

Environment Scrutiny Commission

Tuesday 8 February 2022

7.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplemental Agenda Two

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5.	South East London Combined Heat and Power (SELCHP) This item will look at the current provision of heat to Southwark, the potential to expand heat networks, and the management of air quality. A report from SELCHP is enclosed. SELCHP representatives attending to present will be Neil Brothers (Head of ERF Operations) and Thomas Folliard (General Manager - SELCHP Energy Recovery Facility). The following Environment Agency officers will attend: : <ul style="list-style-type: none">• John Tollervey, Regulatory Officer EPR Compliance, EPR Installations: Kent, South London and East Sussex• Paul Bennett Paul Newman, Team Leader - Environmental Protection Team, Southwark council will attend to advise on air quality. A briefing note from officers is enclosed.	4 - 6

Contact

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ENVIRONMENT SCRUTINY COMMISSION

Summary MINUTES of the Environment Scrutiny Commission held on Monday 29 November 2021 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH.

PRESENT: Councillor Margy Newens (Chair)
Councillor Adele Morris (Vice-Chair)
Councillor James Coldwell
Councillor Leo Pollak
Councillor Leanne Werner

OTHER MEMBERS PRESENT: Councillor Helen Dennis, Cabinet Member for the Climate Emergency and Sustainable Development

OFFICER SUPPORT: Stuart Davies, Director of New Homes
Colin Wilson, Head of Regeneration , Old Kent Road
Juliet Seymour, Planning Policy Manager
Julie Timbrell, Scrutiny Project Manager

1. APOLOGIES

There were no apologies.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no urgent items.

3. DISCLOSURE OF INTERESTS AND DISPENSATION

Councillor Margy Newens recorded that she is a shareholder investor in a Community Energy project initiated by SE24. She clarified that following a brief discussion at the last meeting she had received assurances from officers that this is not a pecuniary interest.

4. MINUTES

The minutes of the meeting held on 14 October 2021 were agreed as an accurate record, with one amendment, which was to correct the reference to the name of Dulwich College.

5. ENERGY REVIEW: OFFICER REPORT

The following provided presentations:

- Stuart Davies, Director of New Homes, Housing and Modernisation – see ‘NEW HOMES net zero carbon commitment’
- Colin Wilson, Head of Regeneration , Old Kent Road, - see Old Kent Road presentation
- Juliet Seymour, Planning Policy Manager – see Planning Officer presentation

6. ENERGY REVIEW: ROUNDTABLE

The chair introduced the item by explaining that aim of the session is to lay down some pointers towards some of the changes required to meet the council’s sustainable development and retrofitting objectives, and increase renewable energy production.

The chair then invited the following to provide a presentation:

- Greater London Authority: Catherine Barber, Assistant Director, Environment and Energy - GLA energy presentation.
- Architect Climate Action Network; James Rixon and Sara Edmonds, Architects with a background in retrofit - see ACAN retrofit explainer presentation.

The following were invited to contribute to the roundtable:

- Passivhaus Trust, Jon Bootland, CEO, Passivhaus Trust
- British Land, Roger Madelin CBE Joint Head of Canada Water at British Land PLC
- Peabody, Richard Ellis, Director of Sustainability
- Berkeley, Andrew Maunder, Development Manager, Chloe Young, Head of Development, Berkeley Homes NEL and Victoria

Chater-Lea, sustainability advisor.

- Native Land, Felicity Masefield , Development Executive, responsible for formulating the Native Land Sustainability Strategy
- Fabrix, Matthew Weaver, Corporate Investment Manager
- Dulwich Estate, Simone Crofton, Chief Executive
- G320 Smaller Housing Associations of London, Mark Jackson, Chief Executive of Lambeth and Southwark Housing Association
- Lend Lease, Ian Smith, Senior Public Affairs Manager.

Wilmott Dixon, Richard Bartlett sent apologies due to transport problems.

7. PLANNING AND ENVIRONMENT SCRUTINY REVIEW - CABINET RESPONSE

This was noted.

8. ENERGY REVIEW: SCOPE

This was noted.

