

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

OPERATIONS UPDATE REPORT

REPORT OF:

HEAD OF OPERATIONS

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

8th February 2018

SUMMARY OF REPORT:

This report informs Members about operational activities and associated issues dealt with by the Operations team of the Authority from April to December 2017.

RECOMMENDATIONS:

The Authority is recommended to:

- i) note the contents of this report;
- ii) delegate authority to the Head of Operations to carry out a procurement exercise for future WEEE services with liaison with borough officers, noting that the contract will be awarded at a future meeting of the Authority; and
- iii) delegate authority to the Head of Operations to carry out a procurement exercise for future MRF services, with liaison with borough officers, noting that contract(s) will be awarded at a future meeting of the Authority as set out in paragraph 7.12 of this report.

SIGNED: _____ **Head of Operations**

DATE: 26 January 2018

1. BACKGROUND

- 1.1. The Authority receives an operational update at each Authority meeting. In addition, a fuller picture of the Authority's operational services is given twice each year. The first six months are reported to the December meeting and the full year's activity is reported within the Annual Report at the Annual General Meeting each June.
- 1.2. A full description of the key sites and services is available in the Authority's 2016/17 Annual Report, as noted at the Authority's AGM in June 2017 and on the Authority's website (<http://www.nlwa.gov.uk/governance-and-accountability/annual-reports>).

2. OVERVIEW OF THE REPORT

- 2.1. This report is structured with various updates as follows:
 - tonnage trends during the first nine months of 2017/18, compared to the same period in 2016/17 – Section 3 and Appendix 1.
 - performance of the Main Waste Contract covering the period October to December 2017– Section 4.
 - the general Re-use and Recycling Centre (RRC) Service – Section 5.
 - WEEE services– Section 6.
 - Mixed dry recycling – Section 7.

3. TONNAGE TRENDS – April to December 2017

- 3.1. The charts in Appendix 1 indicates that this year's total tonnages are quite similar to the same period last year, with monthly variances generally reflecting differing numbers of working days in the same month the year before. Analysis of the underlying year-to-date data shows a decrease in the amount of residual waste collected and an increase in the amounts of non-household residual wastes collected, a decrease in the amount of mixed dry recyclables being accepted, and an increase in the amounts of green waste delivered by the constituent borough councils.

4. MANAGEMENT OF MAIN WASTE CONTRACT

- 4.1. The main waste contract is monitored by the Operations team using random routine inspections of each LondonEnergy Ltd (LEL) site. During the April-December period, 85 inspections were carried out at the principal disposal sites, along with 153 inspections at the RRCs. Bi-monthly contract liaison meetings are held with LEL to monitor and resolve issues under this contract. Also, there are additional visits to the MRF contractors as noted in section 7 of this report.

- 4.2. Four defaults have been issued to LEL; one relating to the Hornsey Street Waste Transfer Station operation during this period, due delays to borough vehicles, and three in relation to the RRC service as below.
- 4.3. As part of a planned roll out at the Edmonton EcoPark and the Hornsey WTS LEL is finalising trials of an automated weighbridge system at the EcoPark. Changes in weighing protocols for Borough collection vehicles will be communicated in advance of the roll out to ensure a smooth transition.
- 4.4. General contract monitoring activity is on target and tonnages are within budget.

Update on services over the Christmas period.

- 4.5. Services over the recent Christmas period have generally gone very well with no issues reported across the RRC or main disposal services provided by LEL. However, pressures at the MRFs with increased deliveries of mixed recyclables immediately after the Christmas holiday period, and roadworks within the Authority area affecting the prescribed routes LEL vehicles use to deliver mixed recyclables to the MRFs over much of the same period, resulted in some delays being seen; contingency arrangements for the storage of materials at the Edmonton EcoPark were put in place to ensure all bulking points where boroughs deliver mixed dry recyclables remained open.
- 4.6. At the time of writing this report, and due in part to catch-up collections by boroughs and record amounts of mixed dry recycling from their other customers over the Christmas and New Year period (as advised by one MRF in particular), some constituent borough deliveries are still experiencing delays at the MRFs. Officers are working with both MRF contractors and LEL to ensure these are minimised.

