

**Contracts and operations update**

**SUMMARY**

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

- Zero waste was sent directly to landfill in 2022/23
- Major maintenance to both key energy recovery facilities went well
- High waste arisings in May have put pressure on the major transfer stations
- Small fires have occurred at the major transfer station and Abbey Road
- Two joint procurements have led to savings for participating Boroughs
- HRRC improvements have continued, leading to savings.

**RECOMMENDATION(S)** The Authority is asked to:

- 1) Note this report

**1. Introduction**

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

**2. West London Residual Waste Services contract**

This contract is with West London Energy Recovery Limited (WLERL) and is operated by Suez. It involves the acceptance of waste from Boroughs at West London transfer stations, from where most of the waste is compacted into containers and transferred by rail to Severnside Energy Recovery Centre (SERC) for thermal treatment and energy recovery. It is the Authority's largest contract, handling 300,000 tonnes of residual waste each year, with a value of around £35 million per year.

The contract continues to perform very well against its Key Performance Indicators (KPIs). In the 2022/23 contract year 99.96% of waste was diverted from landfill against a target of 96.1%. The only material landfilled was a small quantity of hazardous air pollution control residue from the energy recovery process. A recycling rate of 5.5% was achieved against a target of 2.1%.

A major planned outage at SERC took place throughout the month of April, this went well, and the facility was fully back up and running on schedule. Some alternative energy recovery facilities were used during the shutdown, but no waste was sent to landfill.

One fire has occurred at each of the two transfer stations since the last report, one at Victoria Road on 25 May and one at Transport Avenue on 2 June. Both were started by material that went through waste shredders, indicating that the material came from Borough waste sites. Both fires were extinguished by site staff before the fire brigade needed to be called.

The month of May saw especially high quantities of waste from Borough HRRCs (a 42% increase from May 2022) due to the sunny weather and the additional bank holiday weekend. This put pressure on the sites and increased tipping times for the Authority's hauliers, leading to some delays in waste being collected from Borough sites. Meetings are being arranged between Suez and the hauliers to identify improvement actions.

Improvement projects continue to be delivered at the transfer stations, including a £2m upgrade to fire suppression systems at Victoria Road. A medium-term fix to one of the Victoria Road waste bunker cranes has taken place leading to some performance improvements. A full replacement of both cranes (worth £3.5m) will take place in 2024.

### **3. Viridor residual waste contract (Lakeside)**

This contract is for 90,000 tonnes a year of residual waste which is thermally treated at Lakeside energy recovery centre near Slough. A period of planned maintenance was successfully completed on 24<sup>th</sup> May, with Lakeside accepting reduced inputs during this time. Viridor offered its Ardley site in Oxfordshire as an alternative disposal point during this period, but Ardley experienced an unplanned outage, and the other contingency site at Beddington was down for planned maintenance. The Suez-run sites at Transport Avenue and Victoria Road accepted more waste than usual to help manage this situation.

Officers have formally raised with Suez and Viridor the need to work together to avoid simultaneous planned outages of energy recovery facilities going forwards.

### **4. Food waste contract**

The food waste contract with Biocollectors continues to operate well.

### **5. Green waste contract**

The green waste contract is operated by West London Composting (WLC). The contract continues to deliver a good service.

### **6. Transport contracts**

The Authority lets two waste transport contracts:

- One for transporting non-recyclable waste from Borough waste transfer stations and Dry Mixed Recycling (DMR) collected by Ealing and Brent, typically using bulk haulage vehicles, operated by Waste-A-Way Recycling.
- One for the removal of segregated materials from Borough HRRC sites in roll-on roll-off (RoRo) containers, operated by Suez.

Both contracts are operating well.

### **7. Dry Recyclables**

This contract is operated by N+P Group. Dry recyclables sorted at a Materials Recovery Facility (MRF) in Crayford.

Brent Council joined this contract in April 2023 and are processing approximately five loads of DMR material per day through the Crayford MRF. The contract is operating well and now covers the processing of DMR from Ealing and Brent. There are no operational issues to report.

### **8. Procurements**

#### Materials Collection Service

A contract has been awarded for a cross-Borough material collections service (formally known as the bulky waste collection service). This formal contract replaces a trial arrangement. The procurement was undertaken through the Dynamic Procurement System with two bidders submitting tenders. The contract started 22 May 2023 and has been awarded on the basis of a one year contract with the option to extend for two further periods of one year.