9. WORK PROGRAMME

This was noted.

Agenda Item 5

South East London Combined Heat & Power Facility (SELCHP)

Background issues on potential expansion of District Heating Network

Background

This note is provided to the council's Overview and Scrutiny Commission as part of the review into the implications of potential projects to expand the current District Heating Network (DHN) which currently provides heating and hot water to around 2,500 homes in Southwark. It is assumed that the reader will have a basic understanding of the existing DHN arrangements between the council and SELCHP, and current waste treatment and disposals, and this is not further covered here in the interests of brevity.

This note is not intended to give specific professional advice on the air pollution and public health impacts of SELCHP and future projects related to it, nor does it give an evaluation of the costs or benefits of any potential projects to expand the current DHN. These will need to be reviewed with relevant expert input, and may need separate projects to evaluate issues and provide a full response. The purpose of this note is to summarise key background issues; set out some key principles to offer a framework for discussion; and provide further sources of information that the Commission may wish to consider in its discussions.

There are three linked questions that may be relevant for the Commission's consideration, and these are discussed in the following sections of this report. These are:

1. What level and type of emissions are produced by SELCHP, and what policy implications do these emissions have for the council?
2. How can the energy potential of SELCHP, as an existing facility, best be utilised within the aims of the council's existing Climate Emergency policies?
3. What waste management options does the council have for treatment, recovery and disposal of residual waste?

In practice these are entirely separate questions, although it is expected that the answers that the Commission seeks to reach will ensure a consistent approach across all three questions. But whether or not the council use SELCHP for management of residual waste, the facility will continue to operate in Lewisham; and whether or not an expansion of the existing DHN takes place, the same amount of waste is likely to be sent for combustion in the facility.

Because this note is intended to provide a framework for discussion and further investigation of these issues by the commission, no recommendations or conclusions are presented.

1. Levels and types of emissions from SELCHP

SELCHP is regulated by the Environment Agency as an industrial installation, with an environment permit that controls operating methods and emissions. Exhaust gases from combustion of waste are subject to stringent pollution control measures, and details of emissions are published on SELCHP's [website](#). The council has some responsibility for pollution control and air quality, and can investigate complaints within the Southwark area, but as SELCHP is within Lewisham, the council has no direct regulatory role in respect of SELCHP. Any detailed questions on the current level of emissions, and the controls in place for emissions from SELCHP, will need to be addressed to the Environment Agency.

The permit sets conditions and limits for a range of pollutants, including nitrogen oxides, hydrogen chloride, sulphur compounds, organic carbon compounds etc. It should be noted that emissions of these compounds are not exclusive to Municipal Waste Incinerators (MWIs) – these pollutants are roughly analogous to those emitted for any combustion process, including traffic emissions. However, while emissions from SELCHP may contain many similar pollutants to traffic emissions, the main difference is obviously that traffic levels vary throughout the day as they are from mobile sources, whereas SELCHP is a fixed and ongoing emissions source around the clock.

Much of the current opposition to incinerators tends to be based on the following factors:

- The belief that the emissions represent a hazard to health. Impartial studies of modern incinerators have not supported this conclusion, although studies have acknowledged that a small but unquantified risk of impacts on human health cannot be entirely excluded.
- That the presence of MWIs in communities represent a blight on the local amenity value in terms of visual impact and traffic impacts (there is obviously a high level of heavy traffic carrying waste in the vicinity of a MWI).

Part of the underlying argument is that MWIs tend to be located in areas of higher deprivation, with any impacts of incineration representing a greater impact on the poorest communities. There is no doubt that this is factually true, and it is also true of almost all industrial facilities. The poorest communities are often located closer to areas of industrial development which are considered suitable in planning terms for location of MWIs and other industrial installations. This is the result of both land and development costs and the planning process. This question is probably therefore as much political as technical, although technical issues will no doubt form a part of that discussion.

But not having incinerators in principle means landfill disposal instead, requiring more landfill sites, which are substantially more damaging environmentally, and are *also* located in areas of higher deprivation. The practical reality is that choices on waste recovery and disposal must be made from limited options – with MWIs generally being seen as the ‘least bad’ of the realistically available options for managing general waste (although near neighbours of any waste facility might disagree).