5. RRC SERVICE – GENERAL UPDATE

- 5.1 The RRC service provided by the Authority at the sites transferred from the boroughs continues to perform well. Residual waste tonnages are some 300 tonnes lower than the previous year (Park View Road RRC closed October 2017). At the time of writing, December full recycling figures for RRC recycling had yet to be finalised, however April to November figures show a recycling rate (including rubble) of 73.42%, very slightly below the same period in 2016/17. Clearly there are seasonal variations with the types of waste received at RRCs, so the full-year recycling rate will inevitably be different.
- 5.2 The Authority had been collecting residual wastes from LB Enfield's Barrowell Green 'RRC' under a contract awarded by the Authority to LWL/LEL in June 2010, which expired during last December. LB Enfield's contractor at this site is now delivering the residual waste from Barrowell Green to the Authority. This means the Authority is now receiving this waste

in the same way (other than the type of delivering vehicle) as it receives residual waste collected by boroughs using other means.

- 5.3 As noted above three defaults have been issued to LEL in the period covered by this report relating to the operations of the RRC service; these related to not adhering to specified opening times.
- 5.4 LEL will soon be introducing an electronic on-line van booking system for residents to use when they wish to use a van to deposit their household waste at those Authority managed RRCs where vans are accepted. Borough officers will be kept informed so that borough websites can be updated accordingly.

6. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) SERVICES

- 6.1 Currently the Authority employs European Recycling Platform (ERP) as its producer compliance scheme (Members will recall the contract with DHL EnviroSolutions was novated to ERP on the 1st January 2017). This contract commenced on the 1st January 2014 for up to four years including extension provisions, which the Authority has used; the contract will expire 31st December 2018. Around 3,500 tonnes of WEEE is managed each year through this contract.
- 6.2 The producers (manufacturers, importers and significant retailers) of electrical and electronic equipment (EEE) are required by European legislation to arrange for specific levels of recycling and recovery of WEEE, and can do this either directly themselves or by joining a compliance scheme that will make the necessary arrangements for them in return for a fee, i.e. there is no cost to the Authority. The latter route has been taken by the vast majority of relevant companies in the UK, so it is these compliance schemes that the Authority must deal with.
- 6.3 Previous contracts have provided additional benefits, such as kerbside collections of WEEE and the provision of WEEE bring banks. However, although officers will seek to encourage the continued provision of these, the Authority cannot demand the provision of any such additional benefits (as current legislation is now more clearly designed for producers of EEE to be able to secure compliance with their obligations at the minimum cost) so they may no longer be provided free of charge under the next contract.
- 6.4 The Authority is recommended to delegate authority to the Head of Operations to carry out a procurement exercise for future WEEE services with liaison with borough officers, noting that the contract will be awarded at a future meeting of the Authority.

7. MIXED DRY RECYCLING

Export Markets

- 7.1 Members have been previously advised about the issue of Chinese restrictions on imports of plastic wastes, following publicity around plastic wastes in the oceans. Information provided by our MRF contractors shows plastics recovered from our deliveries of mixed dry recyclables are predominantly sent to UK reprocessors and/or are contracted in advance, and the Chinese restrictions are not expected to affect NLWA's plastic recycling at present.
- 7.2 The Government issued a written statement on China's position¹ concerning plastics and other recyclables wastes, and the action that will be taken by the UK Government to ensure companies that sort recyclable wastes and export them to China for recycling do indeed meet China's new criteria. Further this statement informs such companies that they must continue to manage waste on their sites in accordance with their permit conditions, and where export markets or domestic reprocessing markets are not available they follow the waste hierarchy to ensure any environmental impact is minimised.
- 7.3 Officers are closely following the developments around the Chinese import restrictions on all secondary materials, and are liaising with the MRF contractors. The exact impact of these restrictions is not fully known at present, but it appears there is a particular risk to that element of the MRF income arising from paper and card sales for which not only has the Chinese quality standard been raised, but the amount of import licences issued by the Chinese government to mills in China has been reduced, causing a major reduction in demand that has affected global markets. This is recognised in the budget and levy report elsewhere on this agenda as an additional net cost to the Authority as the majority of this material is exported to countries abroad including China. Under the MRF contracts the contractors retain 50% of the income arising, so have a strong incentive to maximise that income by improving their own sorting standards and/or by securing markets in other countries.
- 7.4 Information provided by the MRFs on other recovered materials such as metals and glass indicates secure markets are in place and no issues are being reported.

¹ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-01-08/HCWS391>

Other Matters

- 7.5 Although work is ongoing by boroughs to reduce contamination levels of their mixed dry recycling, some loads are continuing to be rejected before they are processed through the material recovery facilities (MRFs). In the period April-December 2017/18, 3,290 tonnes of material were rejected out of 83,723 tonnes total material delivered. Officers have carried out 104 inspections at the MRFs between April and December 2017 on loads the MRFs wish to reject. Additionally, officers have inspected loads at the Authority's transfer stations prior to these being transferred to the MRFs to help manage the quality of the mixed dry recyclables delivered to the MRFs.
- 7.6 Officers are continuing to work with MRF contractors, borough officers and LondonEnergy Ltd to improve the quality of materials being delivered; this is principally through provision to the boroughs of information on the specific collection vehicles that have delivered low quality loads, so that boroughs can look at where the materials were collected from and then target their communications work.

Future MRF Services

- 7.7 The current two MRF contracts commenced in October 2009 and, having taken advantage of the extension options available, these will now expire at the end of December 2019.
- 7.8 After allowing for the income received by the Authority from the sale of recyclates, these contracts have continued to deliver an overall cost that is less than the full cost of disposal.
- 7.9 The procurement of the successor contracts will need to begin soon and in the first instance Officers will discuss the scope of these with Borough colleagues.
- 7.10 Given some of the complexities and potential issues that may arise within the global economy that could potentially affect these services the Head of Operations will need to engage support for soft market testing, engage with boroughs about minimum and maximum tonnages in accordance with the Inter-Authority Agreement, and prepare all procurement documentation including price/quality and evaluation criteria.
- 7.11 The Authority is recommended to delegate authority to the Head of Operations to carry out a procurement exercise for future MRF services, with liaison with borough officers, noting that contract(s) will be awarded at a future meeting of the Authority

8. RECOMMENDATIONS:

- 8.1 The Authority is recommended to:
- i) note the contents of this report;
 - ii) delegate authority to the Head of Operations to carry out a procurement exercise for future WEEE services with liaison with borough officers, noting that the contract will be awarded at a future meeting of the Authority; and
 - iii) delegate authority to the Head of Operations to carry out a procurement exercise for future MRF services, with liaison with borough officers, noting that contract(s) will be awarded at a future meeting of the Authority as set out in paragraph 7.10 of this report.

9. COMMENTS OF THE FINANCIAL ADVISER

- 9.1 The Financial Adviser has been consulted in the preparation of this report and has no comments to add.

10. COMMENTS OF THE LEGAL ADVISER

- 10.1 The Legal Adviser has been consulted in the preparation of this report has no comments to add.

