

Merton Council

South London Waste Partnership Joint Committee Agenda

Membership

London Borough of Croydon

Councillor Stuart Collins - Deputy Leader and Cabinet Member for Clean Green Croydon (Chair)

Councillor Kathy Bee - Cabinet Member for Transport and Environment

Reserves: Councillors Robert Canning and Stuart King

Royal Borough of Kingston upon Thames

Councillor Terry Paton - Portfolio Holder - Resident Services (Apologies noted)

Councillor Ian George - Lead Member - Resident Services

Reserves: Councillors Richard Hudson and Gaj Wallooppillai

London Borough of Merton

Councillor Judy Saunders - Cabinet Member for Environmental Cleanliness and Parking

Councillor Andrew Judge - Cabinet Member for Environmental Sustainability & Regeneration

Reserves: Councillors Martin Whelton and Mark Allison

London Borough of Sutton

Councillor Nighat Piracha; Vice-Chair of the Environment & Neighbourhood Committee

Councillor Jill Whitehead - Chair of the Environment and Neighbourhoods Committee

Reserve: Councillor Hanna Zuckowska

A meeting of the **LONDON BOROUGHS OF CROYDON, MERTON & SUTTON AND ROYAL BOROUGH OF KINGSTON UPON THAMES SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE**, which you are hereby summoned to attend, will be held on **Wednesday 9th March 2016** at **5:30pm**, in **Room F10, Croydon Town Hall, Katharine Street, Croydon CR0** .

This is a meeting in public and attendance by the public is encouraged and welcomed. For more information about the agenda please contact:
Margot.Rohan@croydon.gov.uk or telephone 020 8726 6000 ext.62564

South London Waste Partnership Joint Committee Agenda

9 March 2016

AGENDA - PART A

1. **Apologies for Absence and Attendance of Alternate Members**
2. **Disclosure of Interest**

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality in excess of £50. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Business Manager at the start of the meeting. The Chairman will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

3. **Minutes of the meeting held on 10th December 2015 (Page 1)**

To approve the minutes as a true and correct record.

4. **Contract Management Reporting (Page 7)**

The report of the SLWP Management Group is attached.

5. **South London Waste Partnership Budget Report 2015-16 (Page 23)**

The report of the SLWP Management Group is attached.

6. **Risk Register (Page 27)**

The report of the SLWP Management Group is attached.

7. **Any Other Business**

Next Meeting:

7 June 2016 in Room F10, Croydon Town Hall, Katharine Street, Croydon CR0 1NX, commencing at 5:30pm

**LONDON BOROUGH OF CROYDON, MERTON & SUTTON AND ROYAL
BOROUGH OF KINGSTON UPON THAMES**

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE

**Meeting held on Thursday 10th December 2015 at 6:30pm in Room F10,
Croydon Town Hall, Katharine Street, Croydon CR0 1NX**

MINUTES - PART A

Present: **London Borough of Croydon**
Councillor Stuart Collins - Deputy Leader and Cabinet Member for
Clean Green Croydon (Chair)
Councillor Stuart King (reserve)

Royal Borough of Kingston upon Thames
Councillor Ian George - Lead Member - Resident Services

London Borough of Merton
Councillor Judy Saunders - Cabinet Member for Environmental
Cleanliness and Parking

London Borough of Sutton
Councillor Nighat Piracha - Vice-Chair of the Environment &
Neighbourhood Committee
Councillor Jill Whitehead - Chair of the Environment and
Neighbourhoods Committee

Also present: Annie Baker (SLWP Strategic Partnership Manager, LB Merton), Matt
Club (Acting Executive Head of Environment Commissioning, LB
Sutton), Steve Iles (Director of Street, LB Croydon), Andrea Keys
(SLWP Contract Manager, Royal Borough of Kingston), Michael
Mackie (Head of Finance Business Data and Reporting, LB Sutton),
Shifa Mustafa (Head of Environment, Royal Borough of Kingston), Jo
Negrini (Executive Director of Place, LB Croydon), Cormac Stokes
(Head of Street Scene and Waste, LB Merton).

Absent: Councillors Kathy Bee (Croydon), Terry Paton (Kingston) and
Andrew Judge (Merton)

Apologies: Councillors Kathy Bee, Terry Paton and Andrew Judge

A9/15 DISCLOSURE OF INTEREST

There were no disclosures of pecuniary interest not already
published on the websites of the four boroughs.

**A10/15 MINUTES OF THE MEETING HELD ON TUESDAY 15TH
SEPTEMBER 2015**

The Minutes of the meeting held on 15 September 2015 were agreed as a correct record.

A11/15 LB SUTTON STANDARDS COMMITTEE UPDATE

Matt Club (Sutton - Acting Executive Head of Environment Commissioning) gave a summary of the report. The outcome was not to set up an independent inquiry and Sutton Council will not be taking any further action.

The Committee **NOTED** the contents of the report.

A12/15 PHASE A CONTRACTS REPORT

Andrea Keys (Kingston - SLWP Contract Manager) summarised the report:

- Viridor have converted 12% of waste
- HR Receipt services handed over to....1 October. No further work needed.
- Veolia started on upgrade programme
- Food waste and green waste continues to be processed in compliance with...
- Bids due back in next week on ...kerbside recycling
- Further drop in value of metal
- Drop in fuel prices - drop in value of plastics
- £230k generated in revenue

The following issues were raised:

- Are there any changes to the HRRC contract?

Response: There will be some basic site changes - the containers will be moved. The use of gantries and steps instead of compaction containers should increase payloads. There is no major construction.

- Recycling and composting rate at Factory Lane is well below the average. When will it move to amber or green?
- Do any of the boroughs sell compost?

Response: Historically we had a lower rate across all 6 sites. September result was the final one before moving to the new contractor. Target now set at 70% annual average. Some sites offer free collection of compost but none sell it.

- Contamination - why does Sutton have a problem and how can it be improved?
- Is contamination a major factor as regards price we get?

Response: Quite a few factors affect this, such as higher textile content. The market is getting tighter so contamination is showing up more. The issue is more about the processing facility. Co-mingled has the highest contamination rate. We collect more material as well. Processing facilities take out the contamination, so there is no issue with co-mingled recycling. 5-10% is co-mingled. A major recycling campaign has been delivered to all residents to advise what can and cannot be recycled. From the response, it appears to have worked well and the level of contamination is reducing.

The Chair attended a Conference recently, where there was a discussion about boroughs being consistent in their handling of waste and recycling, such as colours of bins being uniform. Matt Club responded that all artwork is generic across London so we see the same messages with the same branding. Councillor Jill Whitehead mentioned that London Councils are likely to be adopting our campaign - SLWP will be in the vanguard of what London is doing.

Having made these comments, the Committee **NOTED** the contents of the report.

A13/15

SOUTH LONDON WASTE PARTNERSHIP 2015/16 BUDGET UPDATE

Michael Mackie (Sutton - Head of Finance and Business Data Reporting) gave an overview of the report, mentioning several areas where there have been significant underspends.

The following question was raised:

- How are we going to use the underspend?

Response: We are currently looking at communications resourcing and how to better assess what we are doing as a partnership.

The Committee **NOTED** the content of this report.

A14/15

SOUTH LONDON WASTE PARTNERSHIP 2016/17 BUDGET

Michael Mackie gave the highlights of the report:

- To agree the budget for 2016-17
- Budget contained within £495,500
- Only difference between September and now - allowed for £25,000 contribution for a communications officer but communication activity has reduced from £50k to £25k
- Residual waste procurement not changed

Councillor Stuart Collins stressed that communications are important to promote the good outcomes of the project.

