



1. Introduction

Waste collection is perhaps the most visible service any local authority offers to its residents and one of the few that is used by every household. It is **critical** to reduce our impact on the planet and for a local authority to achieve its environmental goals. However, the service also has to provide convenience, reliability and good value for residents.

East London's waste statistics at a glance

Based on 2021/22 data

- Municipal waste handled: 454,000 tonnes
- % of municipal waste diverted from landfill: 99%.
- % of received household waste recycled: 32%
- Sites operated: 2 x Mechanical Biological Treatment (MBT) sites, 4 x Reuse and Recycling Centres (RRC) and 1 x Material Recovery Facility (MRF)

As the operator for the East London Waste Authority (ELWA), Renewi has a responsibility to provide the best possible service, working in partnership with all Constituent Councils and ELWA to realise their vision and strategy and improve performance.

Over the duration of the contract, there has been a significant shift in society's views on waste. Rightly, it is no longer acceptable to send a high proportion of waste to landfill, with little or no consideration for the natural environment or the damage caused. Renewi has gone from less than 20% of waste being diverted from landfill in the first two years of the contract to almost 100% today.

This is a significant improvement, but there is still a lot to do in terms of sustainability and responsible waste management. This is exactly what we aim to achieve.

The next five years will see a major shift in environmental targets, both at a local and national level as highlighted in the London Environment Strategy, Joint Strategy for East London's Resources and Waste and the Constituent Councils' Reduction & Recycling Plans, among others. The Resources & Waste Strategy for England sets out options to implement Extended Producer Responsibility (EPR) on packaging, separate food waste collections, the introduction of Deposit Return Schemes and a requirement for recycling collection services to be more consistent across the country, all of which will have a far-reaching implications for the range and quality of materials collected and the need for behavioural change within the community.

Renewi is committed to working with ELWA and the Constituent Councils to respond to these changes, including the inevitable demand for new kerbside collections for food waste, glass and a broader range of plastics. We will also introduce new and improved reuse schemes to ensure we promote waste reduction and prevention in line with the waste hierarchy (see diagram) and strive in order to meet more stringent targets for reuse and recycling.

As noted by the Greater London Authority (GLA):

“London has the lowest household recycling rate of any English region with a 2019/20 rate of 33.5% against an England average of 43.8%.”

The London Environment strategy details plans to tackle this by making London become a zero-waste city, with no biodegradable or recyclable waste sent to landfill by 2026. The Mayor has set a London-wide target of recycling 65% of municipal waste by 2030.”

Source: London Environment Strategy: Second progress report, September 2021

It is important to remember that when comparing London to other regions in England, there are a number of factors which make achieving higher recycling targets more challenging. Population density in London is higher and the makeup of housing contains a higher proportion of high-rise buildings which therefore have a lower amount of green space. These are just two of a number of reasons contributing to lower recycling levels.

Renewi recognises the importance of supplementing the operational work of managing large volumes of waste with a robust and engaging education and communication programme. Under the Integrated Waste Management System (IWMS) contract Renewi continues to engage with Keep Britain Tidy to facilitate the communication programme. Our revitalised plans, closely aligned with the new ELWA Waste Prevention Programme, set out to achieve this.

This will be the final five-year plan under the current IWMS contract, which is due to expire at the end of 2027. Renewi will actively work with all concerned parties to plan for a smooth transition to the next contract during this five-year period.

Renewi is excited about the future with ELWA and the results that can be achieved by our partnership.

Simon Lee
ELWA Contract Director
Renewi UK Services Ltd

2. Waste to Products

- 2.1 Renewi is a leading waste to product company that gives new life to used materials every day. We have more than 6,000 employees working at 174 operating sites across Europe. Our extensive operational network means we are always close to our customers. Waste is a state of mind for us, and an opportunity. Our many years of knowledge and experience, combined with a broad range of services, allow us to offer sustainable, practical recycling solutions.
- 2.2 Renewi is the operator for six municipal contracts across the UK, including the one with ELWA. Renewi staff have great operational and technical expertise, allowing us to deliver an excellent service every day. This is built on considerable experience operating in the waste industry, including 20 years running the ELWA contract.
- 2.3 We recover more value from waste. Our work results in less waste and cleaner recycle, a smarter use of scarce raw materials and a reduction in carbon emissions. This means that we are contributing to a cleaner, circular economy in which we “waste no more”.