Local Government Act 1972 – Access to information

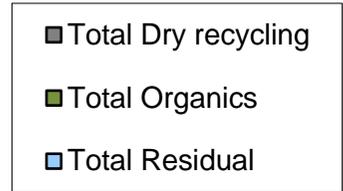
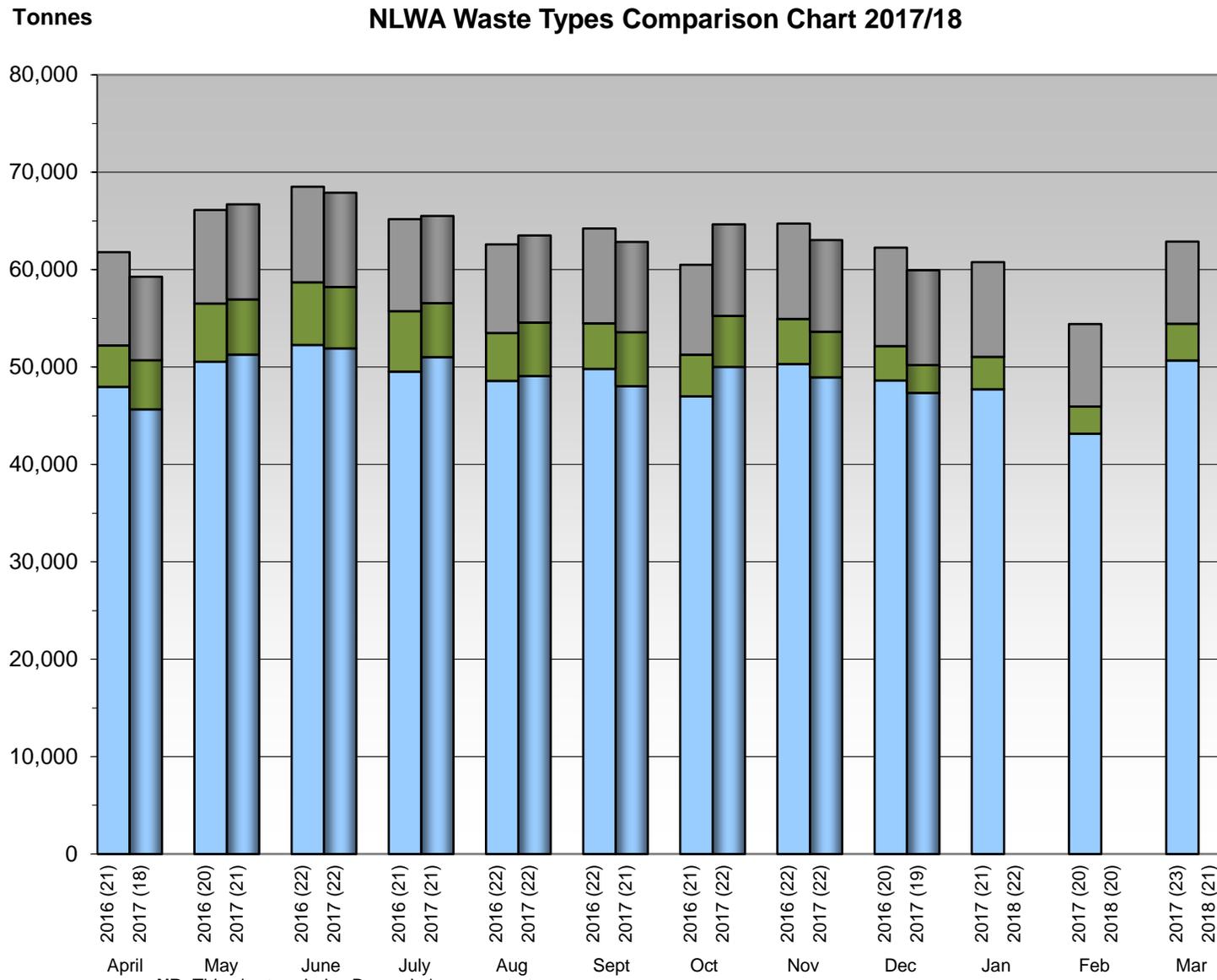
Documents used: WasteDataFlow – national web-based waste data system available at <http://www.wastedataflow.org/>

