacity gap.

<u>Calculation of baseline capacity figure unsound</u>

5. The evidence for the baseline capacity is contained in the NLWP Technical Report February 2012 to which the following table and paragraph references refer.

6. Table 2-2 purports to explain how the total capacity figure of 1,387,235 was derived. However that Table is riddled with unexplained anomalies, and bears no relation to the sites identified in Schedules A and B.

7. Table 2-2 explains that the preferred option is calculated by adding together the actual capacity from twenty six sites (which excludes 36 transfer facilities). However table 5-7 identifies *thirty* new and operational waste management sites which have been included in the capacity assessment: see paragraph 5.19 "owners of sites were also contacted to determine operating capacities and suitability *for inclusion in the existing waste treatment capacity calculations*" [our emphasis].

8. Confusingly, paragraph 5.20 goes on to state that "of the 31 operational sites and 4 new sites, the treatment capacity for 3 has not been included in the capacity calculations (see

Section 2 and Table 2-3 for a breakdown)." This would mean that *32* sites should have been included in the capacity assessment. In fact, table 5-7 identifies a total of 29 operational sites and 4 new sites, which equates to the 33 operational sites identified at Appendix 1 of the NLWP as Schedule A sites.

9. More confusingly still, although the "headline" capacity figure of 1,387,235 includes the capacity from the 9 "household, waste transfer system and reuse and recycling centres", this figure is not included in the total "existing capacity" or "75% of licensed capacity" calculation. This is despite the fact that all 9 reuse and recycling centres in Schedule A were purportedly included in the total capacity assessment: see Table 5-7.

10. Moreover, bizarrely, Table 2-2 claims that 75% of the existing licensed capacity figure for these centres of 700,955 tpa is 68,495; and the figure relied upon for the preferred option (63,226) is less than *10%* of the existing licensed capacity figure of 700,956tpa.

11. If the figure of 525,716 tonnes - 75% of the existing licensed capacity of 700,955 tpa - is carried forward, the estimated capacity rises to 2,210,952 tpa instead of 1,685,237. Even if the preferred option figure is used instead of the 75% capacity benchmark, it is reasonable to assume that the baseline capacity figure would be comfortably in the region of 2,000,000 tpa.

12. If the correct figure for 75% of existing licensed capacity is used, the addition of 525,716 tpa reduces the capacity gap following the decommissioning of the Edmonton plant to just 83,283tpa, *even without* the inclusion of the 900,000 tpa which is assumed to come forward through the PFI procurement process (and which includes the PW site).

13. To compound the confusion the NLJWS (February 2009) Appendix 5, lists 9 Re-use and Recycling Centres with a total Licensed Capacity of 460,491 tpa, a figure mentioned nowhere else in the Plan.

14. Moreover although paragraph 5.23 of the Technical Report confirms that the transfer stations in Table 5-8 were assessed for "possible reorientation and inclusion in the calculation of treatment capacity of *existing sites*" [emphasis added], and Table 5-8

identifies the transfer stations which were included in this calculation, it appears from Table 2-2 that these transfer stations were not included in the calculation of the baseline capacity figure. Although the actual or licensed capacity of the Schedule B sites is not identified anywhere in the evidence supplied by the NLWP, it can realistically be assumed that this additional capacity would be sufficient to negate the re-calculated capacity gap altogether.

15. Thus even if the methodology adopted were correct, the calculation of the capacity gap is plainly unsound. However as we go on to explain, the methodology adopted undermines the soundness of the figures yet further.

Methodology for determining baseline capacity figure unsound

16. The methodology for ascertaining the "actual" baseline capacity is woefully deficient:

17. First, nowhere in the Technical Report or the NLWP is the actual capacity of individual sites identified. Instead we are simply told that "telephone interviews were conducted to… confirm the operating capacity of existing waste sites", and a total figure for 26 sites is given at Table 2-2. However contrary to the impression given by paragraphs 2.22 and 5.19, this capacity figure was *not* derived exclusively from the telephone survey process. Instead, under the heading "estimating capacity of facilities", paragraph 4.3 of the NLWP explains that "where site operators were not willing to provide these details, an assumption has been made based on previous returns to the Environment Agency. Finally if no data was available an assumption based on 75% of licence capacity was used in line with the London Plan. In addition data was obtained from the North London Waste Authority". The extent of reliance on this assumption is shown by the fact that NLJWS highlights in 19 out of 26 cases the figure of 75% being employed.

