West London Waste

Treating waste as a valuable resource

West London Waste Authority
Unit 6 | Britannia Court | The Green
West Drayton | UB7 7PN
Emma Beal | Managing Director
T | 07766147978
E | emmabeal@westlondonwaste.gov.uk

11 February 2022

Dear Sir

I am writing in response to the CMA issues statement dated 28 January 2022 regarding the completed acquisition by VEOLIA ENVIRONNEMENT S.A. OF SUEZ S.A.

WLWA welcomes the CMA intention to use as a starting point and initial focus the following non-hazardous waste and water management services:

a) the supply of complex waste management contracts procured by local authorities in the UK;
b) the supply of non-hazardous commercial and industrial waste collection services in the UK;
c) the supply of non-hazardous municipal waste collection services in the UK;
d) the supply of services for the operation and maintenance (O&M) of local authority-owned energy recovery facilities (ERFs) in the UK;
e) the supply of non-hazardous waste incineration services at the local level in the Teesside, Wilton 11, Marchwood, and Kemsley local areas;
f) the supply of organic waste composting services at open-windrow composting facilities at the local level in certain parts of the Midlands;

WLWA cannot comment on the wastewater market but the effect of reduced competition in the waste market for local authorities is reduced choice, reduced innovation and increased cost. In addition, we recommend that the scope of the enquiry is broadened to include integrated contracts, transfer stations, and waste flows (including residual waste, dry mixed recycling and treatment of glass, metal, plastic, paper and card, food waste and green waste).

<u>Integrated contracts</u>

WLWA market analysis is that only SUEZ and VEOLIA are providing fully integrated Local Authority services eg collection of food waste, green waste, dry recycling, residual waste, HRRC management, transfer stations and disposal of food waste, green waste, dry recycling and residual waste. WLWA does not currently have an integrated waste management strategy however the acquisition by VEOLIA ENVIRONNEMENT S.A. OF SUEZ S.A. removes this important option in the future. Maintaining flexibility in contracting arrangements is important as local authorities move through procurement cycles.

<u>Transfer Stations</u>

In a non-integrated contract, competitiveness is maintained by access to transfer stations, depots and treatment facilities. The acquisition by VEOLIA ENVIRONNEMENT S.A. OF SUEZ S.A. could give strategic control of four transfer stations in West London to one party leaving West London unable to access competitive offers for smaller contracts. Careys

Group has sold a transfer station in Wembley leased to North London Waste Authority until 2027 to British Land which has announced its intention to demolish and build a transport hub and waste sites in Park Royal have been lost to development.

<u>Waste Flows</u>
The reality of what is happening to waste flows of residual waste, dry mixed recycling and treatment of glass, metal, plastic, paper and card, food waste and green waste is important detail within and outside of integrated and complex waste management contracts procured by local authorities in the UK.

The O&M contractors of local authority owned energy recovery facilities are required to source third party waste and to pay a proportion of income to the local authority. One company having substantial control of the residual waste flows in any region risks a reduction in the income paid to local authorities arising from third party waste.

The Environment Act 2021 mandates separate collections of glass, metal, plastic, paper and card, food waste and green waste from households and separate collections of glass, metal, plastic, paper and card, and food waste from commercial businesses with Regulations coming into force on a date to be appointed by the Secretary of State.

Once the effective date of separated collections is known Local Authority contracts will be let for collections, sorting, transfer, disposal, vehicles, bins, and other equipment. If any one company in the UK can control or maintain a substantially competitive dominance in the market of vehicles, bins, sorting facilities, transfer stations or reprocessing contracts this will limit availability to smaller organisations, increase cost to the public purse and create a risk for Local Authorities of procurement challenge or non-compliance with the legislation if changes can only be made on time with one supplier.

I hope the above is self explanatory, if you have any questions please don't hesitate to contact me.

Yours faithfully

[redacted]

Emma Beal
Managing Director