

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:** NORTH LONDON HEAT AND POWER PROJECT UPDATE

**REPORT OF:** PROGRAMME DIRECTOR

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 30 SEPTEMBER 2024

**SUMMARY OF REPORT:**

This report provides the Authority with an update on progress of the North London Heat and Power Project including the Energy Recovery Facility. It also recommends the procurement of a new contract for a project and programme management data hub.

**RECOMMENDATIONS:**

The Authority is recommended to:

- A. Note and comment on the contents of the report.
- B. Delegate authority to the Programme Director to procure project and programme management data hub services. This would be done via the Crown Commercial Services G-Cloud 13 framework, at an estimated contract value of £410,000 for an initial period of two years with an option to renew for two further periods of one year each. Appropriate software products are needed through the life of the project, and this is a retender of a service procured in 2020.

**SIGNED:** .....  Programme Director

**DATE:** 18 September 2024

## **1. INTRODUCTION**

- 1.1. The North London Heat and Power Project (NLHPP) is North London Waste Authority's ambitious plan to redevelop the 53-year-old Edmonton EcoPark, delivering a new sustainable waste hub to replace the existing Energy from Waste (EfW) plant and provide flagship recycling facilities for north London's residents.
- 1.2. The existing EfW plant will be replaced with a new Energy Recovery Facility (ERF), which will provide a green solution to treat non-recyclable waste in the UK. The programme of works also includes a Resource Recovery Facility (RRF) for reception and transfer of waste, incorporating the public Reuse and Recycling Centre (RRC) and EcoPark House, a vibrant visitor and education centre which will be home to Edmonton Sea Cadets. Officers are working closely with London Energy Ltd (LEL) as operators of the existing and new facilities.
- 1.3. The report structure provides:
  - 1.3.1. Section 2: Programme summary
  - 1.3.2. Section 3: Delivery developments
    - 1.3.2.1. EcoPark South, the RRF, RRC, EcoPark House; and
    - 1.3.2.2. New ERF plant delivery
  - 1.3.3. Section 4: Programme Wide initiatives: Social Value, Communications and Health, Safety and Environment update
  - 1.3.4. Sections 5: Cost and Risk position
  - 1.3.5. Section 6: Procurement of Project and Programme Management (PPM) Data Hub
  - 1.3.6. Section 7: Glossary of abbreviations

## **2. PROGRAMME SUMMARY**

- 2.1. The RRC opened to the public on 15 July 2024 with positive feedback received from users. EcoPark House, the final EcoPark South facility was handed over to LEL in mid-September, at which time they commenced operational testing and familiarisation activities.
- 2.2. Acciona remain behind schedule. Officers are in intensive dialogue and are working collaboratively with Acciona to agree a way forward with the objective to provide surety of programme and cost. Work on site to construct the ERF continues, with

the milestone with the installation of the support columns for the ERF offices located above the bottom ash storage area.

- 2.3. The NLHPP, through Acciona and their supply chain, have continued to deliver a range of high-quality social value initiatives for north London communities, such as apprenticeships, local spend, community projects and school engagement. Two new apprentices have joined from Enfield and Barnet after completing 3-month training placements with Acciona, contributing to the social value targets which are on track to be met across the project.
- 2.4. The focus remains on health, safety and environment initiatives including collaborating with social enterprise networks including a wood recycling scheme, which has resulted in 1.8 tonnes of wood from NLHPP being sold for onward reuse and to be made into new products. This labour-intensive activity enables a wide range of disadvantaged people to develop their confidence, self-esteem and work skills.

### **3. DELIVERY DEVELOPMENTS**

#### **EcoPark South**

- 3.1. The RRF has been operating in a steady state since May and is successfully receiving waste from all seven boroughs. The facility is working well, has been available 100% of the time without stoppages, and all expected benefits are being realised. Since the facility has opened, 62,000 tonnes of waste have been processed and there have been 20,300 vehicle visits to site. The tipping time - the time taken between a refuse vehicle entering site and exiting after dropping off its waste - averages 14 minutes, better than the 20 minute contractual requirement.
- 3.2. LEL successfully opened the RRC to the public on 15 July, with safety at the forefront of all decisions and planning. The public can visit by car, cycle and on foot. New permanent and additional temporary signage has been installed to guide visitors as they visit the Edmonton EcoPark for the first time. Numbers of users at the RRC are growing week on week, with an average of 67 per day in August.
- 3.3. Safety was prioritised through the design and build phase of the RRF, during the transition period and continues to be the top priority into business as usual. The site design separates people and plant which delivers safety benefits for both boroughs and public users. Fire safety systems are working well, which is a key focus; as all waste sites have a high incidence of fires, often due to batteries. All fire events have been swiftly dealt with no adverse effect on safety or services to users.
- 3.4. There has been a successful visit from the RRF insurers who gave a positive report which did not require any improvements to operations in order to maintain our levels of insurance. The Environment Agency has also visited to check the efficacy of the odour control system. They gave positive feedback as to how we had