18. No details are provided as to how many operators declined to divulge the actual capacity of their site, although some indication of the level of cooperation can be

gleaned from the results of the deliverability assessment conducted at the preferred options stage, to which only 10% of all site owners and operators responded.[2]

19. Nor is any explanation given as to the nature of the "assumption based on previous returns to the Environment Agency", although paragraph 3.5 of the Technical Report suggests that this data may date from as long ago as 2007/08. Paragraph 4.3 also acknowledges that "due to a lack of regularly updated reliable data it is not possible to robustly estimate the actual operating throughput of these figures from Environment Agency data alone". The Technical Report and NLWP are similarly silent as to the nature of the "additional data" provided by the NLWA.

20. Second, it is not correct that the baseline capacity figure of 1,387,235 tpa was calculated by "looking at the permitted capacities of all the existing waste management sites and their actual operating throughputs": see para 5.16 of the NLWP. The baseline capacity figure is based entirely on the estimated actual operating throughput of sites, including those determined by the telephone survey. The actual licensed *capacity* of existing sites is much higher, at 2,935,246 tpa. The NLWP confuses capacity and throughput.

21. Third, the assumption that the baseline capacity will remain static throughout the fifteen year Plan period is plainly erroneous. In particular, the NLWA's assessment fails to take into account the following:

    21.1. Productivity improvements as a result of best practice sharing, changes in management and the introduction of new techniques, and the use of specialists and consultants;

    21.2. Step changes from new technologies, new processes and new sites which are more likely to attract capital;

    21.3. New market entrants, who are more likely to move directly to the new technologies referred to in 47.2

---

[2] Preferred Options Technical Report, Table 5-1

21.4. The effect of the NLWA's North London Waste Prevention Plan.

22. The failure to consider a range of different forecasts, based on different assumptions and different scenarios, is contrary to Annex D of the Companion Guide to PPS10: see, for example, paragraph 12 which states that "the growth profile that is employed will need to be a 'dynamic' one that responds to changing circumstances and is likely to show a progressively reducing rate of growth. A 'static' growth profile that assumes a constant rate derived from historical evidence, such as the '3%' historic growth rate quoted in Waste Strategy 2000, if applied, is unlikely to be realistic."

23. The assumption that capacity is static also ignores entirely the views of operators of existing sites: "discussions with site operators…identified that some of the existing sites could increase their throughput of waste *considerably* [our emphasis] by investing in new treatment technology" (Technical Report February 2012 s2.22 bullet point 5). It also takes no account of Policy 5.17 of the London Plan, which provides that in the first instance "Land to manage borough waste apportionments should be brought forward through protecting and facilitating the maximum use of existing waste sites, particularly waste transfer facilities and landfill sites". It is also *entirely* contrary to the "fundamental assumption" identified in paragraph 5.3 of the Preferred Options Technical Report that "existing waste management sites are suitable for intensification".

24. It should be noted that the discussions with site operators established that just over half felt that they could increase throughput of waste *considerably* by investing in new treatment technology (Technical Report, paragraph 2.22). For the NLWP then to discount these results out of hand renders the whole exercise entirely pointless. This approach is in stark contrast to the same exercise conducted in Worcestershire, where Mr Dean, Planning Environment and Economy officer of Worcestershire County Council explained that every site was visited, discussions were held with management about the same subjects, and resulting calculations were worked into the capacity figures[3].

[3] Appendix 7 Waste Sites in Worcestershire Table 3

25. Fourth, Table 2-2 illustrates that the main difference between the optimistic and the preferred options is in relation to metal recycling sites. The optimistic and preferred option figures are very similar for other sectors. Given the London Plan's stated objective of increasing dramatically the level of recycling, it is reasonable to assume that metal recycling will be an increasingly buoyant sector during the plan period, and that individual sites will strive to match throughput to licensed capacity.

