



22 February 2022

By email: Secretary of State for Levelling Up, Housing and Communities Michael Gove
(correspondence@levellingup.gov.uk and michael.gove.mp@parliament.uk)

cc: Sir Iain Duncan Smith MP (iain.duncansmith.mp@parliament.uk)
North London Waste Authority Chair Cllr Clyde Loakes (cldr.clyd.loakes@walthamforest.gov.uk)
Secretary of State for BEIS Kwasi Kwarteng MP (enquiries@beis.gov.uk and kwasi.kwarteng.mp@parliament.uk)
Minister of State for Business, Energy and Clean Growth Greg Hands MP (handsg@parliament.uk)
Chancellor of the Exchequer Rishi Sunak (public.enquiries@hmtreasury.gov.uk and rishi.sunak.mp@parliament.uk)
Prime Minister Boris Johnson (publiccorrespondence@cabinetoffice.gov.uk and boris.johnson.mp@parliament.uk)

Dear Secretary of State,

Request for Government commissioners to intervene in the North London Waste Authority

On behalf of the Stop the Edmonton Incinerator Now coalition, I write to express our serious concerns regarding the manifest incompetence, lack of accountability, and failure of the scrutiny function within the North London Waste Authority (NLWA), specifically with respect to its failure to provide value for money to taxpayers by planning to build an overpriced, oversized, and overly polluting incinerator in Edmonton. Our concerns are shared by many MPs, who have raised these matters in Parliament over the past year. Most recently, on 9 February 2022, MPs flagged these concerns during a parliamentary debate, during which Sir Iain Duncan Smith said about NLWA: *'When something goes so badly wrong, the Government have to look at it again and ask how it can be.'*¹

We therefore request that you, as Secretary of State for DLUHC, send in Government commissioners to investigate NLWA and take over its powers until it can be put on a sound footing.

NLWA is a local authority as per the Local Government Act 1972. It is set up in line with Schedule 1 of the Waste Regulation and Disposal (Authorities) Order 1985. As such, NLWA comes under the DLUHC's jurisdiction, much like other local authorities where DLUHC recently intervened (see examples in Annex 1).

It is unclear how NLWA has been able to persevere despite issues so serious that they would put a rapid halt to projects in the commercial sector. Annex 2 to this letter lists key issues of concern regarding NLWA, many of which correspond to those that warranted DLUHC intervention in other cases, including:

- failure of overview and scrutiny functions, inadequate controls
- failure in the duty to provide value for money and to improve services with regard to economy, efficiency, and effectiveness
- mismanagement of public money
- dysfunctional internal culture and relationships.

One reason that NLWA has escaped scrutiny may be that oversight is distributed among several public bodies – BEIS, the Climate Change Committee, COP26, Defra, and the Environment Agency – with no single Government body in charge. As head of DLUHC, you are best placed to fill this leadership gap. I look forward to hearing that you are sending in the commissioners – a lawful, fair, and reasonable move that we consider necessary in response to NLWA's egregious failings.

Yours faithfully,

Carina Millstone, on behalf of Stop the Edmonton Incinerator Now (notoxicsmoke@gmail.com)

¹ <https://hansard.parliament.uk/commons/2022-02-09/debates/8E2B28D5-A048-446D-98E5-282C27BDD9E7/EdmontonEcoparkProposedExpansion>

Annex 1: Previous DLUHC interventions

Examples of DLUHC interventions in response to concerns that also apply to the North London Waste Authority:

- **Slough Council** (1 December 2021): The intervention followed an [announcement](#) by Local Government Minister Kemi Badenoch, who informed Parliament on 25 October 2021 that:
‘The Chartered Institute of Public Finance and Accountancy (CIPFA) led on the financial aspects of the review and Jim Taylor, former chief Executive of Salford City Council, Trafford Council and Rochdale Borough Council, led on governance. [...] The Department was minded to intervene in the council after an independent review uncovered a deeply concerning picture of mismanagement, a breakdown in scrutiny and accountability, and a dysfunctional culture at Slough Borough Council. The Council’s internal controls and processes are inadequate, and the overview and scrutiny function is not equipped to operate effectively.’
- **Liverpool City Council** (10 June 2021): Commissioners were sent in after an [inspection](#) found a ‘breakdown in accountability’, ‘dysfunctional culture’, ‘inadequate controls’, and ‘failing in duty to provide value for money and to improve services with regard to economy, efficiency and effectiveness’.
- **Tower Hamlets** (December 2014): DLUHC stepped in following an [independent report](#) that uncovered a ‘worrying pattern of divisive community politics and alleged mismanagement of public money by the Mayoral administration of Tower Hamlets’.

Annex 2: Grounds for intervention in the North London Waste Authority

Following are selected grounds that warrant DLUHC intervention in NLWA. Details and additional information are available upon request.

- **Issues related to the Edmonton incinerator contract.** The NLWA Board, comprising two cllrs from the seven NLWA constituent councils — Barnet, Camden, Enfield, Hackney, Haringey, Islington, and Waltham Forest — voted to proceed with the construction of a replacement incinerator in Edmonton by agreeing to award the contract to Spanish firm Acciona, even though:
 1. Acciona’s bid was the only submitted bid, as the other two bidders in the tender process had either dropped out or merged with Acciona. Competitive bidding should have been possible given that the incineration industry is known to be strong.
 2. the contract price is an estimated £764m (2019 prices), or 20%–40% more than comparable recent contracts, in what one MP called ‘a slam dunk—name your own price’ during the above-mentioned parliamentary debate of 9 February 2022. He also noted: ‘The high cost is a key reason why we should pause, review.’
 3. NLWA itself gave the bid a very poor score: 36 points out of 100, which masks an even lower commercial score of 4 out of 30 (13%), despite the high contract price.
 4. national and local politicians – including two NLWA Board members – and residents questioned the bidding process and the quality and value of the bid.