approached teething issues when fully commissioning the system, with odour discharge consistently within permitted levels since mid-July.

3.5. Asset management processes have been careful and robustly implemented, underpinned by the EPS contract between LEL and NLWA. Asset data and management is now enhanced; which will allow for better allow maintenance of the assets over their life.

3.6. EcoPark House was handed over from Taylor Woodrow in mid-September. There is now an eight-week transition from construction to the facility being ready to receive external visitors.



*Figure 1: NLWA, NLHPP, LEL and Taylor Woodrow colleagues at the handover of EcoPark House 13 September*

3.7. Focused activities that teach the next generation the importance of circular economy principles and environmental protection will be delivered to prioritised groups specifically primary and secondary school children. Other groups who will also be offered a new visitor experience include borough councillors and officers, community groups, including youth groups and charities, other interest groups e.g. universities, businesses

3.8. NLWA is planning targeted communications with the priority groups listed above to raise awareness of the new visitor experience at the EcoPark and the educational opportunities that will be available to book.

## **Energy Recovery Facility**

- 3.9. As previously reported, progress has been behind schedule due to the delayed start of Mechanical, Engineering and Piping (MEP) works. However, the ERF project continues to make good progress on the civil engineering elements of work related to the main process areas, especially within the flue gas treatment and turbine areas.
- 3.10. The installation of the major mechanical tower crane, which supports construction, has been completed with a second crane due to be installed in early 2025. The two cranes will support the next phase of construction on the mechanical works, including imminent work on the waste bunker, the installation of the precast elements in the ash bunker, installation of boilers and erection of the steel frame of the facility.
- 3.11. The factory acceptance test (FAT) for the waste and auxiliary cranes, which will be installed to operate in the bunkers of the completed facility, are taking place in Spain during September. The underground services work continues towards the northwest areas of the site and within the attenuation tank area. The commencement of steelwork, starting with the feed hopper deck installation, is unlikely to commence as planned during September due to ongoing quality issues associated with the paint. The steelwork is being treated with fire-proof paint which will be robustly tested prior to installation.
- 3.12. The MEP works remain on the programme critical path. Senior leadership level discussions are ongoing with Acciona. Additional MEP workers will arrive to increase site complement in the week commencing 23 September.

## **Enabling and wider site works**

- 3.13. Alongside the works directly on the ERF, various other workstreams are being progressed. Currently the upgrading of the central section of the Western Road is ongoing, and on schedule. The southern section having been completed under the contract with Taylor Woodrow for the RRF.
- 3.14. A milestone is expected to be met with the commencement of the gas pipeline installation by Cadent Gas in September, which will supply the gas to the ERF. This is the first phase of the works and entails the section of the new pipeline in Meridian Way.
- 3.15. The contract is due to be let in October to provide sustainable transport improvements, with the cycle path crossing being upgraded at the entrance to the NLHPP Laydown Area in Lower Hall Lane.