The new contract has been awarded to AnyJunk Limited. This organisation is incumbent supplier from the trial service and they have historically delivered a high-quality service. The new collection service is open for all Boroughs to use however it is anticipated that the majority of bulky waste collections will initially come from Brent and Hounslow.

Modelling of savings generated through the material collections service contract suggests savings from one active Borough of around £125,000 in 23/24 compared to the previous financial year.

### HRRC paper and card contract

WLWA has recently undertaken a new joint procurement for managing around 1,500 tonnes a year of HRRC paper and card from across four boroughs: Harrow, Brent, Hillingdon and Ealing. A robust procurement exercised via the Dynamic Procurement System (DPS) attracted lots of market interest, and five strong bids were received. The winning bidder was Edwards Recycling Ltd which has a site in Barking.

Historically offtake of Brent's HRRC paper and card has been arranged through ad-hoc spot pricing. A significant amount of work has been undertaken to encourage three other WLWA boroughs to join Brent in entering into a formal procurement and contract to secure an offtaker for this stream, to generate revenue through the sale of the material and also create additional savings due to the overall reduction of dry mixed recycling (DMR) material processed through each Borough's MRF facility and subsequent savings on DMR processing gate fees.

Edwards submitted a bid which demonstrated a strong approach to both collection and processing, and contract management and reporting. The contract starts on 3 July and will last for one year with the option to extend by a further two years.

The annual forecast for the predicted savings from this new joint borough contract is around £146,000 across the four boroughs. The savings generated through this procurement will be passed through to the participating Boroughs.

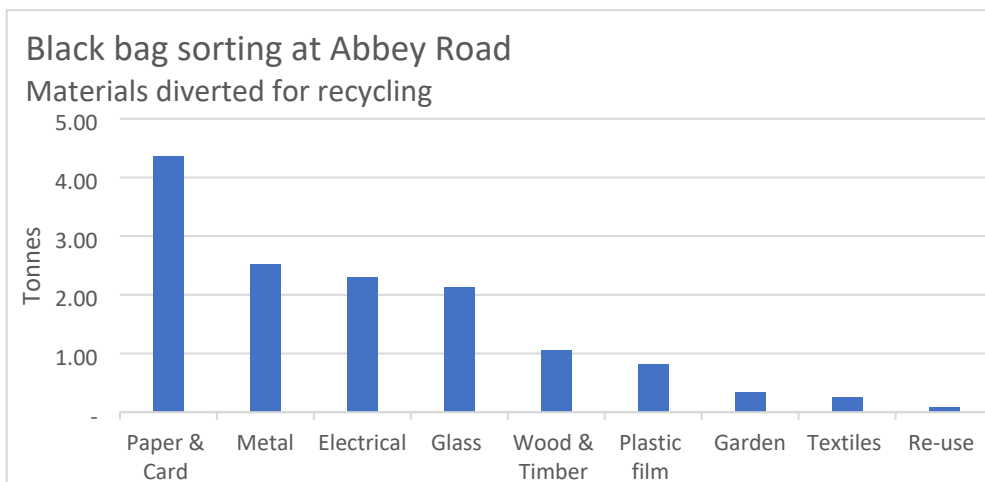
## **9. Abbey Road HRRC and Waste Transfer Station (WTS)**

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

There are currently vacancies on site for a Mobile Plant Operator and Operations Data Assistant and some sickness cover is required for another role. Agency cover is in place and recruitment is happening in earnest.

Fires started in street cleansing waste delivered by Veolia's collection vehicles (on behalf of Brent) on 4 and 25 April. The suspected causes are either batteries or Nitrous Oxide cylinders in the waste. In both instances the fires were quickly extinguished by site staff. Investigations were carried out and changes were made to the waste acceptance procedures.

A trial is underway for sorting black bagged waste brought into the HRRC by residents at Abbey Road. This initiative has been rolled out in other parts of the country and has led to significant financial and carbon savings by recovering valuable materials that would have otherwise been sent to energy from waste. It also removes potentially dangerous materials, such as batteries, from the residual waste stream. Since the trial started, 14 tonnes (19%) of material has been diverted for recycling from 74.6 tonnes of residual waste.



A financial analysis of the results is currently being undertaken to create a business case for rolling out the initiative of other HRRCs.

