

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:** TRANSFER STATION IN WEST OF AREA

**REPORT OF:** MANAGING DIRECTOR

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 5 OCTOBER 2023

**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 on the progress being made to deliver a replacement for Hendon Waste Transfer Station and Rail Head.
- B. Approve the funding arrangements for extending the current Wembley transfer station lease for an additional two years, from November 2025 to November 2027, as set out in section 5.
- C. Delegate Authority to the Managing Director in consultation with the Chair and Vice Chair to make necessary amendments to the Settlement Agreement to reflect the change in funding for the lease extension, changes to the timeline for delivery and location of the permanent Transfer Station.

**SIGNED:** .....  ..... Managing Director

**DATE:** 25 September 2023

## **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. SUMMARY**

- 2.1. The London Borough (LB) of Barnet has an obligation set out in a Settlement Agreement (SA) between LB Barnet, the Authority (NLWA) and LondonEnergy Limited (LEL), to provide an alternative Waste Transfer Station to replace Hendon WTS. The SA requires LB Barnet to identify the site of the alternative facility and to fund the cost associated with obtaining land, design, construction and transition to the new facility. The default site named in the SA is Geron Way, Barnet which is on land owned by the borough adjacent to the new Brent Cross West rail station.
- 2.2. LB Barnet required the Hendon WTS to support their development ambitions, NLWA and LEL agreed to support these plans and entered into the SA.
- 2.3. The SA was altered in September 2020 to support the early exit from the Hendon Site to a Temporary WTS at Hannah Close (Wembley WTS). This was for a period of five years with an option for two additional years. This was beneficial to all parties; it supported early development of the Hendon WTS site and provided the Authority with additional resilience during the key construction phases of the North London Heat and Power Project (NLHPP) at the Edmonton EcoPark.
- 2.4. Since the SA was agreed, a number of developments have impacted on the feasibility of providing an effective facility at Geron Way. First, there have been changes to Environment Agency fire safety requirements, that the original design at Geron Way does not meet. Additionally, the Geron Way site was predicated on a reduction in residual waste which has not materialised. Therefore, it would not have the capacity to manage the waste which is required. While the SA protects Camden's position by guaranteeing their tonnage, LB Barnet has to divert any waste which cannot be accommodated, to alternative Authority sites. The operational complications of running a site permanently at capacity and varying Barnet's access day by day or week by week is a highly challenging for LEL. Furthermore, Geron Way has planning related restrictions that restrict its operating hours.
- 2.5. LB Barnet are exploring alternative site options. This is also beneficial to NLWA as it offers the potential to avoid the operating and capacity factors which would make Geron Way an extremely challenging part of the waste management system. The preferred alternative option is to negotiate the provision of a new facility using part of the current Wembley site. As it would be a new facility, it requires design work to be completed and planning permission to be obtained with construction to

follow. It is not practicable to have a new facility operational at Wembley by November 2025 – ie at the end of the initial 5-year lease. Exercising the option to stay at the Temporary Wembley site for two additional years should provide sufficient time to develop a design and construct a new permanent Wembley Waste Transfer Station.

- 2.6. This report therefore seeks approval to extend the lease at Wembley by two years, with a consequent update to the SA. The extension includes an increased contribution from LB Barnet to the lease cost at Wembley for the duration of the extension. Officers will liaise with LB Barnet and report on work to develop a new long-term facility. If it is not possible to secure a suitable arrangement at Wembley, LB Barnet retain the responsibility for developing a long-term facility elsewhere.

