



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

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Report of: SLWP Management Group

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Chair of the Meeting:
Councillor Collins, Chair SLWP Joint Waste Committee

Report title:
Phase A & B Contract Management Report

Summary:
This report provides Joint Waste Committee with an update on the performance of the Phase A and Phase B Contracts procured and managed by the South London Waste Partnership:

Contract 1 - Transport and Residual Waste management
Contract 2 - HRRC services - HRRC site management and material recycling
Contract 3 - Marketing of recyclates and treatment of green and food waste
Phase B - The 2012 Residual Waste Treatment Contract (the ERF Contract)

This report provides performance data for the period 1st April 2019 to the 30th November 2019.

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 & B 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 in September 2019 by the Contract Manager, Andrea Keys.

BACKGROUND

- 1.1. **Phase A: Contract 1** is operated by Viridor Waste Management Ltd and includes the bulking and haulage of material until August 2022. (The disposal element of this contract ceased on the 3rd March 2019 and since the 4th March 2019 the residual waste has been managed through the Residual Waste Treatment Contract operated by Viridor South London Ltd (also referred to as the ERF Contract)).
- 1.2. **Phase A: Contract 2**, the HRRC service is operated by Veolia (ES) (UK) Ltd. The contract commenced on the 1st October 2015, has a 7 year initial term, 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. **Phase A: Contract 3** is operated by Viridor Waste Management Ltd and includes the composting of garden and food waste until August 2022.
- 1.4. The London Boroughs of Croydon, Sutton and Merton direct deliver kerbside collected residual, garden and food waste into the Beddington site, operated by Viridor.
- 1.5. The Royal Borough of Kingston (RBK) direct delivers kerbside collected residual, recyclates, garden waste and food waste into the Kingston Villiers Road Waste Transfer Station (WTS). The WTS is operated by Viridor under both the Residual waste treatment contract and Contract 1.
- 1.6. **Phase B: Residual Waste Treatment Contract** - Viridor South London Limited ('Viridor SL') was formally awarded a contract for the treatment and disposal of residual waste in November 2012. The Contract involves Viridor designing, building and operating an Energy Recovery Facility (ERF) which will remain in its ownership and through which it will dispose of suitable and permitted municipal residual waste arising in the South London Waste Partnership area.

PERFORMANCE DETAIL

- 1.7. **Contract 1: Waste transfer station bulking and haulage (Viridor Waste Management Limited)**
- 1.8. Contract 1 includes waste transfer station operations and bulk haulage services only. The Contract is operating effectively.
- 1.9. A fire in the waste transfer station resulted in the Contract 1 bulking service provided by Viridor at Beddington being unavailable for a period of approximately three hours on the 11th July 2019.
2. **Contract 2: Management of the Household Reuse and Recycling Centres (Veolia (ES) (UK) Ltd)**
- 2.1. The scope of the HRRC services can be summarised in three parts: the general management of the sites including staffing, plant, equipment, and site layouts; the transportation of materials; and the recycling, treatment, and/or disposal of waste collected at the HRRC sites (excluding garden and residual waste).