Councillor Judy Saunders proposed changing the name from 'Phase C' to something the public will understand.
Councillor Stuart King seconded this proposal.

Councillor Jill Whitehead queried whether the partnership name should be changed as it is increasingly becoming an environmental partnership. However, it was pointed out that it will be dependent on what governance arrangements are passed over to this committee.

The Committee **AGREED**:

1. the proposed budget for the core activities of the Partnership as set out in 2.1 and
2. the proposed budget for Residual Waste Procurement as set out in 2.7

A15/15 PHASE B CONTRACT REPORT

Annie Baker (Merton - SLWP Strategic Partnership Manager) gave a summary of the report:

- Work is ahead of schedule
- Communications liaison group meeting on 22 October was not as well attended as the first meeting
- Newsletter delivery went well
- Next newsletter to be early 2016
- Recommended the report be combined with the update report in future

The Committee **NOTED** the progress on the ERF project.

A16/15 RISK REGISTER

Annie Baker reported that there are no red risks now.

The Committee **NOTED** the key developments on the Risk Register and the mitigation of these risks.

A17/15 ANY OTHER BUSINESS

The date of the next meeting is Wednesday 9 March at 5:30pm in F10 at Croydon Town Hall, Katharine Street, Croydon CR0 1NX.

It was agreed that the time will stay at 5:30pm unless there is another clash, in which case it will be at 6:30pm.

MINUTES - PART B

None

The meeting ended at 6:59pm

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Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: 9th March 2016

Report of: SLWP Management Group

Author(s):

Andrea Keys Contract Manager

Chair of the Meeting:

Councillor Collins, Chair SLWP Joint Waste Committee

Report title:

PHASE A & B Contract Management Report

Summary:

This report provides Joint Waste Committee with an update on the performance of the three Phase A Contracts applicable to the South London Waste Partnership:

- i. Contract 1 - Transport and Residual waste management
- ii. HRRC services - HRRC site management and material recycling
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

This report provides quarter 3 performance data for the period 1st October to 31st December 2015.

This report also provides Joint Waste Committee with an update on the Phase B Contract.

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 on 10th December 2015 by the Contract Manager.

1. PHASE A BACKGROUND

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the bulk haulage of material and the disposal of residual waste.
- 1.2. Contract 2, the HRRC service is operated by Veolia (ES) (UK) Ltd. The new HRRC contract commenced on the 1st 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.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.
- 1.4. The London Boroughs of Croydon, Sutton and Merton direct deliver kerbside collected waste, organics, and recyclates into the Beddington site, operated by Viridor.
- 1.5. The Royal Borough of Kingston (RBK) direct delivers kerbside collected waste, organics, and recyclates into the Kingston Villiers Road waste transfer station (WTS). Viridor operate Villiers WTS on behalf of RBK under Contract 1.

2. PERFORMANCE DETAIL

2.1. Contract 1: Transport and Residual waste management (Viridor Waste Management Limited)

- 2.1.1. Under Contract 1, during the quarter three period from 1st October to 31st December 2015, the Partnership managed just over 60,000 tonnes of residual waste. Please see Appendix A sections 2 and 3 for further detail.
- 2.1.2. Landfill Diversion – Year to date just under 23,000 tonnes of Partnership residual waste was diverted from landfill via the Lakeside ERF. This equates to 13% diversion from landfill. Viridor have direction on which Borough's waste is diverted to Lakeside, largely determined by the location and capacity at the facility receiving the waste. Please see Appendix A section 4 for further tonnage data.
- 2.1.3. The Contract is operating effectively. There were no major operational or performance issues, and no formal complaints were reported under Contract 1. There were no KPI failures reported under Contract 1.

2.2. Contract 2: Management of the Household Reuse and Recycling Centres (Veolia (ES) (UK) Ltd)

- 2.2.1. Contract management – The scope of the HRRC services can be summarised in three parts: the general management of the sites including staffing, equipment, and site layout improvements; the transportation of materials;

and the recycling, treatment, and/or disposal of waste collected at the HRRC sites (excluding green and residual waste).

- 2.2.2. HRRC Mobilisation - Customer facing: the HRRC service transferred to Veolia on the 1st October 2015. The contractor has proposed minor changes to the sites in order to deliver the service. The most notable changes for site users will be the site layouts and the containerisation of materials. Site works commenced in November 2015 at the Kimpton Park Way HRRC in Sutton, and the site is due to be complete by the end of January 2016. The proposed reuse shop, also located at Kimpton Park Way, will be delivered by the end of May 2016. The mobilisation plan is programmed to take each site in turn and will take approximately 6 months in total to complete. The Contractor mobilisation programme does not require major site closures. Please see appendix A section 9 for more details.
- 2.2.3. Key Performance Indicators - The contract specification focuses on site user experience, health and safety, and material recycling. Appendix A section 5 provides a summary of the contract KPIs.
- 2.2.4. Key Performance indicators – Site User Satisfaction: One measure of customer satisfaction is site user compliments and complaints. There have been a total of nine site user compliments and ten site user complaints. Kimpton Park Way HRRC has received the most complaints, some of which are due to the redesign works. See section 6 of Appendix A.
- 2.2.5. Key Performance indicators - Recycling performance: Section 7 of Appendix A details the monthly recycling percentage at each site. Recycling rates are lower during the winter months, however the recycling rate at Fishers Farm in December is considered lower than expected and so further information has been requested. The year to date average recycling rate across all of the sites for 2015/16 is 70%, this is broadly comparable to the 72% average recycling rate at the end of quarter three in the previous year. See Appendix A sections 7 and 8 for more details.
- 2.2.6. Recycling Markets – The recycling market continues to fluctuate and continues to reduce the value of recycling collected at the HRRC sites. Whilst the Partnership contract protects Boroughs from any direct financial impact, the changes in the market can still have an impact on the service. One key example is the falling price of oil which directly influences the plastics recycling sector. The production of plastics from virgin material is becoming more cost effective than recycling, leaving demand for the material low and the specification tighter. Rigid plastics are particularly difficult in this market as they are a low quality polymer, less desirable, and the end-markets for this material are becoming more unstable.

2.3. Contract 3 – Materials Recycling Services, composting, and Additional treatment Services (Viridor Waste Management Limited)

2.3.1. Green waste is delivered to the Viridor Beddington facility where it is bulked and hauled off-site for treatment in the following facilities: KPS Isfield and pease pottage, Woodhorn Runcton and Tangmere, Tamar beddingham and Swanley, and Birch Airfield.

2.3.2. The green waste is processed in order to produce a BSI PAS100 compost product. There are no issues to report on this element of the service. Green waste tonnage data can be found in Appendix A section 11.

2.3.3. 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 Trump Farm Anaerobic Digestion facility (AD) located in Surrey. The Agrivert facility produces a BSI PAS 110 compost product. There are no performance issues with this element of the contract 3 service. Appendix A section 12 contains further food waste information.

2.3.1. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford. Whilst contamination rates continue to fluctuate, the comingled material still passes the specification required under the C3 contract.

2.3.2. The Source segregated recyclates collected by the Royal Borough of Kingston are delivered to the Villiers Road TS and then transferred by Viridor to the Crayford comingled MRF, the paper MRF in Erith, the Rainham polymer processing facility, or they are delivered directly to re-processors.