26. Far from being based on "actual capacity", therefore, the figure of 1,387,235 is the product of miscalculations, flawed assumptions and a flawed methodology. As such, it is inherently unsound.

27. PWA believe that the errors and errors of judgement outlined above reveal a failure by the NLWP to exercise responsible stewardship over scarce land resources in North London, by giving proper weight to the need to balance the competing interests that exist between different land uses. Instead of moving to resolve or balance these conflicts, the NLWP risks intensifying them, through its ill-considered overprovision of land for waste management. See Appendix 7(a) "Impact of Estimated Capacity on Land Take"[4].

28. It should be noted that the NLWA's procurement was one of a number of projects submitted to DEFRA for PFI funding. However, on the basis of PWA's analysis of the quality of the NLWA's estimates and forecasts, it is no surprise that DEFRA (who were given detailed knowledge of the proposed procurement) withdrew that funding, stating that "as part of the Spending Review process DEFRA concluded that seven waste infrastructure projects should not receive the PFI credits which had provisionally been allocated to them, on the basis that, on reasonable assumptions, these projects would no longer be needed in order to meet the 2020 landfill diversion targets set by the European Union" (emphasis added) see link below

(http://www.defra.gov.uk/news/2010/10/20/changes-to-pfi-programme/

---

[4] Appendix 7(a) "Impact of Estimated Capacity on Land Take"

Notional waste throughput per hectare ("tph") figure unsound

29. The flaws in the calculation of site capacity also undermine the notional waste per hectare calculation, which is relied upon to calculate estimated land take. Paragraphs 2.26 to 2.30 of the Technical Report (Feb 2012) explain that an average throughput figure of 50,000 tonnes per hectare was used "based on a review of published data for facility throughputs and facility landtake". The footnote explains that the "published data" comprised "Defra Technology Guides (2007), Defra Economies of Scale – Waste Management Optimisation Study (2007) and ODPM Planning for Waste Management Facilities (2004)".

30. There appears to be no cogent justification for the assumption that throughput per hectare will average 50,000 tph:

    30.1. The generic reports identified above do not grapple with actual or historic throughput for the North London area.

    30.2. Moreover no explanation is given for using the out-of-date London Plan (2008) figure of 42,000 tonnes per hectare. Recently adopted Core Strategies have adopted much higher throughput figures. For example, Wandsworth Core Strategy (adopted October 2010) uses "the GLA's figures of an average waste management facility throughput of 80,000 tonnes per ha per annum".[5] (as does the London Borough of Southwark's Core Strategy). The South London Waste Plan (adopted March 2012) covering the London Boroughs of Sutton, Royal Kingston, Merton and Croydon uses an average throughput rate of 60,000 tonnes per ha.[6] The evidence base for the London Plan identified a throughput figure of 80,000 tonnes per ha.[7] Such figures make the NLWP aspiration look modest and belie its highlighting of the improvement over the 2008 London Plan figure.

    30.3. It is highly improbable that the average throughput per hectare for the entire North London area (which constitutes approximately a quarter of the total

[5] Appendix 8 Wandsworth Waste Site Selection (October 2010) para. 4.57
[6] Appendix 9 South London Waste Plan (adopted 2012) para. 3.36
[7] Appendix 10 London Waste Apportionment Study 2006 by Jacobs Babtie para 4.30

throughput), will be only 60% of the figure for London as a whole. It is equally improbable that the throughput figure for North London will fall slap in the middle of the national range of 20,000-80,000. The figure of 50,000 appears to have been chosen for no better reason than because it is the middle of the national range. This approach is manifestly unsound.

30.4. As with the calculation of capacity, the throughput from suitable transfer stations has not been included in the total calculation. Appendix 11[8] demonstrates that the inclusion of throughput from Schedule B sites, using either the NLWA's throughput figure of 50,000 tpa or the London-wide average of 80,000 tph, results in an increase in the baseline capacity of 502,000 or 803,200 tpa. Appendix 12[9] sets out a range of planning scenarios to show the position after 15 years, when a 1% or 2% compound increase in productivity is applied to the baseline capacity figure, using both the preferred option and the figure of 75% of licensed capacity advocated by the GLA. As can be seen from these figures, a moderate increase to reflect productivity improvements over the plan period results in a capacity range, in 2027, of between 304,108 and 860,671 tpa.