3. Introduction

- 3.1 The Five-Year Service Delivery Plan (FYSDP) that Renewi is proposing for the period from 2022/23 to contract expiry in 2027/28 is the sixth and final since the start of the contract in 2002. The FYSDP conforms in all material matters with the Overall Service Delivery Plan (OSDP) submitted as part of the initial private finance initiative (PFI) contract in 2002. It recognises the stated need for delivering services that are reliable and achievable in terms of managing and disposing of waste while being environmentally and economically sustainable.

Our Approach

- 3.2 Our approach is based on partnership. This plan sets out how practices will change in response to outside influences and the evolution in public perceptions about waste and waste management policy. The UK policy landscape is unclear, with little clarification on the future direction issued since the previous FYSDP document. The UK's exit from the European Union, the increased focus on challenging national environmental targets and the impact of the recent rise in the cost of living on business, means risk management remains critical.
- 3.3 Renewi's performance has continually improved over previous plan periods, but for the first time we propose that our recycling performance will reach 33% of household waste received in 2022/23 and exceed that target in subsequent years. We have developed new and improved ways of working in partnership with our client ELWA, as well as our suppliers.

Renewi's Experience

- 3.4 As a multinational company Renewi can draw upon far-reaching experience in environmental management and apply this to our local circumstances to ensure we learn from best practices and develop key skills to improve our effectiveness and efficiency.
- 3.5 In addition, a positive health and safety culture within Renewi has led to our contract here in East London providing some of the most effective preventative measures of any UK operator in an industry recognised as having one of the highest injury risks. Renewi keeps safety as its number one priority and continues to work hard to ensure we do not become complacent about our positive health and safety position.

Targets

- 3.6 This FYSDP sets out ambitious plans to exceed the contractual targets of:
- 33% of household waste recycled; and

- a minimum of 67% of municipal waste recovered.
- 3.7 In addition, Renewi aims to maximise its performance and support London in achieving the broader targets detailed in the London Environment Strategy. We will work closely with ELWA and the Constituent Councils to ensure the FYSDP reflects the ambitions and outcomes within the recently adopted Joint Strategy for East London's Resources and Waste.
- 3.8 We will focus on exceeding the household waste target of 33% of received waste being recycled reaching **38%** by the end of Year Five. Based on existing technology and the material delivered to Renewi, we have identified ways to achieve close to 36% of received household waste being recycled. The remaining 2% – equivalent to a further 9,000 tonnes of recycling – is an ambitious target for the Renewi team. To achieve it, Renewi will need to further optimise operational performance. However, it is also reliant on potential changes in local and government waste policy and the Constituent Councils' ability to deliver waste material to Renewi in a way that allows for the maximum volume to be recycled.
- 3.9 The targeted recycling performance assumes there will be no legislative changes which result in material which is currently classified as recycling no longer being reported as recycling.
- 3.10 Renewi will also continue to maintain the excellent record of a minimum of 99% of waste diverted from landfill.

4. Stakeholders

- 4.1 Renewi has identified a range of key stakeholders that are fundamental to delivering the IWMS contract. The contractor appointed for the IWMS contract is ELWA Ltd, which has commissioned Renewi as the operator. The most significant stakeholders include ELWA as the Waste Disposal Authority, the four Constituent Councils that collect the waste, local communities that generate the waste and policy makers which represent local, regional or national interests, including DEFRA, the Environment Agency, the Chartered Institute of Wastes Management (CIWM), the Environmental Services Association (ESA), the Office of the London Mayor and Recycle for London.

Waste Disposal Authority (WDA) - East London Waste Authority

- 4.2 The WDA has overall responsibility for effective implementation of the waste management strategy that has been agreed with the four Constituent Councils, working with the selected operator/partner for the IWMS. The Joint Strategy for East London's Resources and Waste was adopted by the Constituent Councils early in 2022, setting out a framework for the future waste management services to be provided.

