

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: SERVICES UPDATE

REPORT OF: HEAD OF STRATEGY AND SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 23 JUNE 2022

SUMMARY OF REPORT:

This report informs Members about the latest operational activities.

RECOMMENDATIONS:

The Authority is recommended to:

- a) Note the operational, performance and specialist recycling updates provided.

Signed:



Head of Strategy and Services

Dated: 13 June 2022

1. BACKGROUND

- 1.1. This report provides Members with an update of the main operational matters that have arisen since the report to the Authority meeting on 10 March 2022.

2. ABOUT NLWA'S SERVICES

- 2.1. The North London Waste Authority (the Authority or NLWA) has a statutory responsibility for the provision of municipal residual waste disposal services for the seven constituent borough councils (Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest), serving over two million people. NLWA also manage the recycling collected by six of the seven boroughs.
- 2.2. The Authority has powers to arrange for the reuse, recycling and composting of municipal waste and to operate Reuse and Recycling Centres (RRCs). Waste disposal services are mostly delivered through a contract with LondonEnergy Ltd (which is owned by NLWA).
- 2.3. The seven boroughs collect nearly 820,000 tonnes of waste and recycling a year, of which 675,000 tonnes comes from households. NLWA's aim is to preserve the resources and the environment today and for future generations. The Authority is committed to innovation and careful planning to ensure waste resources are managed effectively and sustainably.

3. CONTINUITY OF SERVICE AT THE ENERGY CENTRE

- 3.1. The vast majority of north London's residual waste is treated at the energy from waste facility at the Edmonton EcoPark, operated by LondonEnergy Ltd (LEL). There have been some interruptions to planned operations at the EcoPark, which have required affected use of the facility.
- 3.2. On 1 April, an export transformer developed an electrical fault resulting in a loss of power at the Energy Centre. Export transformers facilitate the export of energy to the national grid. Power was lost for only a short period (around 2 hours) before the fault was identified and isolated. However, due to the age of the plant it is necessary for the boilers to cool down before the reignition process can begin. LEL also needed to undertake safety inspections of other key components before re-energising the plant.
- 3.3. On 29 April, the supply to an 11kV transformer tripped causing a further loss of power. The cause of this problem took longer to identify and resolve. The facility operated at reduced capacity for the following week. LEL staff, Authority officers and borough waste teams coordinated closely together to manage the diversion of waste over this period without affecting the service to residents.
- 3.4. When fully operational the energy from waste facility can process 11,000 tonnes of waste per week. The facility was scheduled to be operating at a lower capacity in

March and April to allow for new switchgear to be installed and other maintenance work to be carried out. The impact of the incidents above meant that there was a shortfall of waste processed against the budgeted capacity. This is shown in the graph below (fig 1). The result of this was that around 17,000 additional tonnes of waste needed to be disposed of via third party operators. It was challenging to find space at energy from waste facilities at short notice, and around 1,400 tonnes had to be sent to landfill in the period to the end of May 2022

