



West London Waste Authority
Hugh Peart
Clerk
Civic Centre
Station Road
Harrow
Middlesex HA1 2XY
17 March 2022

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West London Waste Authority

A meeting of the West London Waste Authority will be held in Council Chamber, Harrow Civic Centre, Station Road, Harrow, HA1 2XY on Friday 25 March 2022 at 9.00 am

Membership

Councillor Graham Henson, London Borough of Harrow (Chair)
Councillor Deirdre Costigan, London Borough of Ealing (Vice-Chair)
Councillor Guy Lambert, London Borough of Hounslow
Councillor Eddie Lavery, London Borough of Hillingdon
Councillor Krupa Sheth, London Borough of Brent
Councillor Julia Neden Watts, London Borough of Richmond

Agenda

PART I - ITEMS FOR CONSIDERATION WHILE THE PRESS AND PUBLIC ARE IN ATTENDANCE

1. Apologies for absence
2. Declarations of interest

Members are reminded that if they have a pecuniary interest in any matter being discussed at the meeting they must declare the interest. They may not take part in any discussion or vote on a matter in which they have a pecuniary interest.

3. Minutes of the meeting held on 21 January 2022 (Pages 3 - 6)
4. Joint Municipal Waste Management Strategy Update (Pages 7 - 20)
5. Annual Procurement Plan 2022/23 (Pages 21 - 28)
6. Finance Update January 2022 (Pages 29 - 36)
7. Contracts and Operations Update (Pages 37 - 38)

8. Exclusion of the Press Public

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
9.	Annual Procurement Plan 2022/23	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
10.	Residual Waste Services Contract Update	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

PART II - ITEMS FOR CONSIDERATION AFTER THE EXCLUSION OF THE PRESS AND PUBLIC

9. Annual Procurement Plan 2022/23 (Pages 39 - 48)
10. Residual Waste Services Contract Update (Pages 49 - 78)

Recording and reporting on public meetings

Please note that members of public can choose to record or report in other ways, on this public meeting. If you wish to do so then please read the Authority's protocol which can be found [online](#). Copies of the protocol are also available at the meeting.

The Authority asks that you avoid recording members of the audience who are not participants at the meeting. The Authority will seek to facilitate this. However, anyone attending a public meeting does so in the knowledge that recording may take place and that they may be part of that record.

Hugh Peart
Clerk to the Authority

At a meeting of the West London Waste Authority held on Friday 21 January 2022 at 11.00 am at the Council Chamber, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

Present:

Councillor Graham Henson (Chair)

Councillor Deirdre Costigan, Councillor Guy Lambert, Councillor Eddie Lavery and Councillor Julia Neden Watts

Apologies for Absence

Councillor Krupa Sheth

134. Apologies for absence

Apologies for absence had been received from Councillor Krupa Sheth.

135. Declarations of interest

RESOLVED: To note that there were no declarations of interests made by Members.

136. Minutes of the meeting held on 3 December 2021

RESOLVED: That the minutes of the meeting held on 3 December 2021 be taken as read and signed as a correct record.

137. 2022/23 Budget

Members received a report which set out the 2022/23 budget proposal.

Jay Patel, Finance Director, introduced the report and advised that following the December meeting of the Authority it had been updated in terms of the bottom line, both commentary and a column added to the table in section 15, the use of the latest 2021/22 forecast in section 2 and the formal feedback from borough Finance Directors. He added that the risk position would be reviewed prior to the March meeting of the Authority.

In response to a question about employees, the Finance Director reported that the main change in establishment was two new roles aligned to strategic themes, a data officer and one to support the climate emergency officer group. He added that the change in projects reflected line management structures and that they were spread across the teams.

A Member stated that the lack of clarity on reserves impacted on local authority budgets. Local authorities were required to set a balanced budget and cuts were agreed knowing

that they might not be necessary later in the financial year. Boroughs had already commenced the budget setting process for 2022/23 and residents might be facing cuts that they did not need to. The Finance Director advised that officers were taking a cautious approach and that more information would be available by the March meeting. In response to whether constituent boroughs could allow the Authority to 'go bust', the Authority was statutorily required to charge boroughs for the service and on that basis, there was a need to maintain and use reserves to keep levies and charges at a relatively constant level so that budgets could be managed by boroughs.

The Treasurer acknowledged the concerns expressed by Members in terms of the reserves position and borough budget setting processes. Borough Treasurers wanted certainty and stability to enable planning. Any reserves distributed to the constituent boroughs would however go into their reserves. He was satisfied with the level of reserves held by the Authority but took on board the comments made.

A Member referred to section 21 of the report and sought clarification on the level of reserves held by other waste authorities. The Finance Director undertook to circulate this information but stated that the lowest level was approximately £30-40m whilst others held £70m and that therefore the Authority's level was measurably lower. The level was determined by considering the schedule of risk.

Emma Beal, Managing Director, responded to a question about PAYT Levy income and fly tipping stating that fly tipping was 3-8% of the waste collected and was therefore unlikely to have a noticeable effect on the budget. However, more granularity was required as to whether waste was street, household, commercial or fly tipped so that strategic decisions could then be made around its disposal.

- RESOLVED:** That (1) the 2022/23 budget be approved;
- (2) the payment of £0.2 million per borough for agreed improvements, principally Household Reuse and Recycling Centre diversion rates be approved;
- (3) the Pay As You Throw (PAYT) rates, as set out in section 15 of the officer report, and the PAYT levy made up of two components totalling of £50.4 million be approved;
- (4) the Fixed Cost Levy (FCL) of £14.2 million, as set out in section 16 of the officer report, be approved;
- (5) the recommended trade and construction prices, as set out in section 17 of the officer report, and delegated authority to the Treasurer to change these in year should the need arise be approved;
- (6) the new proposed capital budgets, as set out in section 18 of the officer report, be approved;
- (7) the target level of reserves of £9.2 million to act as a buffer for managing risks and avoiding supplementary levies, as set out in section 19 of the officer report, be approved;
- (8) the Medium and Long Term Financial Plan, as set out in section 20 of the officer report, be approved.

138. Contracts and Operations Update

Members received a report which provided an update on the Authority's various waste treatment arrangements and procurements.

RESOLVED: That the report be noted.

139. Projects Update

Members received a report which provided an update on the Authority's projects.

RESOLVED: That the report be noted.

140. Finance Update

Members received a report which provided an update on financial and corporate matters.

RESOLVED: That (1) the current financial position and forecast for 2021/22 be noted;
(2) the Key Performance Indicator performance for 2021/22 be noted;
(3) the delegated decisions be noted;
(4) the Treasury Management Plan for 2022/23 be approved.

141. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
9.	Variation to the West London Residual Waste Services Contract	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

142. Variation to the West London Residual Waste Services Contract

Members received a confidential report in relation to the West London Residual Waste Services Contract.

RESOLVED: That progressing option 1, as set out in the report, be approved.

The meeting finished at 11.58 am.

The minute taker at this meeting was Alison Atherton.

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Joint Municipal Waste Management Strategy Update

SUMMARY

This report provides an update on the WLWA Joint Municipal Waste Management Strategy (JMWMS).

RECOMMENDATION(S)

The Authority is asked to:

- 1) *Approve the policies detailed in Section 3*
- 2) *Note the content of the strategies set out in appendix 1*

1. Introduction

In March 2021 the Authority members agreed the strategic outcomes of the JMWMS were:

- Effective and efficient operations focused on - **WHERE WE WANT TO BE IN THE FUTURE**
- Our climate emergency response is to focus on - **NO MORE WASTE**
- Recognise the only workforce we have is our - **RESIDENTS and COLLEAGUES**
- Tackling clean streets and flytipping because – **WASTE IS A CRIME**
- We can't wait for legislation – **BE PROACTIVE**
- Joined up and consistent - **USING HIGH-QUALITY DATA**

2. 2021/22 WLWA Plan and Joint Plan

The West London Waste programme for this financial year was designed to deliver efficiency enhancement with a whole system in line with WLWA's Mission and Purpose highlighted in the Business Plan. Work has focused on six key project areas which are designed to inform and deliver the long-term circular economy objective of the organisation. The delivery of the projects is in conjunction with the constituent Boroughs to derive the greatest benefit from joint working in West London.