2.3.3. Following a change to the RBK collection methodology (the collection contract sits outside of the SLWP suite of contracts) RBK will move to a 'twin stream' comingled material. A separate RBK led procurement, supported by the SLWP, is in progress for the marketing and reprocessing of this material.

2.3.4. Finance – The recycling market continues to face pressure from falling oil prices and a general downturn in demand. Year to date the partnership has generated just under £300,000 of revenue from the sale of recyclable materials from Sutton, Merton, and the Royal Borough of Kingston.

2.3.5. Contract 3 KPIs are detailed within at section 9 of Appendix A. There were no KPI performance failures reported under Contract 3 in quarter three.

3. PHASE B UPDATE

3.1. Background

3.1.1. Viridor South London Limited ('Viridor') 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 municipal residual waste arising in the South London Waste Partnership area.

3.1.2. Full planning consent was granted for the Construction of the ERF in March 2014, the Judicial review concluded on the 28th April 2015, following which Viridor confirmed that Satisfactory Planning, free from legal challenge, was achieved on the 1st June 2015.

3.1.3. Financial close took place on 9th June 2015, at which point the Sterling Euro exchange rate for the construction capital was agreed and fixed, in addition, the construction indexation was also fixed. Following the agreement of the variable rates detailed above, an updated base case Financial Model was agreed by all parties and the model was locked. Completion of the financial close stage provided a revised and more beneficial ERF gate fee for the Partnership.

3.2. Construction phase

3.2.1. Notice to Proceed (NTP) was issued by Viridor to their Engineering Procurement and Construction contractors on the 1st July 2015. Following the issue of NTP construction works are deemed to have started, and this is termed the Works Commencement Date. The key dates in relation to the Phase B ERF construction are updated and agreed between the Partnership and Viridor to be as follows:

Estimated date	Activity
Jul-15	Notice to proceed is issued 1st July 2015
Aug-15	Preparation of piling for walls.
Sep-15	Demolition of existing buildings.
Feb-16	New road and roundabout works commence.
Oct-15	Work will start on the waste bunker.
Apr-16	Waste Bunker construction becomes visible.
Apr-16	Process equipment starts to arrive and visible construction is on-going.
Aug-18 onwards	ERF operational

3.3. Communications

3.3.1. A communication plan has been worked up with the Partnership's Communications Lead, and shared with the Heads of Communications at each Borough. The communications plan has been updated for the next stage of the construction project, which includes the key construction activities that may be experienced by the immediate residents around the site.

3.3.2. Recent and planned activity:

- Community Liaison Group (CLG) – these meetings are scheduled quarterly and the third CLG was held on 21st January 2016.
- Ground breaking event was held in December and was picked up by industry press.
- Next newsletter expected to be sent out to local residents in February
- A rolling 3 month Communications and construction plan is being managed by Viridor.
- Viridor have updated their Viridor Beddington ERF website. Follow the attached link: <http://viridor.co.uk/our-developments/beddington-erf/>

4. RECOMMENDATIONS

4.1. 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.

5. IMPACTS AND IMPLICATIONS

Legal

5.1. Legal Shared services are assisting on the procurement of RBK recyclates procurement.

Finance

5.2. None

6. Appendices

6.1. Appendix A provides data on the performance of the Phase A contracts for the quarter 1 reporting period 1st October to 31st December 2015.

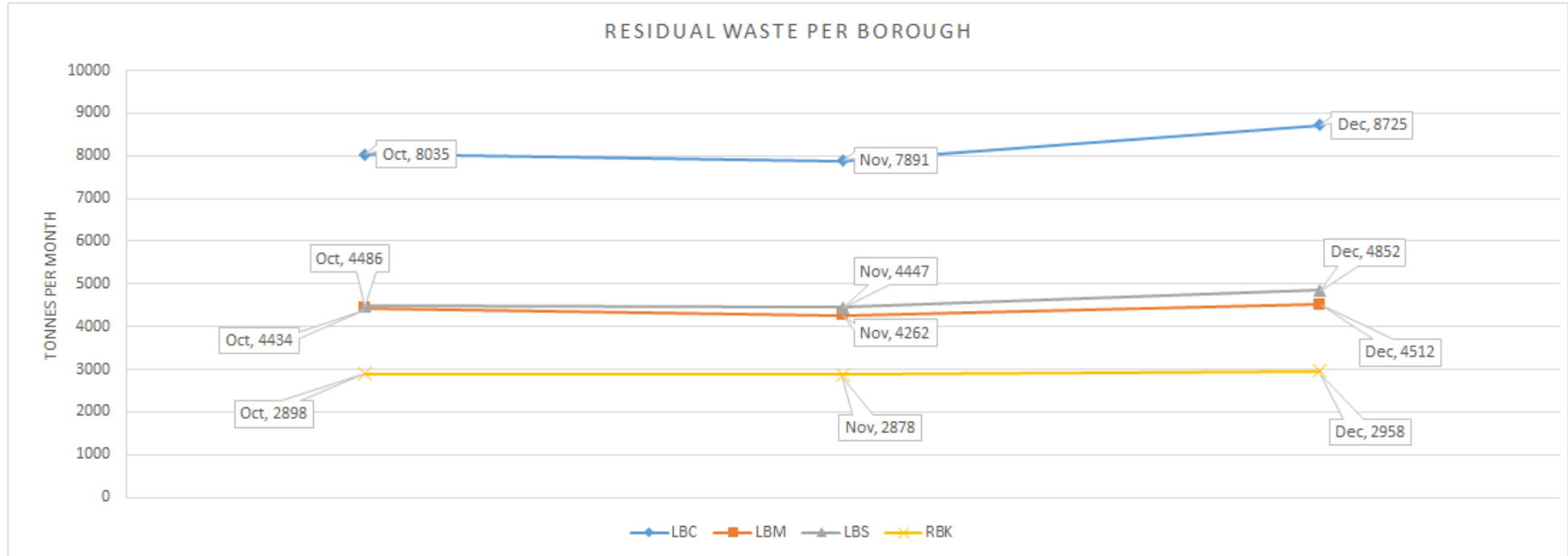
Appendix A

Phase A: Contract Performance Data for the period 1st October to 31st December 2015:

1. Contract 1 Key Performance Indicators:

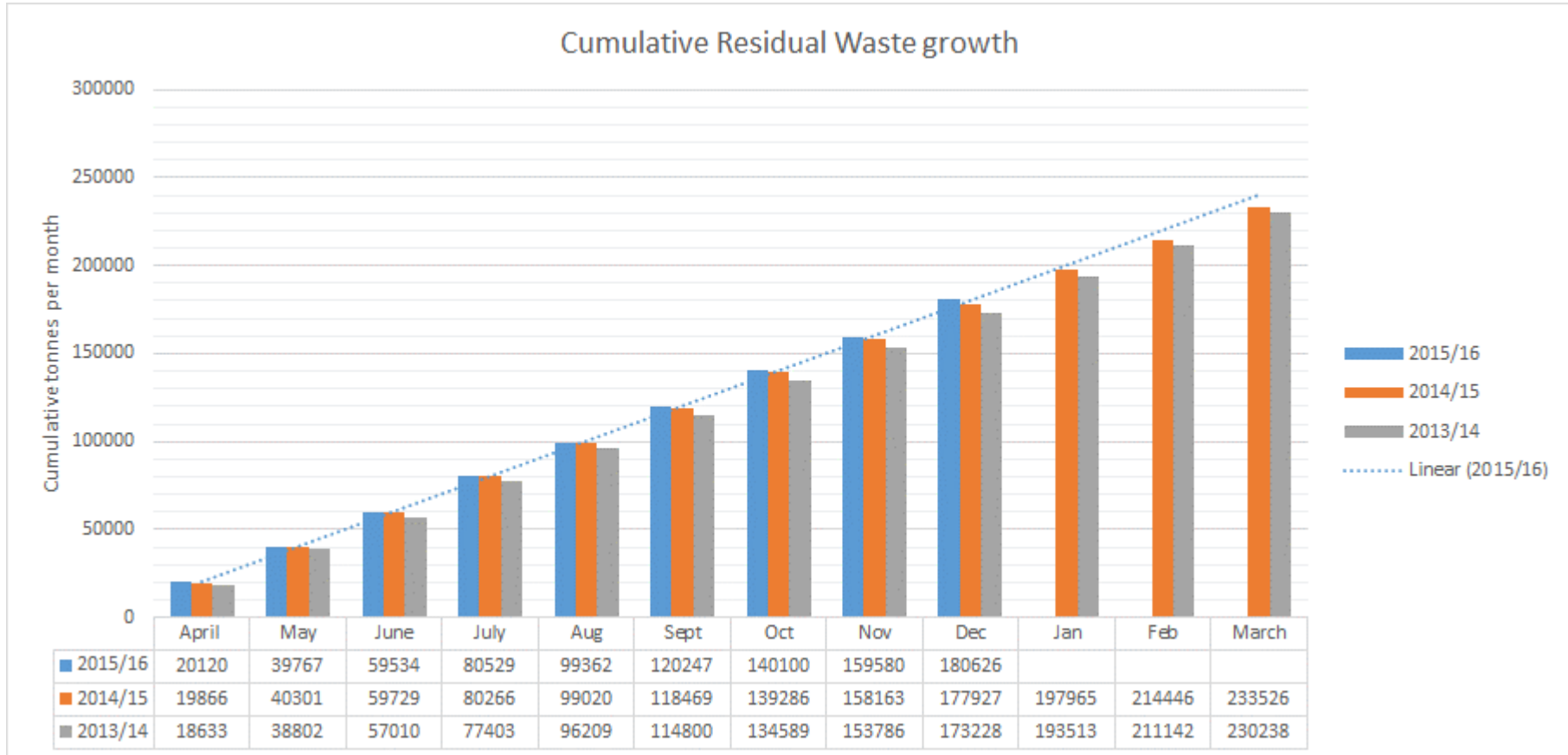
KPI	Description
Turnaround times	Failure to achieve a maximum average turnaround time at the facility of 15 minutes
Cleanliness	Failure to remove litter attributed to the Contractors operations within 50m of the facility within 1 day
Statutory Nuisance	Each warning letter or notice issued by a relevant statutory authority related to the Service
Correspondence	Failure to deal with correspondence in accordance with the Output Specification.
Environmental, Quality and H&S	Failure to address non-compliances, to meet submission standards, report issues, and adhere to good practice and relevant legislation.
Corrective action	Failure to deal with complaints in accordance with the Specification.
Monthly Summary Report	Failure to submit an electronic Summary Report within 5 Business Days of end of the previous Month.
KPI Reporting	Failure to notify the Council of any performance failures within the relevant Reporting Period.

2. C1 Residual Waste – tonnes per month per Borough for Q3:

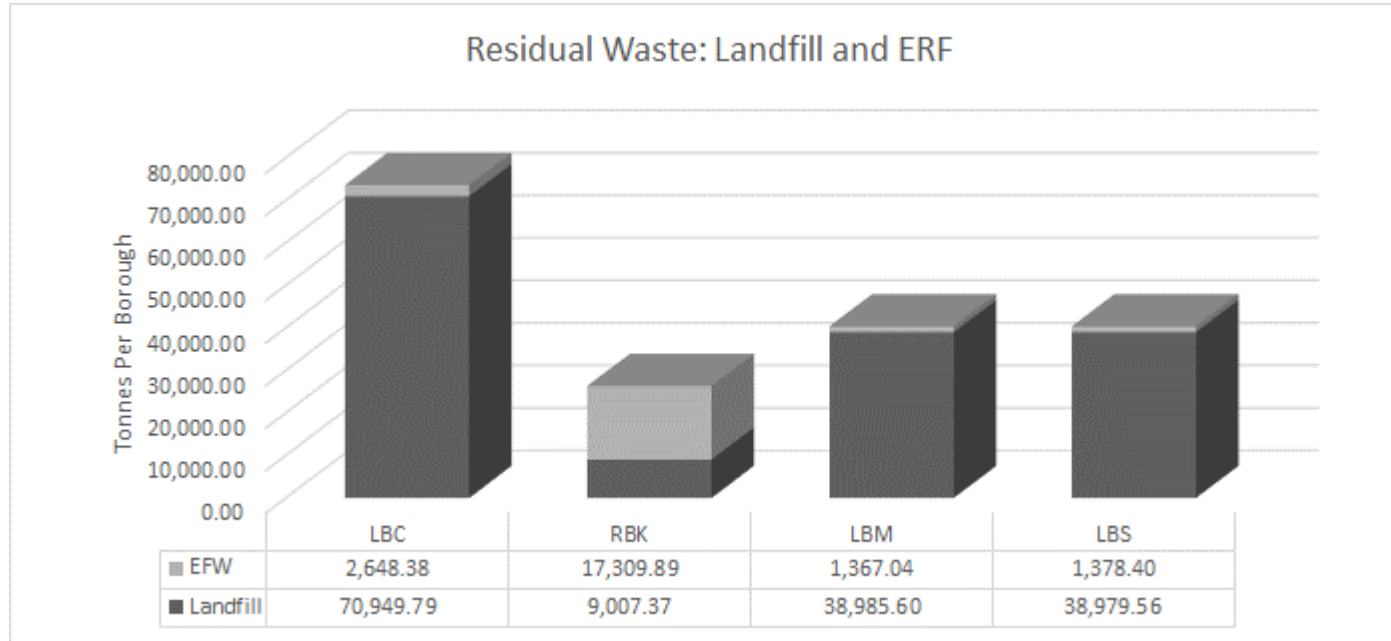


Residual	Total tonnes	April	May	June	July	Aug	Sept	Oct	Nov	Dec
LBC	73,598	8,216	8,184	7,845	8646.82	7669.24	8384.92	8035	7891	8725
LBM	40,353	4,511	4,392	4,458	4865.82	4026.76	4891.24	4434	4262	4512
LBS	40,358	4,573	4,366	4,377	4584.4	4201.98	4470.38	4486	4447	4852
RBK	26,317	2,820	2,705	3,086	2898.06	2934.99	3139.12	2898	2878	2958

3. C1 Cumulative Residual Waste Growth 2015/16 against 2014/15 and 2013/14:



4. C1 Residual Waste Disposal for the Q3 period 1st October to 31st December 2015:



Residual Waste year to date	Total Partnership Diversion	LBC	RBK	LBM	LBS
Landfill	157,922.32	70,949.79	9,007.37	38,985.60	38,979.56
EFW	22,703.71	2,648.38	17,309.89	1,367.04	1,378.40
Total Tonnes	180,626.03	73,598.17	26,317.26	40,352.64	40,357.96
% diverted	13%	4%	66%	3%	3%