The Four Constituent Councils - Waste Collection Authorities (WCAs)

- 4.3 The Constituent Councils are the London Boroughs of Barking & Dagenham, Havering, Newham and Redbridge. Together, they have ambitious housing targets established in conjunction with the GLA to cater for a growing population. It is likely that these will be realised through mostly flatted properties, which presents challenges to achieving recycling targets given the lack of space for recycling facilities and limited garden waste.

Local Communities - Residents and Businesses

- 4.4 Local residents are key to running a successful recycling collection service. Consequently, Renewi is committed to ongoing support of a robust and effective waste prevention education scheme in partnership with a third party specialist in implementing behavioural change.

Industry Groups

- 4.5 As a member of Environmental Services Association (ESA), Renewi is part of a large network of industry professionals providing essential resource and waste management services to the public and private sectors and helping to establish industry best practice.
- 4.6 The RDF Industry Group collaborates to address issues faced by the waste management sector and to explore new opportunities. The Group also supports members to make new connections, develop existing relationships and share knowledge and experience. Renewi is a key member of this group and will continue to benefit from information and learning.

Policy Makers and Regulators

- 4.7 DEFRA is the UK government department responsible for safeguarding the UK's natural environment, supporting our food and farming industry and maintaining a thriving rural economy. It is supported by a number of agencies and public bodies, most notably the Environment Agency (EA). The EA governs the waste industry and audits it annually to ensure compliance with current legislation. Our relationship with the EA is very positive and is key to ensuring environmental governance standards are realised throughout the contract.

5. Treatment of Residual Waste

- 5.1 Management of ELWA's waste is underpinned by the Mechanical Biological Treatment (MBT) process. It enables the recovery of materials from residual waste and facilitates stabilisation of the biodegradable component. It is designed to maximise recovery of organic and other specific recyclable materials (glass, stone and metal) from the waste, with the residual material being used to produce Refuse Derived Fuel (RDF) for power generation.
- 5.2 Renewi is committed to working with ELWA as the make-up of waste changes to maximise the impact of food waste collections, to extract a greater variety of materials from dry mixed recycling (DMR) and to optimise any new Deposit Return Scheme. It is already exploring potential implications and planning accordingly.
- 5.3 The MBT process has proved effective during the contract to date. Renewi will maintain this position by continually reviewing and improving processes and the routine replacement of assets. Renewi proposes a number of changes over the next five-year period, which will positively influence recycling rates and overall process efficiency. These include key maintenance projects, the replacement of critical assets, optimisation of our sorting processes and improved software control.

6. Changing Landscapes

- 6.1 The environment in which Renewi operates is changing rapidly, shaped by growing pressure for more sustainable products, services and practices and ongoing uncertainty around the outlets for recyclable materials. Consumers are increasingly aware of and changing their behaviour around recycling, influencing how we manage the waste produced in East London.
- 6.2 As society shifts up the waste hierarchy towards waste reduction and prevention, the volume of waste produced has reached a plateau and may begin to decline. The make-up of the waste collected is also changing significantly. Renewi will ensure sufficient flexibility in facilities, services, processes and outlets to meet these changing demands.

Policy Changes & Uncertainty

6.3 The National Resources & Waste Strategy produced by DEFRA in 2018 radically overhauled UK Government policy. In the next five years, we expect:

- a Deposit Return Scheme to be introduced for plastic, glass and drinks cans;
- EPR schemes for a range of packaging products;
- the mandatory kerbside collection of food waste;
- the mandatory incineration of persistent organic pollutants (POPs); and
- a framework for greater consistency in household recycling services nationwide.

These are just the initiatives that are immediately foreseeable; others may follow.

6.4 A second round of consultation covering Deposit Return Schemes, EPR and consistency of recycling services was launched in spring of 2021 as part of the implementation plan for the National Resources & Waste Strategy. The introduction of kerbside food waste collection will shape how services are delivered in East London. Socio-economic factors in East London may mean that consumer participation with food waste collections may be lower than the national average. Implementation costs will be significant. We will also need to understand the impact of collections on our MBT of residual waste.