## **10. HRRC improvement programme**

Several improvements have taken place at the other HRRCs since the last report, as part of the HRRC improvement programme. This includes new signage and line painting at three sites, and upgraded, offices, welfare facilities and workshop at Townmead Road.

Operational support from WLWA officers has led to two more Boroughs' (Harrow and Hounslow) HRRCs/transfer stations separating out residual waste into bulky and non-bulky piles. This will save money, because the non-bulky material does not need shredding before thermal treatment, and will reduce fires, because fewer flammable materials will pass through a shredder. Following a successful trial, the non-bulky waste will soon be sent directly to the Lakeside energy recovery facility. Brent (Abbey Road) and Richmond already separate these materials and Hillingdon and Ealing intend to also start once space limitations have been dealt with at their sites.

## **11. Richmond's sites: Townmead Road HRRC/WTS and Central Depot**

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

On Friday 2 June, Richmond's collection contractor delivered a load of paper and card containing three full petrol containers which started leaking. The site was closed and Fire Brigade called to make the area safe. The site re-opened the next working day and WLWA's health and safety advisors are currently running an investigation.

A review of operational processes and health and safety procedures has also recently taken place at the site.

## **12. Operations Manager**

Following the resignation of the Authority's Operations Manager, an interim Operations Manager is now in post for six months whilst a permanent Operations Manager is recruited.

## **13. Legislative change**

The Government continues to delay its response to the consultation on consistency of waste and recycling collections, and no time frames have been provided.

## **14. Health and Safety Implications**

Changes to tipping locations for Boroughs and contractors, due to the operational issues discussed in Section 2, could increase the risk of accidents due to drivers using sites that they are not used to, and increased traffic at tipping points. This is mitigated by contractors at tipping points providing an induction to all drivers that are new to a site.

Improvement work at the transfer stations is all subject to an extensive risk assessment process by Suez.

The new contractors for the materials collection service and paper and card collections will be unfamiliar with WLWA and Borough waste sites, which could lead to a risk of accidents. This will be mitigated by providing drivers with inductions at all relevant sites.

A risk assessment and safe working procedures for the sorting of black bagged waste has been developed by the Authority's health and safety manager and is in place.

A health and safety investigation into the near-miss at Central Depot is underway.

## **15. Financial Implications**

<b>Section</b>	<b>Financial Implications</b>
West London Residual Waste Services contract	Disruption at the major rail linked transfer stations leads to additional costs, largely from processing more waste at one of the major transfer stations (requiring overtime), or transfer waste by road instead of rail. These additional costs are paid for by the Contractor but can result in longer turnaround times for Boroughs. When the Contractor

	<p>is unable to send waste to SERC and must instead use an alternative energy recovery facility, or landfill, WLWA misses out on a contract rebate for this material. A maximum of 3.9% (around 12,000 tonnes) of contract waste can be treated this way. If this occurs, WLWA could miss out on a maximum rebate of around £1.8m. During the April SERC outage 9,000 tonnes were sent to Alternative treatment, equating to approximately £1.5m of the rebate.</p> <p>The improvement projects planned at the major rail linked transfer stations 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>
Viridor residual waste contract (Lakeside)	Additional costs for using alternative facilities under the Viridor contract are paid for by Viridor.
Food waste contract	None
Green waste contract	None
Transport contracts	None
Procurements	<p>The Materials Collection Service is projected to save £125,000 for a fully participating Borough in 2023/24 compared to the previous financial year.</p> <p>The paper and card procurement is expected to save £146,000 across the four participating Boroughs compared to the previous financial year.</p>
Abbey Road HRRC and Waste Transfer Station (WTS)	The black bag splitting project at Abbey Road is initially targeting annual savings of £12,500 against costs of £27,300, leading to a 2.2 year pay-back.
HRRC Improvement Programme	Separating bulky and non-bulky waste from Harrow and Hounslow is expected to deliver waste transfer savings of £115,000 per year.
Richmond's sites: Townmead Road HRRC/WTS and Central Depot	The contamination incident at Central Depot will result in the contaminated material being managed as residual waste instead of paper and card, costing around £2,000.
Operations Manager	Staffing cover for the Operations Manager position will result in an increase in staffing costs above the budgeted level. There has also been an increase in the market value of Operations Managers, which may again push staff costs above budgeted levels following the recruitment. Any additional costs will be covered by operational savings, which will be a key focus area for the new Operations Manager.
Legislative change	There is insufficient information to assess the financial implications at this stage.