WLWA focused on the following:

- Continuing to maximise the opportunities offered by the food waste funding of £500,000 per borough to invest in services and increasing capture of this high carbon material;
- Transform more HRRCs to unlock financial and carbon savings, increase recycling and increase resilience, whilst continuing the Abbey Road transformation;
- Creating a new Circular Economy Team which incorporates waste minimisation, carbon reduction and creating social value by closing the loop between waste and resources. The Circular Economy Team will be available to all Boroughs to create social value by closing the loop between waste and resources and providing training at HRRCs;
- Collating and understanding the data available to shape future development and making this accessible to all staff and boroughs
- Pilot a sub-regional coordinated smart city approach to HRRC, fly-tipping and bulky waste, using shared booking systems and customer interfaces to meet strategic objectives and

improve the customer experience.

- A shared EPR Plan to double recycling and maximise the value of EPR funding for all Boroughs;

For each of the six areas an Executive Board was formed, with Members and Environment Directors leading the following projects. For the past 6 months work has been on-going to develop policies for west London (section 3 of this report) and outline strategies (appendix 1) to take these forward.

	Councillor	Environment Directors
Data Management	Cllr Lavery (Hillingdon)	Dipti Patel (Harrow)
Smart Cities	Cllr Sheth (Brent)	Earl Mackenzie (Ealing)
HRRC transformation	Cllr Neden-Watts (Richmond)	Chris Whyte (Brent)
Food Waste	Cllr Costigan (Ealing)	Victoria Lawson (Hounslow)
Shared EPR funding plan	Cllr Lambert (Hounslow)	Ishbel Murray (Richmond)
Double Recycling infrastructure	Cllr Henson (Harrow)	Perry Scott (Hillingdon)

Longer term

The long-term targets set for JMWMS are transformational and require us to think differently and take an experimental approach to change whilst constantly communicating with partners to move together and collectively mitigate the risk of change.

- Carbon neutral by 2030 (Borough Climate Emergency targets)
- 65% recycling: by 2035 (UK Government target) by 2030 (GLA target)
- Net-zero greenhouse gas emissions by 2050 (UK Government target)
- Zero vehicle emissions by 2050 (UK Government target)

3. Policy development

Policies have been jointly developed by members in order to deliver a unified approach to whole system change and to align the key project outcomes and golden threads between the systems.

Data Management
<ol style="list-style-type: none"> 1. Understand, measure and report on the flows of material from collection to end destination. 2. Understand the impact of trade waste on borough provided services and options for developing synergies with municipal collections. 3. Collect data about the composition of waste to understand the impacts and opportunities to support the climate emergency. 4. Bring together and provide open access to data to inform wider policies 5. Data is used to provide appropriate feedback and support decision making
Smart Cities
<ol style="list-style-type: none"> 1. Easy to use services that build on the status quo 2. Communicating resource productivity well and often 3. Giving clear, appropriate and constructive feedback, highlighting what is going well and what needs to improve. 4. Accepting and acting on information from residents and businesses about what is going well and what needs to improve. 5. Reinvestment of efficiency savings into new services increasing resource productivity. 6. Trial new ideas together.

HRRC transformation
<ol style="list-style-type: none"> 1. Residents shall receive an enhanced service through consistency of service with information about services offered at a residents nearest site clear and transparent. 2. Active travel should be encouraged for wherever it can be achieved. 3. Enhance the re-use element of HRRC's. 4. HRRC sites should add value to the local community. 5. Each site has different constraints, these should be acknowledged and considered when developing collective infrastructure. 6. Development decisions shall actively consider the wider sustainability agenda.
Food Waste
<ol style="list-style-type: none"> 1. All residents to have access to separate food waste services. 2. Food waste services will be available for schools and businesses as a standard requirement of municipal services. 3. Making food waste the priority service to meet the 65% recycling target 4. Develop local circular economy opportunities for food
Shared EPR funding plan
<ol style="list-style-type: none"> 1. Maintain and invest in service delivery to achieve future efficiencies and joint working. 2. Deliver joined up services with shared regional infrastructure to achieve value for money. 3. Work in partnership to trial service changes. 4. Identify, highlight and adapt services to protect against materials that are non-recyclable. 5. Communicate clearly about recyclable and non-recyclables materials and the reasons for material being collected or not. 6. Work together as a single virtual entity with the EPR system administrator to deliver the best outcomes for the mission of becoming carbon neutral.
Double Recycling infrastructure
<ol style="list-style-type: none"> 1. Infrastructure development is assessed within the whole system with investment decisions supported data. 2. Develop circular economy hubs at suitable locations – varying sizes, at community locations and virtual. 3. Understand and accept that the approach and materials will differ across boroughs. 4. Value to be added to existing sites across the west London portfolio. 5. Infrastructure decisions will support keeping materials in use for longer. 6. A west London investment policy will support development.

4. Strategy and delivery

Environment Directors have worked with WLWA officers to draft strategies for the project themes (appendix 1). The objective is to set a high-level timeline for the strategic milestones up to 2030.

The strategy documents have been developed through ongoing work at the Environment Directors meetings to identify opportunities for greater partnership working and joint development of the services across the whole system.

The approval of the policies above will help to further develop the strategy documents. A workshop will be held on 25 March where the mechanisms for the delivery of both the policies and strategies will be agreed.

HRRC transformation delivery has already commenced with the Borough Partnership engaged in consultations on business cases for £200k HRRC investments. The business cases and delivery timelines will be presented to the Environment Directors and Members by June.

5. Risk

5.1. New legislation - details regarding EPR, DRS and the consistency agenda which will impact on all waste services are expected later in 2022. Officers are seeking to identify potential impacts and are factoring these in during the development of all projects.

5.2. Waste Local Plan - Waste site related land sales in the area are increasing as development companies are investing in land in west London due to the rapidly increasing value of land.

WLWA are recruiting a planning lead as agreed in the budget to drive the delivery of the Waste Local Plan across all member boroughs and the wider waste management subregion. This will align with the strategies and policies above to deliver the increase in infrastructure required for management of waste.

6. Financial Implications – Through the design of the policies and strategies the objective is to change the whole system and deliver financial, environmental and social benefits. Due to the whole system approach the changes will require partnership working and multiple stakeholder change, as such significant joint funding will be required.

All investments will be developed and supported by project specific business cases and highlight the required funding mechanism and establish the beneficiaries of the return. The specific model for funding will be bespoke for each project and will require additional approval prior to operational commencement. The high-level plan for the delivery of investment into local services will be drafted in to the medium term financial plan.

7. Legal Implications – none

8. Joint Waste Management Strategy

The projects areas mentioned in this report are intrinsically linked to the Authority’s Joint Waste Management Strategy. The projects are driving the design of the new policy and the Waste Local Plan through data, best practice and identification of opportunities, as well as delivering change to meet the desired outcomes and targets developed in the Strategy.

Contact Officers	Peter Tilston, Projects Director peterstilston@westlondonwaste.gov.uk	01895 545510
	Sarah Ellis, Strategic Development Lead sarahellis@westlondonwaste.gov.uk	07584 631710
	Emma Beal, Managing Director emmabeal@westlondonwaste.gov.uk	01895 545515

Appendix 1 – Outline Strategies

Programme area	Data		
Policy	<ol style="list-style-type: none"> 1. Understand, measure and report on the flows of material from collection to end destination. 2. Understand the impact of trade waste on borough provided services and options for developing synergies with municipal collections. 3. Collect data about the composition of waste to understand the impacts and opportunities to support the climate emergency. 4. Bring together and provide open access to data to inform wider policies 5. Data is used to provide appropriate feedback and support decision making 		
Mission	TBC		
Purpose	To use data intelligently to utilise resources efficiently, cost effectively and with a positive environmental impact		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Use data to establish whole life cycle costs and carbon impact to enable disposal to be carbon neutral 	<ul style="list-style-type: none"> • Use data to amend fleet and look at group procurement options. 	<ul style="list-style-type: none"> • For whole life cycle collection and disposal to be carbon neutral.
By 2025	<ul style="list-style-type: none"> • Use data to understand impact and interaction of EPR and DRS on disposal 	<ul style="list-style-type: none"> • Use data to establish impact of fleet. 	<ul style="list-style-type: none"> • To maximise collection and disposal of materials as part of legislative requirements.
By 2023	<ul style="list-style-type: none"> • Use data to investigate what can we bring in before EPR and DRS – focus on carbon data recording and monitoring 	<ul style="list-style-type: none"> • Development of a management intelligence platform that incorporates all data streams and proactively analyses and predicts resource requirements and whole life cycle disposal cost 	<ul style="list-style-type: none"> • To be able to measure the impact of waste and resource services in a consistent, timely and proportionate manner which supports joint decision making.
Linking to other programmes			
Food	Food waste is measured and progress toward objectives is available in real time		
HRRC	Understanding the flows of material through the HRRC's and the usage of these sites will support development decisions		
Doubling recycling infrastructure	Data based decision making supports infrastructure development		
Smart Cities	Collection of data through smart systems		
Shared EPR	Accurate data supports shared EPR objectives		