6.5 The East London Joint Resources & Waste Strategy was adopted by the Constituent Councils in early 2022, looking at the waste management framework beyond (and therefore in the lead up to) the end of the IWMS Contract in 2027. This provides a local perspective on national and regional policy and identifies local priorities, opportunities and challenges. It aims to:

- promote and implement sustainable municipal resources and waste management policies to support the transition to a circular economy;
- minimise the overall environmental impacts of resources and waste management;
- engage residents, community groups, local business and any other interested parties in the development and implementation of the waste management policies; and
- provide customer-focused, cost-effective and best-value services.

6.6 A new Waste Prevention Programme for East London was developed as part of the plan and is being delivered collectively by the Constituent Councils, initially via a two-year trial which commenced in 2021.

7. Waste Prevention, Communication & Education

7.1 Renewi believes that reducing the amount of waste produced is fundamental and that it has a critical role in engaging the public via effective communication and education on waste prevention.

7.2 A communication plan is produced for the waste management service each year, with input from ELWA, key stakeholders and its advisors where appropriate. The plan sets out communications objectives and opportunities to involve the public through waste minimisation campaigns, education and recycling initiatives. The plan embraces all relevant audiences and media and is regularly reviewed to ensure not only that we engage effectively with local stakeholders, but that communications approaches are also constantly refined and improved.

7.3 As part of our commitment to educate on waste prevention, Renewi contributes to third-party education programmes on waste reduction. Our aim for the next year of the contract is to align this work with programmes run by the new East London Waste Prevention Team and officers in each of the Constituent Councils.

7.4 Working with ELWA and the Constituent Councils, Renewi is keen to highlight case studies and examples of successful initiatives that can be used to support best practice being rolled out more broadly. We can only really move forward through greater collaboration of this nature.

7.5 Through education, promotion and dissemination of information on waste reduction we aim to encourage individual households to manage their waste and help reduce the amount being produced.

8. Improve Reuse & Recycling

Current Performance & Plans for Years 2 to 5

- 8.1 Renewi recognises that it needs a clear and concise plan within the limitations of an uncertainty over national strategy, to achieve and then exceed the contractual target of 33% of received household waste being recycled. Actions need to be agreed between all parties – Renewi, ELWA and the Constituent Councils. The Annual Budget & Service Delivery Plan (ABSDP) outlines in detail the actions to be implemented in Year 1 and the key actions for Years 2 to 5 needed to achieve the 38% recycling performance target by the end of Year 5.
- 8.2 The proportion of household waste recycle in the 2022/23 financial year is expected to be in line with the contractual target of 33%. To achieve the 38% recycling target by the end of the contract requires the recovery of an additional 19,000 tonnes of recyclable material per year.

Operational Efficiency

MBT Sites

8.3 The MBT facilities at both the Frog Island and Jenkins Lane sites have performed well in the first half of the 2022/23 financial year. They have achieved consistent levels of moisture content and recovery of recyclable material which are making a significant contribution to the overall recycling performance. While Renewi is focused on making further improvements, we believe we are close to achieving the maximum recovery of material at these facilities without significant additional investment. Therefore, the focus is on maintaining current performance and ensuring that the facilities are able to process all appropriate material and extract as much recycling as possible.

Recycling & Reuse Centres (RRCs)

- 8.4 There is considerable opportunity to increase recycling in the RRCs over the remainder of the contract. Renewi is looking to implement the following changes:
- Separation of black bag material: Approximately 4,250 tonnes of black bag material is collected across three RRCs and transferred to the MBT sites for processing. In Year 1, Renewi will put in place a bag splitting area on each site, with a target of separating out as much recyclable material as possible, aiming to extract an extra 500 tonnes in Year 2;
 - General RRC improvements: Continuing recently implemented actions should improve recycling performance by a further 1,200 tonnes in Year 2 and a further 500 tonnes per annum in Years 3, 4 and 5. The teams will focus heavily on public engagement and education, as well maintaining clean, well-organised and customer-focused RRCs; and
 - Overall recycling performance: Recycling performance is targeted at 66% of all material by the end of Year 5 at each RRC and we are currently achieving 58%.
- 8.5 In addition, Renewi, ELWA and the Constituent Councils are continually working together to improve performance at the RRCs. In Autumn 2022, there will be a workshop for all parties to review best practice and site policies including admittance procedure and waste acceptance criteria. Renewi is optimistic that collectively we can drive increased recycling recovery from all sites.

