



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

**Date:** 9<sup>th</sup> June 2015

**Report of:** SLWP Management Group

**Author(s):**

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**Chair of the Meeting:**

Councillor Judy Saunders, 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

Previous reports cover quarterly reporting periods, this provides an end of year report for the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 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 31<sup>st</sup> March 2015 by the Contract Manager.

## **1. BACKGROUND**

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the haulage of all materials requiring transfer and the management of residual waste.
- 1.2. The Partnership's HRRC site service is currently managed by the Royal Borough of Kingston, pending re-procurement of the service.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.

## **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 1<sup>st</sup> April 2014 and the 31<sup>st</sup> March 2015, the Partnership managed 233,526 tonnes of residual waste. Please see Appendix A section 1 for further detail.
- 2.1.2. The Royal Borough of Kingston deliver residual waste to the Authority owned waste transfer station (WTS), also referred to as Villiers WTS. The Villiers WTS is operated by Viridor, who are responsible for the onward transfer of residual waste for disposal. The London Boroughs of Merton, Croydon and Sutton direct deliver residual waste to the Viridor Beddington Lane site.
- 2.1.3. Viridor continue to divert a proportion of the Contract 1 residual waste to their Lakeside energy recovery facility (ERF) when capacity is available. Partnership waste sent to the Lakeside ERF is thermally treated at the same price as the residual waste landfill Gate fee. Viridor have direction on which Borough waste is diverted from landfill, largely determined by the location and capacity at the facility receiving the waste.
- 2.1.4. During this reporting period 47,074 tonnes of SLWP residual waste was diverted from landfill via the Lakeside ERF. This equates to approximately 20% of our residual waste. Please see Appendix A section 3 for further tonnage data.
- 2.1.5. Residual waste diversion from landfill has increased with each period reported; quarter one saw an 8% diversion, quarter two 15% diversion, quarter three 17% and at end of year quarter four we can report a 20% diversion rate. Viridor has confirmed that capacity will be available in Lakeside for the financial year 2015/16.

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 is achieving good recycling rates across all sites. Individually the end of year average recycling rate at each site is broadly comparable to the 12 month average for the previous year. See Appendix 5 for more details.

2.2.3. Purley Oaks HRRC site experienced a notable drop in performance for February with a recycling rate of 68%. Desktop analysis suggests this was largely attributable to low tonnes across all waste streams at the site, green waste in particular dropped down to 69 tonnes. The March recycling rate at Purley Oaks then spiked at 77%, again largely due to green tonnes which rose to 180 tonnes. There were no other anomalies recorded for this period. We will continue to monitor.

2.2.4. Collectively the HRRC sites performed well during the reported year 2014/15. The partnership achieved a 72% average recycling rate across all six sites which is an improvement on last year. As well as showing continual improvement, this is also a positive result given the significant challenges faced by the service, including staffing issues, the restructure, off-taker service issues, and the on-going re-procurement exercise. (Appendix A section 4 includes a performance breakdown by site, and section 5 shows the collective performance rates for all six sites).

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

2.2.6. The challenge to formalise off-taker contracts is growing due to uncertainty in the recycling market and the short period between now and the new HRRC contractor starting on the 1<sup>st</sup> October 2015. Once a preferred bidder is selected the aim of this work stream will move from formalising the service agreement, to formally advising all 28 off-takers of how and when the transfer or cessation of their services at each of the six sites will take place.

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

- 2.3.1. Green waste is delivered to either the Beddington facility or the Villiers Road WTS facility. The material is then transferred from both sites to third party facilities for recycling. The green waste is processed in order to produce a BSI PAS100 compost product. Detailed green waste tonnage data can be found in Appendix A section 6.
- 2.3.2. Food waste is delivered to either the Beddington facility or the Villiers Road WTS 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.
- 2.3.3. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford. Of the material accepted and processed at Crayford an average of 94% of Sutton's recyclable material and 95% of Merton's recyclable material received at Crayford was recycled.
- 2.3.4. At the end of the reporting period, the partnership can report an increase in the amount of comingled recycling waste collected at the kerbside, in comparison to the tonnage data from last year. Please see Appendix A sections 8 and 9 for further comingled recyclate data.
- 2.3.5. The Source segregated recyclates, also termed as Kerbside-sorted recyclable materials, collected by the Royal Borough of Kingston are delivered to the Villiers Road WTS 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 in Kent. The Partnership can also report an increase in source segregated tonnes collected compared with the previous year end figures.
- 2.3.6. Recycling finance – Year to date the Partnership has generated over £800k in revenue from the sale of recyclates collected at the kerbside for the boroughs using the Partnership contract. The Partnership has worked hard to maximise recyclate tonnes and the value we receive from this waste stream. Focus on this area will be particularly important as the recycling market continues to be unstable.

### **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 reporting period 1<sup>st</sup> April 2014 until 31<sup>st</sup> March 2015.

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