Programme area	Smart Cities		
Policy	<ol style="list-style-type: none"> 1. Easy to use services that build on the status quo 2. Communicating resource productivity well and often 3. Giving clear, appropriate and constructive feedback, highlighting what is going well and what needs to improve. 4. Accepting and acting on information from residents and businesses about what is going well and what needs to improve. 5. Reinvestment of efficiency savings in to new services increasing resource productivity. 6. Trial new ideas together. 		
Mission	Use technology to enable resident ownership of interaction with an innovative waste system		
Purpose	Deliver interactive systems to support continuous improvement in service delivery and resident engagement		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Waste reduction • Right waste, right place 	<ul style="list-style-type: none"> • External interface eg. Digital DRS solutions 	<ul style="list-style-type: none"> • Information to assist with decarbonisation of waste
By 2025	<ul style="list-style-type: none"> • Bins with fill level sensors (e.g. big belly bins or sensors retrofitted) – understanding the status of bins enables service providers to react to real-time fill levels, avoids containers spilling over and littering, allows for more efficient refuse collection and reduces unnecessary pick-ups of half-empty bins thereby saving fuel and reducing pollution (carbon) • Understanding frequency of collection and/or if more/fewer bins required on site • Improvement in operational efficiency, understand and increase participation and improve quality of materials collected • Reduce risk of overflowing bins • Fly tipping alert (detection of rapid fill events) • Note: full EPR payments will be reliant on the ability to demonstrate an efficient collection system 	<ul style="list-style-type: none"> • App/website development – resident interaction (booking systems, reporting issues, updates on reports, real-time feedback etc.) 	<ul style="list-style-type: none"> • Internet of Things • Project 2 will focus on working with boroughs to use the data to make demonstrable improvements and assess real world operational practicality. • Electric vehicles – EV charging bays, supervisor vans/vehicles, refuse collection vehicles
By 2023	<ul style="list-style-type: none"> • Food waste and data projects – operational use of technology 	<ul style="list-style-type: none"> • Smart routing/software for collections – maximise efficiency, reduce carbon 	<ul style="list-style-type: none"> • Establish positive feedback mechanism to inform service development

	<ul style="list-style-type: none"> Project 1 with WLWA has proven that sensors can provide valuable data. 	<ul style="list-style-type: none"> Data reporting and self-service platforms 	
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Linking to other programmes

Data	Timely reporting and recording of data to drive services (virtual and physical) development
Doubling recycling infrastructure	Development of physical and virtual infrastructure to support service development
Food	Services integrated with technology to deliver efficiencies and service improvements
HRRC's	Services integrated with technology to deliver efficiencies and service improvements
Shared EPR	Services and data shaped by smart city technology

Programme area	Household Reuse and Recycling Centres (HRRC's)		
Policy	<ol style="list-style-type: none"> 1. Residents shall receive an enhanced service through consistency of service with information about services offered at a residents nearest site clear and transparent. 2. Active travel should be encouraged for wherever it can be achieved. 3. Enhance the re-use element of HRRC's. 4. HRRC sites should add value to the local community. 5. Each site has different constraints, these should be acknowledged and considered when developing collective infrastructure. 6. Development decisions shall actively consider the wider sustainability agenda. 		
Mission	For West London's HRRC's to be 'Best in Class'		
Purpose	To modernise the service offer to deliver climate action.		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Whole net cost / benefit approach on waste, recycling, sites and procurements 	<ul style="list-style-type: none"> • Create a co-owned system by creating synergies, enhancing skills and embracing automation and AI. 	<ul style="list-style-type: none"> • Circular economy - No more waste.
By 2025	<ul style="list-style-type: none"> • New infrastructure Abbey Road and Victoria Road 	<ul style="list-style-type: none"> • Increase site capacity • Increase opening hours, materials offer 	<ul style="list-style-type: none"> • Local green skills and knowledge
By 2023	<ul style="list-style-type: none"> • Abbey Road (+Victoria Road) investment plans 	<ul style="list-style-type: none"> • Create HRRCs Climate emergency transformation programme and automated waste data flow 	<ul style="list-style-type: none"> • Working to capacity / efficient • Diversion rates increase • Satisfaction
Linking to other programmes			
Data	Data driven decisions to provide an excellent service to the community whilst delivering climate action Data reporting, visualisation and self service platforms		
Food	Food waste is collected from homes, it is not taken to HRRC sites		
Doubling recycling infrastructure	Development of additional capacity both at HRRC's and WTS Circular economy hubs		
Smart Cities	Access for sites and services		
Shared EPR	Synergies developed with the shared EPR system		

Programme area	Food		
Policy	<ol style="list-style-type: none"> 1. All residents to have access to separate food waste services. 2. Food waste services will be available for schools and businesses as a standard requirement of municipal services. 3. Making food waste the priority service to meet the 65% recycling target 4. Develop local circular economy opportunities for food 		
Mission	To create an exemplar approach to tackling food waste in West London		
Purpose	<p>To demonstrate to residents and others that zero avoidable food waste is achievable and lead others to embark on the same journey</p> <p>Exemplar Leadership Efficiency and Effectiveness Partnerships with our resident and business communities Ambitious and responsive change Lowering the costs of food waste Co-Production, Design, Delivery and Transparency</p> <p>Be ambitious in the way we support our communities and others to take a leap on food waste Take a whole system approach to lowering the costs of food waste Support and enable our communities to make the choices that matter</p>		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Optimum disposal infrastructure in place in West London 	<ul style="list-style-type: none"> • Optimise West London and London collections and disposal • Integrated system created 	<ul style="list-style-type: none"> • Circular Economy is default • Zero avoidable food waste • Net Zero Carbon
By 2025	<ul style="list-style-type: none"> • New disposal solutions rolled out • New infrastructure roll out plan created • Roadmap for reducing plastics in food waste • Ensure food waste solutions feature in all new development plans, lobbying as required to ensure this is regulated 	<ul style="list-style-type: none"> • Recycling food waste collections standardised • Increase West London Food Waste processing capacity • All properties in West London serviced by Food Waste recycling collections • All boroughs have a commercial food waste collection service in place inc. Schools and all public 	<ul style="list-style-type: none"> • Reduced Food Waste mileage • 50% reduction of food waste in residual • Through influencing consumer choice lower the cost of food for households through food waste elimination • Reduce emissions of organic processing • Close the circular economy loop - Review/develop in area AD output usage ie. Digestate
By 2023	<ul style="list-style-type: none"> • Local food waste disposal demonstrators created and new infrastructure tested • Ambitious short, medium and long term awareness and behaviour change campaign created and in delivery • Lobby for food waste labelling 	<ul style="list-style-type: none"> • Automate waste data flow and make this accessible • Create a localised food plan and food waste elimination strategy • Food Waste investment plan created • Create a clear understanding of the value of food waste for the circular economy 	<ul style="list-style-type: none"> • Waste minimisation and consumer choices influenced • Clearview on behaviour change interventions • 4kg of food waste recycling per household and design whole system capacity to manage target volumes. (ie. Collections, transfer stations and treatment)

	<ul style="list-style-type: none"> Galvanise the business community to reduce food waste by identifying more opportunities for surplus food sharing 	<ul style="list-style-type: none"> Identify all best practice in disposal and collections Be transparent about carbon produced and utilise this to inform communities of the impact of their behaviour change or non-action 	<ul style="list-style-type: none"> Create a shared understanding of support needs across West London Promote Health and financial benefits of better food choices
Linking to other programmes			
Data	Timely reporting and recording of food data to drive service development and communication campaigns		
HRRC's	Food waste is collected from homes, it is not taken to HRRC sites		
Doubling recycling infrastructure	Development of additional capacity at WTS and within collection services		
Smart Cities	Collection and delivery of service information and data		
Shared EPR	Separation of food is likely to increase the value of shared EPR materials		