### **3. BACKGROUND**

- 3.1. To facilitate the development of Brent Cross and Cricklewood, the London Borough LB of Barnet submitted on 15 September 2016 a 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.
- 3.2. On 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 a Settlement Agreement with NLWA and LondonEnergy Ltd (LEL), under which Barnet agreed to acquire a replacement site and carry out the required works to provide an alternative transfer station.
- 3.3. 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, LB Camden had guaranteed capacity of 36,475 tonnes per annum (tpa) in 2025/26 rising to 37,201tpa 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. For reference the current equivalent tonnage to be accommodated at the new transfer station is over 150,000 tonnes.
- 3.4. 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.
- 3.5. On 7 September 2020, the Programme Committee approved the leasing of the Seneca resource recovery facility in Wembley for a period of five years with an option to extend by a further two years. This would operate in place of the Hendon WTS. 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.

- 3.6. Taking a lease at Wembley was beneficial for both the LB Barnet and the Authority. The option supported the early exit from the Hendon WTS before the Geron Way facility was developed. The much larger Wembley TS also provides additional operational flexibility that gave greater resilience to operations during the delivery period of the North London Heat and Power Project (NLHPP).

#### **4. THE CURRENT SITUATION**

- 4.1. In early 2022, Seneca sold the Wembley TS 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 have been challenging, with British Land indicating they would seek an uplift in annual rent if the lease for the current footprint of facility were extended for the long term.
- 4.2. NLWA supports the option 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.
- 4.3. The original Geron Way design is no longer being pursued. The design was agreed as part of the settlement agreement but since the agreement was reached there have been significant changes to the fire management requirements, which the original design does not meet. Despite extensive efforts of LB Barnet and Authority officers over the past 12 months, a new design has yet to be finalised and remains in development.
- 4.4. The Geron Way design has very restrictive operating hours prescribed through planning approval. These are set out at in figure 2 at section 4.13. The restriction on operating hours means loading out of material would have to take place during the working day, when borough vehicles are tipping materials. When loading out HGVs to remove waste it is essential that Borough vehicles and operatives are kept away from the operation for safety reasons. This places extreme and competing pressure on the facility to accept borough waste safely and load out sufficient waste in the restricted space and time allowed.
- 4.5. The operating restrictions reduce vehicle throughput of the site, and it is highly unlikely that the current site design will mitigate the risk to LB Barnet set out at section 3.3 of this report.
- 4.6. The limited capacity will also be insufficient to deal with growth in waste or the range of new and difficult to manage materials that we are expecting or are

currently managing at our facilities, such as soft furnishing that contain Persistent Organic Pollutants (POP's).

- 4.7. Officers have designed with British Land and LB Barnet an alternative facility on part of the existing Wembley Site. The Wembley design would provide additional storage capacity and operational certainty over what could reasonably be expected from the smaller Geron Way site. The alternate Wembley facility would also provide significantly more resilience against a rise in future waste volume or the composition changes that are expected to result from the long overdue Government waste reforms, particularly those associated with consistency of collection.
- 4.8. The additional operational benefits are derived in part from the site being slightly bigger with three additional waste bays; however, the largest factor is the unrestricted operating conditions. The current Wembley site is situated in a wholly industrial area and as such enjoys 24/7 operation. The alternate Wembley design would be constructed on part of the existing site and an initial planning and permitting review suggest that no restriction would be expected on the operating hours. This means the majority of loading out would be done overnight ensuring segregation between loading out and borough deliveries.
- 4.9. This makes the Wembley site the preferred option for London Energy Limited, the operator.
- 4.10. The site of the alternate Wembley site is marked in red on the map below, with the area shaded in grey denoting the facility itself. The total footprint is approximately half the size of the existing Wembley facility, however it is crucially larger than the proposed facility at Geron Way, as shown in the table at 4.13.



