

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: SERVICES UPDATE

REPORT OF: HEAD OF STRATEGY AND SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 13 FEBRUARY 2020

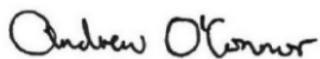
SUMMARY OF REPORT:

This report informs Members about the latest operational activities and associated issues dealt with by the Strategy & Services team of the Authority.

RECOMMENDATIONS:

The Authority is recommended to:

1. Note performance on service delivery in the current year
2. Note that a contractor sought changes to the mixed dry recycling contract immediately before it was due to come into operation, and the actions taken to maintain mixed dry recycling disposal



SIGNED: **Head of Strategy and Services**

DATE: 13th February 2020

1. BACKGROUND

- 1.1. This report provides Members with an update of the main operational matters that have arisen since the last Authority meeting in December 2019 as well as the latest available validated tonnage information from municipal waste collected by the seven London boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest. The North London Waste Authority (NLWA) has a statutory responsibility for providing municipal waste disposal services for the seven constituent borough councils and powers to arrange for the reuse, recycling and composting of municipal waste.

2. OVERVIEW

- 2.1. From the period 1 October - 31 December 2019 the volumes of residual waste have risen slightly by 2177 tonnes in comparison to the same time in 2018. The population has grown by 1% or 22,389 in this time according to WasteDataFlow (national web-based waste data system). The Authority continues to monitor the situation and work with Boroughs on waste minimisation programmes.

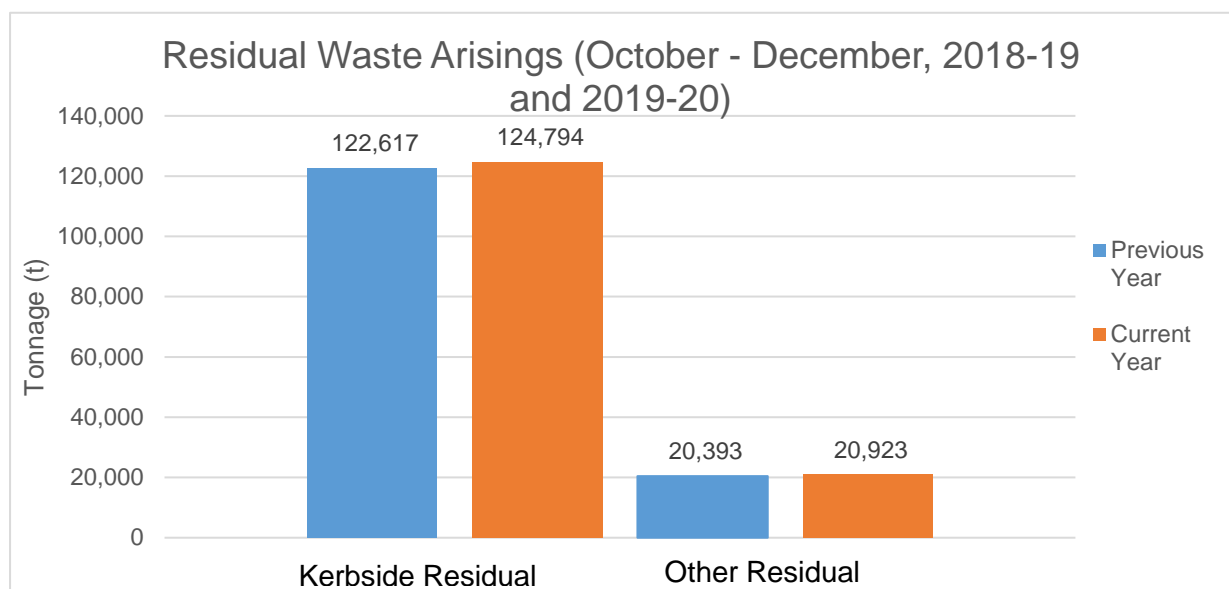


Figure 1: Other Residual Waste Arisings comparison (April to December 2018/19 – 2019/20)