Dry Mixed Recycling (DMR)

8.6 Contamination of the dry mixed recycling collected at the kerbside has long been a challenge. There has been significant improvement in recent years, as Renewi engaged with new off-takers to process material from three of the four Constituent Councils. Levels of non recyclable waste found within the DMR are now at around 11%, which is thought to be close to the best possible result with the quality of material currently being collected and processed.

8.7 Engagement and education of residents within the Constituent Councils will support further improvement in the quality of material collected, supplemented where necessary with enforcement measures. Renewi will look to the Constituent Councils to lead this programme and provide support where possible.

8.8 In recent years, the range of materials collected has expanded as a result of cooperation between Renewi, the Constituent Councils and the third-party material recovery facilities (MRFs) used to process the material. Options to extend the range further are being considered.

Bridging the gap to 38%

8.9 Renewi is targeting at least 38% of received household waste to be recycled by the end of the FYSDP. Based on the current waste and recycling collection services and the areas identified for improvement above, Renewi expects to reach a recycling performance of 36% by the end of the FYSDP period. This assumes no major changes to existing government policy which may adversely impact this.

8.10 To bridge the gap to the targeted level of 38% recycling requires recovery of a further 9,000 tonnes of recycling from all waste streams. Alongside communication and education around the benefits of the circular economy for residents, Renewi has identified a number of opportunities to further enhance recycling performance, including:

- changes to current collection strategy, with a focus on reduction of residual waste and an increase in material separation and recycling. This will largely be dependent upon the approach adopted to separate food waste collection;
- directing more contractual residual waste to the Frog Island MBT facility, which recovers a higher proportion of recycling due to the different technology in use relative to the Jenkins Lane facility; and
- further recover of recyclable materials from bulky waste streams at the Gerpins Lane, Frizlands Lane and Chigwell Road RRCs. Developing the facilities at Frog Island and Jenkins Lane allowed for a proportion of the bulky material to be sorted and recyclable material separated for processing at the two MBT facilities. There is still bulky waste at the three remaining RRCs which has not been addressed.

	2023/24	2024/25	2025/26	2026/27	2027/28
Household recycling performance	34.8%	35.8%	36.7%	37.3%	38.0%
Household recycling tonnage ('000s)	143	147	150	153	156
Increase in recycling year on year ('000s)	-	4	3	3	3

Notes on recycling data

Recycling information in the table above has been prepared on the basis that materials which are currently classified as recyclable remain so.

9. Maximising Process Efficiency

9.1 As part of the greater focus on improving our recycling rate, Renewi is keen to explore how we can get the most from the facilities at our disposal. We employ a number of processes to manage the waste we receive as Contract Waste via:

- MBT facilities at Frog Island and Jenkins Lane;
- MRFs in Ilford and operated by third-party processors;
- RRCs at Chigwell Road, Frizlands Lane, Gerpins Lane and Jenkins Lane; and
- transfer stations at Frog Island and Jenkins Lane.

Mechanical & Biological Treatment

9.2 The MBT process has significant advantages for the processing of municipal waste, as the moisture content of the waste is removed under controlled conditions via a natural fermentation process. Drying the waste makes subsequent separation of recyclable materials much easier, while also producing a secondary fuel. The MBT facilities use proven technology to manage large volumes of residual waste within relatively short timescales. We have improved the efficiency of these facilities since they were first commissioned in 2002, but we recognise processes constantly change and develop and we push for greater efficiency and improvements in recovery and recycling.

Materials Recycling Facilities (MRFs)

9.3 As the UK Government promotes a framework for consistent kerbside collection of materials nationwide, there will be further pressure on local authorities to collect a wider range of DMR with a preference for the separate collection of different recyclables where possible, potentially stretching currently limited collection capacity.

9.4 Renewi operates a MRF in Ilford which has been used by the London Borough of Redbridge since the start of the contract, following investment, for processing its DMR. Renewi is conducting a review to understand if the facility could accept and process a wider range of materials.

9.5 The DMR collected by the London Boroughs of Barking & Dagenham, Havering and Newham is processed by third-party MRFs which vary in terms of the materials they accept. The facilities may need to change the way they operate to manage the full range of materials demanded by household (public) pressure or a change in Government policy. Selecting appropriate off-takers for DMR is therefore key to realising the FYSDP; the Renewi off-taker contracts are a mix of medium-term contracts and short-term arrangements. By using a mix of off-takers Renewi retains flexibility in terms of the recyclates that can be extracted and processed.

Reuse & Recycling Centres (RRCs)

9.6 The four RRCs are key to future improvement in reuse and recycling. Recent changes in operation have resulted in, and will continue to deliver, better capture of recyclate.

9.7 Our staff are the most critical resource at each RRC. Renewi has ensures we have the right people, in the right place with adequate and appropriate incentivisation to maximise recovery of recyclable materials.

9.8 Renewi may need to explore the design and layout of the four sites to maximise efficiency and the capture of the different elements of household waste, as well as accommodate an expanded range of materials. Our challenge over the next five years will be to ensure we leverage our experience in design and process engineering to maximise our recycling and recovery opportunities at the RRCs without causing unnecessary disruption or incurring excessive cost.

Transfer Stations

9.9 There are opportunities to build on the capacity of the RRCs as transfer stations and better manage the waste the Constituent Councils deliver to them. Deliveries often contain readily recyclable materials mixed with other material streams, including residual waste. By the end of 2022, we will have redeveloped the transfer station areas of both the Frog Island and Jenkins Lane sites to receive mixed materials and will utilise mechanical separation techniques to extract good quality recyclable materials.

10. Flexibility of Services

10.1 There is a need for considerable flexibility in our services while we await the outcome of the JSELRW, the Resources & Waste Strategy for England and the impact of Brexit, as well as to be able to react to alterations in waste types due to product and packaging design, education, consumer behaviour and consequent waste composition.

Available facilities

10.2 Renewi's operational strategy is built on a mix of waste management options rather than reliance on a single method of waste treatment. The variety of treatment options deployed across the contract means that each facility provides back-up and contingency for the others. Where appropriate, Renewi will use appropriate third-party providers to support management of the contractual waste.

Operational maintenance

10.3 A robust programme of maintenance and lifecycle management is in place to ensure that all facilities continue to operate efficiently and process contractual waste effectively, while ensuring facilities are reliable and safe.

Changes to recycling collections

10.4 Renewi believes it is flexible enough to manage any change stemming from Constituent Council plans to alter kerbside collection or drop-off recycling schemes. Similarly we have the flexibility to accommodate changes resulting from the introduction of Deposit Return Schemes or EPR – both of which are likely to alter the amount of glass and metals collected and hence affect the way in which these materials are managed.

10.5 Our management team is experienced in building positive relationships with third-party MRFs and end market off-takers to ensure materials are recycled wherever possible and diverted from landfill at a minimum. Based on past performance, we are confident that we will continue to be able to source off-takers and increase our overall performance.

Policy Changes

10.6 Over the five years of the FYSDP, we expect significant changes in policy at a regional and national level, though the details are yet to be finalised.

10.7 Nationally, the Resources & Waste Strategy for England requires local authorities to collect food waste separately. Renewi is working with the Authority to determine the approximate moisture loss in the bio-drying process from the food waste component of Municipal Solid Waste (MSW) so that we can understand the technical and commercial impacts of any future requirements to collect food waste on a wider scale across the ELWA area. This work will feed into any collection considerations by the four Constituent Councils as part of future service delivery options.