Programme area	Shared EPR		
Policy	<ol style="list-style-type: none"> 1. Maintain and invest in service delivery to achieve future efficiencies. 2. Deliver joined up services with shared regional infrastructure to achieve value for money. 3. Work in partnership to trial service changes. 4. Identify, highlight and adapt services to protect against materials that are non-recyclable. 5. Communicate clearly about recyclable and non-recyclables materials and the reasons for material being collected or not. 6. Work together as a single virtual entity with the EPR system administrator to deliver the best outcomes for the mission of becoming carbon neutral. 		
Mission	For West London to be carbon neutral		
Purpose	<p>?</p> <p>To be leaders in treating waste as a valuable resource – EPR funding plan</p> <p>Consistency in method to ensure equitable share of funding</p> <p>Funding to secure investment</p> <p>Up to date whole system data and information</p>		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Reduction in contamination – clean materials 	<ul style="list-style-type: none"> • Consistency of system • Efficiency of systems 	<ul style="list-style-type: none"> • Circular economy – no more waste
By 2025	<ul style="list-style-type: none"> • Processing capacity 	<ul style="list-style-type: none"> • Joint recycling procurements • Consistency of collection methodology 	<ul style="list-style-type: none"> • EPR funding package is secure • Central administration
By 2023	<ul style="list-style-type: none"> • West London EPR plan agreed – Full Net Cost Recovery • Baseline and commitment to funding 	<ul style="list-style-type: none"> • Develop / automate waste data flow system • ReLondon request for funding – confirm delivery plan 	<ul style="list-style-type: none"> • Waste Prevention Plan includes EPR and DRS principles • Lobbying – system admin/political influence • Impact measurement, not simply recycling
Linking to other programmes			
Data	Timely reporting and recording of composition and tonnages of materials to support service delivery and development		
Doubling recycling infrastructure	Development of additional capacity at WTS and within collection services		
Food	Food waste is segregated at home, school and work to avoid contaminating the other material streams		
HRRC's	Supporting service delivery with appropriate infrastructure		
Smart Cities	Collection and delivery of service information and data		

Programme area	Doubling recycling infrastructure		
Policy	<ol style="list-style-type: none"> 1. Infrastructure development is assessed within the whole system with investment decisions supported data. 2. Develop circular economy hubs at suitable locations – varying sizes, at community locations and virtual. 3. Understand and accept that the approach and materials will differ across boroughs. 4. Value to be added to existing sites across the west London portfolio. 5. Infrastructure decisions will support keeping materials in use for longer. 6. A west London investment policy will support development. 		
Mission	To increase joint recycling infrastructure – increasing both volume and capacity		
Purpose	To reduce waste and increase recycling in line with national and local targets		
Year	Disposal objectives	Joining up collection and disposal	Our Ambitions
By 2030	<ul style="list-style-type: none"> • Joint procurement of larger and closer facilities to sort and process recyclables or develop / build own facilities 	<ul style="list-style-type: none"> • Use energy produced from our own recyclables such as food waste to power electrical vehicles. • More control over facility capacity – space can be filled through outside contracts if available but prioritised to WLWA 	<ul style="list-style-type: none"> • Net – zero carbon emissions
By 2025	<ul style="list-style-type: none"> • Introducing facilities to promote re-use and repair (to reduce waste) – easily accessible to residents and attracting all demographics. Community hubs that become social norms like libraries and leisure centres. • Increasing accessibility to deposit points for residents/businesses <ul style="list-style-type: none"> - Community buildings - On street recycling banks - Collecting more waste streams • Making the most of our recyclables – sort / shred / bale etc for better value 	<ul style="list-style-type: none"> • Repair / re-use reduces collection and disposal requirements overall • Wider partnership working – act as broker for non WLWA boroughs to improve economy of scale – sourcing outlets for new streams such as soft / hard plastics / polystyrene / sanitary products • Operate booked collections in joint partnership rather than scheduled collections to fill demand for lower quantity separate collections on new streams 	<ul style="list-style-type: none"> • Increasing access to recycling facilities • Increasing streams to be recycled • Reducing overall waste
By 2023	<ul style="list-style-type: none"> • Targeting four key areas based on outcome of June '21 waste composition analysis: 	<ul style="list-style-type: none"> • Introducing collections or increasing collections for streams which have low or no participation 	<ul style="list-style-type: none"> • Reducing waste and increasing recycling

	<p>Food, Textiles, Garden, Plastic.</p> <ul style="list-style-type: none"> • Need increased demand before increased capacity is required: • Increased comms / Provision of receptacles / Increased access to services to remove recyclables from MMW. • Better segregation at HRRCs • Capacity / availability studies for disposal contracts for future growth 	<p>currently – flats / flats above shops / businesses / street litter</p> <ul style="list-style-type: none"> • Recycling bulky waste for which collection services already available • Push re-use and at home recycling to divert from MMW 	
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Linking to other programmes

Data	Data based decision making supports infrastructure development
Food	Food waste is measured, infrastructure needs can be identified through the data
HRRC	Understanding the flows of material and usage for the HRRC's and WTS's will support development decisions
Smart Cities	Smart systems collecting useful information and data is part of the infrastructure development
Shared EPR	Infrastructure will be needed to support shared EPR objectives

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WEST LONDON WASTE AUTHORITY

Report of the Contracts and Procurement Manager

25 March 2022

Annual Procurement Plan 2022/23

SUMMARY

This report provides details of the Authority's Annual Procurement Strategy for the year 2022/23.

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Approve the Annual Procurement Plan for 2022/23;
- 2) Delegate authority to the Managing Director, in consultation with the Chief Technical Officer and the Chair, to approve contract award for Transport Services of Waste, Recycling and Associated services contract
- 3) Approve the contract award of the Green Waste Collection and Treatment contract

1. Background – West London Waste has the statutory responsibility to arrange for the disposal of controlled waste collected in its area by the waste collection authorities (the six constituent boroughs). The Authority and boroughs manage approximately 650,000 tonnes of waste per annum. Including waste streams for; re-use, recycling, composting, waste treatment and disposal. A significant proportion of the tonnage of both the residual waste and food waste fraction is contractually committed under three long term waste treatment contracts:

- The Residual Waste Services Contract with West London Energy Recovery Ltd operated by Suez,
- The Waste Processing (Lakeside) contract with Viridor Waste Management Ltd; and
- The organic waste stream contract with Bio Collectors Ltd.

The remaining waste is managed via medium and short-term contracts and arrangements. These are subject to procurement and market testing on a regular basis to ensure value for money and/or best environmental options is being delivered within the existing waste market.

The procurement and provision of high quality waste management contracts is key to the delivery of key strategic objectives in the joint strategy (JMWMS); effective and efficient operations focused on where we want to be in the future and joined up and consistent approaches using high-quality data. Successful procurement of suitable services and arrangements will have a critical role in delivering the above strategic objectives.

2. Transport procurement

WLWA is currently procuring a contractor to provide Transport Services of waste, recycling and associated services from sites within the WLWA area. The requirements are split into Lot 1 – Bulk Haulage and Lot 2 – Roll On Roll Off Services (RoRo). Lot 1 and Lot 2 will be separate contracts and could be awarded to the same bidder. The contract is for an initial term of 2 years with two periods of one year extension. WLWA is looking for a contractor to work towards improving social value and minimising carbon throughout the contract term.

On 12 November 2021 the procurement documentation was sent to the GLA on in order to comply with GLA requirements. On 13 January 2022 WLWA issued an invitation to tender (ITT) for a 2+1+1 year contract with a contract start date of 1 June 2022. Due to the procurement being above the Find a Tender (which replaces the EUs Electronic Daily from 01/04/21 for high value contracts in the UK) threshold, the tender documentation has been published through London Tenders portal. Bid Evaluation will undertake two elements; quality (30%) and price (70%) and the tenders will be evaluated on load rates and prices also evaluated against a range of mileage bands in order to drive operational efficiencies and reduce risk for suppliers.

Low carbon principles have been incorporated into the procurement and evaluation process. Bidders are required to include details of their approach to evaluating and reducing carbon through the contract lifetime and approach to reporting carbon intensity of contract activities and monthly reporting of carbon outcomes.

A number of clarification questions were raised during the clarification process and five suppliers submitted tenders on the 28 February 2022.

The moderation session will take place on 21 and 22 March 2022 when a preferred bidder or bidders will be selected. Subject to approval, contract award is due to take place on 11 April 2022.

WLWA requests that the decision to contract award for this procurement to the Managing Director, in consultation with the Chief Technical Officer and the Chair.

Please refer to Part 2 notes for the template supplier recommendation report – which will be completed once the procurement evaluation has concluded.

3. Green Waste Procurement

WLWA is currently procuring a supplier to collect and treat Green Waste from across the West London Waste Authority area. WLWA last tendered its Green Waste Treatment Services in May 2018 following an OJEU tender process for an initial two-year period. This contract was then extended by two years to 30 April 2022.

