



**Report to:** South London Waste Partnership (SLWP) Joint Waste Committee  
**Date:** 17<sup>th</sup> December 2020  
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**Chair:** Councillor Hilary Gander  
**Report title:** Phase A and B Contract Management Report

### Summary

This report provides Joint Waste Committee with an update on the performance of the Phase A and Phase B Contracts procured and managed by the South London Waste Partnership:

- i. Contract 1 – Receipt and Transport of Food, Green and mixed recycling.
- ii. Contract 2 - HRRC services - HRRC site management and material recycling
- iii. Contract 3 - Treatment of food and green
- iv. Phase B - The 2012 Residual Waste Treatment Contract (the ERF Contract)

This report and provides performance data for the period 1<sup>st</sup> April 2020 to the 30<sup>th</sup> September 2020.

### Recommendations

Joint Waste Committee is asked to note the contents of this report, and comment on any aspects of the performance of the Partnership's Phase A & B contracts.

### Background Documents

Contract Performance Monitoring updates have been presented to the Joint Waste Committee since 22 July 2010. The most recent reports were presented at the meeting in September 2020 by the Interim Strategic Manager, Andrea Keys.

## BACKGROUND

- 1.1. **Phase A: Contract 1** is operated by Viridor Waste Management Ltd and includes the receipt, bulking and haulage of green, food and recycling until August 2022. (The disposal element of this contract ceased on the 3<sup>rd</sup> March 2019 and since the 4<sup>th</sup> March 2019 the residual waste has been managed through the Residual Waste Treatment Contract operated by Viridor South London Ltd (also referred to as the Phase B ERF Contract)).

- 1.2. The London Boroughs of Croydon, Sutton and Merton direct deliver kerbside collected garden and food waste into the Beddington site, operated by Viridor.
- 1.3. The Royal Borough of Kingston (RBK) direct delivers kerbside collected residual, recyclates, garden waste and food waste into the Kingston Villiers Road Waste Transfer Station (WTS). The WTS is divided into three parts and is operated by Viridor South London under the Residual waste treatment contract (see 1.6 below), by Veolia under the HRRC contract (1.4), and also by Viridor WML under this Contract 1.
- 1.4. **Phase A: Contract 2**, the HRRC service is operated by Veolia (ES) (UK) Ltd. The contract commenced on the 1<sup>st</sup> October 2015 and includes the management of the 6 Partnership HRRC sites in addition to the marketing of recyclates collected at each of the sites.
- 1.5. **Phase A: Contract 3** is operated by Viridor Waste Management Ltd and includes the composting of garden and food waste until August 2022. The services provided under Contract 1 receive and bulk this material and then provide onward transport to the composting facilities in this Contract 3.
- 1.6. **Phase B: Residual Waste Treatment Contract** - Viridor South London Limited ('Viridor SL') was formally awarded a contract for the treatment and disposal of residual waste in November 2012. The Contract involves Viridor designing, building and operating an Energy Recovery Facility (ERF) which will remain in its ownership and through which it will dispose of suitable and permitted municipal residual waste arising in the South London Waste Partnership area.

## PERFORMANCE DETAIL

- 1.7. **Contract 1: Waste transfer station bulking and haulage (Viridor Waste Management Limited)**
- 1.8. Contract 1 includes waste transfer station operations and bulk haulage services only. The Contract is operating effectively and there are no issues to report.
2. **Contract 2: Management of the Household Reuse and Recycling Centres (Veolia (ES) (UK) Ltd)**
  - 2.1. **HRRC Contract Performance Review:** The scope of the HRRC services can be summarised in three parts: the general management of the sites including staffing, plant, equipment, and site layouts; the transportation of materials; and the recycling, treatment, and/or disposal of waste collected at the HRRC sites (excluding garden and residual waste).
  - 2.2. The contract specification focuses on three key performance categories; site user experience, health and safety, and material recycling. The report reviews the performance of the contract against these three categories for the period April to September 2020.