5. C2 HRRC Key performance indicators:

1	H&S	Failure to comply with agreed health & safety procedures at all Sites
2	Contamination	Failure to minimise contamination levels for all Recycling materials, resulting in materials being rejected by processors
3	Customer satisfaction	Failure to achieve customer satisfaction levels of 80% at each of the Sites per quarter (Commencement proposed on completion of 6 month refurbishment)
4	Staff Training	Failure to ensure that all Staff are appropriately trained and qualified and execute their duties in a professional and safe manner.
5	Containers	Failure to provide adequate numbers of containers
6	Staff Numbers	Failure to provide a suitably trained “meet and greet” Site employee at each Site
7	Data	Failure to maintain, and agree systems for the accurate storage of tonnage data
8	Correspondence	Failure to provide a full response to correspondence from the Partnership or a Borough or members of the public within 5 Business Days of receipt.
9	Site Availability	Failure to receive Contract Waste at any HRRC site during operating hours.
10	Site Security	Failure to comply with the security requirements specified for each HRRC
11	Recycling target	70% average recycling rate (calculated annually)

6. Customer satisfaction and Correspondence:

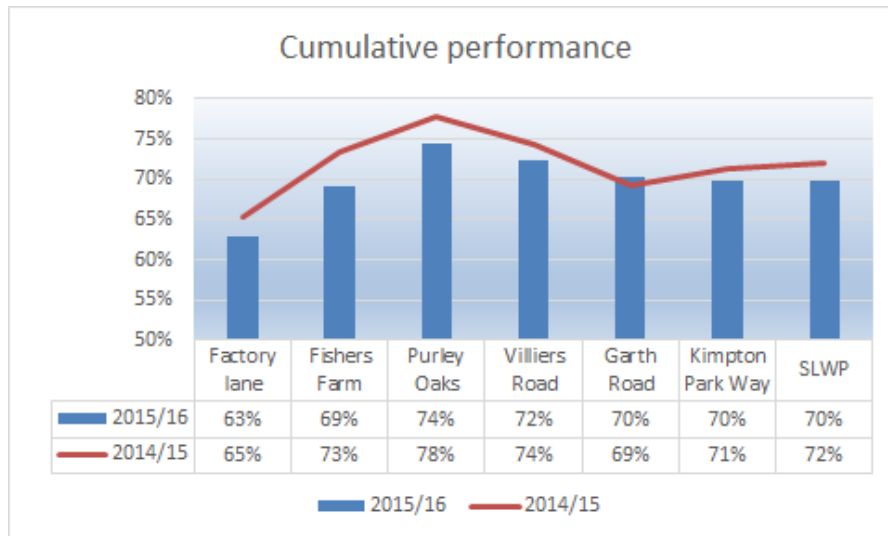
The first formal Customer satisfaction report will be undertaken once the mobilisation is complete in quarter 1 of 2016/17, and will be refreshed quarterly in order to report against KPI 3. Until this is complete, the Customer complaints log provides a more immediate overview of customer satisfaction levels and issues at the site.

Site	Compliments			Complaints		
	Oct	Nov	Dec	Oct	Nov	Dec
Factory Lane	1	1		1		
Fishers Farm	1	1				
Purley Oaks						
Garth Road						1
Kimpton Park Way					2	4
Villiers	3	1		1		1

7. C2 - Monthly Recycling and Composting Rate across all SLWP HRRC sites:

2015/16	Factory lane	Fishers Farm	Purley Oaks	Villiers Road	Garth Road	Kimpton Park Way
Apr-15	68%	75%	78%	76%	71%	74%
May-15	69%	70%	77%	77%	73%	75%
Jun-15	66%	74%	79%	76%	74%	75%
Jul-15	62%	69%	74%	72%	70%	69%
Aug-15	61%	69%	71%	72%	71%	69%
Sep-15	58%	71%	77%	72%	74%	69%
Oct-15	60%	66%	70%	68%	65%	64%
Nov-15	60%	69%	74%	71%	73%	69%
Dec-15	62%	58%	70%	66%	63%	64%
YTD Avg	62.9%	69.0%	74.4%	72.3%	70.4%	69.8%
Rank	6	5	1	2	3	4

8. C2 – KPI 11: Cumulative recycling performance 1st April – 31st December 2015:



In each full contract year the contractor is targeted to achieve an annual average recycling rate of 70%.

The performance fluctuates at the sites depending on the seasons, with winter months the lowest performing months.

The graph in this section 9 demonstrates how the sites are performing year to date at each of the sites compared to the same period last year.

9. High level Site Improvement timetable

Approximate timing	Site Upgrade	Brief Description
End of November 2015	Kimpton Park Way	New containers, gantries, JCB plant, kerbing removed, new site layout, gullies and guttering deep cleanse, surface replaced or patched where required, white lining, and upgrade to welfare facilities.
Mid Jan	Villiers Road	New containers, gantry units & steps, JCB plant, fuel and oil tanks. Gullies and guttering deep cleanse, minor layout amends. Signs and white lining will be reviewed and renewed.
Mid Feb	Factory Lane	New containers, gantry units & steps, JCB plant, fuel and oil tanks. Gullies and guttering deep cleanse, minor layout amends. Signs and white lining will be reviewed and renewed.
Mid-March	Purley Oaks	New containers, gantries, JCB plant, new site layout, gullies and guttering deep cleanse, surface replaced or patched where required, and white lining.
Mid-April	Garth Road	New containers, gantries, JCB plant, kerbing removed, new site layout, gullies and guttering deep cleanse, surface replaced or patched where required, white lining, and new welfare facilities installed.
May 2015	Fishers Farm	TBC

10. C3 Performance KPIs

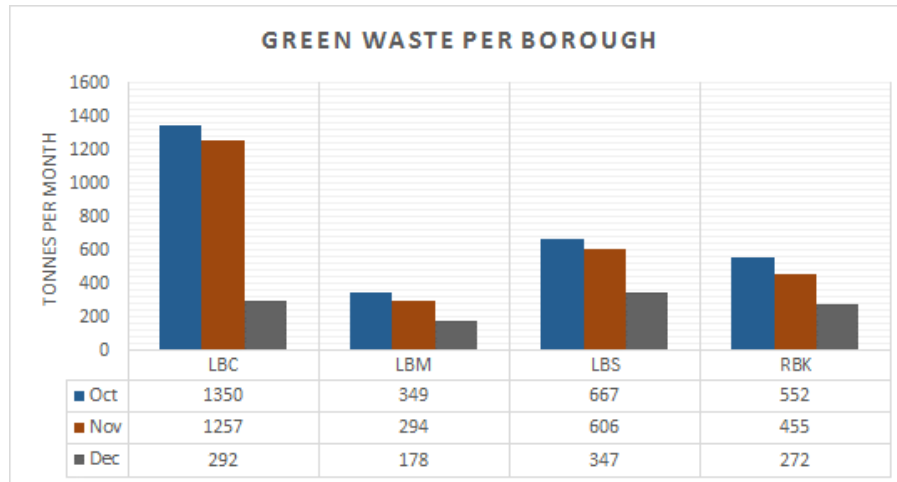
The KPIs that are in place for the recycling of the material that is delivered are in table 7 below. There were no KPI performance failures for quarter 3.

