

## AUTHORITY REPORT: CONTRACT MONITORING TO JULY 2011

### 1. Confidential Report

1.1 No

### 2. Recommendations:

2.1 Note this report, particularly:

- a) the improvement in contract recycling and diversion performance;
  - b) the continued reduction in waste tonnages.
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### 3. Purpose

3.1 To provide an update on the monitoring, outcomes and actions taken with regards to the management of the IWMS contract for the period to July 2011.

### 4. Contract Performance

4.1 The contract recycling performance for July exceeded the ABSDP profile and reached 31.1%. The increased levels in recycling were primarily due to the good performance of the Survival Bag MRF (enhanced by LBN separate collections of recyclates from residual waste), and although lower than profiled, significantly better outputs from the BioMRFs.

4.2 The improved performance of the BioMRFs is yielding higher levels of glass recovery and more importantly the issue with BioMRF fines material (as reported to Members at the last Authority meeting) has been resolved since June and is now being processed satisfactorily.

4.3 In addition to the improved recycling performance, the diversion from landfill performance for July remains above budget at 64.5%, which is 5% higher than profiled. This step up in performance can again be attributed to the improved performance of the BioMRFs and the higher recycling performance overall.

4.4 Contract waste tonnage for July was 37,274 tonnes, which is 4,380 tonnes below budget. This reduction in waste tonnage is a continuing trend and is significantly contributed to by the controls in place at the RRC sites which is reported elsewhere on the agenda.

#### Borough N192 performance

4.5 Although it is no longer a statutory requirement to submit N192 performance figures, the figures for July are summarised below.

N192	July 2011	2011/12 Cumulative
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LBBD	36%	34%
LBH	40%	36%
LBN	25%	23%
LBR	37%	35%
ELWA	35%	32%

### 5. Comparison of London Waste Authority Performance

5.1 Appendix A provides an overview of the waste arisings, recycling & composting performance and the volume of waste sent to landfill for the year 2010/11 using WDF data. When looking at the table it is advisable when making comparisons, to compare the ELWA boroughs to the unitary authorities as the RRC site tonnages are captured in the unitary figures as they are for ELWA boroughs.

5.2 The final 3 columns on the table compare ELWA and the constituent boroughs to the average performances of the other SJWDAs and Unitary authorities, the high level of waste sent for composting is the combination of green waste added to the fines from the BioMRFs.

### 6. Update on Bring Sites

6.1 ELWA officers, working with Shanks, have assessed the efficiency of the existing bring site collections system in light of the current contract with Shanks' sub-contractor Berryman coming to an end.

6.2 At present bring site tonnage data, provided by Berryman via Shanks on a monthly basis, is difficult to work from largely due to an unfriendly format and some reporting inconsistencies from the sub-contractor. While ELWA officers have confidence in the overall tonnage collected these inconsistencies cast doubt on the amounts apportioned to individual sites, which makes assessing their performance difficult and needs to be remedied.

a) ELWA officers are addressing this with Shanks and have devised a new reporting format which shows in a clear way the month-by-month tonnage collected from each site. While still not 100% accurate, this data will allow borough officers to ascertain the most effective sites as well as to identify the poorly performing ones on a regular basis. From this a continuing rationalisation of the sites will be possible, which may involve removing or re-siting banks that are not proving effective.

b) As well as monitoring the overall performance of each site, officers will be able to establish the tonnages of individual materials, providing further insight into the effect of bring site provision on kerbside collections and vice versa.

c) A system that records bin lifts is being evaluated by Shanks. If the system is implemented with the next contract, they will be able to monitor each time a particular bring site is emptied, which would highlight any instance of a vehicle deviating from its agreed route. This will provide greater confidence that all banks are being serviced to schedule and therefore in the integrity of the data produced.

6.3 ELWA officers will continue to liaise with Shanks in order to maximise the value of the next collections contract.

### 7. Conclusion

Contract recycling performance has improved significantly and if maintained may make up the shortfall seen earlier in the contract year.

Continued lower contract waste tonnages combined with increased diversion from landfill should provide the Authority with a budget saving at year end.

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### 8. Relevant officer:

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### 9. Appendices attached:

Appendix A – Comparison of London Authority performances for waste collection and disposal.

### 10. Background Papers:

Annual Budget & Service Delivery Plan 2011/12.

### 11. Legal Considerations:

None

### 12. Financial Considerations:

12.1 This report is recommending that in respect of the IWMS contract Members note the improvement in performance in recycling, diversion and reduced waste tonnages in the period to July 2011.

12.2 Tonnage levels are the main cost driver of the IWMS contract. The reduced tonnages therefore have led to a financial saving for the Authority in this period. Elsewhere on the agenda is the budgetary control report to the period ended 31 August 2011 and the reduced tonnages have been reflected in a financial saving, in this period, of £500,000. As Members are aware documentation checks at RRC sites have been in place for most of this financial year and the impact of these in terms of reduced

tonnages is still being assessed. ELWA officers will need to maintain appropriate management information on these further information will be reported to Members as appropriate as part of future contract monitoring and budgetary control reports.

12.3 Improved contract recycling and diversion performance has financial benefits to the Authority in a reduced lower landfill tax liability.

### 13. Performance Management Considerations:

Contract recycling performance has improved significantly and if maintained may make up the shortfall seen earlier in the contract year.

### 14. Risk Management Considerations:

None

### 15. Previous Reports:

Previous contract monitoring reports can be found at each agenda.

### 16. Follow-up Reports:

None

### 17. Websites and e-mail links for further information:

None

### 18. Glossary:

ABSDP = Annual Budget & Service Delivery Plan

BioMRF = Biodegradable Materials Recycling Facility

ELWA = East London Waste Authority

IWMS = Integrated Waste Management Strategy

LATS = Landfill Allowance Trading Scheme

LBN = London Borough of Newham

NI192 = National Indicator (Household Waste Recycled or Composted)

SJWDA = Statutory Joint Waste Disposal Authority

WDF = Waste Data Flow

### 19. Approved by Management Board:

12 September 2011

### 20. Confidentiality:

Not applicable