

Contracts and operations update**SUMMARY**

This report provides an update on the Authority's waste treatment arrangements and procurements. The key points are:

- Most contracts and operations are performing very well
- Operational issues at Victoria Road transfer station has led to delays for some Boroughs
- A number of previously unsigned contracts have been completed and/or signed
- Key waste legislation change has been delayed, delaying cost and carbon benefits.

RECOMMENDATION(S) The Authority is asked to:

- 1) Note this report
- 2) Approve work to support the boroughs in creating and adopting a new West London Waste Plan

1. Introduction

This report provides an update on WLWA's existing contracts and operations for managing West London's waste.

2. Contract performance

The performance of the Authority's key operational contracts is explained in the following table.

| Contractor | Service | Value (per year) | Operations | | Financial risk (RAG) |
|-------------------------|---|------------------|------------|--|----------------------|
| | | | RAG | Description | |
| WLERL, operated by Suez | Residual waste 300,000 tonnes/yr | £35m | A | Good performance at SERC and Transport Avenue transfer station. Disruption caused by fires, crane malfunction and a break-in at Victoria Road transfer station. Fires at both transfer stations. | G |
| Viridor (Lakeside) | Residual waste 90,000 tonnes/yr | £14m | G | The contract is operating well. | A |
| BioCollectors | Food waste All Boroughs' food waste | £0.4m | G | The contract is operating well. | G |
| West London Composting | Garden waste All Boroughs' garden waste | £1.5m | G | The contract is operating well. | G |
| N+P | Dry mixed recycling From Ealing and Brent | £3m | G | The contract is operating well. | G |
| Waste-a-Way Recycling | Transporting waste & recyclables using bulk haulage vehicles. | £1m | G | The contract is operating well. | G |

| Contractor | Service | Value (per year) | Operations | | Financial risk (RAG) |
|------------|---|------------------|------------|---------------------------------|----------------------|
| | | | RAG | Description | |
| Suez | Transporting waste & recyclables using RoRo vehicles. | £0.5m | G | The contract is operating well. | G |

WLERL Operations

Sevenside Energy Recovery Centre (SERC) is operating well. The transfer station in Brentford (Transport Avenue) is also operating well. It is receiving extra third party waste from Hammersmith & Fulham and Kensington & Chelsea while Wandsworth Bridge is being repaired.

The transfer station in Ruislip (Victoria Road) suffered a major fire on 7 July when flammable waste from a Borough site was shredded. It was extinguished but the site was closed for half a day. The fire damaged a section of temporary roof, allowing water ingress which caused electrical faults to the waste cranes. The faults and subsequent repair works resulted in tipping delays to Borough vehicles and accumulation of waste on site, which was removed over the following days.

The cranes move waste from the tipping bunkers to the compactors. They are around 40 years old and are about to be replaced. Preparatory works for the replacement are taking place and the new cranes are due to be installed next April. The new cranes, costing £3.5m, are expected to greatly improve reliability and efficiency. The preparatory works are expected to improve the reliability of the old cranes, and are being delivered out of hours to minimise minimal disruption.

A break-in occurred at Victoria Road overnight on 14 August. Significant criminal damage was caused resulting in another half day closure of the site. The site returned to normal operations within two days. The Police are currently investigating. To prevent future break-ins, Suez has re-positioned intruder detection CCTV cameras and is currently identifying further actions.

Another major fire happened at Transport Avenue on 6 September. Residual waste in an outside bay caught alight leading to the site being closed for a day and a half whilst it was fully extinguished and the site made-good. Borough vehicles were diverted to Victoria Road and other contingency sites resulting in some tipping delays. Normal operations resumed on 8 September.

The table below shows the number of fires reported at the transfer stations since 2019/20. Despite being only six months into the current contract year, the number of fires is already the same as the previous full year.

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 YTD |
|---------------|----------|-----------|-----------|-----------|-------------|
| Transport Ave | 3 | 6 | 7 | 8 | 10 |
| Victoria Rd | 6 | 8 | 13 | 17 | 12 |
| Total | 9 | 14 | 20 | 25 | 25 |

To help tackle fires, the new fire suppression system at Victoria Road, costing £2m, is currently being commissioned. A similar system is now fully operational at Transport Avenue.