On 1 February 2022 WLWA issued an invitation to tender (ITT) through the Dynamic Purchasing System (DPS), hosted on the London Tenders Portal for a 2 year contract for the treatment of up to 60,000 tonnes of Green Waste with the initial contract start date of 1 May 2022. Bid Evaluation was undertaken using two elements; quality (40%) and price (60%).

Low carbon principles have been incorporated into the procurement documentation. Bidders are required to include details of their commitment to product circularity, approach to evaluating and reducing carbon through the contract lifetime and approach to reporting carbon intensity of contract activities.

Please refer to Part 2 notes for the full supplier recommendation report which includes evaluation scores and information regarding the preferred bidder.

4. Health & Safety Advisor Support contract

This contract was re-procured between 21/12/21 – 31/01/22 as a 1+1+1 year contract with a contract start date of 1 February 2022. The value of this contract is below Find-A-Tender threshold and six companies submitted tenders.

The contract has been awarded to Universal Safety Practitioners Ltd on the basis of a 1 year contract with the option to extend for two further years, subject to satisfactory performance.

The evaluation process showed that USP's price was competitive and they scored highest for quality – submitting an extremely comprehensive proposal which showed:

- A solid technical understanding of WLWA requirements and tasks
- A good approach to working in partnership and an understanding of the requirement to communicate at board level
- Strong H&S technical skills and experience and a suitable approach to training
- Good understanding of WLWA objectives, staff competence, strengths and which areas currently require development.

USP is the incumbent Health and Safety advisor, which facilitates a smooth transition to the new contract. The new Health & Safety contract commenced on the 1st February 2022 and the contractor has already started work to support our new Circular Economy projects.

5. Multi-site CCTV systems contract

On 21/02/22 a new contract was procured to provide CCTV systems at Abbey Road (Brent HRR) and Space Way (Hounslow) and CCTV installations on the access roads leading to both Transport Avenue and Victoria Road sites to improve access, security and operations.

The CCTV agreement that has been procured covers equipment supply, installation, repair and maintenance across all specified locations (Abbey Road, Space Way, Transport Avenue and Victoria Road). The contract was awarded to DSSL Group Ltd who are a specialist integrated security systems provider. The contract will be awarded on the basis of a 1 year contract with the option to extend for two further years, subject to satisfactory performance. DSSL submitted an extremely comprehensive proposal which provided:

- A solid technical understanding of each site's requirements / coverage
- A solution which is fully compliant and in accordance with GDPR / data protection requirements
- All ANPR, thermal and fire detection criteria addressed
- Easy remote access and a rapid response service engineering team
- Good onsite training including installation

This contract is currently being mobilised. An initial mobilisation meeting has been held to finalise timescales and requirements. Installation of new cameras and monitoring systems will be completed by June 2022.

6. Low Carbon Procurement

The eight local authorities in West London – Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Richmond upon Thames, and Wandsworth – and West London Waste are collaboratively working together to reduce environmental impact through procurement activity by being proactive in embedding low carbon considerations in procurement processes across West London. This project has involved the development of a Low Carbon Procurement Policy, a Toolkit that sits behind it and a Charter.

The Low Carbon Procurement Toolkit provides advice and guidance to procurers in the local authorities to reduce carbon emissions across the procurement cycle and a database of questions, answers and KPIs for carbon. The toolkit aims to drive a coordinated and consistent approach across the participating authorities in achieving Net Zero objectives.

In order to develop a combined approach to engaging suppliers to help reduce West London carbon impacts, a Climate Commitment Charter for suppliers to sign up to, has been developed to show Suppliers' commitment to contributing to the net zero aims of the West London Alliance.

The Low Carbon Procurement Policy, Toolkit and charter will be ready for use by procurement officers, commissioning managers and procurement managers from 01/04/22 and already over 100 internal West London staff across the eight boroughs and WLWA have received training on the Low Carbon Procurement Toolkit.

7. Dynamic Purchasing System (DPS) – In total 33 suppliers are pre-approved onto the DPS for the offtake of materials and services. If suppliers are unsuccessful in their application onto the DPS they can reapply at any future stage. The Contracts and Procurement Manager is working closely with potential suppliers to raise awareness of the procurement opportunities that exist within the WLWA DPS to increase and diversify the range of suppliers that are registered.

The DPS will also support the boroughs by providing them with a procurement vehicle that offers greater flexibility, more efficiency and access to a wide range of pre-approved and specialist suppliers.

The DPS has been successfully used to carry out the Ealing MRF procurement, the treatment of mattresses contract, and the treatment of green waste. Going forwards the DPS will be used for procurement of unallocated residual waste, procurement of a Bulky waste solution and for mini competitions for the treatment/recycling of a range of materials from HRRC sites.

8. Authority Contract Register – The Contract Register for 2022/23 has been published on the Authority's website in compliance with the Local Government Transparency Code 2014 requirements. [Click here](#) for a link to the website page hosting the Contracts Register.

The Contract Register details the Authority's current contracts for not only waste management operations but other goods and services where their expected value exceeds the £25,000 threshold for publication. Included are the details of expiry dates, review dates, approximate annual value and comments relating to the ongoing management of these services. As well as providing statutory information, the publication of the Contracts Register will permit potential contracting partners' to identify upcoming future tendering opportunities.

9. Authority Contracts and Procurement Rules – The updated Contracts and Procurement Rules were approved at the December 2020 Authority meeting. These rules are now operational and all staff are procuring in line with these rules. WLWA staff have also been updated and trained on the changes to the Procurement rules. The Procurement Review Board is established and meets monthly to discuss the business cases for new procurements. WLWA has updated these rules in accordance with procurement process changes resulting from the UK's exit from the European Union.

10. Procurement Plan – The table below presents the projected procurements coming up in the 2022/23 financial year. The business cases for procurements are analysed on the basis of its benefit to WLWA strategic objectives, outcome of market research and difficulty to procure.

If additional services are required as a result of market/policy changes throughout the year – a business case for each procurement over £50,000 will be discussed by the Procurement Review Board, and the Head of Service Delivery and/or Contract Manager will report back to Chief Officers / Members accordingly.

Table 1 - Approximate contract values on a per-year basis (unless stated as a one off cost)

Annual Procurement Plan 2022 - 2023		
PROJECT/SERVICE	ESTIMATED ANNUAL VALUE (£ p/t)	APPROX TIMESCALE FOR PROCUREMENT
Unallocated residual waste long-term	£8,000,000	Apr-22
Objective tracking software	£4,300 (one off cost)	Apr-22
Unallocated residual waste short-term	£8,000,000	May-22
Waste Composition Analysis	£32,000	May-22
Annual Report (design & printing)	£3,000	May-22
Bulky waste collection service	£55,000	May-22
Wood recycling (<i>currently covered under residual contract</i>)	£600,000	Jun-22
Street sweepings recycling (<i>currently covered under residual contract</i>)	£200,000	Jun-22
Flats contaminated Dry Mixed Recycling	£864,000	Jun-22
Routing software 1 year licence (<i>expires Jun '22</i>)	£26,000	Jun-22
Roving security to assist with the CCTV project	£5,000	Jun-22
Mechanical fork lift pallet mover (to buy)	£15,000 (one off cost)	Jun-22
Shipping containers for CE hub	£30,000 (one off cost)	Jul-22

Refurbishment of Harrow CE hub	£15,000 (one off cost)	Jul-22
Offtake materials at Abbey Rd: batteries	£1,000	Jul-22
Offtake materials at Abbey Rd: Gas bottles	£7,000	Jul-22
Offtake materials at Abbey Rd: Fire Extinguishers	£3,000	Jul-22
Offtake materials at Abbey Rd: Cooking oil / engine oil	£1,000	Jul-22
Offtake materials at Abbey Rd: Asbestos	£3,000	Jul-22
Hard plastics HRRC hub - hard plastics baler	£60,000 purchase / £26k pa lease	Jul-22
Hard plastics HRRC hub - Shelter for hard plastic baler	£15,000 (one off cost)	Jul-22
Access roads development	£150,000 (one off cost)	Jul-22
Brent Dry Mixed Recycling	£2,700,000	Sep-22
Bin sensors	£45,000	Sep-22
Carbon efficiency projects - heating efficiencies, LEDs & water saving measures	£15,000	Sep-22
West Drayton & Abbey Rd Cleaning Contract	£43,000	Sep-22
Rubble, Hardcore & Soil	£220,000	Oct-22
IT, hosted telephony & Desktop Services	£70,000	Oct-22
New main electric gate	£40,000 (one off cost)	Oct-22
Automatic gates @ Abbey Road	£40,000 (one off cost)	Nov-22
Metal panels to secure waste on WTS	£50,000 (one off cost)	Nov-22
Mobile plant / Machinery for investment in recycling infrastructure for West London	£200,000 (one off cost)	Jan-23
Annual maintenance of fire alarm system	£1,280	Jan-23
Opensky	£30,000	Jan-23
Installation of recycling infrastructure / Shed for Food or DMR at Abbey Rd	£500,000 (one off cost)	Mar-23