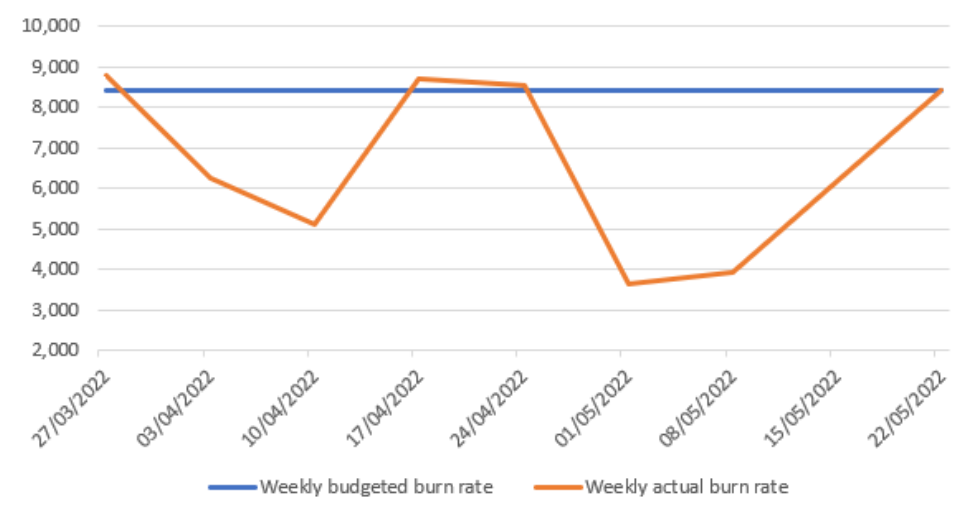


Fig 1 – Actual v Forecast Energy Centre throughput

4. WASTE MANAGEMENT

- 4.1. There are early indications for 2022/23 that volumes of most types of waste are lower than the forecasts established in coordination between Authority officers and borough teams. This appears to be a picture going wider than north London and is affecting residual waste and recycling. Our contractor, Biffa, have advised that the tonnages for dry mixed recycling (DMR) are around 10% lower than at this time last year across the country as a whole. This may be a product of packaging manufactories making packaging lighter, combined with a squeeze on household incomes. However, trends are hard to identify at this time of year due to the timing of public and religious holidays in April and May which affect collections. We will report further on 2022/23 tonnages as the year progresses and fuller data becomes available.

5. POTENTIAL TAKEOVER OF BIFFA

- 5.1. On 7 June the board of Biffa plc announced that it had received approaches from affiliates of Energy Capital Partners, LLC ("ECP") on behalf of funds and other investment vehicles managed and/or advised by ECP and its affiliates. These approaches concerned the purchase of the share capital of the Company. ECP is a US-owned business managing private equity funds with a focus on environmental infrastructure and power generation.

- 5.2. The proposal to take over Biffa is subject to satisfactory completion of due diligence and the finalisation of financing for the transaction. The board of Biffa has said that should a firm offer be made on the same financial terms after due diligence, it would be minded to recommend it to Biffa shareholders.
- 5.3. The Authority has a contract with Biffa for the management of dry mixed recycling which commenced in December 2019 and runs to December 2025, with an opportunity to extend to December 2029. Conditions of the contract include the payment of the London living wage to staff and Biffa contributing to a Borough Recycling Fund with the Authority which has the purpose of supporting new and innovative projects to help increase recycling rates across north London. The contract would not change as a result of any change of ownership of Biffa.

6. SPECIALIST RECYCLING UPDATE

- 6.1. As part of efforts to achieve continuous improvement in the recycling service, LEL have arranged for an increase in the range of textiles accepted at our network of Reuse and Recycling Centres (RRCs). This expansion includes some of the bulkiest textile items – the increase in the offering to residents includes recycling handbags, curtains and bed coverings (sheets, duvet covers, blankets and pillowcases). The offtaker contract for textiles is with the Salvation Army, and they will manage these materials after collection at RRCs.
- 6.2. Officers are continuing to explore with off-takers the opportunities to reuse and recycle more materials, which are currently sent for energy recovery.
- 6.3. Mattress recycling has continued across the Authority’s network of Reuse and Recycling Centres (RRCs) and transfer stations. The number of mattresses being recycled continues at high levels. At the end of March 2022, 67,058 units (1527 tonnes) had been recycled since the scheme began in June 2021. The table below details the tonnage of mattresses apportioned to the constituent boroughs up to March 2022.

	Summers Lane RRC	Western Road RRC	South Access Road RRC	Wembley	Bulky Waste Facility, EcoPark	Total (tonnes)
Barnet	107.27	0.37	0.03	122.63	138.85	369.15
Camden	0.42	0.03	0.03	78.63	64.50	143.60
Enfield	1.61	1.17	0.23	0.00	152.65	155.66
Hackney	0.05	0.77	1.99	0.00	169.08	171.89
Haringey	3.93	70.88	0.70	0.00	197.33	272.84
Islington	0.09	0.31	0.16	0.00	70.23	70.79
Waltham Forest	0.05	0.27	61.33	0.00	281.60	343.25
Total (tonnes)	113.42	73.80	64.47	201.26	1,074.24	1,527.18

6.4. LEL have procured a long-term contract for the processing of mattresses. The three-year contract started on 1 April 2022 and will ensure the continuation of this new service.

7. EQUALITIES IMPLICATIONS

7.1. There are no equalities implications associated with this report.

8. COMMENTS OF THE LEGAL ADVISER

8.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

9. COMMENTS OF THE FINANCIAL ADVISER

9.1. The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

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