KPI	Description
Recycling rates	Failure to demonstrate that all Contract Waste meeting the Waste Acceptance Criteria is recycled
End Markets	Failure to provide details of the end-markets used by the Contractor
Green	Failure of Green Waste facilities to meet BSI PAS 100 as a minimum.
Recycling	Failure of the Materials Recycling Service to sort for Recycling the materials in the service
Food Waste	Failure of Facilities handling Kitchen Waste to meet the PAS 110 standard as a minimum
Security	Failure to maintain the security and integrity of the Site.
Environmental, Quality and H&S	Failure to address non-compliances, meet submission standards, report issues, and adhere to good practice and relevant legislation.
Monthly Report	Failure to submit an electronic Summary Report within 20 Business Days of end of the previous Month.
Quality of Data	Failure to provide sufficient information reasonably required by the Council's Authorised Officer to enable verification of the performance of the Services

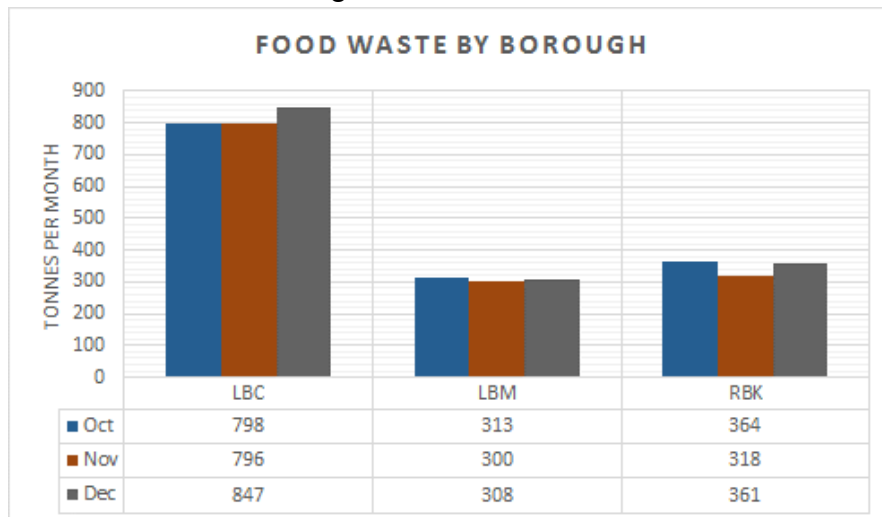
Resident communication, kerbside collection, and the quality control at the kerbside of green, food and recyclables, are managed by the Boroughs through the kerbside collection arrangements.

The quality and contamination levels of the recyclable are tested at the C3 Contractor's MRF and priced accordingly.

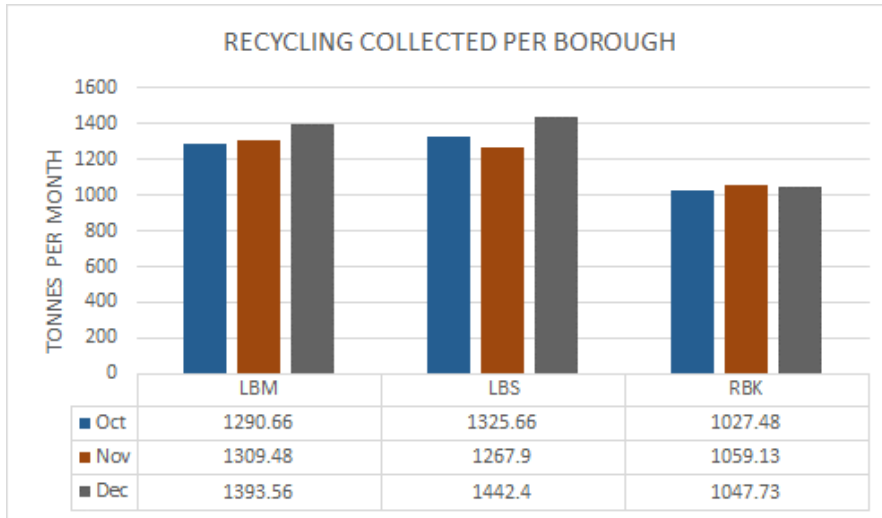
11. C3 Green Waste Tonnage



12. C3 Food Waste Tonnage



13. C3 Recycling data





Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: Wednesday 09 March 2016

Report of: South London Waste Partnership Management Group

Author(s):
Michael Mackie, Finance Lead

Chair of the Meeting:
Councillor Stuart Collins, Chair SLWP Joint Waste Committee

Report title:

SOUTH LONDON WASTE PARTNERSHIP BUDGET UPDATE

Summary

This paper provides an update on the Partnership's budget position at month 9 of the financial year and the projected outturn for the 2015/16 financial year.

Recommendations

To note the content of this report.

Background Documents and Previous Decisions

Previous budget reports.

1. Background

- 1.1 The Partnership sets its budget in September for the forthcoming financial year. Therefore the budget for core activities illustrated below was constructed last year assuming particular time scales specifically in relation to the planning process for the Energy Recovery Facility by.
- 1.2 The budget is monitored by Management Group every month to allow the budgets to be flexed where appropriate in order to respond to any budget pressures.

2. Financial Position 2015/16

- 2.1 The table below refers to the Partnership's budget position for its core activities at month 9 (December) of the 2015/16 financial year. It relates to expenditure in the following areas; procurement, project management, administration, contract management and communications.

Item	Approved Budget £	Latest Budget £	Actuals £	Forecast Outturn £	Variance £
<i>Advisor Consortium</i>	50,000	50,000	58,143	60,000	10,000
<i>Project & Contract Management</i>	300,000	325,000	157,765	228,000	(97,000)
<i>Internal Advisors and Accounting</i>	75,000	75,000	7,824	75,000	0
<i>Document and Data Management</i>	20,000	20,000	0	18,000	(2,000)
<i>Audit Fee</i>	2,500	2,500	0	2,500	0
<i>Communications</i>	50,000	25,000	0	25,000	0
TOTAL	497,500	497,500	223,732	408,500	(89,000)
COST PER BOROUGH	124,375	124,375	55,933	102,125	(22,250)

2.2 The Partnership's budget for core functions forecasts an under spend for the year of £89,000 (£22,250 per borough). The major variances are detailed below.

2.3 There is a forecast overspend on Advisor Consortium of £10k as a result of the work required as part of the Notice to Proceed. This work included checks on re-basing Viridors financial model, a check by Rathbones on the foreign exchange rate for construction and also included a check on insurance during the construction of the facility. These checks are expected to realise a reduction of costs to the partnership of £4.5million over the life of the contract.

2.4 Underspend on salaries of £33k due to the Contract Data Officer post being held vacant, £15k from the Project Support Officer post being vacant until July 2015, whilst the substantive post holder is seconded to Project Support for the Environmental Services Procurement, and £42k from the vacant fixed term Communications Officer that is currently being recruited to.

2.5 The partnership is currently undertaking 1 project

- 1). a procurement exercise for the Household Reuse and Recycling Centres (HRRC's); and

The forecast position for 2015/16 for the 2 projects is illustrated below.