## **4. PROGRAMME WIDE INITIATIVES**

### **Social Value**

- 4.1. The NLHPP has continued to deliver progress against its Social Value targets over the last few months, delivering a range of high-quality social value initiatives for north London communities, such as apprenticeships, local spend, community projects and school engagement. In summary:
- 4.2. 50 new apprenticeship opportunities, with 91 'apprenticeship years' now either been delivered or committed against a target for 100 years. This is less than reported in July due to one apprentice offboarding the project early.
  - 4.2.1. 205 training placements have been completed by 166 individuals against a target for 225 placements.
  - 4.2.2. 496 jobs for local people (in headcount terms). Due to data being transferred across software, there is no percentage figure against the 25% target available. An update will be provided in the next authority report.
- 4.3. Approximately £38.5 million of Contractor spend is with local businesses in the supply chain. This represents 8.2% of total spend on the Project to date; against a target of 10%.
- 4.4. Project team engagement with over 4,000 students from 69 local schools and colleges; there is a slight reduction in schools from July's reporting due to an error double counting the number of SEN and Pupil Referral units that had been engaged. Approximately £145,600 donations and 1,037 volunteering hours donated to 38 local community organisations.
  - 4.4.1. Just under 900 hours of Equality, Diversity and Inclusion (EDI) training have been delivered for the on-site workforce.
- 4.5. In July, the eco-council from Risley Avenue Primary School attended a workshop at the NLHPP site to improve biodiversity by planting plant some flowers ahead of the opening of the new Reuse and Recycling Centre. The 14 school children learnt how to plant flowers in troughs and enjoyed learning why biodiversity is important. The children also attended a workshop to learn about the NLHPP and understand how their waste is treated. There were many questions and lots of enthusiasm.

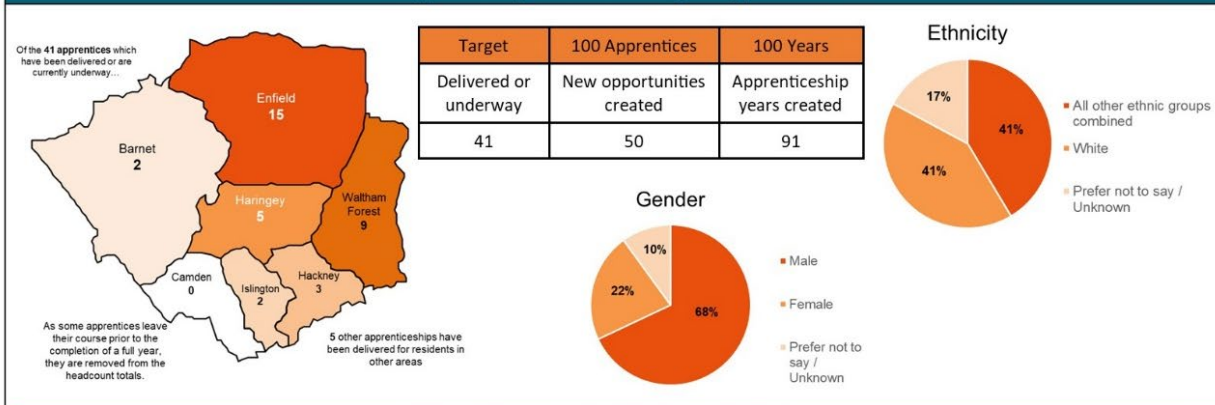


*Figure 2: Students from Risley Avenue Primary School London Borough of Haringey*

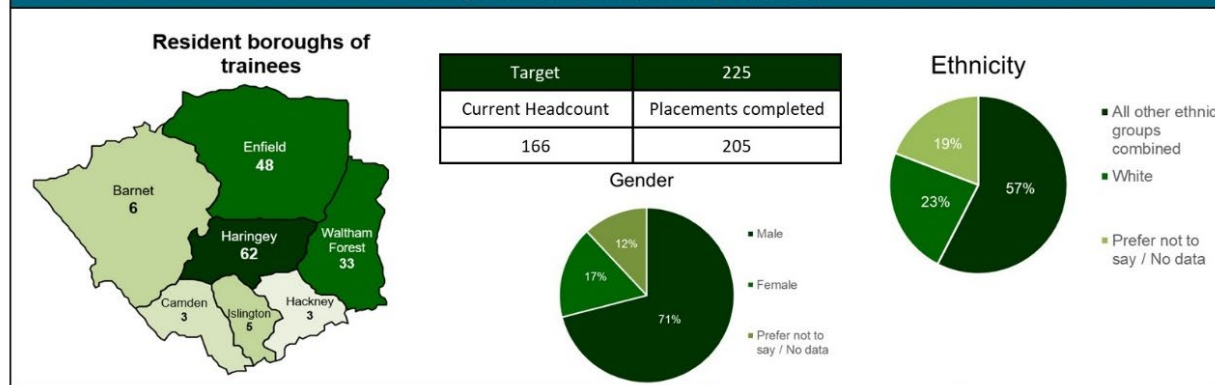
4.6. A summary of the social value data up to end of July 2024 is provided in the social value dashboard overleaf.



