

ARC21 SPECIAL JOINT COMMITTEE

Meeting No 88

MINUTES

Tuesday 23 July 2024

Hosted by arc21 at Belfast Castle

Members Present:

Councillor M Goodman (<i>Chair</i>)	Antrim & Newtownabbey Borough Council
Councillor R Lynch	Antrim & Newtownabbey Borough Council
Councillor H Cushinan	Antrim & Newtownabbey Borough Council
Councillor E Thompson	Ards & North Down Borough Council
Councillor B Smyth	Belfast City Council
Councillor P Kennedy	Lisburn & Castlereagh City Council
Councillor G McKeen (<i>Deputy Chair</i>)	Mid & East Antrim Borough Council
Alderman M Morrow	Mid & East Antrim Borough Council
Councillor K Murphy	Newry, Mourne & Down District Council

Members' Apologies:

Councillor C Blaney	Ards & North Down Borough Council
Councillor J Cochrane	Ards & North Down Borough Council
Councillor M Collins	Belfast City Council
Councillor E McDonough-Brown	Belfast City Council
Councillor A Givan	Lisburn & Castlereagh City Council
Alderman S Skillen	Lisburn & Castlereagh City Council
Councillor R Quigley	Mid & East Antrim Borough Council
Councillor C Enright	Newry, Mourne & Down District Council
Councillor T Andrews	Newry, Mourne & Down District Council

Officers Present:

T Walker	arc21
H Campbell (<i>Secretary</i>)	arc21
K Boal	arc21
J Green	arc21
M Laverty	Antrim & Newtownabbey Borough Council
J McConnell	Belfast City Council
R Harvey	Lisburn & Castlereagh City Council
D Carey	Mid & East Antrim Borough Council

Officers' Apologies:

D Lindsay	Ards & North Down Borough Council
S Leonard	Belfast City Council
S Morley	Mid & East Antrim Borough Council
S Murphy	Newry, Mourne & Down District Council

The Chair welcomed the new members to the special meeting of the Joint Committee.

Mr Walker advised that declaration of interests forms had been left for the new Members to complete.

He noted that he would be arranging an online briefing session for new Members in August.

He also noted that there may be the potential to hold hybrid meetings in the future and that he was progressing this with legal, and hoped to bring a report to the August meeting for consideration.

Item 1 - Conflicts of Interest, Gifts and Hospitality Statement

The Chair read out the Conflicts of Interest, Gifts and Hospitality Statement, and none were noted. **Action: Noted**

Item 2 - Apologies

Apologies were noted. **Action: Noted**

Item 3 - Minutes of Joint Committee Meeting 087 held on 30 May 2024

The Joint Committee approved the minutes. Proposed by Councillor Kennedy, seconded by Councillor Murphy. **Action: Agreed**

Item 4 - Matters Arising

Ms Boal advised that she would be providing an update on vapes at the August meeting in the contracts report, and noted that Veolia had been appointed as the service provider to put containers in the HWRCs to start collecting the vapes.

Action: Noted

IN COMMITTEE

The Chair recommended that the meeting would now move "*in committee*" which was agreed. Proposed by Councillor Kennedy, seconded by Councillor Murphy.

Matters of a confidential and commercially sensitive nature were discussed under these agenda items.

Following discussion on the commercially sensitive matters, the Chair recommended that the meeting would now return to the main agenda, which was approved, but whilst "*In Committee*" during this section of the meeting, there were 5 matters discussed.

Item 5 - Minutes of Joint Committee Meeting 087 held on 30 May 2024 'in committee' - approved

Item 6 - Matters Arising - noted

Item 7 - Commercially Sensitive Contract & Procurement Issues- approved

Item 8 - Tender Report – Supply of Services Relating to the Treatment and Energy Recovery/Disposal of Residual Waste Arisings – Dynamic Purchasing System, Lot 2 - Contract B – approved

Item 9 - Tender Report – Supply of Services Relating to the Treatment and Energy Recovery/Disposal of Residual Waste Arisings – Dynamic Purchasing System, Lot 2 - Contract C - approved

OUT OF COMMITTEE

Proposed by Councillor Lynch, seconded by Councillor Kennedy.

