

Lancashire Renewables Limited – Company Number: 05881147

Overview: Lancashire Renewables Limited (formally Global Renewables Lancashire Operations Limited) was established for the operation and management of the county council's two waste recovery parks (Thornton and Farington) built for the Lancashire Waste Contract. The company's key objectives are to receive, treat and transport contract waste in accordance with the targets and service requirements set out in its Service Level Agreement made between the Company and Lancashire County Council.

Operational Performance 2022/23

Waste Recovery Park Performance (Thornton and Farington)

Waste management, treatment and recycle recovery performance at the two waste recovery parks during the contract year had proved challenging at times due to staff retention, long term absence and several unplanned maintenance events that impacted operational performance throughout the year. The biological drying process (mass loss process) at the Thornton Waste Recovery Park had underperformed and despite a programme of maintenance works and a series of operational adjustments therefore it is now necessary to undertake extensive lifecycle maintenance of the biological drying reactor, which is scheduled to be concluded within quarter one of the new contract year (year 23 – 24). Several staffing challenges throughout the reporting period had also added pressure in the delivery of operational activities.

Operational performance against processing targets across the two waste treatment facilities ranged between exceeding target in one processing area, to falling short of meeting the targets in two other areas. Areas of underperformance ranged from five to fifteen percent for the contract year.

Waste Haulage Transport Service Performance

The waste company's transport services (heavy goods vehicles) continued to operate in an efficient manner throughout the contract year, and despite several challenges presented due staff retention (LGV Drivers) which had been driven by external influences as a result of the UK heavy goods vehicle driver shortage situation.

More than 400,000 tonnes of municipal waste continued to be transported within the Lancashire network via the company's waste haulage fleet for the contract year, and the deployment of risk mitigation measures due to staffing issues proved effective.

Financial Performance

The company's direct financial operating cost performance throughout the year was impacted by external influences and at the time of the report, an outturn forecast of £450,000 worse than budget was anticipated, subject to year-end reconciliation and statutory audit processes. The key factors relating to the overspend within the contract year were driven by costs associated with electricity and gas, fuel, operating consumables, engineering and maintenance items and external labour rate increases for third party service providers.

Continuous Improvement

As part of the company approach to continuous improvement, several health and safety related initiatives continued to be developed during the reporting period, such as the development of the new vehicle and pedestrian safety technology and efficiency improvements to existing processes and systems such as workplace safety, compliance management auditing, fire risk mitigation and legal compliance.

People & Welfare

Staff retention and absence management presented several challenges during the contract year and recruitment exercises became a rolling programme throughout the year that impacted on officer ability to focus and deliver several improvement initiatives relating to the Company People Strategy. Where necessary, staffing contingency arrangements were effectively deployed and positive levels of staff flexibility was observed to ensure the delivery of our services in a safe and efficient manner.

Company Organisational Improvements

In support of organisational improvements, the programme of work associated with improving efficiencies, processes and systems related to the management of human resources continued, despite staffing challenges, and will continue to remain a high priority into the next contract year.

Lancashire County Council Partnership & Strategy

Officers of the company continued to work in collaboration and partnership with the county councils waste services, and focus had continued within the contract year in support of several initiatives; future waste strategy options modelling linked to potential changes to UK government policy, continued business and fire risk mitigation, energy management and decarbonisation options modelling and response to changes in the management of waste upholstered domestic seating containing persistent organic pollutants.

Energy Management and Decarbonisation

Officers continued to investigate new initiatives in regards of energy management and decarbonisation, renewables energy options and proposals, and also commenced with the implementation and development of a centralised energy monitoring and targeting system that will be fundamental in managing the two waste treatment facilities electricity consumption, and also assist in identifying future opportunities and quantifying savings should investment to reduce carbon emissions be made by the shareholders. The deployment of electric waste handling equipment and road vehicles continued to operate as part of the company services. The Company continues to remain committed to identifying new initiatives for consideration over the next contract year under a new policy and more formalised management approach.

Business & Fire Risk Mitigation

Officers will continue to focus on business and fire risk prevention measures and the implementation of actions associated with the medium-term loss prevention programme that is linked to the future use of the two waste treatment facilities.

Waste Strategy Initiatives

Officers of the company continued to work in partnership and collaboration with the county council's waste management services on future waste strategy initiatives, primarily in identifying options and cost models for the treatment of source separated food waste, to include operational models in support of the future outline waste strategy. Farington waste treatment facility preparations works were concluded within the redundant anaerobic digestion building that aimed to prepare the location for alternative waste treatment technologies associated with source separated food waste.

Forward Plans - Contract Year 2023 / 2024

Operational Performance

Operational stability and consistency will remain a key focus for the next contract year, as per previous years. The annual business plan defines operational and financial targets as set out within the agreement made between the county council and the waste company, targets of which will be adopted into the company's operational performance reports to ensure targets are met; annual business plan subject to company Board approval.

Annual Business Plan Framework

- Health & Safety, Environmental & Quality Plans
- Operational Plan
- Operational Performance Targets
- Recyclates & Offtake Plan
- Annual Maintenance Plan
- Annual Lifecycle Plan
- Annual Budget Proposal (the Fees)
- Key Financial Targets
- Business Development (Waste Processing Strategy)
- Fire Prevention Plan

LCC Partnership & Strategy

Officers of the company will continue to work in collaboration and partnership with the county councils waste services and focus on delivering the strategy initiatives as

presented below will provide key focus areas for the next contract year; as set out in **Table 1** below.

Strategy Initiatives	Initiative Rationale	Initiative Objectives
Lancashire Waste Strategy	Legislation & Policy Amendments (Env Act / Bill)	<p>Undertake the necessary changes to the two waste treatment facilities in preparation of the future waste treatment operations commencing 01 April 2025.</p> <p>Commence with changes to the organisational structure in support of the future waste treatment operations commencing 01 April 2025, and in support of the two-year mobilisation and preparation programme of work.</p> <p>Commencement of procurement initiatives in support of the future waste treatment and haulage operations commencing 01 April 2025.</p> <p>Respond to emerging legislation & policy matters as they arise following consultation with the county councils waste management officers, subject to Board approval.</p>
Risk Management Programme	Risk reduction and mitigation.	Continue with the delivery of the medium-term loss prevention programme recommendations. (OPEX / CAPEX)
Energy Management Programme	Environmental impacts, climate change, sustainability, and cost reduction.	Delivery of the energy management programme and the associated project activities.
Direct Operating Cost Reduction	Operating cost reduction.	Identification and delivery of cost saving project activities.

Table 1

Lancashire County Council Ownership: Lancashire County Council owns 87.5% of the shares in this company.

Conclusions relating to going concern status: No status issues raised by the company auditors.

Lancashire County Council Directors on the Board: Four County Councillors – Shaun Turner (Chairman), Scott Smith, Matthew Salter and Jackie Oakes.

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