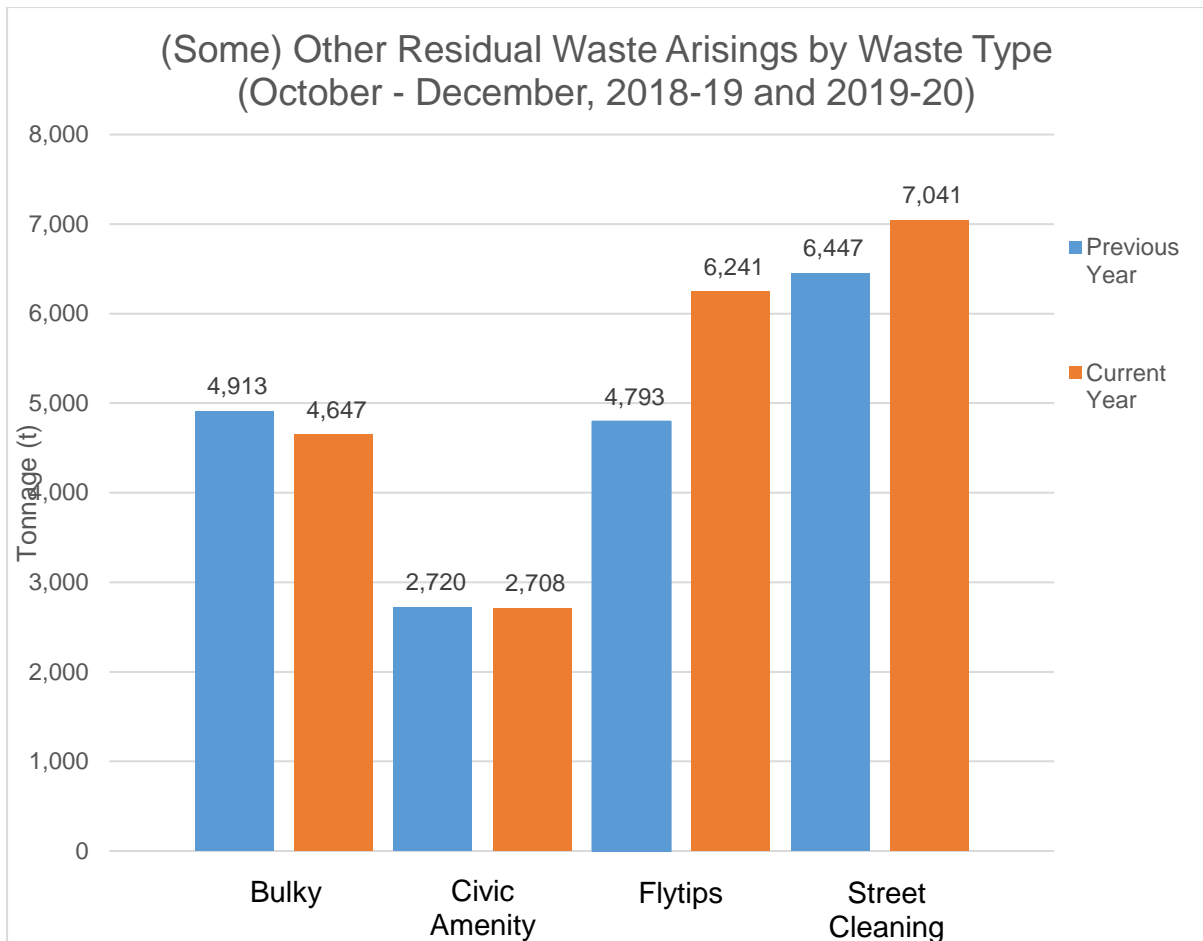


Figure 2: Other Residual Waste Arisings comparison (April to December 2018/19 – 2019/20)

2.2. For October-December 2019 compared with October- December 2018 there have been marginal increases in most categories of recyclable and compostable waste, which represents positive progress. However, there was a 27% reduction in green waste. This is shown in figure 3 below.