Item 10 - Consultation - UK Emissions Trading Scheme (UK ETS) - Scope Expansion to Include Waste

Mr Green presented a report along with a proposed arc21 response on the UK Emissions Trading Scheme (UK ETS) consultation. He noted that it provides detail and proposed implementation of how waste incineration and energy from waste will be included in the scheme from 2026. In parallel with this consultation, he advised that there was a separate consultation on Heat Networks.

He reported that for Northern Ireland, certain fundamentals around how the proposed expansion of the UK ETS scope proposed is to interact with the provisions of the Windsor Framework and related legislation are yet to be clarified and, as such, he noted that the ETS Authority is providing further information and updates. The proposed response presented within this report was as current as possible at this time.

An information pack of the proposals and the proposed arc21 response to the main consultation was presented for the Joint Committee to consider and approve. They were also asked to approve an approach to continue to develop the response to Heat Networks.

(1) Preparing a response to the UK ETS Consultation

Mr Green reported that in preparing the arc21 response, the principles observed were to be consistent with the waste hierarchy principles, arc21's statutory Waste Management Plan and the Climate Change Act (NI) 2022. He noted that it was important to note that, if applicable under the Windsor Framework, this expansion of the UK Emissions Trading Scheme (ETS) will affect all Northern Irish councils, irrespective of whether they rely upon local infrastructure or export to manage their residual waste. At this stage, he noted that arc21 is assuming that Northern Ireland will be covered within the UK Scheme.

From a Northern Ireland local government perspective, it was considered important to reflect the difficulties that arc21's constituent councils would have in managing any exposure to volatile prices for carbon allowances, and that the use of financial instruments and forms of "*hedging*" may emerge as a result of the introduction of this scheme and do not fit within local government practices or guidance regarding the management of public monies.

(2) Preparing a response to the Heat Networks Consultation

Mr Green noted that the same approach to that outlined above is proposed to be used to finalise the response for the Heat Networks Consultation.

He advised that this response was to be finalised over the coming weeks by arc21's Acting Chief Executive, along with the Chair and/or other Members of the Joint Committee as required.

Discussion ensued and the Chair inquired if the scheme was likely to have the support of the new Government and Mr Green responded advising that it would in all likelihood continue, but the issues will be on how it will be implemented, and for waste sector this could be quite difficult with multiple handling and movements of waste etc. There will be a lot of push back on some the proposals in the consultation within arc21's response on implementation.

The issues will be how and what reliefs are practical, and the financial support likely to need to be available to support councils.

There was also a query whether Northern Ireland would be in the EU or UK Scheme and Mr Green advised that arc21 was unsure at this time. Mr Green advised that arc21 was responding forcibly to make sure any resultant scheme was robust and that the sector [or local government] was not unnecessarily disadvantaged. He highlighted that he was making strong representations to this effect.

Mr Walker noted it was appropriate that waste should be included as part of the supply chain in terms of carbon trading but the mechanism by which this was achieved was likely to prove the pinch point. He highlighted that in terms of waste generation, the sector has limited control over what is produced and presented to it to manage as it [the sector] is at the rear end of the supply chain. He noted that at current estimates, waste sent to EfW facilities in the UK might be likely to incur additional costs of £50+ per tonne on top of current prices as a result of the introduction of this ETS, and this could well be higher.

He reported that across the sector, representations were being made to ensure the scheme is robust but workable etc.

Members noted their concerns at the cost aspect and the burden to councils and Mr Walker highlighted some of the complexity around this which could also impact upon the [as yet to be introduced] packaging Extended Producer Responsibility (EPR) scheme. He stated that at this stage, Government estimated that the costs expected to be picked up by packaging producers and manufacturers was estimated to be around 20-30%, but the remaining 70-80% of additional costs were likely to reside with councils. He said that this ratio has not yet been finalised, nor have the producers or manufacturers of packaging fully appreciated what this may mean for their EPR costs.

He also advised that as this consultation was being undertaken by Department for Energy Security & Net Zero, there was limited appreciation of the other proposed waste policies which demonstrated a disconnect in Government. It also served to show that the impact of introducing multiple policy initiatives concurrently was not appreciated, as the relevant Departments and departmental teams appeared to be isolated in silos.

The Chair inquired what the role of the Executive was in this, and Mr Green advised that the ETS Authority was made up of UK, Scottish and Welsh governments and DAERA and he was unsure if the Executive had been briefed on this ETS.