Approximate annual values of the Authority's key contracts are:

- WLERL, residual waste services, £35m
- Viridor, residual waste services, £14m
- West London Composting, green waste, £1.5m
- Waste-A-Way, transport services, £1.0m
- Suez UK, transport services, £0.5m
- Biocollectors, food waste, £0.4m

## 16. Staffing Implications

Recruitment is taking place to fill the vacancies of Mobile Plant Operator and Operations Data Assistant. A recruitment plan is being developed for the permanent Operations Manager. New recruitment strategies are being developed to attract candidates in a difficult market.

## 17. Legal Implications

There are no legal implications to report.

## 18. Impact on Carbon reduction

HRRC improvement projects aim to maximise diversion of valuable materials from residual waste, reducing carbon by keeping materials in circulation.

Improvement projects at the waste transfer stations aim to increase the efficiency of the tipping and transport of waste, reducing the carbon associated with managing it.

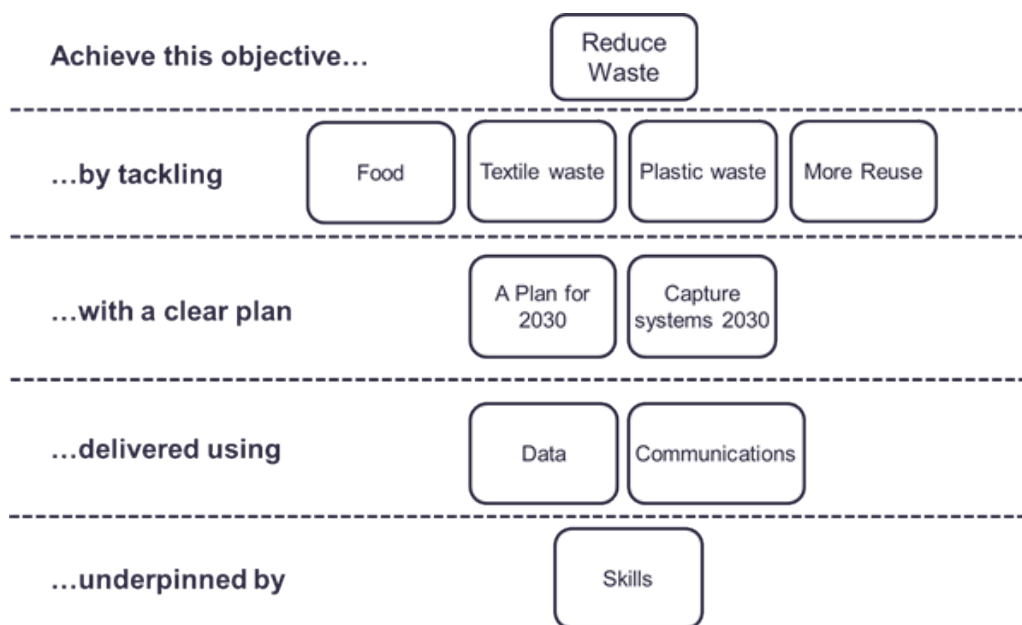
Landfill is the waste management method with the greatest carbon impact. By sending zero waste directly to landfill, significant carbon emissions have been avoided.

### 19. Impact on Environment Directors Priorities

Priority	Key points raised within this report
Bringing residents with us	HRRC improvement projects, including black bag sorting, aim to make the most of the opportunities for talking with residents about their waste and recycling behaviours.
Sustainable decision making	N/A
Climate adaptation and decarbonisation	See Section 18
Dealing with financial challenges whilst delivering on climate change	Savings from the joint procurements help Boroughs save money whilst delivering excellent environmental outcomes.  HRRC improvements will deliver financial savings to Boroughs, directly through separating more recyclables, and indirectly through residual waste savings to WLWA.

### 20. 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.



The HRRC improvements will tackle some of the key materials in the diagram above through increased diversion of materials from residual waste.

### 21. Impact on statutory, national and London targets

The HRRC improvement programmes will help address the target 65% recycling by 2035 (2030 in London).

Contact Officers	Tom Beagan, Head of Service Delivery <a href="mailto:tombeagan@westlondonwaste.gov.uk">tombeagan@westlondonwaste.gov.uk</a>	01895 545516
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