



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

Date: 10th December 2015

Report of: SLWP Management Group

Author(s):

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Chair of the Meeting:

Councillor Stuart 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 - HRRC site management and material recycling
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

This report provides quarter 2 performance data for the period 1st July 2015 to 30th September 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 15th September 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 HRRC service is operated by Veolia (ES) (UK) Ltd. The new HRRC contract commenced on the 1st October 2015 and includes the management of the 6 partnership HRRC sites in addition to the marketing of recyclates collected at each of the sites.
- 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 kerbside collected waste, organics, and recyclates into the Beddington site, operated by Viridor.
- 1.5. The Royal Borough of Kingston (RBK) direct delivers kerbside collected waste, organics, and recyclates 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 quarter two from 1st July 2015 to 30th September 2015, the Partnership managed just under 89,000 tonnes of residual waste. Please see Appendix A section 1 for further detail.
- 2.1.2. Thermal Treatment – Year to date just under 15,000 tonnes of SLWP residual waste has been diverted from landfill via the Lakeside ERF. This equates to the diversion from landfill of 12% of our residual waste. Viridor have direction on which Borough's waste is 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, the current Beddington waste transfer station (WTS), and the construction of the new Beddington WTS, are all located on the same site as the SLWP Phase B Energy Recovery Facility (ERF) construction. The new facility will be built alongside the redevelopment of our Phase A waste facilities.

- 2.1.4. The ERF construction is estimated to take just over three years. Site preparation commenced in July and a breaking ground ceremony is planned for late November.
- 2.1.5. 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.
- 2.1.6. During the three year ERF works period, the site will be shared by construction crews and delivery crews and the operational area will be reduced at certain times. To mitigate traffic flow issues at the site the H&S campaign 'Stop and Think' was launched in quarter 1. This campaign continues in Q2 and is progressing well. 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.
- 2.1.7. 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 HRRC contract with Veolia ES UK Ltd (Veolia) was signed in September 2015. The mobilisation was managed jointly by RBK and Veolia and the service handover took place on the 1st October 2015.
- 2.2.2. Contract management – The scope of services can be summarised in three parts: the general management of the sites –staffing, equipment, and site layout improvements; the transportation of all materials; and the recycling, treatment, and/or disposal of waste collected at all of the HRRC sites (excluding green and residual waste). The contract focuses on three key performance areas: site user experience, including availability of containers and an annual satisfaction survey; health and safety; and material recycling.
- 2.2.3. HRRC Mobilisation - Customer facing: the operational aspects of the service transferred to Veolia on the 1st October 2015 with no complaints from the public or site users and no issues to report.
- 2.2.4. HRRC Mobilisation – HR: personnel were transferred from RBK to Veolia with no issues to report. One employee involved in the HRRC site cleansing is

still in the process of transferring from an RBK facilities management subcontractor to Veolia.

2.2.5. HRRC Mobilisation - Off takers: material off-takers were either transferred from RBK to Veolia or contracts with RBK were terminated successfully with no issues to report.

2.2.6. Recycling performance – The quarter two report provides the final recycling performance report for the sites under RBK’s management of the service. The HRRC service achieved good recycling rates across all six sites with a year to date average across the service of 72%. See Appendix A sections 4 and 5 for more details.

2.2.7. Given the significant challenges faced by the service, and in particular the transfer of services to the Veolia, the site operatives have engaged positively with the service and the site users.

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-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.

2.3.2. 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. The comingled project to establish a method to reduce contamination at the point of collection is ongoing with an update to a future JWC

- 2.3.3. The Source segregated recyclates collected by the Royal Borough of Kingston are delivered to the Villiers Road TS and then transferred to either re-processors direct, to the Viridor MRF at Crayford, the paper MRF in Erith, or the newly developed polymer processing facility.
- 2.3.4. Following a change to the RBK collection methodology (the collection contract sits outside of the SLWP suite of contracts) the collection of source segregated material at kerbsides in Kingston will cease in February 2016. The new system will collect a 'twin stream' comingled material. A separate RBK led procurement, supported by the SLWP, is in progress for the marketing and reprocessing of this material.
- 2.3.5. Finance - The pressure on both the quality and the prices in the recycling market continues. Forecasts outline that this will not improve in the immediate future. Whilst contamination levels have increased as a result of the higher quality requirements, the partnership contracts continue to generating material of a sufficient standard to meet the quality requirements of some end markets and generate an income from the sale of recyclates. Year to date the partnership has generated over £230,000 of revenue from the sale of recyclable materials. A monthly report detailing recyclates revenue can be found in Appendix A table 9.

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 (SLLP) are assisting on the procurement of RBK recyclates procurement.

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 1st July 2015 to 30th September 2015.