Members inquired what the topline figure arising from the introduction of the ETS might be for the Exchequer on an annual basis. Mr Green advised that the carbon price per tonne was currently between 100 and 145 euros but, as this was a commodity price, it was volatile. He said that across UK local government, the additional annual cost could be around a billion pounds.

The Chair also inquired if councils were aware of this consultation and an officer advised that they were preparing a report which drew upon LARAC¹ and arc21 responses. He explained that this was a technical area and councils were likely to require additional expertise and knowledge to inform their responses.

¹ LARAC – local authority recycling advisers committee

Given the scale, the Chair suggested that a specific briefing session on this topic would be beneficial later in the year to consider the implications for councils and, as this was an issue for councils across Northern Ireland, it was proposed that, working with NILGA, Mr Walker would organise a workshop for Members on this topic later in the year.

Action: Mr Walker

It was also recommended that the Joint Committee:

- (i) note the overview of the proposed expansion of scope of UK ETS currently being consulted on;
- (ii) approve arc21's draft response to be submitted by 2 August 2024; and
- (iii) agree that the Acting Chief Executive has delegated authority to finalise the response to the associated consultation on Heat Networks for submission also by 2 August 2024.

The Joint Committee approved the recommendations. Proposed by Councillor McKeen, seconded by Councillor Kennedy.

Action: Agreed

It was also noted that the final responses submitted by 2 August 2024 will be included in August Joint Committee papers for notation purposes.

Action Mr Green

Item 11 - Call for Evidence - Developing Biomethane Production in Northern Ireland

Mr Green presented a report and a proposed arc21 response to the call for evidence, issued by the Department for Economy. This call for evidence is to assist in the development of a biomethane strategy for Northern Ireland which has outlined four key priorities – good jobs, promoting regional balance, raising productivity and reducing carbon emissions.

He advised that the call contains 30 x questions, and from a local authority perspective this is relevant to the sector as the consultation consistently refers to the potential that may be available from accessing the waste within councils' brown bins to produce biomethane.

He advised that following discussion at the Steering Group, notwithstanding that there is limited information which arc21 can provide, officers requested that a response be submitted which drew the Department for Economy's attention to the recent consultation on "*Rethinking Our Resources: Measures for Climate Action and a Circular Economy*" which was undertaken by DAERA, as well as highlight other anomalies regarding costs for councils and potential revenue sharing which does not appear to be considered in the context of councils.

He noted that while the focus of the call for evidence appears to focus upon the agriculture sector, reference is made throughout the document to quantify the contribution which local authorities' brown bin waste could make to the generation of biomethane.

A Member inquired if farmers had been consulted on the consultation and Mr Green advised that prior to the issuance of the consultation, there was a long lead in in terms of scoping and farmers had been consulted with at this time. He noted that there was a definite need from a nutrient management perspective to divert slurry from land or water bodies, and that there is a case for environmental protection to improve diversion of farm waste to produce a more benign product. The debates with farming community would be around what is an economic scale.

Mr Walker advised that notwithstanding the overlap with farming, the issue facing councils in the call for evidence concern the brown bin waste materials and arc21 is looking at the paper from the councils' waste collection perspective. He noted that this paper had not considered the recent DAERA consultation on "*Rethinking our Resources*" which has just closed.

It was recommended that the Joint Committee approve the proposed response presented for submission by the deadline of 9 August.

The Joint Committee approved the recommendations. Proposed by Councillor Thompson, seconded by Councillor McKeen.

Action: Agreed

Due to a possible conflict of interest concerning recruitment scheduled to be undertaken during the term of the new Corporate Plan, Ms Boal stepped out of the meeting for the presentation of Item 12, and the subsequent discussion.

Item 12 - Corporate Plan 2024-28

Mr Walker re-presented the final draft Corporate Plan for the four-year period from April 2024 to March 2028, following a request at May's meeting to allow for members to consider further, and he noted that any comments had now been included.

He noted that the Plan outlines the challenges arising from a range of new policy initiatives which the resources and waste management sector in Northern Ireland will experience over the next four years and identifies how the organisation will respond.

He highlighted that the Corporate Plan contained a number of actions which primarily identified that arc21 would:

1. continue to prioritise service delivery for the constituent councils,
2. continue to be financially prudent,
3. increase its advocacy role,
4. seek to reach a conclusion on the rwtp,
5. secure appropriate support for HR advice and recruitment exercises,
6. ensure that it had a sufficient complement of staff to deliver an a changing environment, and
7. collaborate with others.