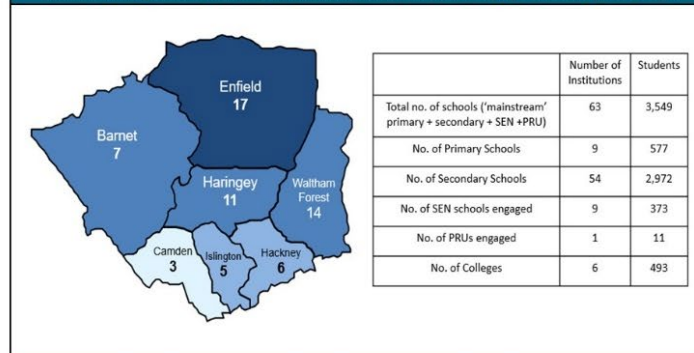
Apprenticeships: Resident borough of apprentices



Training Placements: Resident borough of trainees



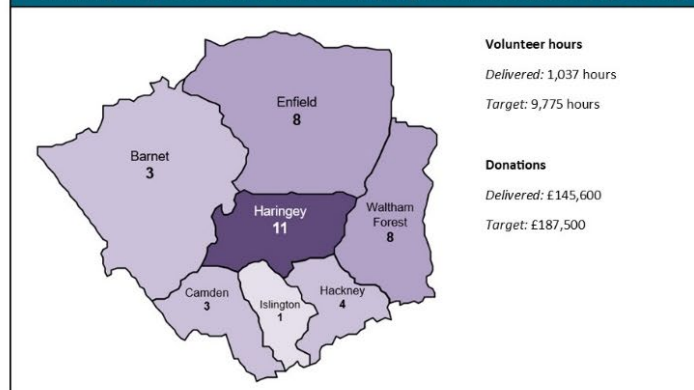
Schools Programme: Number of individual schools engaged with by borough



Local Business Spend



Community Projects: Number of community organisations supported by borough



Community Action





## Communications

- 4.7. News stories have been published by the project to update the construction progress onsite, including the installation of a 100-tonne crane ready for heavy lifting operations in the next phase of ERF delivery. A focus on the roles currently available on the project are being widely promoted through social media channels and with NRL, Acciona's recruitment specialist. A social media campaign with a specific focus on the skilled trade roles available in the next phase of construction is being promoted across NLHPP and NLWA channels. The team are exploring opportunities to link with training providers that can increase potential candidates for roles within the skilled job requirements.
- 4.8. The opening of the Reuse and Recycling centre has been successful with over 2,600 users so far, and numbers progressively increasing over the summer months. An opening ceremony had over 40 attendees led by councillors and including community groups and project staff. Communications campaigns are continuing to be promoted through monthly borough outlets and social media channels to inform residents of the new site, particularly in Enfield, Waltham Forest and Haringey. 11 organic posts and eight paid-for posts directed residents to book a slot. Collectively, the posts generated 508,940 impressions and 5,516 link clicks. Posters are also being made available to local groups and other Reuse and Recycling Centre sites in north London.
- 4.9. RRC user comments have been positive online with some users stating "10/10 recycling experience", "Excellent opening hours!", "Very impressive place", and "It is a great free service". Reviews at the end of August were also at 5 Stars on Google with comments on the "very kind, helpful" staff, a comment on the design "you don't have to walk up a set of stairs to throw your waste in" and that it "is very modern, clean and well organised."



*Figure 3: Councillors and team members at the opening of the new Reuse and Recycling Centre at Edmonton EcoPark on 16th July*

### **Health, Safety and Environment (HSE)**

- 4.10. Activities on site continue to focus on the Energy Recycling Facility (ERF) and close out of snagging on the EcoPark South project. The accident frequency rate (AFR) for reportable injuries in accordance with Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 for July is 2.013 on a 12-month rolling AFR period. This reflects well in comparison with the construction industry and demonstrates continual improvement on site.
- 4.11. Contractor Key Performance Indicators (KPI) are being achieved in line with the criteria set out in the Health, Safety and Wellbeing Manual. On site HSE management continues to show that positive interventions and actions are being carried out.