There are a number of authoritative studies on the impacts of MWIs on air quality and health, and two are indicated below. If further advice is sought on health impacts of emissions, this should be raised with the relevant public health bodies for expert advice:

- There was a review of evidence and research literature by [Public Health England](#) in 2019 on MWIs. This found that the studies reviewed “...*found no evidence of an increased risk of infant mortality for children living close to MWIs...*”.
- A further report commissioned by the [GLA](#) in 2020, reviewed the evidence and concluded that “...*well-managed modern EfW/MSWIs are unlikely to pose a significant health risk...*”.

2. Optimum use of the SELCHP energy potential

Any projects to expand the existing DHN, would seek ways of using the existing heat load that is already being generated by SELCHP. There is an annual throughput of roughly 440,000 tonnes of waste in SELCHP now, from a range of municipal and commercial sources. This is unlikely to change whatever decision is made by the council. The combustion of this waste is used now to power a turbine to generate electricity that is added back into the electricity grid alongside other sources of generation. There is a substantial amount of heat produced, that would otherwise be waste heat, and some of this heat is already recovered and used by the existing DHN.

An expansion of the DHN would seek to recover more of this wasted heat, and use it within a heat main to provide heat and hot water to more homes and/or businesses. This energy used would avoid the use of energy otherwise generated by combustion of fossil fuels (eg individual gas boilers), by making use of heat that would otherwise be wasted. This expansion would not increase the amount or type of waste combusted by the facility, it would not affect local traffic around SELCHP, nor would it affect the emissions. The impact would be only to recover heat that would otherwise be lost to the atmosphere.

SELCHP is operated by Veolia as a commercial facility, and while a number of councils have contracted for parts of its capacity, it is not subject to the control, contractually, of any council. The facility is located within Lewisham, and regulated by the Environment Agency. Southwark has no control over the facility or its operations, and does not regulate any aspect of SELCHP.

Veolia, as the operator of SELCHP, could choose to not undertake further expansion of the DHN; to reach a contractual agreement with the council for the expansion of the existing DHN; or to undertake a project with an entirely different council or heat user (such as a developer) for a separate DHN. Government policy may encourage (and partially fund) DHN expansion, and Southwark may be able to facilitate the development of a project, but for a successful project to happen, the council and Veolia will need to agree a technically viable project on mutually agreeable commercial terms. In the long term (eg over a 25 year+ horizon), there is no realistic prospect that waste levels would reduce to the level where there would be insufficient waste in local area for SELCHP to generate energy. The council has no contractual obligation to provide a minimum tonnage of general waste for recovery or disposal, so there is no reason to consider that a possible DHN expansion would have any adverse impact on recycling rates, or be at future risk due to a lack of waste fuels.

3. Future waste management options

The council currently has an integrated contract for provision of waste management services that operates under the Private Finance Initiative programme. This is a long term contract that expires in 2033. Under the terms of the contract, residual waste is treated in the Mechanical & Biological Treatment facility within the facility at Devon Street, with some recyclables extracted, to produce a range of solid fuels to be used for energy generation. Some of these fuels are used in industrial processes such as cement kilns, but most is used for energy generation in MWI facilities.

Currently, most of the output fuel from Southwark's waste is sent to SELCHP, although this is not a requirement of the contract. Veolia may choose to use any other suitably regulated facility for energy recovery from this waste, and about 25% of Southwark's fuel outputs are combusted in other facilities (which are similar in nature to SELCHP, although not generally as energy efficient) elsewhere in the UK. It is unlikely that the council could realistically change the current residual waste management arrangements significantly until after the current Waste PFI contract expires in 2033.