The Chair inquired if resourcing should be referenced within the Corporate Plan and if the 11-council model being considered by SoLACE should be factored into the discussion before any recruitment exercises commence however Members agreed that this had been ongoing for several years and that arc21 needed to progress with its own business. Mr Walker advised that if developments emerged on what a new council model might be for waste management, arc21 would work to ensure that the existing services for the constituent councils continued while this was considered. He said that arc21 would work constructively to implement whatever was agreed.

He highlighted that great store has been placed in the development of such a model previously but the purpose of drafting the Corporate Plan was to provide clarity of purpose for the organisation for the next four years and to permit a programme of work to be prepared.

The Chair requested that last year's report on organisational cultural undertaken by AGRS could be issued to Members for their information.

Action: Mr Walker

It was recommended that Members approve the Corporate Plan 2024-28 and actions associated with the delivery of this Plan, prior to being issued to the constituent councils.

The Joint Committee approved the recommendations. Proposed by Councillor McKeen, seconded by Councillor Kennedy.

Action: Agreed

Ms Boal returned to the meeting.

Item 13 - Customer Surveys 2023/24

Ms Boal presented a report to present the results of the annual arc21 Customer Survey and the workshop evaluation forms for 2023/24 for the work carried out by the arc21 Waste Promotion Officer.

(i) arc21 Customer Survey - Officers and Members

She noted that the annual arc21 Customer Survey for 2023/24 had been undertaken during May/June 2024 and, to encourage better response rates, arc21 had provided hard copies to Steering Group officers to complete during a meeting held in May 2024 and to Joint Committee Members at the May meeting. In addition, at the request of Members, an electronic version of the questionnaire was sent out in June 2024.

She noted that in terms of the Steering Group, responses were received from all councils, however there had been a limited response from Members.

The survey results were presented in the form of charts and she noted that the Senior Management Team were considering the responses and, in particular, the approach to the provision of additional information requested by officers on specific topic areas.

She noted that that arc21 had recently rolled out SharePoint for the sharing of information with officers and may potentially do something similar for Members, and if there was additional information Members wished to receive, could they let arc21 know.

(ii) Education and Awareness Programme Feedback

Ms Boal also presented the results from the evaluation forms for the period April 2023 to March 2024 which she noted the Waste Promotion Officer hands out to schools, summer schemes, youth organisations and community groups to enable them to provide feedback on the education programme.

She noted that overall, the feedback was positive and the service continues to provide an important and well received service to the councils.

She advised that it was intended to align the survey questions more with the new Corporate Plan next year.

A Member inquired if a comparison had been done with the previous year results. Ms Boal advised that the arc21 Management Team would review the responses in greater detail and compare against the previous year. She pointed out that feedback on arc21 performance was welcome at any point throughout the year.

Following discussion, the Joint Committee noted the report. Proposed by Councillor Murphy, seconded by Councillor Lynch.

Action: Noted

Item 14 - AOB

DAERA Minister - Mr Walker advised that, following a request at a previous meeting to seek a meeting between arc21 and Minister Muir, a date had been confirmed in August and arc21 would be reporting on how that had gone at the next meeting.

Action: Mr Walker

Audit Committee - Mr Walker reported on the issues with forming an Audit Committee last year and advised that arc21 will be revisiting this in September. The objective would be to separate the Audit Committee papers from those of the Joint Committee. He said that a report will be brought to the August or September meeting on this matter for consideration.

Action: Mr Walker

Member Attendance - the Chair highlighted the issues in the past with Members' attendance and encouraged all to try to attend the meetings going forward as the work and implications coming before the Committee have potentially significant consequences for the constituent councils and costs for rate payers. He suggested that all Members present should encourage their co-nominees on the Joint Committee to attend and contribute to the meetings going forward.

Online/hybrid meetings - Mr Walker advised that there may be the potential to resume online/hybrid meetings and that he would be taking further legal advice on arc21's Standing Orders to determine if the existing vires would permit this and that he hoped to bring a report to the August Committee.

Action: Mr Walker

Mr Walker thanked all Members for attending this special meeting which was unscheduled.

Item 15 - Next Meeting Thursday 29 August 2024 at 10.30am, Braid Town Hall, Bridge Street, Ballymena, hosted by Mid and East Antrim Borough Council

Date: 29 August 2024

Chairman:

