

AUTHORITY REPORT: CONTRACT PERFORMANCE MANAGEMENT TO SEPTEMBER 2022/23**1. Confidential Report:**

1.1 No.

Executive Summary

Purpose of Report – This Contract Performance Monitoring report tracks key aspects of performance against IWMS Contract targets with a focus on Household Waste recycling, including reuse. The main Contract targets as well as Annual Budget and Service Delivery Plan (ABSDP) targets and proposals are considered as part of this report.

Position – The landfill diversion rate to September remains above the annual Contract target. Due to the combined work of the Authority, Renewi and the Constituent Councils the recycling rate is also now above the annual Contract target but progress against Annual Budget and Service Delivery Plan targets is mixed.

Recommendation – It is recommended that Members note the report.

2. Background:

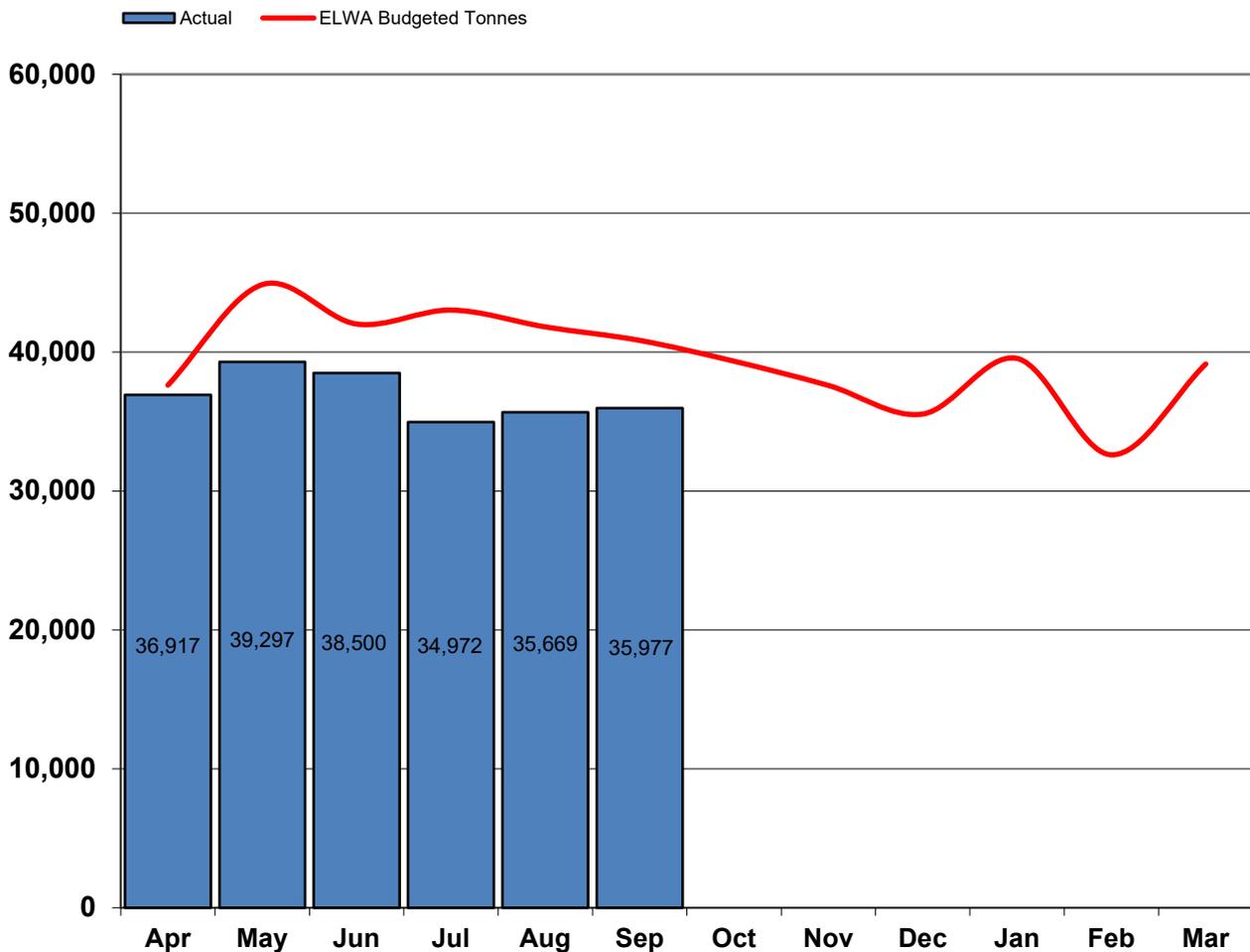
- 2.1. Progress against projects specifically identified in the Contract Operator's annual service delivery plans is reviewed in this report, and overall recycling is broken down to various subject areas such as RRCs and kerbside collections.
- 2.2. The key performance measures set out in the Contract are to achieve 67% diversion of waste from landfill and 33% Household Waste recycling. Additionally, the Contract Operator sets a Household Waste recycling target in each Annual Budget and Service Delivery Plan; in 2022/23, this target is 36%.
- 2.3. Historically the Contract has performed well above target on landfill diversion but has struggled to reach recycling targets and is yet to meet 33% on an annual basis; however, year-to-date figures indicate this may be achieved in 2022/23. This report seeks to provide clarity on the current position and projected performance for the year.

3. Tonnages:

- 3.1. The budget for 2022/23 allowed for tonnages to increase, as it appeared possible in February 2022 that there may be a degree of economic recovery. Until September we are 22,863t lower than the previous year and 28,874t lower than the anticipated budget.
- 3.2. Extremely dry weather conditions over the summer also contributed to the drop off in tonnages as less garden waste was produced than expected. However, it appears increasingly that the majority of the shortfall relates to the rising cost of living and concerns about the economy. It's evident that this is changing behaviours and resulting in a reduction in waste produced. As noted elsewhere in this agenda, the lower level of tonnages is creating a budget surplus in the current financial year.

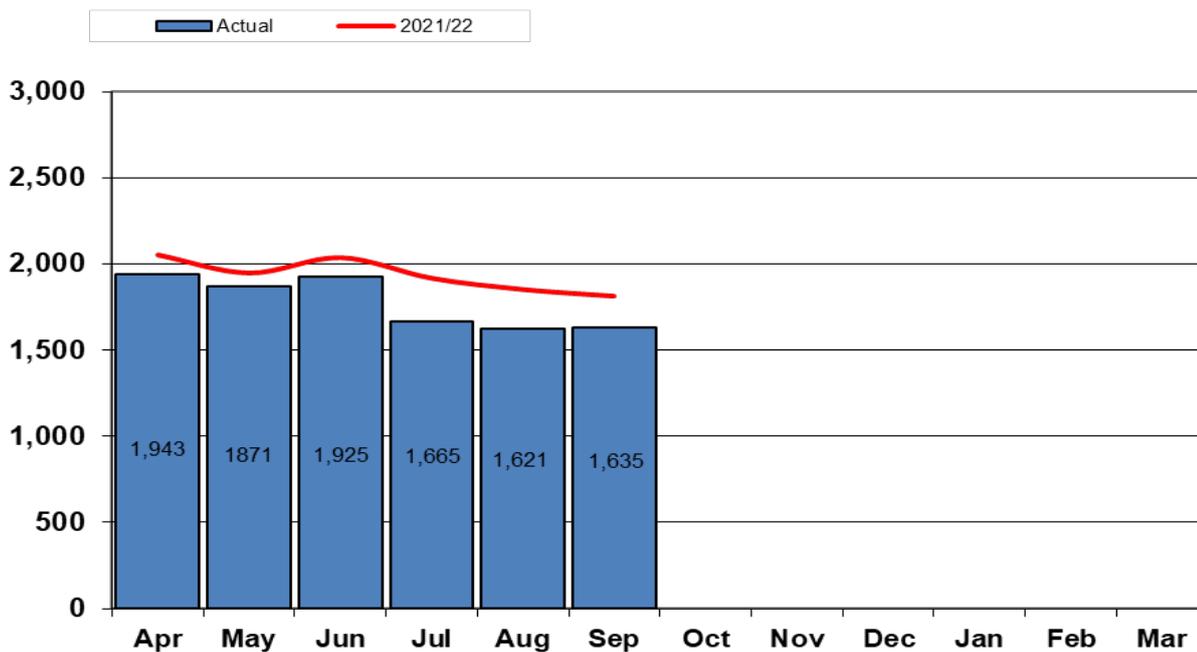
- 3.3. Officers continue to receive reports from the other London Joint Waste Disposal Authorities and elsewhere of similar tonnage reductions, confirming that this is a wider occurrence and not limited to the ELWA region.
- 3.4. Graph 1 shows the gap between actual and budgeted tonnages for the first six months of the year.

Graph 1: Contract Waste Tonnage - 2022/23



- 3.5. Graph 2 below shows that tonnage per working day has tracked the pattern of the previous year but at a lower level throughout. July and August’s working day tonnages were the lowest relative to those months in 2021, demonstrating the additional impact of low garden waste tonnages in those months.

Graph 2: Contract Waste Tonnage per working day - 2022/23



4. Progress against Annual Budget and Service Delivery Plan (ABSDP) targets:

4.1. The 2022/23 ABSDP identifies three key projects designed to increase Household Waste recycling performance to Renewi’s target of 36%, in addition to other aspects of Contract delivery which will also contribute.

Reuse and Recycling Centres:

- A target of 5% increased recycling across the four sites combined through various activities such as increased engagement with the public, layout and operation of the sites, additional range of materials for reuse and recycling and policy changes.

Separation of mixed wastes for recycling at Frog Island:

- A target of 1,500t of additional recycling through manual and mechanical separation of mixed waste delivered by Constituent Council vehicles (primarily bulky waste, street cleansing waste and fly-tipped waste).

Separation of mixed wastes for recycling at Jenkins Lane:

- A target of 6,600t of additional recycling through manual and mechanical separation of mixed waste delivered by Constituent Council vehicles (primarily bulky waste, street cleansing waste and fly-tipped waste).

4.2. Certain factors have affected the progress of the key projects (KP), leading to mixed results in the first half of the year. Along with other contributors to recycling performance the key projects are examined in detail at Appendix A. Table 1 provides an overview of progress to date. The Authority is engaged in regular meetings and close monitoring of progress against the projects to ensure maximum impact during the current financial year.

Table 1	KP 1 – RRC recycling	KP 2 – Frog Island waste separation	KP 3 – Jenkins Lane waste separation*
Annual Target	62.9%	1,500t	6,600t
Actual performance to September	57.9%	891t	N/A

*This project commenced in October 2022

RRCs

4.3. A number of improvements are underway aimed at increasing RRC recycling performance:

- Toy recycling banks have been placed on each site. Discussions are ongoing on the introduction of carpet recycling.
- 'Catch-all' recycling bins have been placed by residual waste sheds to recover recyclable items that have not been placed in recycling containers by that point in the customer's journey through the site.
- Site signage has been rationalised to make it more useful to residents.
- A Member workshop on RRC policies was arranged for November 2022 to examine options for increasing recycling performance and improving site operations. Outcomes of the workshop will be detailed in future reports to the Authority.

Mixed waste separation operations

4.4. Projects KP 2 and KP 3 will involve the direction of the majority of the Constituent Councils' 'caged' vehicles (i.e. those with caged rears used for collecting bulky waste, street cleansing, fly-tipping and similar) to the Frog Island and Jenkins Lane separation areas, removing them from the RRCs.

4.5. The separation of mixed loads from caged vehicles commenced earlier this year at Frog Island, is currently exceeding monthly targets, and is anticipated to end the year above the annual target.

4.6. The equivalent project at Jenkins Lane commenced in October following significant investment in the new Bulky Waste Recycling Centre (BWRC) by Renewi. Although data is limited at the time of reporting, initial results have been promising and give a positive outlook for this new operation in the second half of the year and thereafter.

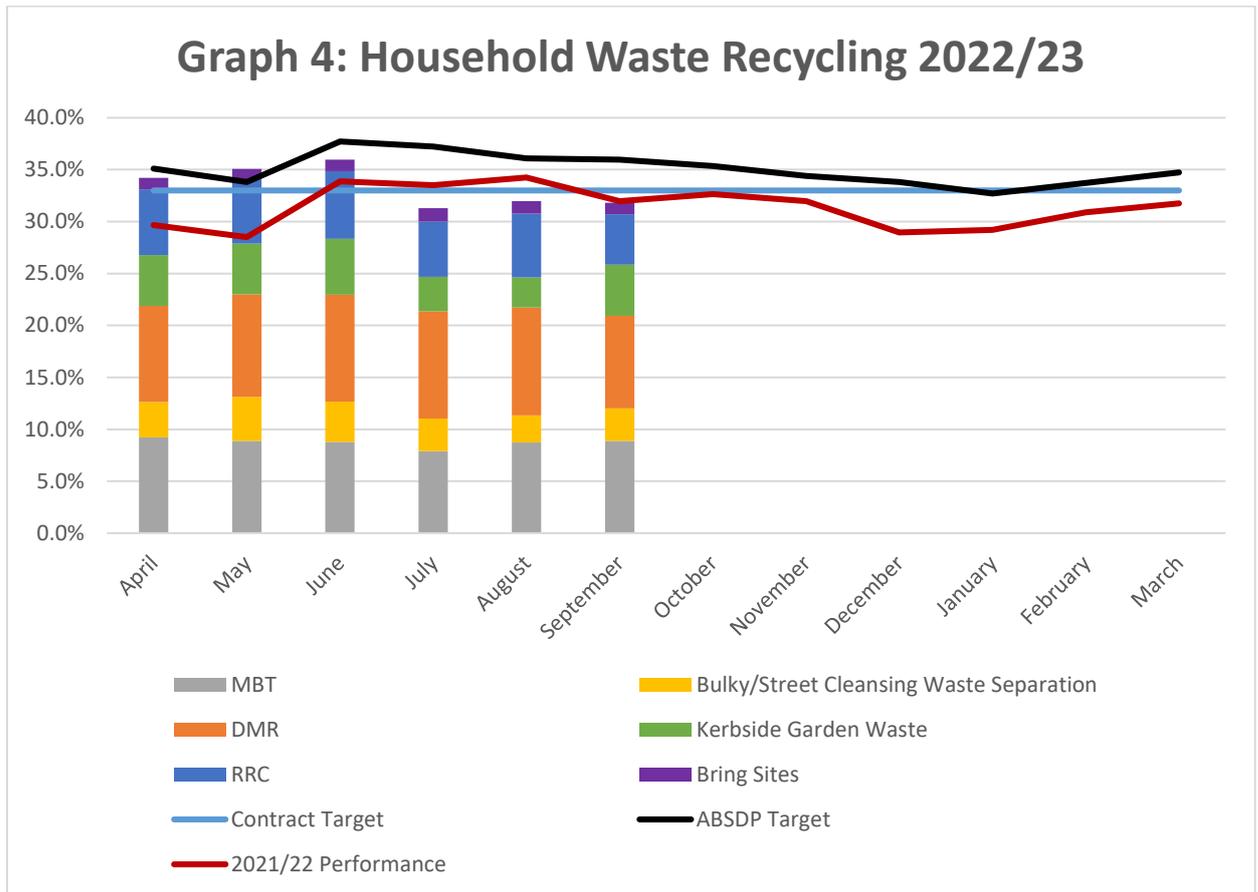
4.7. Representatives of Barking & Dagenham, Newham and Redbridge collection teams have visited the BWRC to be inducted on the operation and have offered constructive feedback which is being addressed by Renewi.

4.8. While preparations have been being made for this operation, mixed bulky wastes from Jenkins Lane have been sent to a third-party processor which has carried out a degree of separation for recycling. This tonnage is counting towards the KP 3 target.

5. Overall Recycling:

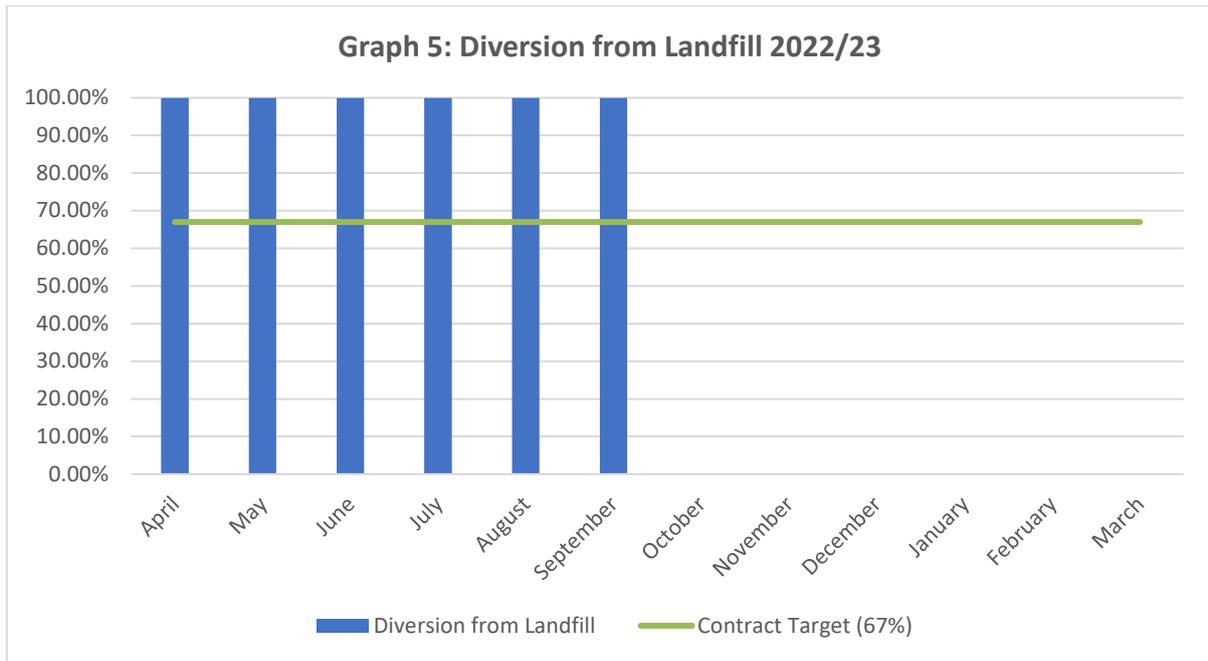
5.1. Following a positive first quarter, the last three months have been tracking below the previous year's recycling performance as shown in Graph 4. However, year to date

performance (33.56%) remains above the annual Contract target of 33%. Had more normal levels of garden waste been produced through the summer, performance at this stage would have been around 35%. There remains a concern around the year end position given that the winter months in particular are usually lower performing. However, with bulky waste separation activities coming into full operation in the second half of the year that could make up for the anticipated annual shortfall of garden waste, such that the contract target of 33% is achieved for the first time under the IWMS Contract.



6. Diversion from landfill:

6.1. Graph 5 shows that landfill diversion has remained consistently high (99.98% to date) and is expected to stay at this level. Asbestos is currently the only type of waste that is sent to landfill; specialist facilities are used.



7. Other activities:

Site update

- 7.1. All sites are operating as normal and to the agreed IWMS Contract specification.
- 7.2. The third annual User Satisfaction Survey was carried out at the RRCs between August and September, with a total of 1,167 survey responses collected. The results were positive, with 98.5% of users somewhat or very satisfied overall (89.4% being very satisfied). The survey’s findings are being fed into policy discussions aimed at improving both recycling performance and the user experience at the RRCs.

Health and safety

- 7.3. The Contract continues to perform well from a Health and Safety perspective. There were six minor accidents, five minor fires and four minor environmental incidents from July to September which were managed with no resulting disruption to service. Renewi exceeded targets on incident reporting and the resolution of those incidents.

Fire Improvement Works

- 7.4. As reported previously, work has been ongoing over the last 18 months to improve the fire detection and suppression equipment at the Jenkins Lane and Frog Island waste management facilities in line with the requirements of the insurance market. The Jenkins Lane project effectively concluded in March 2022 and through both testing and actual events, the improved system has been shown to work effectively.
- 7.5. The delivery stage of the Frog Island project is now well underway and initial site works are being carried out following the signing of a contract with the preferred bidder (Argus, who also carried out the Jenkins Lane project). The project is on track to be completed in March 2023 and will closely mirror the Jenkins Lane programme.

8. Conclusion:

- 8.1. The Authority's diversion from landfill performance remains far ahead of the IWMS Contract diversion target and this should be the case for the remainder of the Contract period barring any unforeseen circumstances. This year's overall recycling performance remains above the 33% target to date, with its annual achievement reliant on the success of the projects identified in the ABSDP. Renewi's own more ambitious ABSDP target of 36% is now looking very challenging this year, but steps being taken now or very soon should make future ABSDP/Five Year SDP targets viable.
 - 8.2. The Contract Operator is being strongly encouraged to do everything possible to ensure all projects aimed at delivering that target are in place, and maximised, as soon as possible with support from the Authority and Constituent Councils.
 - 8.3. Further reports will provide performance updates throughout the year.
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9. Relevant officers:

Andrew Lappage, Managing Director / e-mail:
andrew.lappage@eastlondonwaste.gov.uk, and

Neil Greenhalgh, Head of Waste & Support Services / email:
neil.greenhalgh@eastlondonwaste.gov.uk

10. Appendices attached:

Appendix A – Recycling Performance Monitoring

11. Background papers:

None.

12. Legal considerations:

- 12.1. This report is brought to Members in accordance with the Authority's requirements in relation to the review and reporting of financial and non-financial performance (Section D, Constitution, paragraphs 17 and 18), detailing actual and forecast performance against targets. The report is to be noted, rather than being for decision, and no further implications arise other than those detailed in the report.

13. Financial considerations:

- 13.1. This report provides details of contract performance for the period to September 2022. The associated financial performance information is provided in the Budgetary Control Report to 30 September 2022 elsewhere on the agenda.

14. Performance management considerations:

- 14.1. As outlined in the report.

15. Risk management considerations:

15.1. As outlined in the report.

16. Equalities considerations:

16.1. The facilities provided through the IWMS, in particular the RRCs, provide services that are designed to be equally accessible to all wherever possible. This includes offering assistance to those with health conditions or impairments and clear picture signage to help identify recycling options.

17. Follow-up reports:

Service updates will continue to be reported to the Authority.

18. Websites and links for further information:

18.1. www.eastlondonwaste.gov.uk

19. Glossary:

BWRC – Bulky Waste Recycling Centre

Constituent Councils = London Boroughs of Barking & Dagenham, Havering, Newham & Redbridge

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

ELWA/the Authority = East London Waste Authority

IWMS = Integrated Waste Management Services contract

MBT = Mechanical Biological Treatment

RRC = Reuse & Recycling Centre

SB MRF = Survival Bag Material Recovery Facility

20. Reviewed by Management Board:

20.1. 14 November 2022.

21. Confidentiality:

21.1. Not applicable.