- 2.3. **HRRC COVID Measures** – On the 24<sup>th</sup> March 2020 all six SLWP HRRC sites, along with all other London borough HRRC sites, were closed following government advice and resultant legislation in relation to the COVID19 outbreak. Following the remobilisation project the services reopened on the 13<sup>th</sup> May 2020 and have remained under special COVID measures. These measures include; restrictions on customer numbers in narrow access areas within the sites (such as the gantry steps and raised walkways), enhanced hygiene measures (washing down of handrails and contact points), social distancing between staff and customers (staff cannot offer assistance with carrying waste), measures to control number of customers on site, and additional site signage.
- 2.4. Since March 2020 the Partner Boroughs have moved through a number of government led 'risk classification and control mechanisms' including a full lockdown, the '5 step social distancing guide', and the '3 tier' system. The guidance throughout this period, and until now, is that there still remains a risk from COVID for our residents and for site staff, to varying degrees at each stage. For this reason some special measures have remained in place since March 2020 to ensure the contractor can continue to operate the sites in a safe and controlled way.
- 2.5. **Site user experience:** Veolia started customer satisfaction surveys in July 2016 to monitor site user experience. Customer satisfaction questionnaires are undertaken for two weeks at the six sites in turn for each round.
- 2.6. Customer Satisfaction surveys were suspended on the 24<sup>th</sup> March 2020 when the sites were closed, as detailed above, so the survey results were incomplete for quarter 1. Surveys restarted in September and data is being gathered. Customer Satisfaction performance for quarter 2 and 3 will be reported in the April 2021 update to JWC.
- 2.7. **Recycling Performance analysis** - Detailed analysis undertaken by the SLWP each month looks at materials recycled, recycling markets, and the impact of the wider SLWP recycling services, in order to better understand HRRC recycling rates and assess the Contractor's performance.
- 2.8. Table 2a of Appendix A details the recycling performance by site and by month (please note the year end performance figure is based on the raw tonnage data, not an average of the recycling performance per month). At the end of quarter 2 the combined performance at the SLWP HRRC sites was 65%, this is a 2% drop against quarter 2 last year.
- 2.9. Table 2b in Appendix A uses data from the last three years in order to compare performance year-to-date with previous years. The green bar shows the recycling performance for the current Contract Year 2020/21. The yellow and blue bars show recycling performance for the same period in the previous two years. The dotted line and accompanying white numbers in this graph show last years end of year recycling performance for each site.

- 2.10. The sites have seen a reduction in both the tonnes received and the recycling rates and this is assumed to be as a result of the 6 week site closure period, the restrictions on staff assisting customers, and the unavailability of some off-takers once the first lockdown was lifted. Some further analysis on site recycling performance is below.
- 2.11. **Recycling: Wood and Green** - Between April and September the HRRC sites would typically receive 85% of the total annual green waste tonnes, approximately 9,500 tonnes out of an annual 11,000 tonnes. At the end of quarter 2 this year we received 47% less green waste than we would normally expect. If we consider that green waste accounts for approximately one third of the recycling rates at our HRRCs, any change in this waste stream has a dramatic impact on our recycling rates. Wood waste also accounts for one third of our total recycling rate at the HRRC sites. Wood waste arisings analysed at quarter 2 this year follow a similar pattern with a 39% drop in tonnes when compared to the previous year, however unlike green waste, wood waste is easier to store for prolonged periods and so we are hopeful that we will start to see these tonnes come into site and that figures in quarter 3 and 4 will show an increase in this material.
- 2.12. **Other Recycling** – When combined, the waste electrical, the metals, and the cardboard tonnes attribute to around one fifth of the total tonnes recycled at the HRRC sites. The non-ferrous tonnes have increased, but the remaining tonnes within this category were also much lower than what we would expect for quarter 2.
- 2.13. **Residual waste** - Similarly, residual waste tonnes have also been lower for this year, and at quarter 2 the analysis shows a reduction of just over 33%.
- 2.14. In total the HRRC sites processed 41% less waste during the quarter 1 and 2 period when compared to the previous year, but again, this is not unexpected given that the sites were closed for 6 weeks of the busiest period which is quarter 1.
- 2.15. **On-going Improvement measures** – The black bag splitting project remains on hold due to the increased risk posed by COVID19. The segregation of rigid plastics and mattresses and the soil segregation project continue to operate, and as previously reported, the commercial clamp down has been applied since the sites reopened and will continue to be applied alongside social distancing measures. SLWP are working with Veolia to explore new improvement measures that can be managed safely whilst there still remains a COVID risk.

### **3. Contract 3 – Materials Recycling Services, Composting, and additional treatment services (Viridor Waste Management Limited)**

- 3.1. Garden waste is delivered to the Viridor Beddington facility where it is bulked and hauled off-site for treatment in a combination of the following facilities: KPS Isfield and Pease Pottage, Woodhorn Runcton and Tangmere, Tamar Beddingham and Swanley, and Birch Airfield.

- 3.2. The garden waste is processed in order to produce a BSI PAS100 compost product. There have been some changes to the PAS100 requirements making quality control more stringent, but our material continues to meet quality requirements. Garden waste tonnage data for the reporting period on combined kerbside and HRRC tonnes can be found in Appendix A, in chart 3b.
- 3.3. Food waste is delivered to either the Beddington facility or the Villiers Road Transfer Station facility. From both sites the food is transferred by Viridor to the Agrivert Trumps Farm Anaerobic Digestion (AD) facility located in Surrey. The Agrivert facility produces a BSI PAS 110 compost product. Food waste tonnage data for the reporting period can be found in Appendix A, in chart 3b.
- 3.4. There are no performance issues with the food and garden waste processed through the Contract 3 service.

