

# 7. North London Heat and Power Project

## Overview

- 7.1** The North London Heat and Power Project (NLHPP) (the Project) comprises the construction and operation of an energy recovery facility (ERF) and associated development to replace the existing energy from waste (EfW) facility at the Edmonton EcoPark. The EfW facility is expected to reach the end of its operational life around 2025.
- 7.2** The ERF will have a capacity of 700,000 tonnes of waste each year and will generate around 78 megawatts of energy (MWe). This energy could be directed into the national grid to provide electricity and produce an income or could be delivered as heat through pipes to a local heat network.

## Building the Capable Client Management Resource

- 7.3** During the year, the North London Waste Authority (the Authority) appointed a Programme Director to lead a project organisation capable of fulfilling the intelligent client functions required to manage the Project risks and assure the successful time, cost and quality outcomes are achieved. An integrated client team has been mobilised with the support of Authority's Programme Management Advisors appointed in August 2018.
- 7.4** Appointment to leadership roles, reporting directly to the Programme Director, have been made in the key areas of Health and Safety, Project Delivery, Commercial Management, Governance and Stakeholder Engagement, Programme Office Support, Technical Assurance, and Finance, supported by a co-located support team to oversee delivery of the Project as it moves into the implementation phase.
- 7.5** The Authority aims to be an active leader for health and safety on the Project and set a world-class benchmark for excellence. As client, the Authority fulfils its obligations under the Construction, Design and Management (CDM) Regulations and has made competent appointments, including Wood Group as Principal Designer. A collaborative cross-project working group has developed the vision and strategy for health and safety and maintains oversight of the ongoing work. The Requirements document which sets the standard for contractor performance and the Assurance document by which the Authority will drive performance, will be completed in the Autumn to align with the first works contracts on the EcoPark.

## Development of the NLHPP Programme Management Strategy

- 7.6** The team is developing management processes and procedures required to deliver the Project, including a digital strategy to include collaborative information management and Building Information Modelling (BIM) in preparation for delivery of the complex multi-disciplinary Resource Recovery Facility (RRF) and the ERF projects.
- 7.7** A programme of work is underway to establish a Project contracting strategy that will create a commercial environment with the supply chain to prioritise successful outcomes for the Project, prioritising best value for money for the Authority.

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**7.8** The team works closely with LondonEnergy Ltd (LEL) in its management oversight of the programme and LEL attend all key project governance meetings and working groups.

### Strengthening the Authority Governance

**7.9** As the pace and volume of decision-making increases with the Project moving through the procurement phase and into implementation across a broad range of works contracts, the Member governance process has been strengthened with the introduction of a Programme Committee with defined decision-making authority. This provides the Project with a responsive decision-making resource to supplement the programme of full Authority meetings.

### Establishing the Programme Baseline

**7.10** The Project team has established a well-evidenced and benchmarked baseline of scope, cost, risk and time schedule that provides robust assessment against which to measure performance and to focus on areas of necessary challenge or improvement.

**7.11** A comprehensive programme of project and programme level status reporting against the baseline has been implemented by the Programme Office that informs a monthly framework of management reviews to enable timely decision-making.



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- 7.12** The first major construction project started on site in January 2019 with Buckingham Group contracted to deliver the Laydown Area East project. The contract is due to complete in August 2019. Further work has commenced on the EcoPark for the third phase of ground investigation with Wood Group as Principal Contractor.
- 7.13** The Project had a successful initial meeting with a delegation of inspectors from the Health and Safety Executive (HSE) including an inspection of the Laydown Area East site. The Project made a favourable impression with the presentation on the means by which the Authority, as client, will drive excellence in safe delivery of the work.
- 7.14** In collaboration with LEL, the Authority has developed a Construction Management Plan which defines the key mechanisms by which the two parties, together with the contractors, will co-ordinate to deliver work safely on the operational EcoPark site, and minimise disruption to LEL's business.

### Progressing the Procurement Programme

- 7.15** A great deal of procurement activity has been progressed during the year with tenders issued for the Laydown Area West and Northern Access contracts, aimed at start on site in autumn. Procurement documentation is being finalised for the Sewer Diversion Enabling and Main Works contracts; and the Prior Information Notice has been published for the RRF and EcoPark House contracts.
- 7.16** The procurements above have addressed the Authority's intent to be an ethical client setting high standards for employment. Pending completion of the Authority code of practice for Project-wide Employment Relations, the procurements address the requirements for creation of apprenticeships, on-site skills training, the London Living Wage, and the requirement to benchmark workforce conditions against nationally-recognised Working Rule Agreements.

