



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

Date: September 2019

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 & 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 June 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 June 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 bulking service provided by Viridor at Beddington being unavailable for a period of approximately three

hours on the 11th July 2019. At the time of writing, a report on the incident is being prepared by Viridor and will be circulated once the London Fire Brigade has completed and submitted its report of the incident to Viridor. A briefing from Viridor on this matter is attached to this report as Appendix B.

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 have increased at the HRRC sites during round 12, with 9% of site users reporting a wait of more than 10 minutes. May has two bank holiday weekends, and June is typically a busier month at the sites, so we have seen a similar trend at this time in previous years. Waiting times “over 10 minutes” were reported by 22% of customers in Merton for this period, an increase of 19%. At Purley Oaks queue times of “up to 10 minutes” increased by 16%, however this increase in wait times coincides with a partial site closure that was required during essential site maintenance works. Individual site data shows that there were no queuing issues at the Villiers Road, Factory Lane, Fishers Farm or Kimpton Parkway sites. Garth Road queue times will be monitored.

- 2.6 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.
- 2.7 Table 3a of Appendix A details the recycling performance by site, by month (please note the year end performance figure is based on the raw tonnage data, not an average of the recycling performance per month). During the first quarter the combined performance at the HRRC sites was 68%. In May and June of 2019 the sites achieved similar recycling rates to the same period in 2018, however, the month of April showed a significantly lower than expected recycling rate at all sites, and this is impacting on the year to date average performance. The issues in April were most pronounced at Merton and Kingston due to a 28% and 14% increase in residual waste respectively. Whilst figures in May and June have settled, action has been taken to investigate what, if any, recycling is in the residual waste stream collected at the HRRC sites. See points 2.13 and 2.14 for more details.
- 2.8 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.
- 2.9 Table 3b shows that all sites are down on their performance last year by between 3-5%, leaving Garth Road, Kimpton Parkway and Factory Lane below target. Analysis shows that, since last year, the most significant changes at these three sites is a drop in garden waste, with a 22% drop at Kimpton Parkway, for example. An average across all sites shows that garden waste tonnes have dropped 18% against the same period last year. The volume of garden waste produced each year can vary depending on weather conditions but it is worth noting that the proportion of garden waste collected at the kerbside has increased again this year in all boroughs. The drop in garden waste tonnes being brought into the Household Reuse and Recycling Centres is equivalent to a 1.4% drop in the overall recycling rate for the sites.
- 2.10 There has also been a 7% drop in wood waste, which, coupled with the 18% drop in rubble tonnes and 12% drop in plasterboard tonnes, suggests that the systems in place to deter commercial waste from being deposited at the sites are delivering results and commercial waste is being diverted from site. If the reduction in rubble tonnes continues the boroughs will save over £45,000 in rubble haulage costs for the year – this equates to a 1.6% saving on the total contract value.

- 2.11 Rigid Plastics – There continues to be a UK wide issue in regard to reliable, consistent and environmentally compliant rigid plastic outlets and there is no suitable reprocessor who can recycle this material at this time. The Contractor continues to segregate this material so that SLWP can accurately analyse the tonnage data and we can respond quickly to any new markets that may become available in the future.
- 2.12 Mattresses – as with the rigid plastics market, the mattress recycling market has been unreliable and sourcing outlets continues to be challenging. In 2018/19 there was a 35% increase in mattress tonnes, this upward trend continues to rise with a further 6% increase in mattress tonnes reported this year to date. Had the mattresses and rigid plastics been recycled the recycling performance would have improved by 2.6% and the HRRC sites would have achieved a 71% recycling rate.
- 2.13 **Improvement measures** – the contractor continues to intercept residents who bring black bags to site, asking them to split the bag and where possible directing them to pull out suitable 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 Veolia are also undertaking residual waste analysis during quiet periods at the sites 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. In addition, new schemes (such as a soil recycling project) reduce haulage costs for the boroughs, and further projects to segregate and recycle new materials are on-going. 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. Garden waste tonnes collected in all boroughs have dropped so far this year compared to last year, this is likely to be due to variations in the weather.

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. Merton have seen a 76% increase in food waste tonnes this year and Croydon have seen a 17% increase, most likely the result of the collection service changes and the communications campaign which accompanied those changes.

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 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 June 2019, the Partnership delivered 50,533 tonnes of residual waste to Beddington, this is a drop in residual waste of over 10% 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 8.66% for the first operational year of the facility. In the reporting period, 85% of the residual waste delivered was treated via ERF with 15% landfilled. This has been attributed to a two week planned shut-down for maintenance. SLWP will monitor the diversion rate monthly to check progress against target. Please see Appendix A table 1b for further diversion data.

4.4 **Emissions** - There were minor exceedances at the ERF in April and June and none reported for the month of May. In April the ERF entered the first of its scheduled shut-down periods. There was one exceedance of carbon monoxide due to the restart of Line 1 on the 20th April. In June there were minor exceedances of a 30 minute average of carbon monoxide on two days, this was due to extremely wet waste and incomplete combustion on the grate. The issue was identified and measures taken to bring the facility back within limits.

4.5 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 it not compliant with its permit, the EA have the power to serve both enforcement and suspension notices.

- 4.6 **Take Over Update** - The IC continues to monitor the wider works at the ERF Beddington site until a series of 'Take Over Tests' have been passed. The Take Over stage is still estimated to be complete in late summer or early autumn 2019. 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 Phase A & B contracts.

6. **IMPACTS AND IMPLICATIONS**

Legal

- 6.1 There are no legal considerations arising directly out of the recommendation in this report.

Finance

- 6.2 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 June 2019.