WLWA has established a fire prevention working group and is encouraging Boroughs to help prevent fires by:

- Sending only bulky waste to be shredded at the sites
- Preventing residents/traders from tipping flammable wastes at their HRRCs/transfer stations
- Communicating with residents about keeping flammable items out of residual waste

Viridor financial risk

The Viridor Lakeside contract is heavily impacted by inflation and is therefore placing cost pressures on the budget this year. Efficiencies are being sought by sending more waste directly to the Lakeside facility, rather than via the transfer stations, in order to minimise handling costs.

3. Procurements

Extensions to the mattress recycling contracts were awarded to the incumbent contractors Circom and Matt UK for a period of two years. They continue to provide a good service and excellent value. The contracts are collectively worth £0.75m a year.

Procurements are currently out for a kerbside collected paper and cardboard recycling contract for Brent and a rubble recycling contract for all Borough sites.

At June's WLWA Audit Committee meeting it was identified that a number of contracts had not yet been signed due to delays by legal advisors HB Public Law. Following an increase in resource and weekly progress meetings, two contracts have now been signed - Circom (mattresses) and Quattro (rubble). Three more contracts are completed and awaiting signatures from the Contractor.

4. Abbey Road HRRC and Waste Transfer Station (WTS)

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

A member of staff has been suspended for a potential health and safety breach and an investigation is underway.

The site is otherwise operating well. The HRRC has a year-to-date diversion (from residual waste) rate of 80%, which is second highest of the Borough sites after Townmead Road in Richmond (81%). Opportunities are currently being explored for separating additional materials for reuse and recycling.

The WTS is operating well and managing over 60% more material than last year since it started accepting street cleansing waste collected by Brent Council. This arrangement is saving Brent over £100,000 a year in waste transfer costs

5. Richmond's sites: Townmead Road HRRC/WTS and Central Depot

WLWA currently provides waste operations management at Richmond's two waste sites.

Operational and health and safety improvements have been delivered at both sites. An internal health and safety audit recognised the improvements and some areas where further work is needed. An action plan is in place.

6. Legislative change

The Government has updated its position on two of the key legislative reforms affecting the waste and resources industry.

Extended Producer Responsibility (EPR) – The introduction of EPR for packaging has been delayed by a year to autumn 2025, meaning delays to the payments that WLWA and the Boroughs were expecting to receive, and delays to legislation-driven waste reduction. A new consultation on EPR has been launched and will end in October. WLWA will be responding and will support all Boroughs to respond individually.

Consistency in collection – This has been delayed until after the introduction of EPR. No further clarity has been provided on the changes that Councils will be required to make to collection services.

7. The West London Waste Plan

West London Alliance is currently leading an update of the West London Waste Plan. The plan will take several years to update and will result in updated waste management planning policies as well as an updated list of defined waste management sites. This is a much-needed document, particularly considering the increase in pressure from developers to convert waste sites into non-waste uses.

The west London Boroughs are all contributing to the plan in terms of governance, technical support and financial contributions for the consultants who will be producing much of the work. A memorandum of understanding is currently being developed between participating organisations. It is recommended that WLWA provides technical support from its position as a waste disposal authority, in developing the plan, and to support the boroughs to create and adopt a new West London Waste Plan.

8. Financial Implications

| Section | Financial Implications |
|--|---|
| West London Residual Waste Services contract | <p>The costs of repairs caused by the fires, crane malfunction and break-in, are borne by the Contractor, although the Authority bears the risk of insurance premium increases above an agreed level – incidents like this will cause premiums to increase. There were also operational costs incurred by Boroughs when Victoria Road was closed or congested as a result of these issues. WLWA is working with Boroughs to better understand these costs and communicate them to the Contractor.</p> <p>The crane replacement and fire suppression system upgrade at Victoria Road transfer station will be financed by the Contractor and WLWA is not obliged to contribute to the costs. The improvements will improve the speed of Borough tipping, leading to operational savings.</p> <p>The financial risk RAG status from this contract is green because the contract set-up protects the Authority from the full impacts of inflation, meaning that significant variance from the budgeted position is unlikely in this contract year.</p> |
| Viridor (Lakeside) | The cost of managing 90,000 tonnes of residual waste through this contract is projected to be 3% higher than the budgeted amount due to the impact of inflation. |
| Procurements | The mattress recycling contracts were extended on the basis that the market has not changed since the previous procurement and the contract rates continue to deliver good value. |
| Abbey Road HRRC and Waste Transfer Station (WTS) | <p>Suspension of the staff member at Abbey Road will result in additional staffing costs, from agency support, while the health and safety incident is investigated.</p> <p>Use of the WTS to support Brent Council's contract arrangements is expected to save Brent over £100,000 per year in waste transfer costs.</p> |
| Richmond's sites: Townmead Road HRRC/WTS and Central Depot | <p>WLWA's staffing costs to support the sites are covered as part of a Service Level Agreement with the London Borough of Richmond upon Thames (LBRuT).</p> <p>LBRuT remains responsible for costs associated with delivering the Health and Safety action plan.</p> |
| Legislative change | Extended Producer Responsibility (EPR) is expected to deliver a rebate of at least £1m per Borough, of which some be received by WLWA. The delay of a year will delay the rebate. WLWA's response to the live consultation on EPR will aim to maximise: waste prevention, reuse, and recyclability by design as well as maximise the rebate to Local Authorities. |
| The West London Waste Plan | Technical support for delivering the plan will be delivered within existing staffing budgets. |