#### **4. Phase B – Residual Waste treatment Contract (Viridor South London Limited)**

- 4.1. Viridor South London have been delivering the full Services under the Residual Waste Treatment contract since 4<sup>th</sup> March 2019.
- 4.2. In the reporting period, 1<sup>st</sup> April 2020 until the 30<sup>th</sup> September 2020, the Partnership delivered just over 108,000 tonnes of residual waste to Beddington, this is an increase in residual waste of 7% when the data is compared to the same period last year. Please see Appendix A table 1a for further detail.
- 4.3. **Landfill Diversion** - Viridor SL has an annual landfill diversion target, and for 2020/21 this target is 91.34%. In the reporting period April to September 2020, 100% of the residual waste delivered by SLWP partner boroughs was treated via ERF with no residual waste sent to landfill. Please see Appendix A table 1b for further diversion data.
- 4.4. **Emissions** – The emissions from the Beddington ERF are sampled every 10 seconds, 7 days a week, 365 days a year. The results are fed back to the ERF Control Room, so any potential issues are known about immediately and appropriate action can be taken. The results from the emissions monitoring are reported to the Environment Agency (EA - the regulator for the facility) and uploaded by Viridor to a publicly-accessible website ([www.beddingonterf.info](http://www.beddingonterf.info)). The EA sets limits (based on 10-minute, 30-minute, and daily averages) for different types of emissions. The Beddington ERF has been designed to operate at the very highest international standards and, under normal operating conditions, emissions are well below the limits set by the EA.
- 4.5. **Volatile Organic Compounds** – During the reporting period April to September there have been 4 exceedances of the VOC half-hourly average: one in May, one in June, and two in August. Viridor report that a contributing cause of this exceedance was the variable nature of the waste. Large cranes in the ERF bunker are used to mix the waste (which varies from load to load) to ensure the composition is as consistent as possible. Occasionally the variable nature of municipal waste composition

causes a temporary exceedance in the performance of the ERF. After each incident, the issue was quickly identified and rectified, ensuring the impact on the daily average emissions readings were minimal (and well within permit requirements). The Environment Agency has been notified in accordance with the ERF's environmental permit.

- 4.6. There were no exceedances of any of the other 6 monitored emissions during the reporting period.
- 4.7. The facility must operate in accordance with its Environmental Permit which is issued and regulated by the Environment Agency (EA). The site cannot operate without its permit from the EA and if the site is not compliant with its permit, the EA have the power to serve both enforcement and suspension notices. The SLWP will continue to work closely with Viridor and the EA to ensure the Beddington ERF is operating safely.
- 4.8. **Environmental Permit Update** - The Beddington ERF is currently permitted by the Environment Agency (EA) to treat 302,500 tonnes of waste per annum. The facility is capable of processing more than that, but this annual limit takes into account planned down-time for maintenance (when waste is received at Beddington but transported on to alternative facilities for treatment).
- 4.9. As previously reported to this Committee, the planned downtime in the spring did not take place this year due to the coronavirus pandemic, It has been deferred to 2021. This means that Viridor is forecasting that it will exceed its permit for the volume of waste that can be treated in a calendar year. The EA has confirmed that this is a pattern it is seeing at similar facilities across the country and has advised Viridor to submit a formal permit variation to increase the limit of waste processed as opposed to applying for a one year dispensation as this will enable future flexibility around the periods when the facility is shut down for planned maintenance.
- 4.10. As a result, Viridor has made an application to the EA to vary the permit for the Beddington ERF, to increase the annual amount of waste the facility is allowed to process by 15%, up to 347,422 tonnes per annum. If granted, the permit variation will increase the amount of waste the Beddington ERF is allowed to process each calendar year from 2020 onwards. Viridor report that the Environment Agency has deemed this permit variation to be non-substantial and are expecting notification of the EA decision in the coming weeks.
- 4.11. The variation is to the annual limits, the amount of waste the facility will process on a typical day will not change as the plant is already working at its daily operational limit. What the permit variation will do is give Viridor more flexibility around the length and frequency of planned maintenance periods in the future. This will help Viridor to optimise when maintenance takes place. Traffic movements to and from the site would remain within those allowed through the planning process.

## 5. **RECOMMENDATIONS**

- 5.1. It is recommended that the Joint Waste Committee:

- a) Note the contents of this report, and comment on any aspects of the performance of the Partnership's Phase A & B contracts.

## **6. IMPACTS AND IMPLICATIONS**

- 6.1. LEGAL -There are no legal considerations arising directly out of the recommendation in this report.
- 6.2. FINANCE - There are no financial considerations arising directly out of the recommendation in this report.

## **7. Appendices**

- 7.1. Appendix A provides data on the performance of the Phase A contracts for the reporting period 1<sup>st</sup> April 2020 to the 30<sup>th</sup> September 2020.