Billboard advert and design	£4,000	(throughout the year)
Printing, designing and distribution of marketing materials for various projects	£25,000	(throughout the year)
Software procurement (Adobe & survey software)	£6,000	(throughout the year)
Communications Training	£4,000	(throughout the year)
Website add-ons development	£5,000	(throughout the year)
Carbon Assessment, Site survey/audit, improvement measures	£25,000	(throughout the year)
Borough joint projects and events	£20,000	(throughout the year)
Offtake materials at Abbey Rd: Ferrous / non-Ferrous metal	£65,000 income	ongoing
Offtake materials at Abbey Rd: Paper/card	£12,000 income	ongoing
Training: Coaching programme and people development	£20,000	Year-long programme
Training: Organisational transformation	£15,000	Year-long programme

11. Procurement Advice and Support – The Authority continues to have external legal advisors (Sharpe Pritchard and HB Public Law) in place to provide on-going support for the West London Residual Waste Services contract. These services are provided through Service Level Agreements and under Framework Agreements. Advisors from HB Public Law are also used to support contract and procurement decisions. Additional advice and support for procurement projects primarily the Dynamic Purchasing System is provided by Hounslow Council Procurement Team.

12. Financial Implications – Financial provision has been included within the approved 2022/2023 budget for the provision of the services, including any proposed procurements as set out in this report. The majority of procurements in the 2022-23 Annual Procurement Plan are new procurements for 2022-23 rather than re-procurement of existing contracts. The 2022-23 new financial year is also starting at a time of uneconomic uncertainty given the current state of the global market and impact on supply chains and oil & gas. Our procurements also have a high focus on decarbonisation and it is therefore more difficult to give certainty that procurements will result in financial savings. To mitigate this risk our procurements require bidders to show their approach to measuring and reporting carbon savings.

13. Risk Management – The proposals detailed in this procurement plan will be aligned with the requirements of the Authority’s T&C Regulations. Officers will manage any risks that may be identified as they arise.

14. Health and Safety Implications – Health and Safety considerations form part of the tender evaluation process including potential partners’ record on health and safety and proposed future

management arrangements. Where appropriate advice will be sought from the Authority’s Health and Safety advisors Universal Safety Practitioners Ltd.

15. Legal Implications – The Authority is required to act in accordance with the Public Contracts Regulations 2015. Many of the arrangements will involve the Authority entering in to a formal contract.

16. Impact on Joint Municipal Waste Management Strategy – The procurement and provision of high quality waste management contracts are key to the delivery of the Joint Waste Management Strategy and strategic procurement and joint working across the boroughs is also vital to a number of key WLWA strategic objectives; ‘effective and efficient operations focused on where we want to be in the future’, ‘collaborative models in the sub-region and pan-London’ and ‘working joined up and consistent, using high-quality data’.

Background Papers	None	
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Finance Update January 2022

SUMMARY

This report provides an update on financial and corporate matters

RECOMMENDATION(S)

The Authority is asked to: -

- 1) Note the current financial position and forecast for 2021/22
- 2) Note the 2021/22 KPI performance
- 3) Approve the proposed 2022/23 KPI targets
- 4) Note the delegated decisions

1. Financial position – high level summary

A summary of the financial performance for the period and forecast to the end of the year is provided below:

High Level Summary

	P10 Budget £ 000s	P10 Actual £ 000s	P10 Variance £ 000s	Full Year Budget £ 000s	Full Year Forecast £ 000s	Full Year Variance £ 000s
Expenditure						
Employees	1,877	1,890	13	2,252	2,310	58
Premises	2,184	2,326	142	2,620	2,719	98
Waste Transfer and Disposal	41,970	37,941	(4,029)	50,363	45,538	(4,825)
MRF Waste Transfer and Disposal	2,058	1,696	(362)	2,469	2,035	(434)
Supplies and Services	807	608	(199)	968	1,072	104
Depreciation	7,700	8,168	469	9,240	9,802	562
Financing and Other	5,142	5,142	0	6,171	6,171	0
Concession Adjustment	(3,652)	(3,652)	0	(4,382)	(4,382)	0
	58,085	54,119	(3,966)	69,702	65,265	(4,437)
Income						
Levies	(54,266)	(51,684)	2,582	(65,120)	(62,021)	3,099
MRF Service Charge	(2,058)	(1,696)	362	(2,469)	(2,035)	434
Trade and Other	(1,761)	(2,507)	(746)	(2,113)	(2,465)	(352)
	(58,085)	(55,886)	2,198	(69,702)	(66,521)	3,181
(Surplus) / Deficit	0	(1,768)	(1,768)	0	(1,256)	(1,256)
PPP Contract Income and Adjustments	0	0	0	0	(8,100)	(8,100)
Net (Surplus) / Deficit	0	(1,768)	(1,768)	0	(9,356)	(9,356)
Actuarial (loss)/gain on pension liability	0	0	0	0	0	0
Total Income & Expenditure	0	(1,768)	(1,768)	0	(9,356)	(9,356)

The summary shows how financial performance compares to the budget for both the period and the forecast for the year.

The performance shows the same patterns as reported to previous meetings apart from one item, an £8.1 million forecast for PPP income for the year. This is principally the result of the recent higher electricity prices.

Otherwise, the overall performance for period 10 (January 2022) shows a favourable variance (i.e. underspend) of £1.77 million compared to budget. The forecast surplus of £9.36 million is principally reflected by unanticipated lower Waste Transfer and Disposal (WTD) costs and anticipated income from our PPP contract detailed in the Contract report.

The impact on waste flows (principally residual waste which accounts for the majority of spend) has stabilised from the Covid-19 pandemic. This is reflected in the tonnages and waste transfer and disposal costs which are at similar levels to pre pandemic. Other spending budgets remain broadly on target, apart from depreciation which was under budgeted with the SERC being depreciated over 21 years instead of 20 years.

The budget also includes as it did for financial year 2020/21, the financial effects of the new dry mixed recycling (DMR) contract for Ealing. This is cost neutral for the Authority but creates further variances in the WTD costs and Trade/Other Income.

The main variances are detailed in the standard breakdown in Appendix 1 which separates out the main types of waste streams and distinguishes between PAYT and FCL activities and summarises the following.

Residual waste tonnage continues to be the main component of PAYT waste and explains a large portion of the operational variance against budget. The current level of tonnages for residual waste continues to be lower than budgeted (as at the end of January 2022, residual waste collected is 4% lower than the budget). The 2021/22 budget was set using borough tonnage forecasts in the midst of the pandemic when waste volumes were higher than usual. The tonnages budgeted have not materialised and it should be noted, that the uncertainty of forecasting was identified at budget setting. The Authority report included sensitivity analysis to help illustrate the financial impacts of higher/lower residual waste volumes.

In terms of PAYT activities, the decreased volume of household collected waste and associated costs will be mirrored by a reduction in the amount boroughs will have to pay via the PAYT levy. Through the usual quarterly reconciliation process boroughs will only pay for the waste that is disposed and will therefore see quarterly refunds of any overpaid levies. The forecast for the full financial year PAYT levy totals £49.5m against a budget of £52.6m. This reflects the £3.1m of refunds in levies due to lower tonnages collected.

Food waste costs are £19k (7%) lower than budgeted to the end of January, due to lower tonnages collected against budget (4,000 less tonnes). However if we look at the same period of April to January in 2020-21, we can see there has been an increase of 4% in food waste collected year on year. It is important that we continue to monitor food waste collection with each borough and ensure that the £500k investment provided can see food waste tonnages increase and removed from residual waste.

Year to date, green waste has seen 1,500 tonnes increase against budget. Over the winter months we have seen the variance against budget decrease which would explain seasonality where there is less green waste collected.

In terms of FCL waste, there has been lower than budgeted volumes in turn leading to decreased costs against budget. Year to date WTD costs were £1.76m lower than budget. The largest variance is against residual waste which makes up the main bulk of HRRC waste costs and this is £1.5m lower than budget (35%).