30.5. Appendix 13[10] reconciles the NLWP data into a single table. As can be seen, even assuming a 0% rate of productivity improvement, by factoring in the re-oriented transfer stations and assuming a throughput of 50,000 tph, the gap at the end of 15 years narrows to 59,994 tpa. This equates to a land use requirement of one hectare, at the tail end of the plan period, which can easily be negated by assuming either new entrants into the market, or productivity improvements.

31. By adopting the Jacobs Babtie recommendation of 80,000 tph, the table shows that the gap closes completely, and an excess of capacity of 241,206 tpa results.

---

[8] Appendix 11 Post Reorientation Capacity – Karl Brown May 2012

[9] Appendix 12 Post Intensification Capacity – Karl Brown May 2012

[10] Appendix 13 Reconciliation of NLWP Data – Karl Brown May 2012

AMR shows continued year-on-year decrease in waste arisings

32. The NLWP emphasises the importance of monitoring trends and waste levels via the Annual Monitoring Report process: see the Executive Summary at paragraphs 13-14.
33. However no account has been taken of the most recent AMR, published in December 2011, which identifies a consistent decline in waste arisings since the baseline year of 2006-2007 of 2.66% pa (Table 2.1 Technical Report February 2012), and acknowledges that "the actual growth rate of waste has been in decline for several years since the strategy was published, despite an increase in the population of the north London area over the same period." See Appendix 13(a)[11] "Apportionment with 1%ssss and 2% Variations"

34. The AMR attributes this "more modest growth" to "the success of waste minimisation initiatives; the impact of the landfill tax and the drive to reduce packaging as well as the most significant impact of the general decline in economic activity since 2008/09 meaning that less waste is produced than was originally predicted." However contrary to Annex D of the companion guide to PPS10, no consideration has been given to the impact of strategies for *future* waste minimisation and reuse. The significance of this omission is demonstrated by the evidence of industry initiatives for waste minimisation, which is produced as Appendix 10.

35. The NLWP's forecasts of arisings and estimates of capacity are unconvincing, for the numerous reasons already stated. PWA considers it far more likely that arisings will continue to fall, as they actually have in the last few years despite a rise in population; and that capacity will become more efficient with newer technology and improved management.

36. For the statutory monitoring of the NLWP to be meaningful, the NLWA has to be able to respond to the results. There exists a range of credible forecasts and estimates. It is therefore ill-judged of the NLWP a) to select the higher forecasts of arisings while virtually ignoring the impact of reduction, re-use and recycling programmes, and b) to

[11] Appendix 13(a) Apportionment with 1 and 2% Variations

couple this with lower estimates of site capacity, while ignoring likely increases in efficiency. A sound plan should reflect improvements in both areas.

37. Moreover, building in such excessive contingency does not create “flexibility” because it accommodates the NLWA’s over-ambitious 30-year procurement exercise. Such inflexible contracts would lock North London out of the benefits of rapidly-changing waste technologies. There would be no remedy for the inevitable over-provision of waste management facilities, which would include the despoliation of the Pinkham Way nature conservation site and wasteful requisitioning of other land, other than to pay for under-utilised plants, or to import waste from other regions to utilise capacity.

38. PWA considers that a more prudent approach would be a phased programme of reorientation, and development of modern, smaller-scale facilities in an on-going process which tracks changes in arisings and efficiency. Thus North London could purchase the latest technologies, and meet its waste management requirements without the extravagant demand for new sites made in the NLWP. North London residents do not want to be the last recipients of what Stephenson Harwood, NLWA solicitors described as; "….. possibly one of the last long-running waste projects of this scale. We have seen a notable decline, which is based on difficulties in predicting future levels of waste as well as the withdrawal financial support from the Government to fund these projects."