

AUTHORITY REPORT: FIVE-YEAR SERVICE DELIVERY PLAN**1. Confidential Report**

1.1 No.

Executive Summary

Purpose of Report - To consider the FYSDP produced by the Contractor.

Position – The FYSDP (the Plan) was agreed by the Authority in 2020 however, it was recognised that the policy landscape at that time was very uncertain, and it was accepted that the Plan would be reviewed in 2022 when further clarity was expected.

The FYSDP has now been produced by the Operator, Renewi and is presented today as a strategic plan that covers the final five years of the IWMS Contract. This report highlights the areas and initiatives covered by the Plan including contract expiry.

Recommendation - That Members:

- a) agree to the submitted Draft Five-Year Service Delivery Plan (FYSDP) 2022-27 and its ambitions to meet the required targets within the Integrated Waste Management Services (IWMS) Contract;
- b) note the FYSDP contains actions relating to the involvement and support of the Constituent Councils to reach the diversion and recycling of household waste targets.

2. Background

- 2.1 The IWMS contract contains specific requirements regarding service delivery plans including an Annual Budget and Service Delivery Plan (ABSDP) and a Five-Year Service Delivery Plan (FYSDP). The framework for both documents is outlined in the Integrated Waste Management Service (IWMS) Contract in 2002 and in summary contains details of how the Contractor will deliver the IWMS Contract and meet the required targets.
- 2.2 The FYSDP provides a more strategic view of the service over the next five years whilst the ABSDP provides a further level of detail and focuses on the next contract year and highlights financial matters. The plans connect the Authority through ELWA Ltd (the Contractor) to Renewi UK Services Ltd (the Operator) in a substantive way, providing a basis for financial and performance monitoring.
- 2.3 The Authority previously considered the FYSDP in 2020 and agreed that due to the uncertainty in National waste management policy, the Plan would be reviewed in 2022. This allows for the FYSDP to cover the final five years of the IWMS Contract, which expires on 22 December 2027.

3. Current Position

- 3.1 The Contractor (ELWA Ltd) has passed the responsibility of developing and submitting the FYSDP onto the Operator (Renewi Ltd). Officers have been working closely with Renewi to ensure the development of the plan is robust and focuses on meeting the targets within the IWMS Contract, recognising the aspirations of the Authority and its partner Constituent Councils Joint Strategy.

3.2 In considering the FYSDP Renewi has discussed with Officers of the Authority the significant amount of national policy that is currently in a state of fluidity. Furthermore, the current economic and political situation in the UK has raised significant concerns over the implementation of a number of proposals and consultations deriving from the National Resources and Waste Strategy. It is recognised therefore that some aspects of the FYSDP will need to be developed further over the next five years as clarity is provided by National policy-makers. This therefore means that the ABSDP's will take on a more significant and change management role over the final five years of the IWMS Contract.

4. Key Elements of the FYSDP

4.1 The FYSDP, attached at Appendix A provides a strategic framework for improvements to performance through the continued implementation of a number of key projects. The following is a summary of the key points raised within the FYSDP:

- The approach is very much based upon partnership working.
- Recognition that performance has improved over the previous plan periods.
- Propose to focus on exceeding the household waste recycling target beyond the level of 33% to 36% with a 'stretch' to 38% by the end of the Contract.
- Continue championing the 99% diversion from landfill performance.
- Maintain a high level of safety awareness to prioritise safety on all our sites.
- Optimise and maintain operational performance of the MBT facilities through effective management and maintenance and renewal of assets over the next five years.
- Increase recycling at the four RRCs to 66% by the end of year five through the adoption of best practice initiatives such as looking at better ways of managing black bags on the sites.
- Operate and reviewing the design and layout of the RRCs to ensure they are maintained to a high standard, are clean, well-organised, efficient and customer focused.
- Work with ELWA to find suitable opportunities to improve re-use across East London.
- Provide ongoing support of a robust and effective waste prevention programme to include education and awareness, including public engagement on the RRCs and improving the quality of recyclable materials being collected by the Constituent Councils.
- Plan for future legislative changes such as the eagerly awaited National deposit return scheme.
- Provide flexibility in facilities, services, processes and outlets for the changing waste streams being delivered by the Waste Collection Authorities and the public e.g. food waste.
- Recover recyclable materials from bulky and street cleansing waste streams at the two Bulky Waste Recycling Facilities (at Frog Island and Jenkins Lane), including diversion of bagged waste to the MBT facilities.