- 2.2.** The contract specification focuses on three key performance categories; site user experience, health and safety, and material recycling.
- 2.3.** Site user experience: Veolia started customer satisfaction surveys in July 2016 to monitor site user experience. Customer satisfaction questionnaires are undertaken for two weeks at the six sites in turn for each round, table 2a of Appendix A details the dates for each round. Table 2b summarises the top 8 general comments made by customers at the end of the questionnaire.
- 2.4.** The Contract requires customer satisfaction levels of 80% and above at each of the sites. The key questions from the survey are detailed in tables 2c, d, e and f of Appendix A, and a full list of responses, split-out by borough, are now available on-line via the SLWP website.
- 2.5.** Results from the survey show that queue times reduced in round 13, with 83% of site users reporting a wait time of less than 5 minutes.
- 2.6.** The surveys have now been running for over 3 years, and the majority of residents who are willing to spend time completing these surveys have already done so. This may account for the drop in participation and the number of questionnaires undertaken. The surveys, how they are conducted including the questions asked and frequency, are currently being reviewed.
- 2.7.** Recycling Performance analysis - Detailed analysis undertaken by the SLWP each month looks at materials recycled, recycling markets, and the impact of the wider SLWP recycling services, in order to better understand HRRC recycling rates and assess the Contractor's performance.
- 2.8.** Table 3a of Appendix A details the recycling performance by site, by month and also the year to date recycling figure for each site (please note the year to date performance figure is based on the raw tonnage data, not an average of the recycling performance per month). At the end of November 2019 the combined performance at the HRRC sites was 68%, this is a 1% improvement on the year to date recycling rate reported in November 2018.
- 2.9.** Table 3b in Appendix A uses data from the last three years in order to compare performance year-to-date with previous years. The blue bar shows the recycling performance for the current year, and the yellow and orange bars show recycling performance for the same period in the previous two years. The dotted line and accompanying numbers in this graph show last years end of year recycling performance for each site.
- 2.10.** Table 3b shows that Villiers and Purley Oaks are forecasted to exceed 70%. The lower performance at the remaining sites can be summarised as follows: Kimpton's recycling rate is impacted by a 6% drop in both green waste and wood waste compared to last year. Garth Road has seen a 5% drop in recyclable wood waste and a 4% increase in residual waste. Factory lane has seen an 11% drop in wood waste, and finally Fishers Farm has seen a 9% reduction in green waste and 11% less

wood waste tonnes. Potential reasons for these changes could include reduction in commercial waste altering the composition of waste coming into the site, or seasonal variation and/or use of the kerbside collection service for garden waste.

- 2.11.** With all sites, rigid plastics and mattresses continue to be an issue. Sourcing reliable, consistent, financially viable, and environmentally compliant recycling outlets continues to be challenging. The Contractor continues to segregate both of these materials so SLWP can accurately analyse the tonnage data and we can respond quickly to any new markets that may become available in the future. Had the mattresses and rigid plastics been recycled the recycling performance year to date would have improved by 2.7% and the HRRC sites would have achieved a combined recycling rate of 71%.
- 2.12.** **Improvement measures** – Actions are being taken to try and improve recycling rates. Veolia and SLWP are working together to investigate which recyclable materials residents leave in the black bag residual waste stream, with this data we can then focus our communications with residents on those recyclable items most commonly disposed of in black bags. We are also looking at how we can encourage customers to better segregate and recycle the bulky waste brought to the sites, as well as on-going to work to source viable outlets for our mattresses and rigid plastics. The commercial clamp down and resident ID checks continue and finally, there are on-going activities to source viable outlets for materials we have historically not recycled or reused. Further details on each project are provided in points 2.13 to 2.17.
- 2.13.** Black bag splitting - the contractor continues to intercept residents who bring black bags to site, asking them where possible to pull out suitable recyclable material and take this to recycling points around the site. It is hoped that this activity will help to reiterate the message the sites are recycling centres and not just disposal points.
- 2.14.** As part of the black bag splitting project, Veolia continues to undertake a more detailed residual waste analysis during quiet periods in order to gain a better understanding of which materials are not being recycled. If a particular material is identified as an issue, the project will then consider how we can best promote and encourage our residents to segregate and recycle this material.
- 2.15.** Commercial clamp down - The 7% drop in wood waste, which, coupled with the 27% drop in rubble tonnes and 38% drop in plasterboard tonnes, suggests that the system in place to deter commercial waste from being deposited at the sites is delivering results and commercial waste is being diverted from site. If the reduction in rubble tonnes continues boroughs will save over £50,000 in rubble haulage costs this year. Residual waste tonnes have also dropped by 3% year to date, and this may also be, in part, due to the new commercial waste clamp down.