Beyond that time, the council could seek to:

- Make other arrangements when the current contract expires to seek an alternative treatment method for residual waste, but in practice, if the combustion of waste residues is ruled out (whether combusted in SELCHP or elsewhere), the council would have no realistic alternative other than to landfill all residues. This approach alone is unlikely to meet minimum legal requirements for disposal of waste.
- Actively seek to reduce the amount of residual waste generated by both waste minimisation, and increased recycling of waste by producers. This would have the effect of reducing the environmental impacts of the council's waste, and maximising the recovery of value from waste through a more 'circular economy' approach – which would be consistent with the Climate Emergency action plan.
- Increase waste reduction and a circular economy approach within the next Waste Strategy review which is due to commence in the next year. This does form part of the current strategy, although requires improvement for the next strategy, to take account of changes in the law. Any element of waste reduction will require long term changes in behaviour by residents, and may require changes of policy, such as the introduction of compulsory recycling by residents, or other service requirements, that ensure general waste for disposal is minimised. This may reduce the requirement for waste disposal from Southwark, but some management via MWIs – or landfills - will still be required.

Item No. 8	Classification: Open	Date: 8 February 2022	Meeting Name: Environment Scrutiny Commission
Report title:		Environment Scrutiny Commission Work Programme 2021-22	
Ward(s) or groups affected:		N/a	
From:		Project Manager, scrutiny.	

RECOMMENDATIONS

1. That the Environment Scrutiny Commission note the work programme attached as Appendix 1 Work Programme.
2. That the Environment Scrutiny Commission consider the addition of new items or allocation of previously identified items to specific meeting dates of the commission.

BACKGROUND INFORMATION

3. The general terms of reference of the scrutiny commissions are set out in the council's constitution (overview and scrutiny procedure rules - paragraph 5). The constitution states that:

Within their terms of reference, all scrutiny committees/commissions will:

- a) review and scrutinise decisions made or actions taken in connection with the discharge of any of the council's functions
- b) review and scrutinise the decisions made by and performance of the cabinet and council officers both in relation to individual decisions and over time in areas covered by its terms of reference
- c) review and scrutinise the performance of the council in relation to its policy objectives, performance targets and/or particular service areas
- d) question members of the cabinet and officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects and about their views on issues and proposals affecting the area
- e) assist council assembly and the cabinet in the development of its budget and policy framework by in-depth analysis of policy issues

- f) make reports and recommendations to the cabinet and or council assembly arising from the outcome of the scrutiny process
 - g) consider any matter affecting the area or its inhabitants
 - h) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working
 - i) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the scrutiny committee and local people about their activities and performance
 - j) conduct research and consultation on the analysis of policy issues and possible options
 - k) question and gather evidence from any other person (with their consent)
 - l) consider and implement mechanisms to encourage and enhance community participation in the scrutiny process and in the development of policy options
 - m) conclude inquiries promptly and normally within six months
4. The work programme document lists those items which have been or are to be considered in line with the commission's terms of reference.

KEY ISSUES FOR CONSIDERATION

- 5. Set out in Appendix 1 (Work Programme) are the issues the Environment Scrutiny Commission is due to consider in 2021-22.
- 6. The work programme is a standing item on the Environment Scrutiny Commission agenda and enables the commission to consider, monitor and plan issues for consideration at each meeting.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment Scrutiny Commission agenda and minutes	Southwark Council Website	Julie Timbrell Project Manager
Link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=518		

APPENDICES

No.	Title
Appendix 1	Work Programme 2021-22

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Scrutiny		
Report Author	Julie Timbrell, Project Manager, Scrutiny.		
Version	Final		
Dated	7 February 2022		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Governance		No	No
Strategic Director of Finance and Governance		No	No
Cabinet Member		No	No
Date final report sent to Scrutiny Team			7 February 2022

Environment Scrutiny Commission 2021 / 22 Workplan

Review: Energy – see scope for more information.