HRRC Procurement Exercise

Item	Estimate £	Latest Budget £	Actuals £	Forecast Outturn £	Variance £
<i>Advisor Consortium</i>	94,870	154,720	91,560	109,000	(45,720)
<i>Project & Contract Management</i>	59,850	0	0	0	0
<i>Internal Legal Advice</i>	18,000	18,000	6,850	7,000	(11,000)
TOTAL	172,720	172,720	98,410	116,000	(56,720)
COST PER BOROUGH	43,180	43,180	24,603	29,000	(14,180)

- 2.6 The HRRC procurement is complete following contract mobilisation on 1 October 2015 and is forecast to underspend by £116k in 2015/16. The under spend will be confirmed following receipt of final invoices for commercial advice.
- 2.7 The budget position for all activities for 2015/16 is shown below and forecasts an under spend for all activities of £145,720 (£36,430 per borough) compared to the forecast underspend of £122,720 (£30,680) reported to this committee on 10 December 2015.

Item	Approved Budget £	Outturn Forecast £	Variance £	Variance per borough £
<i>Core Activities</i>	497,500	408,500	(89,000)	(22,250)
<i>HRRC Procurement</i>	172,720	116,000	(56,720)	(14,180)
TOTAL	670,220	524,500	(145,720)	(36,430)
COST PER BOROUGH	167,555	131,125	(36,430)	

3. Recommendations:

- 3.1 To note the content of this report.
- 3.2 To note that the partnership is reviewing the mechanisms within each authority to identify how underspends can be ring-fenced and set aside to support partnership projects in future years.

4. Impacts and Implications:

Finance

- 4.1 Contained within report.

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Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: Wednesday 9 March 2016

Report of: SLWP Management Group

Author(s):
Annie Baker – Strategic Partnership Manager

Chair of the Meeting:
Councillor Stuart Collins, Chair SLWP Joint Waste Committee

Report title: SLWP Risk Report
Summary This report presents the red risks around the Partnership's waste disposal service contracts.
Recommendations to Committee a) To note the key developments on the Risk Register and the mitigation of these risks.
Background Documents and Previous Decisions Previous Risk reports and Risk Registers held by Chair of Management Group

1. Red Risks

2.1 There are no open red risks on the current risk register

2. Closed Risks

2.1 Legal risk number 7.7 (LEG 7) has been removed. This risk related to the risk of legal challenge from materials suppliers for HRRC sites under the previous management of the facilities. This been closed now that the HRRCs are managed through a new contract with Veolia given the time that has elapsed since this new contract began.

3. New Risks

3.1 There are no new risks

4. Impacts and Implications

Legal

5.1 There are no direct legal implications resulting from the content of this report

Finance

5.2 There are no direct financial implications resulting from the content of this report.

Environmental Impact

5.3 There are no direct environmental implications resulting from the content of this report.

SLWP Risk Register

Sep-15

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Strategic/ Partnership												
Strategic	1.1	STRAT 1	Failure to maintain a strong Partnership structure	Failure to agree Partnership's key objectives, Governance or approach to the procurement.	Cannot benefit from Partnership economies of scale. Lack of credibility weak/inconsistent will suffer reputational damage.	18/03/14	Chair of MG	1	5	5	Governed by IAA, which was reviewed in September and reported to JWC in December 2013 Strategic Steering Group provide ongoing review and challenge	
Strategic	1.2	STRAT 2	Failure to develop, implement or regularly review a Joint Waste Strategy		Lack of cohesive direction. Loss of confidence, reputational risk with DEFRA.	18/03/14	AB	1	3	3	Second review of JMWMS taken place and presented to JWC on 10/12/13	Next review planned for 16/17
Strategic	1.5	STRAT 5	Failure to recruit and retain sufficient staff resources, or change in key personnel	Lack of staff resource.	Inability to manage Partnership matters appropriately	03/12/12	Chair of MG	3	4	12	Recruited to Project Support Officer and Contract Manager and Strategic Partnership Manager in Dec 13, Feb 14 and Oct 14 respectively	Recruitment process underway for vacant data officer role
Strategic	1.6	STRAT 6	Change to political control in Councils which results in one or more councils attempting to withdraw from the Partnership and its contracts		Changes to Partnership arrangement.	06/02/13	Chair of MG	1	3	3	Existing IAA and Contractual obligations	
Strategic	1.9	STRAT 9	Partner Boroughs do not release sufficient officer time to support the Management Group			18/03/14	Chair of MG	1	4	4	Continued Engagement of Management Group/Strategic Steering Group	
Strategic	1.12	STRAT 12	Complete ban on Landfill of certain waste streams			03/04/09	Tech Lead	1	4	4	Regulatory environment monitored.	
Strategic	1.13	STRAT 13	Lack of internal project capacity to manage transition to Contract Management	Lack of resource. Availability of staff against competing priorities.	Impact on project timescales leads to slippage	18/03/14	Chair of MG	1	4	4	Recruited to Project Support Officer and Contract Manager and Strategic Partnership Manager in Dec 13, Feb 14 and Oct 14 respectively	
Phase B	1.15	STRAT 15	Phase B construction programme communication failure	Phase B Construction and Communication programme are not sufficiently managed	Reputational risk; resident complaints	20/08/15	AB	2	4	8	This is mitigated through management of the contract with Viridor and regular review of their comms programme	

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Financial												
Strategic	2.11	FIN 11	Continued Landfill tax increases - impact on affordability.	Changes in the rate of landfill tax.	Possible additional costs borne by the Council.	19/03/14	AB	1	4	4	Landfill Tax position is fixed until March 2016. Partnership will look to maximise landfill diversion through Viridor contract and new HRRC contract.	No change
Strategic	2.14	FIN 14	Financial standing of ERF Contractor affects their ability to deliver the contract or sub contractors.		Potential loss of savings already realised by boroughs Fracture of relationship requiring Partnership to seek new contractual relationship	18/03/13	AB	1	4	4	Regular checks by financial advisors. Require contractor to notify partnership of any material change in financial standing.	Continued monitoring through monthly contractor meetings
Strategic	2.20	FIN 20	Failure to agree costs for individual work streams into the Partnership		Delay to tasks being completed	03/12/12	Chair of MG	2	3	6	IAA, Governance and SSG meetings in place to ensure oversight of work streams	
Phase A	2.22	FIN22	Changes in prices available for recyclable materials and their handling costs	Poor performance of the recycle market	Increased costs in handling recyclable materials and reduced ability to mitigate these through income generation. Worst case scenario would be no end market availability for one or more material		AB	4	3	12	Recyclate framework set up to improve end market availability and ongoing review of market position.	Monthly market forecast requested from Viridor.
Phase B	2.23	FIN23	Risk that construction completion is delayed.	Variety of unforeseen technical, operational and/or contractual issues	The Partnership pay 'Phase B interim' prices for longer than anticipated; reputational damage; contractual issues require additional negotiation and resources to resolve	20/08/15	AB	1	5	5	The risk is mitigated through management of Viridor to ensure no unnecessary delay to construction plus a potential procurement exercise to seek a lower disposal price than the Phase B interim price.	
Procurement												
Planning												
Phase B	4.10	PL 10	Limited viable CHP opportunity	Commercially difficult to tie up	Possible impact on planning outcome and perceived long term viability of the site	29/08/14	AB	2	4	8	Viridor have developed substantive CHP Business Case. Ongoing negotiation between Viridor and planning authority	Subject to ongoing negotiation between Viridor and planning authority.
Sites												
Phase B	5.2	SITE 2	Delays caused by failure to address timetable impacts of site surveys/species relocation required as part of EIA on partnership sites.	Lack of knowledge about sites.	Delays and costs.	08/04/10	Tech Lead	2	3	6		
Phase B	5.3	SITE 3	Failure to get critical Utility connections to sites	Insufficient utility supplies. e.g. electricity.	Delays and costs.	03/04/09	Tech Lead	2	4	8		
Phase B	5.4	SITE 4	Partnership site conditions are not as expected	Geo-technical survey information not up to date.	Bidders will not accept risk transfer. Partnership must have up to date information prepared.	27/03/12	Tech Lead	2	2	4	Conduct asset condition survey	