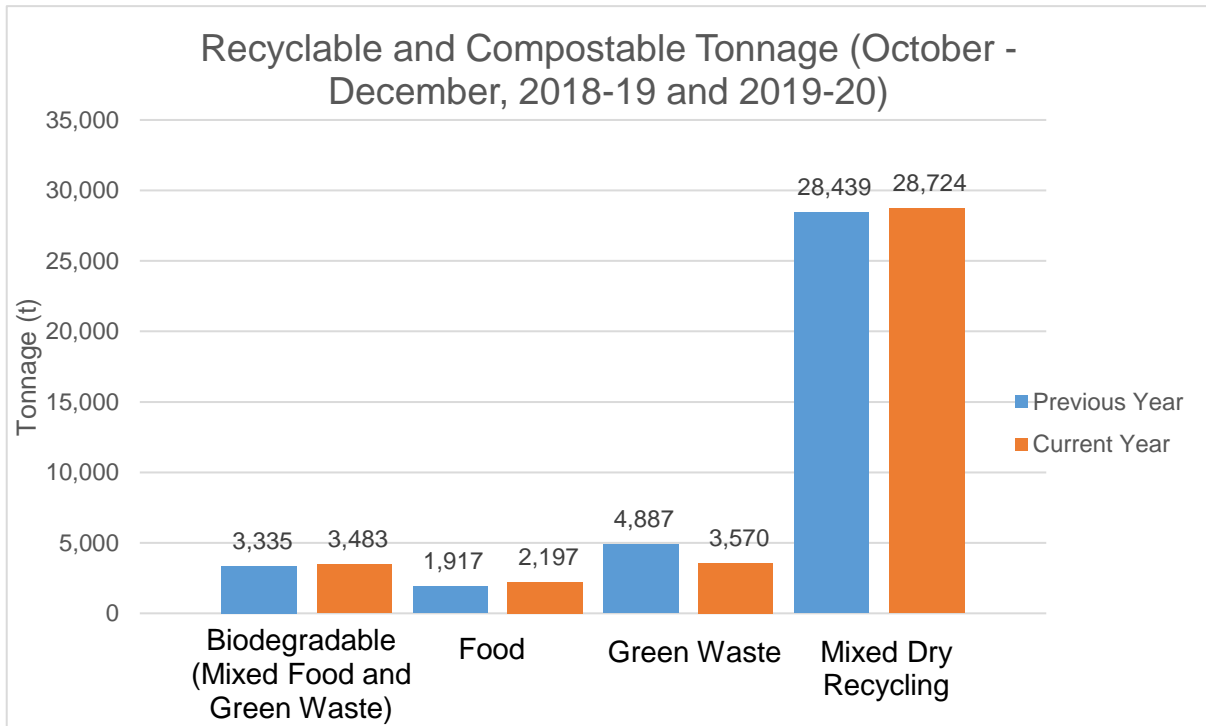


Figure 3: Recyclable and Compostable tonnage April to September 2018/19 -2019/20

3. REUSE AND RECYCLING CENTRES

The residual waste tonnages (civic amenity waste) Fig.2 at the Reuse and Recycling Centres (RRC) remain constant over the period October to December 2019 in comparison to the same time period last year. Of note, green waste volumes have increased. This is due to Barnet ceasing collection of the waste stream during the winter in order to repair Oakleigh Rd. Some residents have chosen to drop off their garden waste at Summers Lane instead.