Date	Items	Notes
30 June 2021	<ul style="list-style-type: none"> ○ Climate Change strategy ○ Energy Sparks ○ Finalise and agree last year's scrutiny review reports on: <ol style="list-style-type: none"> 1. Air Quality (part 2) 2. Environment and Planning. ○ Work programme for the year – discuss and agree Energy scope review 	
14 October 2021	<ul style="list-style-type: none"> ○ SE24 and Charter School Educational Trust ○ District Heating Networks, including the pilot water source pumps ○ Food and garden waste ○ Energy Review Scope and summary of previous Community Energy reviews and items 	
29 November 2021	<ul style="list-style-type: none"> ○ Briefing and presentation from officers on sustainable development, retrofitting existing houses and renewable energy generation. ○ Round table landlords, developers and stakeholders on sustainable development, retrofitting existing housing stock and renewable generation 	

8 February 2022	<ul style="list-style-type: none"> ○ South East London Combined Heat and Power SELCHP (presentation from Veolia on expansion plans and air quality impact, Southwark council officers re air quality & plans for expansion, plus input from the Environment Agency re emissions) ○ RAFT Harry Paticas MBE AAdipl RIBA, Founder / Managing Director www.retrofitaction.org.uk ○ IRT Surveys: https://irtsurveys.co.uk/. Strapline: "We Show Housing Providers How to Make Homes More Eco-Friendly". IRT CEO Stewart Little 	
15 March 2022	<ul style="list-style-type: none"> ○ Final review report Energy ○ Planning briefing: Urban Greening Factor implementation update, plus update NSP implementation re Planning and Environment cabinet report . ○ Discussion with Cllr Rose and officer briefing on progress with responding to Recommendation 8 of the second Air quality report , which integrated outstanding recommendations from the first Air Quality report – see below <p>Recommendation Eight</p> <p>The commission therefore recommends that once the LTN review is completed that more time is given over to responding to each of the commission's previous recommendations and that officers and cabinet leads return to the commission with a detailed operational plan outlining how Low Traffic Southwark will be delivered and provide a full response to the below:</p>	

	<p>1) Develop an operational plan with partners to implement the Movement Plan, focusing on structural changes, informed by the ambitions of the Movement Plan and its associated deprivation data.</p> <p>2) Viability testing of the target to reduce traffic by 90% by 2030</p> <p>3) End the current diesel contract for Southwark fleet vehicles and switch to EV as soon as possible. Swap EV for sustainable transport / freight. Revisit our procurement strategy to ensure subcontractors have EV or a sustainable fleet. Set a cut-off date for compliance so that subcontractors have time to make the switch. (Marked to be considered in the cabinet response to the first report)</p> <p>4) Southwark adopts a maximum charge for bike hubs/hangers that ensures that is cheaper than car parking by space (marked to be considered in the cabinet response to the first report)</p> <p>5) An update on charging for parking in the borough including the development and implementation of the emissions based charging policy and if this will include reductions in car parking provision. The commission recommended that this policy looks at the parameters of vehicle size, fuel, and multiple vehicles per house.</p> <p>6) A borough-wide greenery programme to use native hedges to screen to against air pollution, ecological planting and also improve the environment and place making. Examples include allotments and wildlife sanctuaries. (Marked to be considered in the cabinet response to the first report) In addition, the commission would like to see a focus on more ecologically friendly maintenance of housing estates, including less mowing of grassy banks and verges. Green waste also ought to be converted to compost, see Earth Cycle.¹</p>	
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¹ <https://earthcycle.co.uk/about>

Environment Scrutiny Commission**MUNICIPAL YEAR 2021-22****AGENDA DISTRIBUTION LIST (OPEN)****NOTE:** Original held by Scrutiny Team; all amendments/queries to Fitzroy Williams Tel: 020 7525 7102

Name	No of copies	Name	No of copies
Councillor Margy Newens	1	Julie Timbrell, Scrutiny Team SPARES	10
		External	
Electronic Copy Members <u>Councillors:</u> Councillor Adele Morris Councillor Tom Flynn Councillor James Coldwell Councillor Graham Neale Councillor Leo Pollak Councillor Leanne Werner <u>Coopted member:</u> Jon Bootland Reserves Members Councillor Peter Babudu Councillor Jack Buck Councillor Maggie Browning Councillor Richard Leeming Councillor Vikki Mills Councillor Damian O'Brien Councillor Daniel Whitehead		Total: 11 Dated: January 2022	