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Technical												
Phase A	6.50	TECH 5	Prosecuted for the failure of the contractor to manage health and safety resulting in serious injury/death.	Inadequate monitoring of health and safety standards	Bad publicity, prosecution, fine, civil suit	08/10/12	Chair of MG	2	5	10	H&S training has been undertaken by Borough Officers responsible for sites, and by the Management Group. New HRRC contract includes appropriate H&S requirements; now in contract, inspections to involve officers from each borough and representatives of Veolia. H&S staff in each Borough also to be involved. Regular reporting of these inspections to the Management Group is ongoing, and H&S is a regular item on the Management Group agenda.	H&S Officers across the councils to benchmark, develop checklist and train monitoring officers
Phase B	6.1	TECH 1	Waste model does not predict the future waste trends with sufficient accuracy.	Amec and Waste Officers do not validate data.	Inaccurate waste flows distort the financial model and affordability and costs are inaccurate.	05/10/11	Tech Lead	2	4	8	Current model has been reviewed by each Borough. Regular ongoing review, to reflect the changing nature of the waste.	
Phase B	6.2	TECH 2	Technical failure in interface arrangements between Phase A and Phase B contracts.	IAA's do not fully cover the scope of the projects, cannot be agreed, or are not adhered to.	Contract/s are not awarded. Or post award, unforeseen problems arise, including delay to construction or operation and/or damage to Contractor property.	03/04/09	Tech Lead	2	3	6	Monitored by Technical lead.	
Phase B	6.3	TECH 3	Failure in existing collection services to meet facility input specifications.	Collections do not meet the input needs of residual technology	Poor technology performance.	03/04/09	Tech Lead	2	3	6	Monitored by Technical lead.	
Phase B	6.9	TECH 9	Failure of Contractor to deliver services / Technology fails to perform as specified	Poor choice of technology	Poor service and performance	03/04/09	Tech Lead	2	4	8	Performance Management System and Project Agreement proposed to address failure of technology.	
Phase B	6.10	TECH 10	Prosecuted for the failure of the contractor to manage health and safety resulting in serious injury/death	Inadequate monitoring of health and safety standards	Bad publicity, prosecution, fine, civil suit	03/12/12	Tech Lead	2	5	10	Work carried out by H&S working group, H&S method statement received with Final Tender submissions	H&S training for H&S Borough Leads

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Legal												
Communications												
Strategic	8.1	COM 1	Communications Strategy and supporting Plan is insufficient to enable stakeholders' engagement with the programme	Officers have insufficient information or time with which to brief stakeholders	Poor level of engagement. Stakeholders are not informed.	04/09/14	AC/ JH	2	4	8	Comms strategy is in place.	SLWP Comms work currently under review, recommendations to be brought to future JWC
Phase B	8.2	COM 2	Public opposition to the preferred solution.	Media/personal views	Negative public perception to solution may hinder progress.	18/03/14	AC/ JH	5	3	15	Proactive press release following JR outcome issued by LB Sutton, same for subsequent request to appeal outcomes. Reactive press release by Partnership and Viridor drafted and agreed as needed.	Keep under review. Monitored by Comms Lead. Develop and maintain an open and honest relationship with local media.
Phase B	8.3	COM 3	Environmental lobby opposition to facility / solution	Negative perception of solution. Localised issues with solution.	Delay or need to amend solution.	18/03/14	AC/ JH	5	3	15	Environmental groups are a key target audience in the Communications Strategy	No change
Page 32 Phase B	8.7	COM 7	Risk That Residents/Public are not appropriately engaged	Inability to resource the work required	Missed opportunity / increased likelihood of public opposition to preferred solution	18/03/14	AC/ JH	2	2	4	Viridor have developed a comms plan which has been agreed by MG	Annual Communications Plan to be delivered until completion. SLWP to work with Viridor to undertake engagement work with resident groups.
Phase B	8.9	COM 9	'Break-away' messaging from individual boroughs	Specific local issues take precedence	Contradicts or dilutes the messages of the Partnership.	18/03/14	AC/ JH	2	4	8	Communications Coordination Group established as agreed at September 2013 JWC	Continue to engage with Comms leads in each borough to ensure appropriate attendance at Comms Coordination Group and with Partnership comms activities

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Phase B	8.11	COM 11	Organised opposition groups – secure significant media coverage, over-simplifying and sensationalising the issues in the process.	Desire to halt or hamper development of waste treatment facilities.	Leads to a ground-swell of public concern and suspicion	08/10/12	AC/ JH	4	3	12	Provide residents with consistent, honest and timely information that refer back to the key messages.	No change
Phase B	8.12	COM 12	Sensationalist media coverage – the local media sensationalise the issues,	Quest for a ‘good story’	Misinforming residents and damaging the reputation of the SLWP.	08/10/12	AC/ JH	3	3	9	Provide timely, robust responses to all media enquiries that consistently refer back to the key messages. Adopt an open and honest approach reinforced by regular contact and good relationships.	No change
Phase B	8.13	COM 13	Individual activists – use the letters pages of the local media to get their views across.	Desire to halt or hamper development of waste treatment facilities.	Creates an unrepresentative impression of opinion and damages the reputation of the SLWP	08/10/12	AC/ JH	4	2	8	Respond proportionately to any letters which contain factual inaccuracies	No change
Phase B	8.14	COM 14	Unintentional consequences - residents perceive the environmental impact of putting recyclable waste in their landfill bins as being reduced.	Message that the residual waste treatment facility will prevent waste from ending up in landfill.	Negative impact on recycling and composting rates	29/08/14	AC/ JH	2	3	6	Consistently reiterate the reduce, re-use and recycle message.	
Phase B	8.18	COM 18	Further commercially sensitive information enters the public domain	Officers or Members with access to, or knowledge of confidential information leak details to the public or press.	The commercial process is hampered, weakening the partnership’s negotiating position or even leaving it vulnerable to legal action from the Preferred Bidder.	08/10/12	AC/ JH	2	3	6	Mutual agreement with Newsquest in place to consult Partnership before publishing any further story.	Review of processes for publication of JWC papers in each of the boroughs underway to minimise accidental publication of confidential information
Phase B	8.19	COM 19	Public perception is that the Partnership is just about commissioning an ERF / Partnership does not receive recognition it deserves for managing recycling materials contracts	Insufficiently effective communication		29/08/14	AC/ JH	2	2	4	Communications plan includes specific activities promoting Phase A and related work.	

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Political												
Phase B	9.2	POL 2	Risk that political considerations take precedence over wider service delivery, strategic and economic objectives.	Politicians at individual or party level pursue a political agenda in light of any forthcoming elections	Delays or halt to procurement, which would have serious economic impact on the partner boroughs.	06/02/13	Chair of MG	3	4	12	Member briefing and involvement is key to the success of the procurements. Joint Committee and Joint Member Planning Working group are encouraged to disseminate the message that this is as far as possible an apolitical issue.	
Stakeholders												
Operational Risk												