

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
- The WLER contract performed well despite challenges over the Christmas period
- A change in law has come into force, allowing some DIY waste to be accepted free of charge at HRRCs.

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. 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 the two rail linked transfer stations. Site layout changes at Victoria Road and fewer crane breakdowns have reduced on-site waiting times.	G
Viridor (Lakeside)	Residual waste 90,000 tonnes/yr	£14m	A	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
Suez	Transporting waste & recyclables using RoRo vehicles.	£0.5m	G	The contract is operating well.	G

WLERL Operations

Sevenside Energy Recovery Centre (SERC) and the two rail linked transfer stations at Brentford and Ruislip are operating well.

In response to Borough inquiries about queuing times at Ruislip (Victoria Road), Suez (the operating sub-contractor) has changed the site layout and tipping arrangements which has significantly reduced on-site waiting times. The ageing waste bunker cranes have experienced fewer breakdowns since the last report.

WLWA officers continue to work with Borough officers to understand the impact of delays at Victoria Road on their collection services and residents.

The contractor has recently invested £9.5m in improvements to the Victoria Road site, including £2m on new waste compactors, £2m on a fire suppression system, £0.5m on an interim fix to the cranes and £5m on replacing the cranes. Further investments in new weighbridges, new mobile plant and a new bulking shed are planned for 2024.

The replacement of the Victoria Road waste cranes is scheduled for April 2024 and a contingency plan has been developed. It is being shared and refined with Borough heads of service.

During the Christmas period, the contractor suffered from two dropped trains, one due to driver shortages, and one due to extreme weather. There was also failure of both cranes and a shredder at Victoria Road, all on the same day. Despite these pressures only minor on-site tipping delays were reported.

Fires continue to pose a major risk to the transfer stations, although the frequency of fires has decreased since the last report. The table below shows the number of fires reported at the transfer stations since 2019/20. With three months of the contract year to go, the number of fires in 2023/24 has already comfortably exceeded the previous year.

	2019/20	2020/21	2021/22	2022/23	2023/24 YTD
Transport Ave	3	6	7	8	15
Victoria Rd	6	8	13	17	19
Total	9	14	20	25	34

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 which is planning to meet in January.

Viridor

The combination of a mechanical fault and a full waste bunker at Lakeside caused some delays on Friday 5 January. A contingency site was used until normal service resumed.

As reported in September, the Viridor Lakeside contract is heavily impacted by inflation and is therefore placing cost pressures on the budget this year. Efficiencies are being made by sending more waste directly to the Lakeside facility, rather than via the transfer stations, which reduces handling costs.

3. Procurements

The procurement of a new contract for managing abandoned vehicles is currently live. The current contract with Redcorn is due to expire on 31 March 2024.

Waste electrical and electronic equipment managed by the Authority is collected and managed by a producer compliance scheme. These compliance schemes are fully funded by producers of electrical products, but local authorities can choose which one they want to use. The Authority is

currently running a procurement exercise to determine which compliance scheme provider to use going forwards.

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 Council.

Changes to the site's organisational structure are being developed to further improve health and safety performance.

In December, the Government quickly changed the law to allow householders to dispose of small amounts of 'DIY' wastes free of charge. Previously Abbey Road charged for these materials, but now must allow residents to deliver up to two 50 litre bags, or one large item of DIY waste for free each week. Changes have been made at customer interface points, particularly the check-point where residents arrive, where the changes will be explained. WLWA and Brent Councils websites have been updated and the booking system has been updated to provide information about the change and enable users to record the quantities of DIY waste that they will be bringing. The team is currently trialling methods of recording the quantities of DIY waste brought to the HRRC by each household, to uphold the legal limits. Quantities above the limit will be subject to the same charges as previously. The operations team is in consultation with the other Boroughs about the optimum way of adapting to this change in law.

The site is otherwise operating well. The HRRC has a year-to-date diversion (from residual waste) rate of 78%, which is second highest of the Borough sites after Townmead Road in Richmond (81%). The black bag sorting station is diverting 7% of non-recyclable HRRC waste whilst also serving as a valuable educational tool for residents.

The WTS continues to operate well with the additional street cleansing waste delivered 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 continue to be delivered at both sites.

6. Financial Implications

Section	Financial Implications
West London Residual Waste Services contract	The investment in improvements at the transfer stations are financed by the Contractor, except for the Victoria Road bulking shed, which is an Authority change, and will therefore be financed by the Authority. Capital budget has been allocated for this. 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.
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 abandoned vehicles procurement is expecting to move from a cost neutral position to an income generating one. The waste electricals contract is expected to be cost neutral.
Abbey Road HRRC and Waste Transfer Station (WTS)	The DIY waste change in law is expected to result in a loss of income of around £50,000 per year, which has been assumed in next year's budget. There is a risk that the change may result in more abuse of the system by trade waste users, but mitigations are in place to prevent this. 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.
Richmond's sites: Townmead Road	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).

HRRC/WTS and Central Depot	LBRuT remains responsible for costs associated with delivering the Health and Safety action plan.
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7. Staffing Implications

Changes to the site’s organisational structure are being delivered in full consultation with site staff and trade union GMB.

8. Legal Implications

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

9. Impact on Carbon reduction

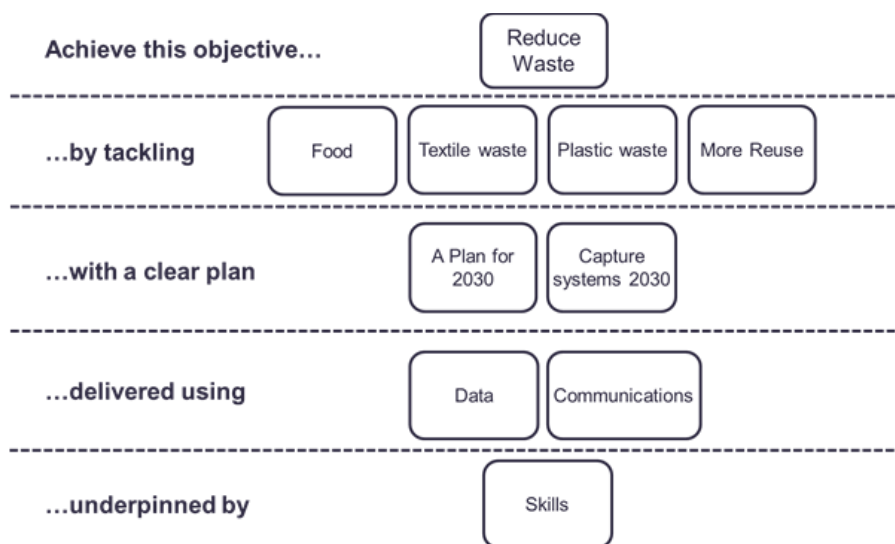
Replacing the cranes at Victoria Road will speed up tipping times, increasing the efficiency of the Boroughs’ collection services and saving carbon.

10. Impact on Environment Directors Priorities

Priority	Key points raised within this report
Bringing residents with us	Residents are being informed about the DIY change in law through websites, the booking system and interactions with site staff.
Sustainable decision making	N/A
Climate adaptation and decarbonisation	See below
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.

11. 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.



Changes to the law on DIY waste could result in more waste entering the system (from commercial sources), which could impact the ‘Reduce Waste’ objective.

12. Impact on statutory, national and London targets

Improvements at HRRCs help towards the target of 65% recycling by 2035 (2030 in London).

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