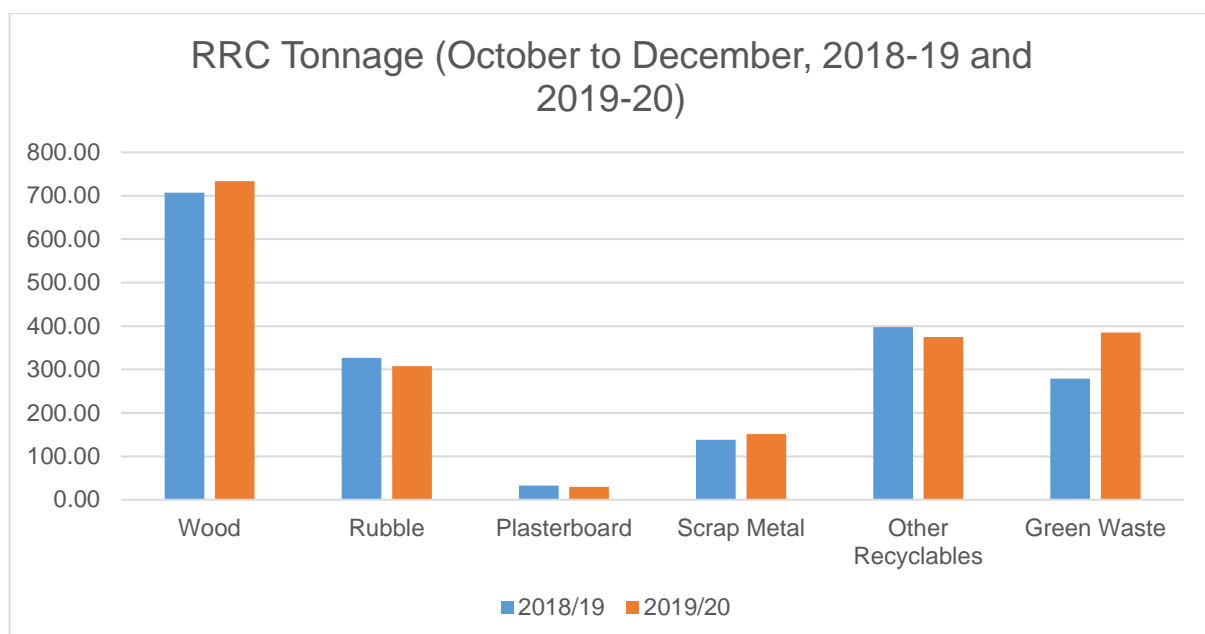


Figure 4: Comparison Waste Arisings at the RRC October to December 2018/19 -2019/20

4. FLEET OPERATORS RECOGNITION SCHEME (FORS)

- 4.1. LondonEnergy Ltd (LEL) reported that on 20 December 2019 they received accreditation back to the FORS gold standard. Progress towards this goal has been reported at each Authority meeting since the accreditation was lost and LEL should be commended for the thorough approach to regaining this standard. A copy of the certificate is in Appendix 1.

5. GERON WAY TRANSFER STATION

- 5.1. Officers have been advised that the timing for development of the new Geron Way transfer station remains uncertain. They are working with Regional Enterprise, a joint venture between Capita Plc and London Borough of Barnet, to mitigate any further delays or cost implications. The current contract with FCC for waste taken by rail from the current Hendon transfer station ends in December 2020. The 2020/21 Authority budget includes an estimate of disposal costs after that date.

6. SERVICE DELIVERY OVER THE CHRISTMAS PERIOD

- 6.1. In previous years there have been delays in dropping off material at the EcoPark and materials recovery facilities over Christmas because of the volume of waste produced. There was a danger that this year service disruption would be exacerbated by road works in Meridian Way which were likely particularly to affect access to the Biffa materials recovery facility. However, with good communication between all parties involved and good performance by contractors, officers noted that service standards remained at a high level throughout the Christmas period.

7. MATERIAL RECOVERY FACILITY (MRF) CONTRACT

- 7.1. Following Authority agreement in June 2019, contracts were offered to two companies for the provision of material recovery services. The new contracts run

from December 2019 to December 2025 with the option for extensions until December 2029.