5. the contract represents poor value for money for the taxpayer.
 6. the contract undermines the UK's net-zero targets by exacerbating overprovision of energy-from-waste capacity and associated greenhouse gas emissions, thus failing to observe explicit Climate Change Committee guidance.
 7. the contract is at odds with recycling targets and the transition to a circular economy, since it perpetuates the linear economy, destroys resources, and draws funding away from efforts to reduce, reuse, and recycle.
 8. the proposed plant entrenches a pattern of socially unjust siting of polluting infrastructure in one of the most deprived wards in the UK.
- **NLWA governance issues: lack of transparency, dysfunctional culture, failure of scrutiny and accountability**
 1. The Standing Orders **lack clarity on the NLWA Board's regulatory responsibility and relationships** with the constituent boroughs.
 2. The board members' **failure to dispense of their corporate oversight function** is evidenced by the lack of minimum criteria that cllrs must fulfil to be appointed to the board, such as having relevant knowledge and experience in the areas of waste management, scrutiny of public functions, or sustainability. Further, in the context of an ongoing legal challenge of the contract execution with Acciona, constituent councils stated in legal documents that they should not be co-defendants because the contract decision was made by NLWA and not by them.
 3. Documents provided in the context of the above-mentioned legal challenge indicate that **NLWA misled its board members** about the proposed plant's greenhouse gas emissions, carbon intensity, and carbon capture readiness.
 4. The chair of the NLWA Board, Cllr Clyde Loakes, has been **continuously re-appointed for 13 years** (since June 2008) and there is no cap on time in office. In contrast, other board members are replaced relatively frequently, before they have time to understand the complex financial and technical issues involved, and sometimes before crucial votes (including on the Edmonton incinerator contract). The scrutiny function is therefore ineffectual.
 5. The chair's behaviour has at times been publicly autocratic, unprofessional, and dismissive of experts; members of the public and elected officials alike have described the chair as 'rude' and 'misogynistic'. Board members seem unable to question the chair's decisions, which contributes to a **dysfunctional culture**.
 6. The same management oversaw previous plans for a replacement incinerator that collapsed at considerable and ongoing cost to the taxpayer; tens of millions of pounds were lost in an attempt to use an unsuitable site at Pinkham Way (a £40m liability), pointing to **gross mismanagement**.
 7. A **conflict of interest** arises from the fact that certain members of the NLWA Board are also paid non-executive board members of LondonEnergy Ltd, which is wholly owned by NLWA and benefits significantly from NLWA contracts to run the Edmonton incinerator.

8. In the context of the above-mentioned legal challenge, NLWA constituent councils have stated in legal documents that they have no powers to scrutinize major decisions, such as the above-mentioned contract for the oversized and overpriced incinerator. Freedom of information requests reveal the councils' **failure to conduct individual financial risk assessments** in relation to the proposed incinerator.
9. NLWA should be accountable to Parliament but, in practice, it is **accountable to no one**. Sir Iain Duncan Smith said at the above-mentioned parliamentary debate of 9 February 2022: *'Nobody seems to say that they will take responsibility for it in Government or local government. It appears that the only body that is capable of reviewing or changing the project is the North London Waste Authority itself. In a way, it sets the exam question and answers it for itself every time. That cannot be right. I hope that my right hon. Friend the Minister will give us some inkling as to whether the Government think that the project carrying on is right.'*
10. NLWA has long resisted scrutiny and appears to have cultivated an internal culture of secrecy. In 2015, when NLWA was being considered by the current seven constituent councils, a draft memorandum of understanding proposed to conduct and maintain the proceedings in secret. This proposal was challenged and changed. Nevertheless, internal controls and processes **lack transparency**. For example, an EY report commissioned to address the poor working relationship between NLWA and its wholly owned subsidiary, LondonEnergy Ltd, is not publicly available, despite FoI requests for its release.
11. The contract for the Edmonton incinerator was signed after the expiry, in 2020, of the North London Joint Waste Strategy, which recommended pre-sorting of mixed waste prior to incineration – guidance that NLWA have refused to follow in Edmonton. Moreover, the contract is based on flawed data that predate climate emergency declarations, the UK's net-zero targets, and national and municipal recycling targets. The **failure to integrate current data and policy trends** in waste management plans and priorities is likely to turn the incinerator project into an expensive white elephant in the future.
12. NLWA spends a disproportionate amount of its budget on communications, and particularly on **greenwashing** (misinformation).
13. NLWA efforts to borrow money for the project from the Treasury's Public Works Loan Board and the UK Municipal Bonds Agency are based on **misleading claims that the project qualifies as a "green" project**, although the EU and emerging UK taxonomies of sustainable finance exclude energy-from-waste incineration.
14. NLWA relies on north London taxpayers to provide a certainty of returns, even if the project becomes a financial failure or white elephant. Sir Iain Duncan Smith said at the above-cited parliamentary debate of 9 February 2022: *'The Government tell me that they do not have the power to intervene, but it seems that the waste authority has an **unlimited demand for money.**'*
15. NLWA's poor recycling record, its unwillingness to plan for reduced waste volumes when the Defra waste legislation comes in, and its rejection of technology that can retrieve valuable, recyclable materials from the incineration waste stream all lead to **excessive costs for taxpayers and poor value for money**.