Fig 1 – The alternative Wembley Site overlaid on the existing site

4.11. The table below sets out the comparison between the options being considered.

Parameter	Geron Way	Wembley
Site Area (m2)	9100	12430
WTS Floor Space (m2)	4300	5300
Total Waste Storage (m3)	5986	7382
Residual Tonnage	1014t (1.9 days)	1191t (2.3 days)
Food	704t (8.3 days)	235t (2.8 day)
Green	No allowance	85t
DMR Storage	258t (2.7 days)	390t (4 Days)
Bulky Storage	8.2t (0.1 Days)	63t (0.7 Days)
Operating Hours	Monday-Friday 7am-7pm (only 1 vehicle movement per hour between 5pm and 7pm) Saturday - half-day working (4 Hours) Sunday - No Working	24/7
Fire Bay	yes	yes
Quarantine Bay	No (Doubles with Fire Bay)	yes
Vehicle throughput Per Hour	36	44
Sufficient peak hour queuing	?	Yes
Mattress Recycling	No	Yes
POP's	No	Yes
Increase in Tonnage over URS	?	yes

4.12. An alternate facility at Wembley would require a detailed transition plan to ensure the Authority remains capable of accepting waste from LB Camden and LB Barnet throughout the demolition and construction phases. Authority officers working closely with LEL and the Authority's advisers, WSP, have developed a high-level transition plan that utilises part of the existing facility and, crucially, releases the

area required for construction. However, more time is sought to confirm the plan can be delivered in conjunction with a complex demolition and construction project.

- 4.13. The feedback from LB Camden is that the location of the Wembley facility works equally well for their services as Geron Way.
- 4.14. 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 the placemaking benefits from freeing up the Geron Way site and the operational difficulties a Geron Way site would present LB Barnet.
- 4.15. The negotiations have proved challenging and would have needed to be complete earlier in 2023 to provide sufficient time to for LB Barnet to make a decision before instructing contractors to commence work at Geron Way. The settlement agreement requires a functional facility to be available ahead of the Wembley lease expiring.
- 4.16. With no agreement in place, Geron Way design works are ongoing and clearance works have commenced; however, these works could be paused should the Authority agree to extend the existing Wembley lease by two years. This option to extend is included in the is current lease. The extension to the lease would provide sufficient time to explore the alternate Wembley option to completion or recommence construction at Geron Way before the extended lease comes to an end.
- 4.17. 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.

## **5. FUNDING**

- 5.1. The existing cost of the Wembley Lease is £1.75m p/a. LB Barnet contributes £166K per year towards this. The Authority's costs are effectively divided between the rent which would in any case have been payable at Hendon, and a premium for the extra resilience and capacity offered by the Wembley WTS. As the resilience contributes to effective delivery and reduction of risk on the North London Heat and Power Project (NLHPP), a portion of the rent is capitalised and included in the NLHPP budget. As we near completion of the RRF facilities on the EcoPark, the risk associated with construction are reducing, however are not completely mitigated. Construction of the new Energy facility is underway and the EcoPark is still a constrained site with construction and waste operations in close proximity.
- 5.2. Discussions between LB Barnet and Authority officers have taken place to develop a revised funding formula for a two-year extension to the Wembley lease from November 2025. It is proposed that Barnet increase their contribution to £416K per

year for November 2025 to November 2027. This reduces the annual cost to NLWA, which reflects that as the NLHPP progresses, the EcoPark will be less disrupted meaning that the share of rent allocated to NLHPP would reduce.

- 5.3. The Authority is recommended to approve revised funding arrangements to facilitate a two-year extension to the Wembley lease from November 2025, subject to agreement of a deed of variation with LB Barnet as set out in the next section.

## **6. SETTLEMENT AGREEMENT**

- 6.1. Authority officers are in discussion with LB Barnet officers to alter the SA to reflect the changes recommended within this report.
- 6.2. It is necessary to move at pace to make the required amendments to the SA, so cost associated with the continued pursuit of the Geron Way option can be avoided.
- 6.3. It is therefore recommended that Members delegate authority to the Managing Director in consultation with the Chair and Vice Chairs of the Authority to agree a deed of variation to the current Settlement Agreement to reflect this.

## **7. EQUALITIES IMPLICATIONS**

- 7.1. There are no equality 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.

### **List of documents used:**

Conformed Settlement Agreement  
Wembley Lease agreement



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