

Report to: **South London Waste Partnership (SLWP)
Joint Waste Committee**

Date: **15th September 2015**

Report of: **SLWP Management Group**

Author(s):

Andrea Keys Contract Manager

Chair of the Meeting:

Councillor Collins, Chair SLWP Joint Waste Committee

Report title:

PHASE A Contract management Report

Summary:

This report provides Joint Waste Committee with an update on the performance of the three Phase A Contracts applicable to the South London Waste Partnership:

- i. Contract 1 - Transport and Residual waste management
- ii. HRRC services - Managed by Royal Borough of Kingston (RBK)
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

This report provides quarter 1 performance data for the period 1st April 2015 to 31st June 2015.

Recommendations:

Joint Waste Committee is asked to note the contents of this report, and comment on any aspects of the performance of the Partnership's Phase A contracts.

Background Documents:

Contract Performance Monitoring updates have been presented to the Joint Waste Committee since 22 July 2010. The most recent reports were presented at the meeting on 9th June 2015 by the Contract Manager.

1. BACKGROUND

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the bulk haulage of material and the disposal of residual waste.
- 1.2. The Partnership's HRRC site service is currently managed by the Royal Borough of Kingston, until the new Contract with Veolia commences on the 1st October 2015.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.
- 1.4. The London Boroughs of Croydon, Sutton and Merton direct deliver material into the Beddington site, operated by Viridor.
- 1.5. The Royal Borough of Kingston (RBK) direct delivers material into the Kingston Villiers Road waste transfer station (WTS). Viridor operate Villiers WTS on behalf of RBK under Contract 1.

2. PERFORMANCE DETAIL

2.1. Contract 1: Transport and Residual waste management (Viridor Waste Management Limited)

- 2.1.1. Under Contract 1, during the reporting period 1st April 2015 and the 31st June 2015, the Partnership managed just under 60,000 tonnes of residual waste. Please see Appendix A section 1 for further detail.
- 2.1.2. Thermal Treatment - During this reporting period just over 9,000 tonnes of SLWP residual waste was diverted from landfill via the Lakeside ERF. Year to date 15% of our residual waste was diverted. Viridor have direction on which Borough's waste is currently diverted to Lakeside, largely determined by the location and capacity at the facility receiving the waste. Please see Appendix A section 3 for further tonnage data.
- 2.1.3. ERF Construction - Beddington landfill and the Beddington waste transfer station (WTS) are located on the same site as the planned SLWP Phase B Energy Recovery Facility (ERF). The ERF construction timetable is estimated to take just over three years, and the works commenced in June 2015. The new facility will be built at the same time as the redevelopment of our Phase A waste facilities.
- 2.1.4. The ERF construction programme is designed to have minimal impact on SLWP Phase A waste deliveries and turn-around times at the site. However, the ability to divert residual waste to Lakeside from Beddington will reduce as the construction programme at the site moves forward. This will not affect the RBK tonnes sent via the Villiers Road WTS in Kingston.
- 2.1.5. During the three year works period, the site will become busier and the operational area of the site is reduced at certain periods. An H&S campaign 'Stop and Think' has been launched and partner Boroughs are

actively involved with Viridor in H&S 'refresher talks' and 'tool box talks' to remind users of site rules and best practice.

2.1.6. The Contract is operating effectively. There were no major operational or performance issues and no formal complaints reported under Contract 1.

2.2. Contract 2: Management of the Household Reuse and Recycling Centres (Royal Borough of Kingston)

2.2.1. Contract management - The Royal Borough of Kingston continues to manage the HRRC services across the four boroughs on behalf of the Partnership.

2.2.2. Recycling performance – The HRRC service continues to achieve good recycling rates across all six sites. See Appendix A sections 4 and 5 for more details.

2.2.3. The performance at Factory Lane was in line with the performance from the same quarter 1 period last year. The remaining 5 sites all achieved in excess of the 70% recycling target set under the new HRRC Contract.

2.2.4. Collectively the partnership has achieved a 73.7% average recycling rate across all six sites for the period being reported. Given the significant challenges faced by the service, and in particular the current transfer of services to the new provider, the site operatives continue to engage positively with the service and the site users.

2.2.5. HRRC Work streams -The HRRC off-take work stream is ongoing. This work stream focuses on the 28 material off-takers servicing the HRRC sites. The aim of this work stream is to monitor the quality of service being provided, assess value for money, and ensure continuity of services.

2.2.6. Following the formal award of the Contract to Veolia, the aim of the off-take work stream will start to focus on issuing notice to the current providers that the Contract with RBK will cease 30th September 2015. Where Veolia's nominated off-takers are the same as RBK current providers, this will provide a seamless transition. However, it is acknowledged that for those suppliers who are not under contract and whose services will terminate on the 30th September 2015 this work stream will need to focus on continuity and quality of service for these companies.

2.2.7. To date formal off-take agreements were established for two major materials - textiles and ferrous metals. Work to establish formal contractual positions with other current off-takers will now cease as Veolia mobilise for an October 2015 commencement date.

2.3. Contract 3 – Materials Recycling Services, composting, and Additional treatment Services (Viridor Waste Management Limited)

- 2.3.1. Green waste is delivered to the Viridor Beddington facility where it is bulked and hauled off the site for treatment in the following facilities: KPS Isfield and Pease Pottage, Woodhorn Runcton and Tangmere, Tamar Beddingham and Swanley, and Birch Airfield.
- 2.3.2. The green waste is processed in order to produce a BSI PAS100 compost product. There are no issues to report on this element of the service. Detailed green waste tonnage data can be found in Appendix A section 6.
- 2.3.3. Food waste is delivered to either the Beddington facility or the Villiers Road transfer station facility. From both sites the food is transferred by Viridor to the Agrivert Trump Farm Anaerobic Digestion facility (AD) located in Surrey. The Agrivert facility produces a BSI PAS 110 compost product. There are no performance issues with this element of the contract 3 service. Appendix A section 7 contains further food waste information.
- 2.3.1. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford. Contamination criteria has become more stringent at both Viridor and at the end-user sites since the drop in value in the recycling market. As a result of the increase in demand for quality from the recycling market, the rejection levels for the comingled have increased slightly for both Sutton and Merton. A project is underway to establish a method to reduce contamination at the point of collection.
- 2.3.2. The Source segregated recyclates collected by the Royal Borough of Kingston are delivered to the Villiers Road TS and then transferred either directly to re-processors, to the Viridor MRF at Crayford, the paper MRF in Erith, or the newly developed polymer processing facility.
- 2.3.3. There are similar demands from the recycling markets to increase the quality of the source segregated material. A new inspection and waste receipt procedure is now in place at Villiers WTS to help identify where we can improve on quality and therefore on the prices paid for our material.
- 2.3.4. Whilst there is increased pressure on the recycling markets for both quality and price, the partnership contracts are still generating material of a sufficient standard to meet quality requirements of the end markets and generate an income from the sale of recyclates. A summary of this revenue can be found in Appendix A.

3. RECOMMENDATIONS

- 3.1. It is recommended that the Joint Waste Committee:

- a) Note the contents of this report, and comment on any aspects of the performance of the Partnership's Phase A contracts.

4. IMPACTS AND IMPLICATIONS

Legal

- 4.1. Legal Shared services are assisting on the HRRC off-take work stream.

Finance

- 4.2. None

5. Appendices

- 5.1. Appendix A provides data on the performance of the Phase A contracts for the quarter 1 reporting period April 2015 to 30th June 2015.