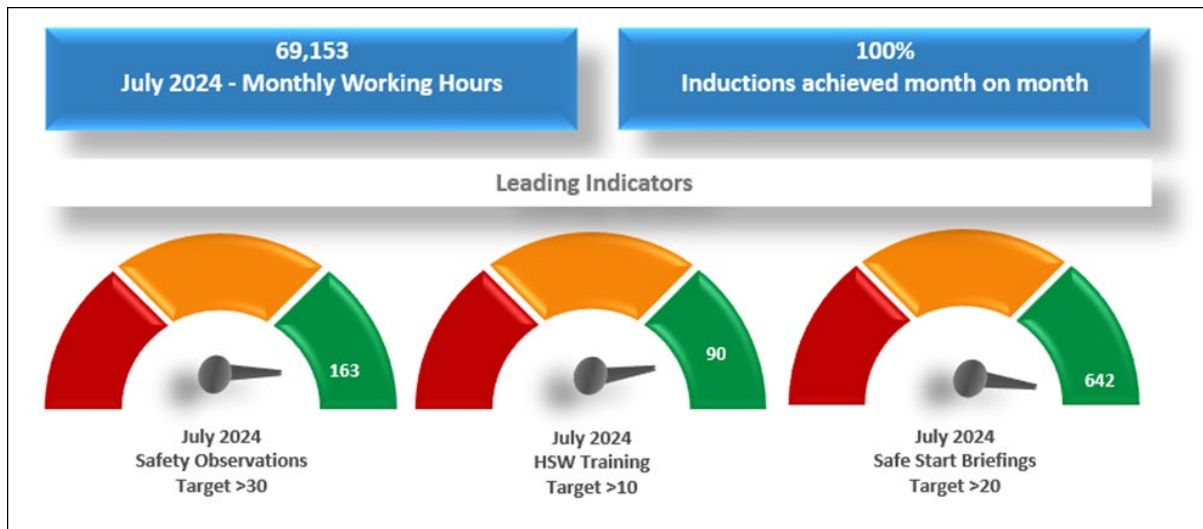


Figure 4: Healthy and Safety Leading Indicators

4.12. Health and Safety initiatives carried out include:

- 4.12.1. A Health, Safety and Wellbeing forum took place to discuss the July incidents, lessons learnt, training and initiatives, attended by representatives from the Principal Contractors and sub-contractors.
- 4.12.2. Adherence to the Construction (Design and Management) Regulations 2015 (CDM) has improved. These regulations manage the health, safety and welfare of construction projects. The Principal Contractor's Compliance Engineer is working closely with the client CDM Assurance Manager using a collaborative tool, 'Harm Zero'. This design risk management tool helps project teams work together to eliminate hazards, reduce risks & avoid harm, promote excellence and share best practices to reduce accidents and work-related ill health.
- 4.12.3. All outstanding actions from the CDM Management Plan audit which was carried out in March have been closed out.
- 4.12.4. Nationwide Platforms, a member of the supply chain, attended the site at the request of Acciona to demonstrate the latest working at height innovations. There was also a drop management overview given to Acciona's HSE team by Gripps.
- 4.12.5. Free MOT medical screening was offered to all operatives. Yoga classes were run by Acciona, and attendance offered to the client team.
- 4.12.6. A planned site evacuation which tested the new Datascope security system took place. The site was cleared in 8 minutes; 12 minutes quicker than the last site evacuation. The induction plan and the Emergency Evacuation Plan have been updated following the exercise.

- 4.13. The NLHPP continues to work collaboratively with the construction partners to deliver against the environmental and sustainability commitments and pursuing opportunities for improvements. Contractor environmental management documents and regular site walkovers and audits covering general environmental, air quality, waste, noise and vibration and ecology topics, provide environmental observations to enhance performance and reduce risk. Continuous improvement is promoted through environmental monitoring, audits, environmental observations, training and awareness raising.
- 4.14. Sustainability opportunities including innovations and best practice continue to be promoted across the programme across our sustainability priorities such as carbon reduction, promoting biodiversity, promoting circular economy principles. To the end of July 2024, over 210 sustainability opportunities have been raised on the project.

