

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: TRANSFER STATION IN WEST OF AREA

REPORT OF: HEAD OF STRATEGY AND SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 15 DECEMBER 2022

SUMMARY OF REPORT:

This report provides an update on the development of a long term replacement for Hendon Waste Transfer Station and Rail Head.

RECOMMENDATIONS:

The Authority is recommended to:

- A. Note the update provided.
- B. Agree to delegate to the Managing Director, in consultation with the Chair and Vice Chairs, the authority to revise the Settlement Agreement with the London Borough of Barnet (LB Barnet), the operating contract with LondonEnergy Ltd (LEL) and the lease agreement for the Wembley site

SIGNED:  Head of Strategy and Services

DATE: 5 December 2022

1. PURPOSE OF REPORT

- 1.1. The report updates Members on the progress that has been made in developing a long-term replacement for the Hendon Waste Transfer Station and Rail Head (Hendon WTS).

2. BACKGROUND

- 2.1. To facilitate the development of Brent Cross and Cricklewood, LB Barnet submitted on the 15 September 2016 the Compulsory Purchase Order (No 3) 2015 to the Secretary of State to authorise a compulsory purchase under section 226 (1)(a) of the Town and Country Planning Act 1990.
- 2.2. On the 12 September 2017, a Settlement Agreement between LB Barnet, NLWA and LondonEnergy Ltd (LEL) was agreed, whereby LB Barnet agreed not to use its compulsory purchase powers in return for NLWA and LEL complying with the terms of the settlement. Under the Settlement Agreement Barnet agreed to acquire a replacement site and carry out the required works to provide an alternative transfer station.
- 2.3. The settlement agreement identified a potential site at Geron Way in Barnet and a detailed design was developed with a capacity of 130,000 tonnes. The transfer station in the west of the area is used by LB Barnet and the London Borough of Camden (LB Camden). Under the terms of the settlement agreement, Camden had guaranteed capacity of 36,475 tonnes per annum (tpa) in 2025/26 rising to 37,201 tpa in 2034/35. Therefore, to the extent that LB Barnet in the future generates more waste than can be accommodated at Geron Way, alternative arrangements would be needed, such as direct delivering a proportion of waste to the EcoPark.
- 2.4. In early 2020 a Transfer Station operated by Seneca Environmental Solutions Ltd (Seneca) situated in Hannah Close, Wembley (Wembley TS) was identified as being available on a short-term lease basis.
- 2.5. On the 7 September 2020, the Programme Committee approved the leasing of the Seneca Resource Recovery facility in Wembley, for a period of seven years with a break clause after five. This would operate in place of the Hendon transfer facility. The Programme Committee also approved a variation to the Settlement Agreement, so as to give LB Barnet greater time to provide a long-term new facility. The lease commenced on 27 November 2020.
- 2.6. Taking a lease at Wembley was beneficial for both the LB Barnet and the Authority. The option supported the early exit from Hendon TS before the Geron Way facility was developed. The much larger Wembley TS also provide additional operational flexibility that gave greater resilience to operations during the delivery period of the North London Heat and Power Project (NLHPP).

3. THE CURRENT SITUATION

- 3.1. In early 2022, Seneca sold the Wembley Transfer Station and surrounding land to British Land. The sale of the freehold provided an opportunity to discuss with the new landowner the possibility of entering a long-term lease for the site on Hannah Close or part of it. This was led by LB Barnet who retain the responsibility to provide a long-term facility. Initial discussions with British Land were challenging, with British Land indicating they would seek a substantial uplift in annual rent if the lease for the current footprint of facility were extended for the long term.
- 3.2. NLWA supports the concept of providing an alternative facility to Geron Way. Such an alternative would free up the Geron Way site for residential or commercial development as part of the Brent Cross regeneration project. Recognising the risk to LB Barnet, as described in section 2.3, two possible designs for an alternative facility at Wembley were developed by teams from LB Barnet and the Authority. One was a replica of the Geron Way facility, and the other was a larger facility which would provide additional capacity giving resilience against future waste volume changes and reducing the risk to LB Barnet.
- 3.3. LB Barnet have led negotiations with British Land, as the key question is whether the increased cost of providing a site at Wembley is outweighed by operational and placemaking benefits from freeing up the Geron Way site. The feedback from LB Camden is that the location of the Wembley facility works well for their services.
- 3.4. It has not been possible to secure agreement with British Land for the larger facility at a price which LB Barnet considers represents good value. Work is underway to model the maximum performance which can be obtained from a smaller facility – replicating the requirements set out in the current Settlement Agreement described in paragraphs 2.2 and 2.3 above so that LB Barnet can have the best understanding of the capacity risk they would be likely to be carrying and assess the value of that.

4. NEXT STEPS

- 4.1. In the event that negotiations lead to a position where the most beneficial solution is for LB Barnet to enter into agreement with British Land for a long-term lease of a facility at Wembley, there will be urgent and time critical actions for the Authority and LB Barnet. These will be to finalise the design for British Land to deliver, agree the lease for occupation of the site, to update the settlement agreement and to secure continuous operation of facilities while the new facility is built at Wembley.
- 4.2. These would need to be completed by February 2023. If that does not happen, either because it is not possible to agree terms with British Land or not possible to complete the formal agreements, LB Barnet would need to instruct the

construction of the facility at Geron Way. This is to ensure that an operable facility is in place when the current Wembley lease is terminable.

- 4.3. Subject to progress with British Land there is likely to be intensive work, including close consultation with Members and officers from LB Camden to be reassured that Camden's interest under the Settlement Agreement is protected. The report recommends the Authority delegate to the Managing Director, in consultation with the Chair and Vice Chairs, the authority to revise the Settlement Agreement, Wembley Lease and operational agreement with LEL.
- 4.4. Officers will update Authority Members on this issue at a future meeting. There are likely to be decisive developments in the coming months. Therefore this paper provides a report on the current state of play to ensure Members are appropriately informed.

5. EQUALITIES IMPLICATIONS

- 5.1. There are no equality implications associated with this report

6. COMMENTS OF THE LEGAL ADVISER

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

7. COMMENTS OF THE FINANCIAL ADVISER

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

List of documents used:

Conformed Settlement Agreement

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