### Increasing Stakeholder Engagement

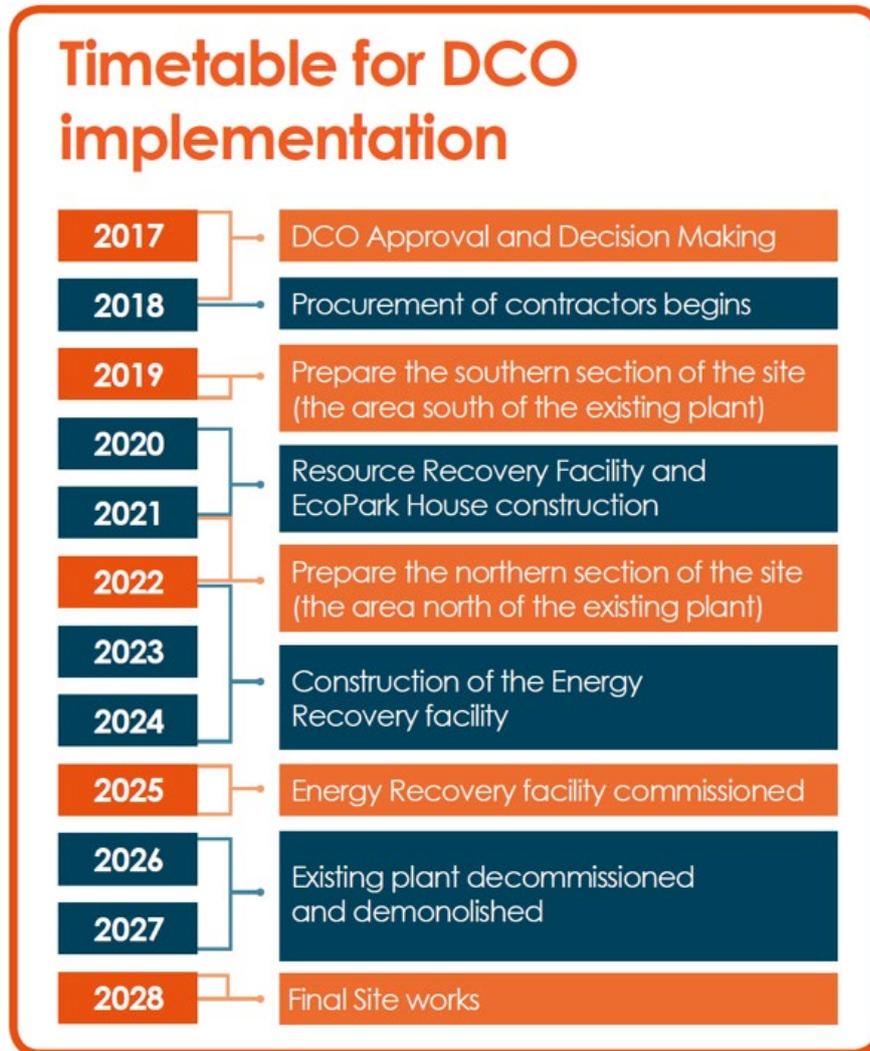
- 7.17** A wide range of stakeholder engagement has been undertaken during the year, including with the public, planning authorities, unions and statutory bodies.
- 7.18** Officers have carried out meetings with the Community Liaison Group and Residents of Edmonton Angel Community Together (REACT), a residents' organisation in Upper Edmonton, aimed at provision of information to local communities. The meetings are very useful in identifying and addressing key points of concern to the local residents, such as construction traffic and emissions from the ERF.

### Contracting with LondonEnergy Ltd for operation of the ERF

- 7.19** In December Members agreed to work with LEL towards a contract to manage the waste collected by the seven north London Boroughs and to operate the replacement ERF. LEL will be developing plans to ensure it can operate the facility to its full potential.

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## Next Steps



- 7.20** The next year will see the first main works contracts on the EcoPark starting, with the diversion of Thames Water's sewer under the footprint of the RRF. Prior to this, a project to temporarily relocate LEL's Transport Yard is aimed to complete in April 2020.
- 7.21** Market Information days will be held to alert the supply chain to the forthcoming contracts for the RRF, EcoPark House and the ERF. The opportunity will be taken to consult with the supply chain to solicit views on methods of collaborative working that will deliver successful outcomes for the Project.
- 7.22** The Invitation to Tender for the RRF is planned for September 2019 after agreement with the Authority Members, aimed at contract award in July 2020.
- 7.23** Agreement to start the procurement process for the ERF will be sought in early 2020.