## **5. COST AND RISK POSITION**

- 5.1. The NLHPP outturn cost forecast cost is currently £1.52bn considering the costs incurred up to the end of June 2024 and is in line with the £1.42 to £1.52bn estimate reported in April 2023. This assessment is based on the contractual risk allocation between Acciona and the Authority under the contract for construction of the ERF. As referenced in sections 2.2 and 3.13 above, officers are undertaking senior level discussions with Acciona to clarify what is necessary to provide assurance on delivery to a clear timetable and provision of a high-quality facility for north London. Any update in expected public sector costs depends on the result of this work.
- 5.2. When Acciona's schedule and delivery plan are in place, and officers are in a position to advise Members on actions needed to complete the facility on the planned schedule, there will be an update on the complete finance position to Members accordingly. Officers expect to share with Members an analysis of options considered, the legal and cost implications, and a risk management plan in due course.

## **6. PROCUREMENT OF PROJECT AND PROGRAMME MANAGEMENT (PPM) DATA HUB**

- 6.1. In June 2020, Members delegated authority to the Programme Director to procure and manage a contract for a PPM data warehouse tool. Such a tool would be needed for the duration of the programme. However, the initial delegation was for a period of two years with an option to renew for two further years. These time limits were specified in the Crown Commercial Services framework which was used for the procurement. Following this, a contract was awarded to Asset Handling Ltd for provision of a tool called Project Insights Manager (PIM), and the tool was configured and put into day-to-day use on the programme.

- 6.2. The contract with Asset Handling was extended on two occasions, each for a period of one year (in accordance with the contract terms and the delegation of authority to the Programme Director to manage the contract) and will expire in November 2024. There is a continued need for a PPM Data Hub tool to provide strategic insight of the programme's overall portfolio of projects. Officers are therefore proposing to procure a replacement tool using the Crown Commercial Services G-Cloud 13 framework, the standard procurement route for public digital products, which has superseded the framework used to procure the 2020 contract.
- 6.3. The procured supplier will continue hosting cloud-based computing solutions for NLHPP's data storage and management. The contract will be designed to provide uninterrupted service delivery, ensuring continuity and technical support until the NLHPP completion. The system will offer features such as:
- 6.3.1. Cost, change and risk management.
  - 6.3.2. Early risk identification through features like risk simulation models, saving potential overhead costs and facilitating changes.
  - 6.3.3. Automated operational and project management and oversight by integrating other services used on the programme to obtain real-time information and to maintain compliance and accountability.
  - 6.3.4. Comprehensive reporting and data visualisation dashboards.
  - 6.3.5. Automated narrative and KPI-driven reporting to ensure accountability and effective decision-making across the programme and its projects.
- 6.4. The system will be a specialised software as a service product tailored to the programme's unique technical, operational and logistical requirements, with a development budget for iterative and incremental development to meet the programme's needs.
- 6.5. The Authority is recommended to delegate authority to the Programme Director to procure via the G-Cloud 13 framework, enter and manage the contract for a PPM data hub at an estimated contract value of £410,000 for an initial period of two years with an option to renew for two further periods of one year each. The estimated contract value is for the full four years of service. The continued provision of the data hub is recognised within the NLHPP budget and therefore this would not represent an additional cost against assumptions.

## **7. EQUALITIES IMPLICATIONS**

- 7.1. There are no equalities implications arising from this paper.

**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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**APPENDIX A GLOSSARY OF ABBREVIATIONS**

| <b>Abbreviation</b> | <b>Definition</b>  |
|---------------------|--|
| AFR                 | Accident Frequency Rate  |
| BPIC                | Black People in Construction   |
| CDM                 | Construction Design and Management   |
| EDI                 | Equality, Diversity and Inclusion  |
| EfW                 | Energy from Waste  |
| ERF                 | Energy Recovery Facility   |
| HSE                 | Health, Safety and Environment   |
| ICE                 | Institute of Civil Engineering   |
| KPIs                | Key Performance Indicators   |
| LEL                 | LondonEnergy Ltd   |
| NAECI               | National Agreement for the Engineering Construction Industry               |
| NLHPP               | North London Heat and Power Project  |
| PIM                 | Project Insights Manager   |
| POWRA               | Point of Work Risk Assessment  |
| PPE                 | Personal Protective Equipment  |
| PPM                 | Project and Programme Management   |
| RFPF                | Recycling and Fuel Preparation Facility                                    |
| RIDDOR              | Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 |
| RRC                 | Reuse and Recycling Centre   |
| RRF                 | Resource Recovery Facility   |