- 10.8 Alongside the confirmed changes, there is anticipated regulation which would place requirements on businesses to separate certain materials for recycling e.g. packaging.
- 10.9 Funding for collection and treatment of packaging waste may also change significantly with the introduction of Extended Producer Responsibilities. EPRs are likely to improve the quality of materials available for recycling and further incentivise levels of capture. The UK Government has announced its intention to introduce a Deposit Return Scheme for drinks bottles and cans which could result in far fewer bottles and cans needing to be collected by local authority waste services.
- 10.10 All of the proposals under the Resources & Waste Strategy for England are subject to further consultation by the Government. Further consideration of the likely impact in East London is needed.

11. Staff Engagement

- 11.1 Renewi recognises the significant role our staff play in achieving high performance levels. Health and safety is paramount within our organisation, as is the need to maintain a high standard of service for our customer-facing activities. Renewi is committed to making sure we train our employees on a continual basis, enabling us to provide a positive experience for anyone who visits our sites. We also visit other RRCs both within the Renewi network and those operated by third parties to identify best practice and adopt improvements.
- 11.2 Renewi staff are encouraged and empowered to identify best practice, learn from others (including other contracts, countries and sites), maximise performance and efficiency and save money.
- 11.3 The business is committed to developing staff year-on-year via both compliance-related training, as well as personal development courses, ensuring staff can deliver the best service. Training needs are reviewed as part of the company's annual Personal Development Review process.

12. End Markets

- 12.1 A range of materials are currently collected by Renewi and made available for reuse. Renewi keeps a close eye on any changes that impact our ability to do this over the next five years and acts to mitigate any emerging risks.
- 12.2 As society becomes more aware of environmental issues and the impact goods and services have on carbon emissions, Renewi is keen to ensure we not only get good value from off-takers, but also that we are responsive to the carbon agenda

Wood

- 12.3 It is Renewi's intention to continue to use the existing off-taker for wood and to monitor changes in legislation which could potentially affect this disposal route.

WEEE

- 12.4 The WEEE regulations and producer take-back schemes relating to electrical goods are likely to change in coming years. Renewi recognises that some electrical items could represent a fire hazard within waste facilities and wants to maximise their recovery and avoid them entering the MBT process.

Import tax - RDF

- 12.5 Renewi recognises that several European countries have implemented or plan to implement import taxes linked to the incineration of RDF. Renewi will maximise the use of available disposal routes while maintaining diversion levels to ensure we avoid unnecessary tax burdens.

Glass and plastic

- 12.6 Glass and plastics could become subject to a Deposit Return Scheme. This will change the waste stream we receive, resulting in much lower volumes of these materials as people start to use the Deposit Return Scheme and receive money back on returned containers. Renewi will continue to collect Tetrapaks and mixed plastics at the RRCs, as long as there are suitable options for off-take disposals.
- 12.7 We are aware that the public has become much more conscious about the recycling of glass and plastics and that there is a desire to see more recycling facilities for these materials.

Green garden waste

- 12.8 As far as we are aware, the four Constituent Councils have no intention to change existing arrangements for garden waste. In the event of a significant change to the legislation around charging for the kerbside collection of garden waste, Renewi will review the approach with the ELWA.

Dry mixed recycling

- 12.9 The make-up of mixed recyclate from kerbside collections in all four Constituent Councils may change during the next five years. Renewi is committed to working with the Constituent Councils and third-party MRF operators to ensuring the range of materials collected at the kerbside is maximised and all suitable material is processed effectively.

13. Risk Management & Monitoring

Identifying & Monitoring Risks

- 13.1 Renewi has an internal risk management strategy that extends throughout the organisation and includes senior and corporate management buy-in, helping us to manage our risks effectively. We also work with ELWA on a regular basis to report performance against risks and formally record these at monthly meetings with senior managers at ELWA.
- 13.2 Renewi has a robust system for ensuring compliance with legislation and regulations and for identifying risks related to performance and to health and safety. Clear operational measures are put in place to address any risks identified.
- 13.3 Sampling and weight data captured will continued to be supplied to ELWA on a monthly basis from all off-takers that process DMR, as well as reported to the Environment Agency via Quarterly Waste Returns.