Trade waste is up by 42% against budget as at January 22, indicative that there is a continuation of more waste from businesses resuming again post Covid-19.

Now that the impact of the Covid-19 pandemic has lessened, for forecasting we have used current levels of waste collected and calculated run rates. With only two months left in to the financial year, it is evident the budgets were produced with caution on waste levels reflecting the impact of the pandemic last year. The tonnages budgeted have not materialised meaning costs have not come through as anticipated, which has been reflected in the forecast.

Looking at residual waste collections (PAYT), we have looked at current levels of activity and reflected this in the remainder for the year. This has resulted in the forecast being £2.8m less than the budget.

For HRRCs (FCL), once again the main component is residual waste. The average of the last ten months has been used in forecasting. The resulting forecast shows a decrease against budget of £1.8m.

Waste flows will continue to be monitored throughout the remainder of the year. However the total of the above WTD forecasting results in an overall current WTD projected underspend of £4.83m in the year. This is considerably less than what was forecast in the same period last year, and reflects levels of costs pre pandemic. This underspend is also reflected in the large quarterly PAYT rebates to boroughs.

2. KPIs for 2021/22

Appendix 2 summarises the targets for the year and the performance in the year to date.

All indicators continue to be on target (green) and the performance is reflected in the RAG rating.

3. Proposed KPIs for 2022/23

Appendix 3 shows the KPI targets we are proposing for 2022/23. The proposed suite of KPIs will allow the Authority to have oversight of and manage operational performance, one of the corporate governance requirements.

Following a review of the current KPIs we have made some minor changes. We have removed the number of audit actions or recommendations overdue (as these were always nil because of the timing of audits, late in the year) and have included food waste (monthly kg per person), as this is an important metric which we need to ensure increases over time.

We have also added in the average time taken to complete the entire hazard card process, once again an important metric, for managing the key risk of health and safety.

It should be noted that a variety of other indicators and information will continue to be reported for specific purposes in separate reports and forums. This will continually evolve and will include any developments from the West London Waste Strategy Workshop later today.

4. Delegated decisions

To provide further transparency of operational arrangements, this standard section of the report summarises any significant financial decisions made since those reported to the last Authority meeting and not reported elsewhere in the agenda.

There are two procurements to note with both contracts being awarded following a competitive procurement process to the winning bidders. Colleagues from across the business and for one procurement, also from Hounslow Council, evaluated the bids.

The Health and Safety Advisor services contract was awarded to USP (our current provider) and the CCTV service contract was awarded to DSSL Group. Both awards are for 1 year plus an option for the Authority to extend the contract for 2 more years subject to satisfactory performance.

Both of these are covered in the Contracts and Operations report.

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Appendix 1

Pay As You Throw	2021-22 YTD Period 10				2021-22 Full Year Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	34,714	32,389	(2,325)	Collected waste volume is 4% less than budgeted.	41,657	38,867	(2,790)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Food	290	271	(19)	Budget was higher due to £500k investment but whilst there is a decrease against budget, YOY growth is 4%.	348	325	(23)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Mixed Organic	36	83	47	Hillingdon budgeted 857 tonnes of mixed organic for FY21/22, but 1,670 tonnes collected in April and May hence the overspend.	43	99	56	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Green	1,156	1,103	(53)	Decrease against budget due to seasonality - in winter months less green waste collected.	1,387	1,323	(64)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Other	364	443	79		437	532	95	Full year forecast is based on 10 months actual and 2 months run rate
Depreciation	5,935	5,935	0		7,122	7,122	0	
Financing	3,513	3,513	0		4,216	4,216	0	
Premises	1,074	1,074	0		1,289	1,289	0	
Concession Accounting Adjustment	(3,250)	(3,250)	0		(3,900)	(3,900)	0	
Levy Income	(43,832)	(41,250)	2,582		(52,599)	(49,500)	3,099	Levy rebate to reflect tonnage
PAYT Net Expenditure	0	311	311		0	373	373	
Fixed Cost Levy	2021-22 YTD Period 10				2021-22 Full Year Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Commentary	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	1,877	1,890	13		2,252	2,310	58	New Commercial Manager starting in Feb21 and back dated pay uplift - NJC
Premises	1,109	1,251	142	Abbey Road - repairs and maintenance. HRRC Booking system	1,331	1,429	98	
Waste - Residual	4,241	2,757	(1,484)	Lower tonnages collected than budgeted.	5,090	3,309	(1,781)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Green	148	188	40	Fall in tonnages in line with seasonality.	178	226	48	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Wood	556	488	(68)		667	585	(82)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - Other	464	219	(245)		557	272	(284)	Full year forecast is based on 10 months actual and 2 months run rate
Waste - MRF	2,058	1,696	(362)		2,469	2,035	(434)	Full year forecast is based on 10 months actual and 2 months run rate
Supplies and Services	807	608	(199)	Timing difference on projects.	968	1,072	104	
Depreciation	1,765	2,233	469		2,118	2,680	562	
Financing	845	845	0		1,014	1,014	0	
Revenue Funding of Debt	784	784	0		941	941	0	
Concession Accounting Adjustment	(402)	(402)	0		(482)	(482)	0	
Trade Waste and Other Income	(1,761)	(2,507)	(746)		(2,113)	(2,465)	(352)	
MRF Income	(2,058)	(1,696)	362		(2,469)	(2,035)	434	Full year forecast is based on 10 months actual and 2 months run rate
Levy Income	(10,434)	(10,434)	0		(12,521)	(12,521)	(0)	
Fixed Cost Levy Net Expenditure	0	(2,078)	(2,078)		0	(1,629)	(1,629)	
(Surplus) / Deficit	0	(1,768)	(1,768)		0	(1,256)	(1,256)	
PPP Contract Income and Adjustment	0	0	0		0	(8,100)	(8,100)	
Total Income & Expenditure	0	(1,768)	(1,768)		0	(9,356)	(9,356)	

Appendix 2

Key Performance Indicators 21/22							Cumulative		
KPI	19/20 Actual	20/21 Actual	21/22 Target	Red Threshold	Description	Commentary about target	Jan-22	Commentary about performance	
Keep Waste Moving									
1	Diversion from Landfill %	97.9%	98.9%	96.1%	< 95% = Red	Percentage of residual waste collected in month sent to landfill (shows the tonnes of waste Suez have sent to landfill and the cumulative collected asbestos waste collected at Abbey Road).	contractual target 3.9% max to landfill	99.9%	
2	Turnaround times (% above 25 minutes) for borough vehicles	3.4%	4.2%	4.5%	> 5% = Red	Average vehicle turnaround times - taking waste to Transport Avenue, Victoria Road and Abbey Road. Total waste loads (cumulative) and over 25 mins in the month.	close to performance during pandemic	1.0%	
Increase Efficiency									
3	Overall £/tonne	88.29	88.12	88.87	> £93.31 (i.e. +5%) = Red	Looks at total tonnes collected cumulatively and the total spend of waste transfer and disposal.	reflects boroughs budgeted tonnages and 19/20 and 20/21 are indexed	£85.06	
4	Overall £/person	26.05	28.89	30.83	> £32.40 (i.e. +5%) = Red	Total spend of waste transfer and disposal divided by total population of 6 boroughs (provided from ONS website).	reflects boroughs budgeted tonnages and 19/20 and 20/21 are indexed	£27.76	
Divert From Waste									
5	All waste - monthly kg per person	25.73	27.76	28.91	> 30 kg = Red	Total cumulative waste collected divided by population (taken from ONS website).	reflects boroughs budgeted tonnages	27.19	
6	Residual waste - monthly kg per person	20.32	20.28	21.63	> 22 kg = Red	Total cumulative residual waste collected divided by population (taken from ONS website).	reflects boroughs budgeted tonnages	20.57	
Effective Control									
7	People development	82	105	350	< 315 = Red	Total number of learning and development activities carried out in financial year (amongst total employees).	more granular metric reflecting aspirational 10 1&d events per person. But 19/20 and 20/21 reflect days	40	
8	Staff turnover	22%	13%	15%	> 20% = Red	Cumulative leavers YTD against total budgeted staff.	maintain level	7.5%	
9	Sickness absence rate	1.6%	0.5%	2.0%	> 3% = Red	Cumulative sick days lost year to date.	more typical level	2.3%	
10	Paying suppliers promptly (days to pay)	29	24	30	> 32 days = Red	Average number of days to pay suppliers in the month.	statutory level	29	
11	Minimising trade debt (% of non levy income)	7%	4%	8%	> 10% = Red	Debt at end of period - excluding borough debt.	level reflects 1 month debt - only 1 instance of non recovery in last 6 years. Really just timing difference.	0.0%	
12	RIDDOR incidents at Abbey Road	1	0	0	> 1 = Red		maintain level	0.00	
13	Average monthly safety observations and closeout actions	10	5	10	> 15 = Red		maintain level	6	December saw 2 hazard cards completed. One of the cards was in respect of the fluorescent tube bin missing a lid, due to one not being provided by the relevant contractor. This hazard card has been closed out as Abbey Road staff have called the contractor and arranged for a lid to be brought to site. Abbey Road staff has also managed to provide a temporary solution, by using a different plastic lid, until the correct lid is brought to site. The second hazard card is in respect of the door on the 20-yard container, swinging open when the container was in transit from the WTS to the HRRC. Abbey Road have provided some corrective works in respect of provide secondary locking pins on all the containers. Further corrective actions are required in respect of the update of the relevant Risk Assessment and Safe Working Guidance to include the inspection of the locking pins, prior to the container being moved.
14	Number of audit actions or recommendations overdue	0	1	0	> 2 = Red		maintain level	0	