- 2.16. The soil recycling project has been successful and the material has been classified as clean enough for reuse as a soil. This also reduces haulage costs for the boroughs.
- 2.17. Further projects and ideas around how to segregate and recycle materials that residents are not segregating will be investigated, as well as on-going to work to source viable outlets for our mattresses and rigid plastics. We will continue to report progress on these projects and the recycling performance.
- 3. Contract 3 – Materials Recycling Services, Composting, and additional treatment services (Viridor Waste Management Limited)**
- 3.1. Garden waste is delivered to the Viridor Beddington facility where it is bulked and hauled off-site for treatment in a combination of the following facilities: KPS Isfield and Pease Pottage, Woodhorn Runcton and Tangmere, Tamar Beddingham and Swanley, and Birch Airfield.
- 3.2. The garden waste is processed in order to produce a BSI PAS100 compost product. There have been some changes to the PAS100 requirements making quality control more stringent, but our material continues to meet quality requirements. Garden waste tonnage data for the reporting period on combined kerbside and HRRC tonnes can be found in Appendix A, in chart 4b.
- 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 Trumps Farm Anaerobic Digestion (AD) facility located in Surrey. The Agrivert facility produces a BSI PAS 110 compost product.
- 3.4. There are no performance issues with the food and garden waste processed through the Contract 3 service.
- 4. Phase B – Residual Waste treatment Contract (Viridor South London Limited)**
- 4.1. As previously reported to this Committee, Viridor South London (SL) have been delivering the Full Services under the Residual Waste Treatment contract since 4th March 2019.
- 4.2. In the reporting period, 1st April 2019 until the 30th November 2019, the Partnership delivered over 135,000 tonnes of residual waste to Beddington, this is a drop in residual waste of 5% when the data is compared to the same period last year. Please see Appendix A table 1a for further detail.
- 4.3. Landfill Diversion: Viridor SL has an annual landfill diversion target of 91.34% for the first operational year of the facility. In the reporting period, 93% of the residual waste delivered was treated via ERF with only 7% landfilled. SLWP will monitor the diversion rate monthly to check progress against target. Please see Appendix A table 1b for further diversion data.

- 4.4. Environmental Permit and emissions** – The facility must operate in accordance with its Environmental Permit which is issued and regulated by the Environment Agency (EA). The site cannot operate without its permit from the EA and if the site is not compliant with its permit, the EA have the power to serve both enforcement and suspension notices.
- 4.5.** There have been no enforcement or suspension notices during the reporting period and the facility is operating in accordance with its Environmental Permit. During the period April to November 2019 there were several carbon monoxide exceedances at the ERF. The ERF resumed normal operating conditions in the minutes after each occurrence and the Environment Agency were notified on each occasion. Following investigations into each incident, it is considered most likely that the cause was either a propane gas cylinder (commonly used for barbecues) that had passed through the ERF, or changes in the composition of waste delivered to the facility that naturally occur in residual waste streams. Viridor have reported that whilst the ERF can process gas cylinders and variable waste materials safely, as these materials are processed they will result in a variable impact on the operational performance of the facility and can cause minor exceedances.
- 4.6. Take Over Update** – On the 15th November 2019 the Independent Certifier issued a Takeover Certificate for the Beddington ERF signaling the formal transfer of the ERF facility to Viridor. Further performance and reliability testing will continue beyond this time and maintenance work will continue throughout the life of the facility. There are no issues to report.

5. RECOMMENDATIONS

- 5.1.** 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 Residual waste, HRRC and food and green waste contracts.

6. IMPACTS AND IMPLICATIONS

- 6.1.** LEGAL -There are no legal considerations arising directly out of the recommendation in this report.
- 6.2.** FINANCE - There are no financial considerations arising directly out of the recommendation in this report.

7. Appendices

- 7.1.** Appendix A provides data on the performance of the Phase A contracts for the reporting period 1st April 2019 to the 30th November 2019.