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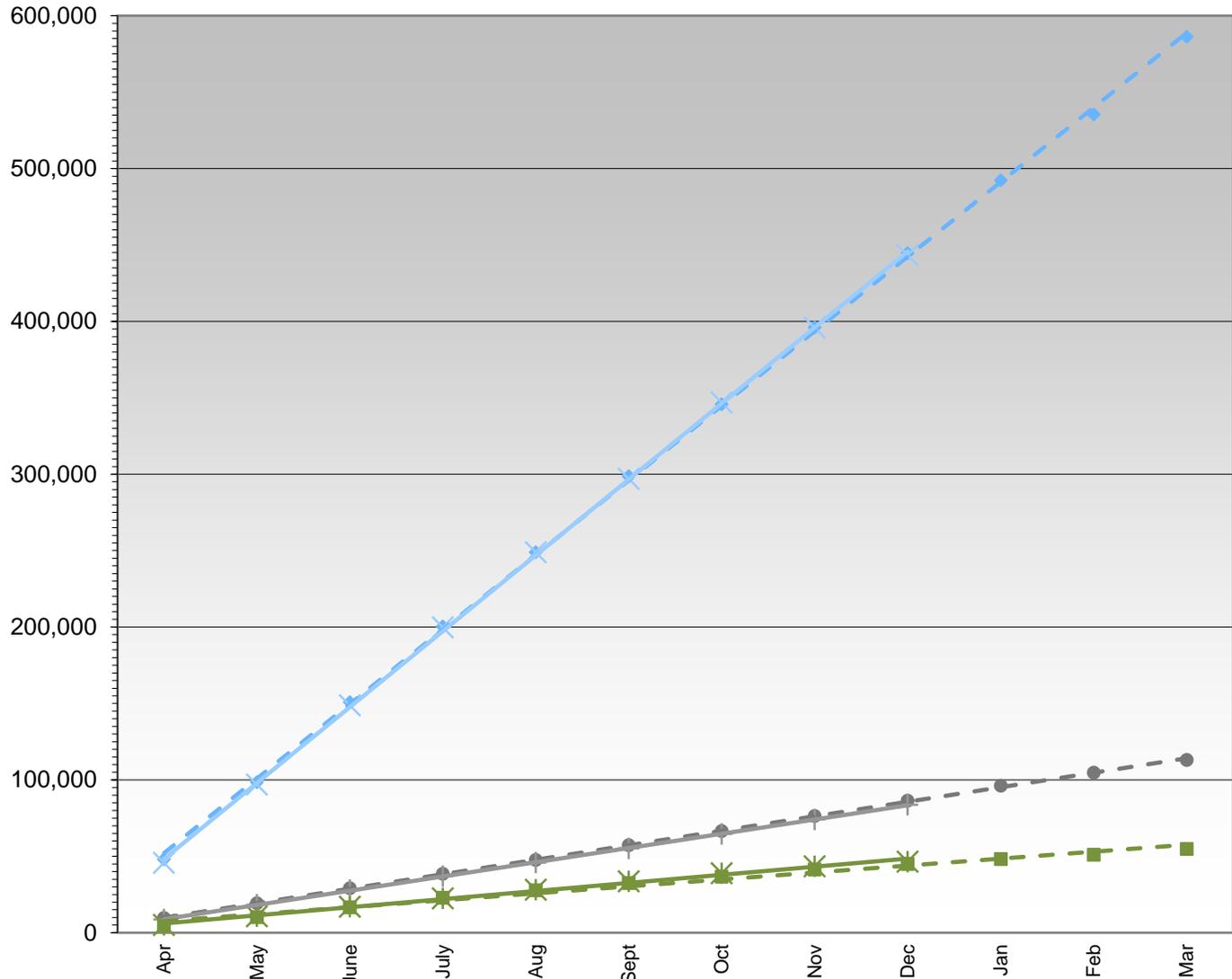
APPENDIX 1



The columns in the chart provide month-to-month comparisons with the same time last year for the residual, organic (biodegradable) and dry recycling wastes. For each month the chart shows last year's tonnage breakdown in a flat-looking column next to the current year's tonnage breakdown in a 3D-looking column. The numbers in brackets on the bottom axis show the number of normal working days that month.

NB. This chart excludes Boroughs' own waste to reprocessors

Tonnes **NLWA Year to Date Cumulative Tonnage Comparison Chart 2017/18**



- - - Linear (YTD 2016-17 - Residual cumulative)
- - - Linear (YTD 2017-18 - Residual cumulative)
- - - Linear (YTD 2016-17 - Dry recycling cumulative)
- - - Linear (YTD 2017-18 - Dry recycling cumulative)
- - - Linear (YTD 2016-17 - Organics cumulative)
- - - Linear (YTD 2017-18 - Organics cumulative)

The coloured lines rising across the chart show the cumulative dry recycling, organic (biodegradable) and residual waste tonnes (reading from the right axis). The fact that the lines for the previous year are barely visible much of the time is because the tonnages are relatively similar, (i.e. the current year's line is on top of or only slightly above the line for last year and is therefore obscuring it for most of the year).

NB. This chart excludes Boroughs' own waste to reprocessors.