Appendix 3

Key Performance Indicators 22/23								
KPI	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Target	Red Threshold	Description	Commentary about target	
Keep Waste Moving								
1	Diversion from Landfill %	97.94%	98.89%	99.90%	95.00%	< 95% = Red	Percentage of residual waste collected in month sent to landfill (shows the tonnes of waste Suez have sent to landfill and the cumulative collected asbestos waste collected at Abbey Road).	Suez' contractual target is 3.9% max to landfill.
2	Turnaround times (% above 25 minutes) for borough vehicles	3.4%	4.2%	1.0%	4.5%	> 5% = Red	Average vehicle turnaround times - taking waste to Transport Avenue, Victoria Road and Abbey Road. Total waste loads (cumulative) and over 25 mins in the month.	Contract turnaround time is 15 minutes but breach of contract is at 25 minutes and over.
Increase Efficiency								
3	Overall £/tonne	£88.29	£88.12	£86.84	£85.09	> £93.31 (i.e. +5%) = Red	Looks at total tonnes collected cumulatively and the total spend of waste transfer and disposal.	Reflects boroughs budgeted tonnages.
4	Overall £/person	£26.05	£28.89	£29.44	£28.92	> £32.40 (i.e. +5%) = Red	Total spend of waste transfer and disposal divided by total population of 6 boroughs (provided from ONS website).	Reflects boroughs budgeted tonnages.
Divert From Waste								
5	All waste - monthly kg per person	25.73	27.76	28.25	28.34	> 30 kg = Red	Total cumulative waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages.
6	Residual waste - monthly kg per person	20.32	20.28	20.98	20.88	> 22 kg = Red	Total cumulative residual waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. Food within residual should be reducing this figure.
7	Food waste - monthly kg per person			1.65	1.91	< 1.64 kg = Red	Total cumulative food waste collected divided by population (taken from ONS website).	Reflects boroughs budgeted tonnages. The Food waste investment of £500k per borough should drive this up.
Effective Control								
8	People development	82.00	105.00	325.00	500.00	< 450 = Red	Total number of learning and development activities carried out in financial year (amongst total employees).	Includes monthly team meetings which has driven this to increase in FY23
9	Staff turnover	22%	13%	8%	15%	> 20% = Red	Cumulative leavers YTD against total budgeted staff.	Not a large staff number therefore can be skewed by minimal movement.
10	Sickness rate	1.6%	0.5%	2.3%	2.0%	> 3% = Red	Cumulative sick days lost year to date.	In 2020, published figures show that sickness absence rates in public sector stood at at 2.7%. Have left target at 2% after considering the wide gap between the size of our workforce and those of other public sector organisations.
11	Paying suppliers promptly	29	24	32	30	> 32 days = Red	Average number of days to pay suppliers in the month.	Statutory level
12	Maintaining cash flow (Minimising trade debt)	7%	4%	0%	8%	> 10% = Red	Debt at end of period (percentage of non levy income excluding borough debt).	Reflects debt at end of period.
13	RIDDOR incidents at Abbey Road	1	0	0	0	> 1 = Red		Average over 3 years is 0.33. Given the fact that we have not had any in the past 2 years, the target is 0.
14	Average time taken to complete the entire hazard card process from start to finish			0	5	> 10 = Red	Time (days) taken from when hazard was raised through to comments from site manager and H&S advisor.	Time (days) taken from when hazard was raised through to comments from site manager and H&S advisor.

WEST LONDON WASTE AUTHORITY

Report of the Head of Service Delivery & Operations Manager

25 March 2022

Contracts and operations update

SUMMARY

This report provides an update on the Authority's various waste treatment arrangements and procurements.

RECOMMENDATION(S) The Authority is asked to:

- 1) Note the information within this report.

1. Introduction

This report provides an update on WLWA's existing contracts and operations for managing west London's waste. This conforms to key strategic outcomes in the new draft joint strategy (JMWMS) 'Effective and efficient operations focused on where we want to be in the future', 'better transport', 'carbon neutral by 2030', and 'collaborative models in the sub-region and pan-London'.

2. West London Residual Waste Services contract

The contract experienced some operational challenges in January and early February resulting in some vehicle turnaround delays at Victoria Road transfer station.

The programme of contract improvement works aims to address the root causes of the delays. Key amongst these are the construction of a new bulking building at Victoria Road which will free up space in the tipping hall for Borough Vehicles. This was expected to be completed in late spring, but supply chain issues have delayed the timetable until early Autumn. The waste crane at Victoria Road has become unreliable and is due to be replaced, which will require major engineering works. Interim fixes to the crane are currently taking place to reduce downtime.

Overall the contract is performing well against its KPIs, with landfill diversion at 99.9% (target 96.1%) and recycling of residual waste at 5.6% (target 2.1%) as of the end of January.

3. Viridor residual waste contract (Lakeside)

The contract is operating well, and there are no operational issues to report.

4. Food waste contract

The food waste contract with Biocollectors continues to operate well. Hillingdon's separate collection of food has pushed food waste tonnage up overall. However, food waste (tonnes) collected across the other five Boroughs has decreased slightly on the previous two years, although it is not possible at this stage to tell if this is due to residents using the wrong bin or wasting less food. A residual waste composition analysis due later this spring will show how much food remains in residual waste. WLWA is working with the Boroughs this month to review progress on food waste improvement projects.

5. Green waste contracts

These contracts are:

- CountryStyle Recycling Ltd contract
- West London Composting Ltd contract

The contracts are operating well. Both green waste contracts will expire on 30 April and a procurement exercise has taken place, as described in the Procurement Update report.

6. Transport contracts

The transport contracts are:

- For transporting non-recyclable waste from HRRCs and Dry Mixed Recycling (DMR) collected by Ealing, provided by J Shorten & Sons
- For the removal of segregated materials from the HRRC sites in roll-on roll-off containers, provided by Suez transport.

Both contracts are running well and will expire on 31 May this year. A procurement is taking place, which is described in the Procurement Update report.

7. Dry Recyclables

The contract is operating well, and there are no operational issues to report.

8. Borough HRRCs

The WLWA 2022/23 budget allocated £200k per Borough for improvements at HRRCs. Officers are currently meeting to define business cases and improvement projects for each site.

9. Abbey Road HRRC and WTS

Abbey Road HRRC and WTS is managed by WLWA, and the HRRC is run on behalf of Brent.

The site falls within the ULEZ area, and monitoring of waste throughput (from both residents and commercial sources) indicates that ULEZ has not reduced the overall usage of the site.

10. Health and Safety Implications

Covid-19 risk assessments are being updated to reflect Government's further relaxation of restrictions, whilst retaining an appropriate level of precaution.

11. Financial Implications

Over the course of the year, the lasting impacts of the pandemic have increased waste collected at the kerbside and reduced waste arriving at HRRCs. Kerbside costs flow through to Boroughs, so this trend has led to an overall reduction against budgeted costs for WLWA, as shown in the Finance Update.

The procurement of new transport and green waste contracts indicate that costs are likely to be slightly higher than budgeted due to driver shortages, the impact of fuel prices as a result of developments in Ukraine/Russia, and low capacity from green waste suppliers.

12. Staffing Implications

None.

13. Legal Implications

Any specific legal issues are described in the body of this report.

14. Joint Waste Management Strategy Implication - The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies, as described in Section 1.

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