- 7.2. Ten lots were tendered, each providing for estimated tonnage of between 9,000 and 15,000 tonnes per year. A maximum of eight lots was permitted for any individual bidder, Members therefore approved the award of eight lots to Biffa and two lots to Bywaters. While “lots” are not attributed to individual boroughs, in practice the most efficient arrangement would be for Hackney recycling to be delivered to Bywaters as it has the easiest and most direct access to the Bow facility.
- 7.3. Since the contract was awarded, officers engaged in regular contract mobilisation meetings with each of the successful tenderers. In December, with no prior notice, the deputy managing director of Bywaters wrote to advise that the company sought amendments to the contract to guarantee a minimum tonnage and to provide increased protection against any potential declines in value of recyclates. Without such amendments they would not enter into the contract. On both these elements the Authority’s position had been made clear in the tender process and in the tender award. The changes which Bywaters sought would have involved guarantees on behalf of constituent boroughs which had not been approved by or were acceptable to and would have increased the Authority’s forecast costs for delivery of the contracts
- 7.4. In parallel with discussions with Bywaters, officers explored with Biffa the feasibility of Biffa taking all NLWA’s recycling, as that was within the range of tonnage provided for within the lots awarded to them. Biffa concluded that this was manageable. However, they had a number of short-term contracts, which meant that there would be a need to have an intermediate solution for some tonnage for a three month period. Having explored options with industry, officers concluded that the necessary intermediate solution was to maintain deliveries to Bywaters for a transitional period. The Clerk, having consulted the chair, authorised this arrangement. Additional costs incurred in this period will be more than offset by savings from moving tonnage to Biffa from March 2020. Officers will consult Members further on plans for the two tendered lots which have not been awarded as a result of Bywaters’s actions.
- 7.5. Of note from the first month of operation under the new terms is the additional recyclables recovered. Under the previous contract, operators were entitled to reject loads with over 15% contamination. Under the new contract, operators are entitled to reject loads only if there is 25% or higher contamination. For loads with between 15 and 25% contamination, they should be classified as downgraded loads and are sorted to remove non-target material and recycle suitable material. In the first four weeks of the contract, 82 tonnes of commingled recyclables were classed as ‘downgraded loads’. If this level continues, an additional 1,000 tonnes per annum will be processed for recycling, compared with rejecting all loads with over 15% contamination.

8. COMMODITY PRICES

- 8.1. The chart below provides the latest market information, and shows commodity prices between July and December 2019, taken from LetsRecycle.com

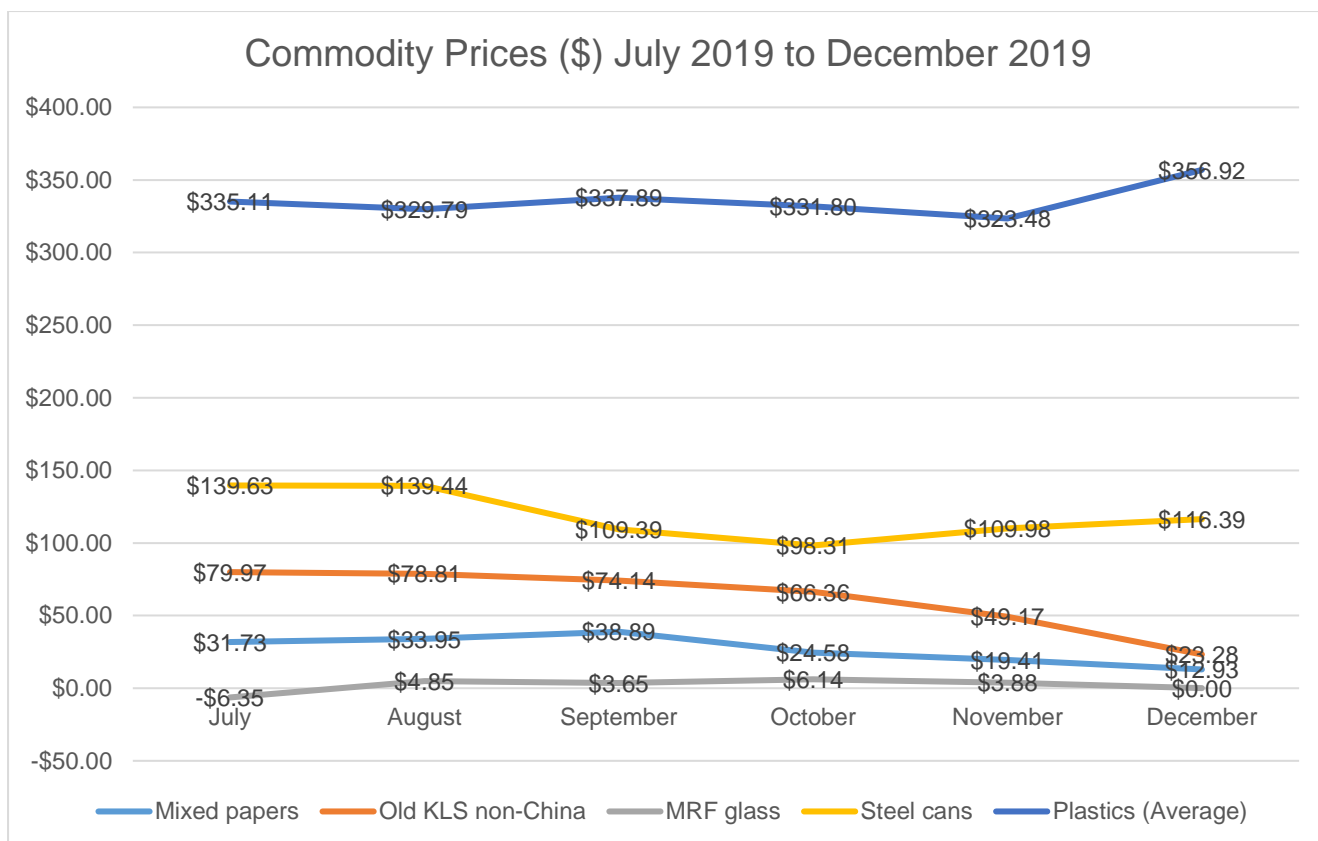


Figure 4: Commodity Prices July -December2019

- 8.2. NLWA have reported publicly that in excess of 90% of recycling material from north London is processed in a UK destination. Prices of the main commodities continue to be subdued where the fibre grades (cardboard, described as old KLS in the chart above) and mixed paper prices continue to decline with South East Asia refusing to accept material that does not meet a high-quality threshold. As restrictions on certain export markets have been imposed, paper mill groups are increasingly looking to build in their own domestic markets. This is likely to increase the opportunities for UK paper recycling to be processed in the country or Europe. Officers will continue to explore options - working with contractors - to secure guaranteed UK processing destinations for north London recycling and will advise on progress with this.
- 8.3. Plastic prices continue to be buoyant based on high demand for Packaging Recovery Notes (PRNS) and demand for plastic with recycled content.
- 8.4. In January Biffa had a public event to launch a new recycling plant in Seaham, County Durham, where plastic bottles will be converted into food grade plastic packaging. This facility is still undergoing testing and is expected to become fully operational later in 2020. It is intended to process 57,000 tonnes of plastic per year. Officers will be pressing Biffa on the quantity of material which will be taken from Edmonton to this facility. Biffa have also announced that a related processing plant will be established nearby in County Durham to process pots tubs and trays.

9. ANNUAL MONITORING REPORT

Officers have completed the Annual Monitoring Report, showing progress made in 2018-19 on the North London Joint Waste Strategy. It is now available to download from the website.

10. EQUALITIES

11. COMMENTS OF THE LEGAL ADVISER

11.1. The Legal Adviser has been consulted in the preparation of this report and comments have been taken into account.

12. COMMENTS OF THE FINANCIAL ADVISER

12.1. The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

List of documents used:

Annual Monitoring Report

Available at: http://www.nlwa.gov.uk/media/2799/annual-monitoring-report-2018_19-final-v2.pdf

WasteDataFlow - national web-based waste data system

Available at <http://www.wastedataflow.org/>

Our Waste, Our Resources: A Strategy for England, HM Government, 18 December 2018,
Available at: <https://www.gov.uk/Government/publications/resources-and-waste-strategy-for-england>

Letsrecycle Website: -Trade website

Available at: www.letsrecycle.com

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ANNEX 1

FLEET OPERATOR RECOGNITION SYSTEMS (FORS)

GOLD STANDARD

