



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

Date: 17th February 2015

Report of: SLWP Management Group

Author(s):

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Chair of the Meeting:

Councillor Judith Saunders, Chair SLWP Joint Waste Committee

Report title:

PHASE A 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 - Managed by Royal Borough of Kingston (RBK)
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

Reporting period quarters 1, 2 and 3: 1st April 2014 – 31st December 2014.

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 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 16th September 2014 by the Contract Manager.

1. BACKGROUND

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the haulage of all materials requiring transfer and the management of residual waste.
- 1.2. The Partnership's HRRC site service is currently managed by the Royal Borough of Kingston, pending re-procurement of the service.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.

2. PERFORMANCE DETAIL

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

- 2.1.1. Under Contract 1, during the reporting period April to December 2014, the Partnership managed 177,927 tonnes of residual waste. Please see Appendix A sections 1 and 2 for further detail.
- 2.1.2. Viridor continue to divert a proportion of the Contract 1 residual waste to their Lakeside energy from waste facility (EFW) at the Partnership's request. Partnership waste is thermally treated at the same rate as the residual waste landfill Gatefee. Viridor have direction on which Borough waste is diverted.
- 2.1.3. During this reporting period 17% of SLWP residual waste was diverted from landfill via the Lakeside EFW. Please see Appendix A section 3 for further tonnage data.
- 2.1.4. Residual waste diversion from landfill has increased and we continue to work with Viridor to improve this rate further.
- 2.1.5. The Contract is operating effectively. There were no major operational or performance issues and no formal complaints reported under Contract 1.

2.2. Contract 2: Management of the Household Reuse and Recycling Centres (Royal Borough of Kingston)

- 2.2.1. The Partnership continues to manage the numerous challenges inherited from bringing the HRRC services in-house including; staff management, staff supervision, inherited and on-going disciplinarys, site safety, site infrastructure, supplier issues, and regulatory compliance.
- 2.2.2. HRRC Restructure: As outlined in Septembers' JWC report, the HRRC restructure was progressed with the aim of tackling the challenges detailed in 2.2.1.

- 2.2.3. The two-stage consultation process for the restructure commenced in August and provided staff the opportunity to discuss and comment on the proposed new structure. This process has been successful aside from a trade dispute and Croydon's Purley Oaks site, although this now appears to be close to resolution. The resultant new structure, which provides a way to reconcile business needs and site staff requirements, was implemented to schedule on the 1st December.
- 2.2.4. The new structure provides for improved managerial and supervisory cover which in turn aims to strengthen the operations at site level. It also provides clear roles and responsibilities for all staff, and ensures there is a consistent pay structure. These changes are designed to deliver an improved standard of customer service, compliance, and recycling performance.
- 2.2.5. In terms of disciplinaries there are still a number of issues being dealt with by RBK. A large number of significant disciplinary issues were inherited when the contract was taken over by RB Kingston. These issues continue to be managed using appropriate disciplinary procedures.
- 2.2.6. To date, 36 staff (out of 96 operational personnel) have been through some form of disciplinary process, with 14 dismissals, one long term sickness case that resulted in a settlement, 3 final written warnings, 17 improvement notices, and one resignation. There are 8 outcomes pending either while investigations are completed, or hearings are undertaken. (Note that some individuals have been subject to more than one disciplinary process, resulting in a total of 50 disciplinary cases being dealt with).
- 2.2.7. The disciplinary issues have affected performance at selected sites, and it is thought to have contributed to the reduced performance seen at Factory Lane during May, June and July of this year. Of the 50 disciplinary cases, 17 were undertaken with staff employed at Factory Lane. six of those procedures have resulted in dismissals, one in a final written warning and 6 in an improvement notice. Two further gross misconduct cases involving Factory Lane staff are under investigation.
- 2.2.8. Quarter 3 has seen a continual improvement in performance at Factory Lane. This is believed to be the result of the improvement measures in place which include; completion of disciplinaries, CCTV site monitoring, desk-top tonnage analysis, manual composition analyses of the on-site residual waste containers, and an increased supervisory presence at the site. Appendix A section 4 has further details of HRRC site performance

- 2.2.9. Individually the performance at each site is comparable to quarter 3 2013. Collectively the sites are also performing well. Quarter 3 saw an average recycling rate of 70%, and for the reporting period April to December the six sites combined are showing an average of 72%. (Appendix A section 4 includes the breakdown by site and section 5 the collective performance rates for all six sites).
- 2.2.10. The HRRC off-take work stream is on-going. This work stream focuses on the material off-takers servicing the HRRC sites and aims to review the quality of service being provided, assess value for money, and ensure continuity of services.
- 2.2.11. The agreements put in place by the former contractor EWC were for the most part ad hoc and informal; as a result work is ongoing with the current off-takers to establish more formal contractual positions. This process is becoming increasingly difficult due to the relatively short period between now and the new HRRC contractor starting on the 1st October. To date the off-take agreements for two major materials - textiles and ferrous metals – have been successfully formalised.

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 treated to produce a BSI PAS100 compost product. Some of the green waste material is also transferred from Beddington to alternative processing sites such as Viridor Foxhill. There are no issues to report on this element of the service.
- 2.3.2. 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.
- 2.3.3. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford.
- 2.3.4. The recycling rate for the comingled material has dropped from a year to date average of 95% at the end of quarter 2 to a year to date average of 92% at the end of quarter 3. Further data has been requested from Viridor and further analysis will be done by SLWP. The increase in the percentage of contamination in the comingled mix, combined with a drop in market prices, have together resulted in a drop in the recycling revenue per tonne

for the comingled material in quarter three. Please see Appendix A section 8 for further performance details.

2.3.5. Comingled increase in tonnes: There has been a 2% increase in comingled recycle tonnes compared to the same period in quarter three 2013.

2.3.6. The Source segregated recyclates, also termed as Kerbside-sorted recyclable materials, collected by the Royal Borough of Kingston are delivered to the Villiers Road TS and then transferred either directly to re-processors, to the Viridor MRF at Crayford, the paper MRF in Erith, or the newly developed polymer processing facility. Please see Appendix A section 9 for further tonnage data.

3. RECOMMENDATIONS

3.1. 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 contracts.

4. IMPACTS AND IMPLICATIONS

Legal

4.1. Legal Shared services are assisting on the HRRC off-take work stream.

Finance

4.2. None

5. Appendices

5.1. Appendix A provides data on the performance of the Phase A contracts for the reporting period April to September 2014.

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