- Recognise the importance of trained, engaged and empowered staff to support the delivery of services to the service users.
- 4.2 The ABSDPs for future years will identify specific measures and actions to achieve the higher performance levels stated as the National and local policy landscape evolves and the scope of changes becomes clear.
- 4.3 Officers have been working closely with Renewi on ways to improve performance as outlined in the FYSDP. A number of projects have required significant invest-to-save capital programmes (e.g. bulky waste recycling centres) that have been funded by Renewi. Other initiatives for increasing the forecast performance as outlined in the report will not increase the Authority's costs per tonne under the IWMS contract.

5. Contract Expiry

- 5.1 The FYSDP recognises that the IWMS Contract expires during this Plan period. The Plan highlights the importance of joint working between all stakeholders to manage the expiry process and in particular share information effectively. Renewi is supportive of the development of a framework for a smooth transition at Contract expiry.
- 5.2 The emerging Memorandum of Understanding will provide this framework and support the development of a hand-back plan that helps the Authority, Contractor and Operator manage the process of hand-back in a professional, supportive and clear way.

6. Conclusion

- 6.1 Renewi are confident that with continued support from ELWA and its Constituent Councils, they can make meaningful progress towards improving performance in recycling over the next five years with a view to achieving a recycling rate of between 36 and 38% by 2027.
- 6.2 In addition, we are confident that the contractually agreed diversion from landfill target of 67% will be exceeded with a view that maintaining the 99% diversion level is realistic.
- 6.3 The FYSDP also recognises the importance of close partnership working between the Authority, the Contractor and the Operator as we enter the final five years of the IWMS Contract. A number of key elements to managing the contract expiry process are recognised in the FYSDP including data and information exchange and the need to conduct asset surveys in a timely way.
- 6.4 Officers agree and support the proposals within the FYSDP. Some of these proposals require the active cooperation of the Constituent Councils to achieve their full potential. This will require ongoing support for improving the quality of materials collected by education, awareness and enforcement.
- 6.5 Considering the information in this report, Members are asked to note officers' intended course of action in the Recommendations above.

7. Relevant officers:

Andrew Lappage, Managing Director / andrew.lappage@eastlondonwaste.gov.uk /
and Neil Greenhalgh, Head of Waste & Support Services
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8. Appendices attached:

8.1 Appendix A - FYSDP 2022/27

9. Background papers:

None

10. Legal considerations:

10.1 The legal provisions relating to the provision of the waste disposal services delivered by the Contractor are set out in the waste management contract between the parties. This report asks the Authority to agree to the Draft Five-Year Service Delivery Plan (FYSDP) 2022-27 and its ambitions to meet the required targets within the Integrated Waste Management Services (IWMS) Contract.

11. Financial considerations:

11.1 The ABSDP provides information on expenditure commitments, tonnage estimates and landfill diversion rates. These are all taken into consideration within the Medium-Term Financial Strategy 2023/24 to 2027/28 reported elsewhere on the agenda and also in the Budget and Levy setting report that the Authority will consider in February 2023. It is vital that ELWA Officers are satisfied that these assumptions are accurate and achievable as these are factors considered when determining the Budget and Levy for 2023/24 and the medium-term financial forecasts.

12. Performance Management considerations:

12.1 The FYSDP sets the Operator's planned level of performance for the final five years of the IWMS Contract and is outlined in more detail in the report. The FYSDP proposes to exceed contractual targets by Contract close in December 2027.

13. Risk Management considerations:

13.1 The risks associated with this report are detailed in the corporate risk register with a summary of the risks identified by Renewi as Operator summarised in the FYSDP.

14. Equalities considerations:

14.1 It is not believed that the proposals in this report particularly affect any one group as defined by equalities legislation.

15. Follow-up Reports:

15.1 None.

16. Websites and links for further information:

16.1 None.

17. Glossary:

ABSDP = Annual Budget & Service Delivery Plan

Constituent Councils = London Boroughs of Barking & Dagenham (LBBD), Havering (LBH), Newham (LBN) & Redbridge (LBR)

Contractor = ELWA Ltd

ELWA / the Authority = East London Waste Authority

FYSDP = 5 yearly Service Delivery Plan

IWMS = Integrated Waste Management Services Contract

Operator = Renewi UK Services Limited (formerly Shanks Waste Management Ltd)

18. Reviewed by Management Board:

18.1 14 November 2022

19. Confidentiality:

19.1 Not Applicable