9. Staffing Implications

At Abbey Road, cover for the suspended staff member is being provided through a combination of existing staff and agency staff.

10. Legal Implications

Under the service level agreement, LBRuT remains legally responsible for health and safety compliance at its Townmead Road and Central Depot sites.

11. Impact on Carbon reduction

Replacing the cranes at Victoria Road will speed up tipping times, increasing the efficiency of the Boroughs' collection services and saving carbon.

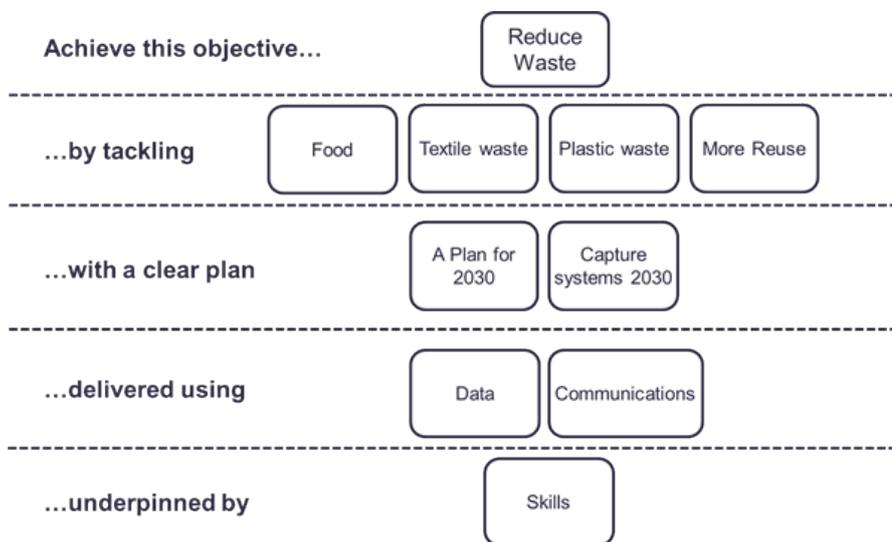
The delay to packaging Extended Producer Responsibility legislation will delay the designing-out of waste by packaging producers by a further year, preventing carbon savings.

12. Impact on Environment Directors Priorities

| Priority | Key points raised within this report |
|---|--|
| Bringing residents with us | Delays to packaging EPR and consistency legislation may delay improvements to waste management services. |
| Sustainable decision making | N/A |
| Climate adaptation and decarbonisation | See Section 10 |
| Dealing with financial challenges whilst delivering on climate change | Investments in the cranes at Victoria Road will save Boroughs costs and carbon through reduced tipping times and more efficient collection operations. |

13. Impact on Joint Municipal Waste Management Strategy

The framework of a joint plan for 2030 to be developed by WLWA and Boroughs was agreed in March 2022 and is shown below.



Delays to packaging EPR will adversely affect all elements of the framework.

14. Impact on statutory, national and London targets

Delays to packaging EPR will slow progress against the target of 65% recycling by 2035 (2030 in London).

| | | |
|------------------|--|--------------|
| Contact Officers | Tom Beagan, Head of Service Delivery tombeagan@westlondonwaste.gov.uk | 01895 545516 |
|------------------|--|--------------|