Health and Safety

- 13.4 Renewi takes health and safety very seriously. We are proud of our safety record in East London in recent years and will maintain efforts to ensure risks are identified and monitored closely and learning from our investigations is applied following any incident. Our health and safety culture has resulted in raised awareness of the risks, increased reporting of incidents and near misses and improvements to our safe systems of work. This has led to our company winning awards for best practice in managing health and safety, with the East London contract being recognised as the best performing within the Renewi Group.

Regulatory Risks

- 13.5 The regulatory framework in the UK is changing rapidly, resulting in uncertainty around how waste will be identified, managed and paid for. This will have a significant impact on our service. Some of these changes are already being managed. However, large numbers of changes are still subject to consultation. Renewi will

continue to proactively monitor the situation and explore all available options to ensure the ELWA contract is operated in the most effective way possible.

Risks of Low Performance

- 13.6 The IWMS contract identifies two major performance targets relating to the diversion of contract waste from landfill and to the recycling of household waste. Our ABSDP for 2022/23 proposes to meet or exceed both targets. The FYSDP proposes to further improve on these performance levels and achieve higher recycling levels. The detail of how this will be achieved is dependent partly on emerging policies, both national and local. The ABSDPs for future years will identify specific measures and actions to achieve these higher performance levels as the landscape evolves and the scope of changes becomes clear.
- 13.7 Renewi recognises, however, that risks to performance may come from many directions, including:
- changes to the materials collected due to the desire of the Constituent Councils to improve their service offering to the public;
 - changes to waste composition due to changes in legislation or policy, e.g. introduction of a Deposit Return Scheme;
 - changes to regulation affecting the outputs that Renewi produces for off-takers and the potential for materials currently classified as recycling, no longer being classified as such in future;
 - fluctuations in demand for the outputs that Renewi produces. Radical changes, such as the Dutch incineration tax introduced in 2019, can be introduced at relatively short notice and have wide-reaching implications on operational and financial performance;
 - negative changes to consumer recycling behaviour affecting the quality of materials collected, (mainly DMR), and off-takers' acceptance of the recycled materials;
 - changes to operational practices that present a barrier to increased performance, e.g. the mix of professionals and public at RRCs

Monitoring of Risks

- 13.8 To manage our risks effectively Renewi has an internal risk management strategy that extends throughout the organisation and includes senior and corporate management buy-in. We also work with the Authority on a regular basis to report performance against risks and formally record these at monthly meetings with senior management within the Authority.
- 13.9 Our approach to mitigating these risks is to work with the ELWA and the Constituent Councils to ensure we closely monitor the quality of materials being collected, the markets into which we distribute the materials and the emerging policy landscape to ensure we plan ahead as far as possible.

14. Contract Expiry

- 14.1 The current long-term waste contract started in 2002 and is due to expire on 23 December 2027. As the contract enters its final five years, ELWA has appointed a Procurement and Contract Expiry (PACE) team which is working with DEFRA and Renewi to prepare for the contract and all associated facilities and equipment to be handed back in line with contractual requirements. Renewi, ELWA and ELWA Ltd are jointly developing a Memorandum of Understanding which will support information sharing between all parties as part of this process.
- 14.2 The PACE team is responsible for establishing and agreeing the framework for the smooth transition at contract expiry in the following areas:

- Development of a contract handover plan which specifies what needs to be done by whom, the resources required and the role of each party;
- Agreement of the contractual conditions relating to expiry and how they should be applied in practice;
- Establishment of clear timelines and terms of reference for assessing the condition of contract assets, as well identifying gaps in respect of maintenance requirements; and
- Identification of what information is required over and above that agreed in the IWMS contract.

15. Conclusion

15.1 Renewi and ELWA recognise that there are significant challenges that lie ahead to drive a sustainable improvement in contract performance in an uncertain market. The challenges posed by new government waste strategies, evolving public behaviours and the UK's departure from the European Union, are not to be underestimated. Renewi will work in partnership with ELWA to closely manage each situation to drive the best outcome.