

HERTFORDSHIRE COUNTY COUNCIL

COMMUNITY SAFETY & WASTE MANAGEMENT CABINET PANEL

THURSDAY 3 DECEMBER 2015

WASTE MANAGEMENT PERFORMANCE MONITOR

Agenda Item No.

7

Report of the Chief Executive & Director of Environment

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1. Purpose of report

- 1.1 To allow the Cabinet Panel to review the performance of Waste Management for the second quarter of this year (July - Sept 2015) against the Environment Department Service Plan 2015-2016 including key performance indicators, major projects, contracts and identified risks.

2. Service Performance Summary

- 2.1 The Waste Management Unit provides three separate quarterly monitoring reports to update on the service specific Household Waste Recycling Centre (HWRC) contract, the high profile Residual Waste Treatment Programme (RWTP) and an overall assessment of the statutory Waste Disposal Authority function of the Authority in the form of three performance indicators.
- 2.2 The Cabinet Panel also receives the following annual performance report - Hertfordshire Waste Partnership Annual Report 2014/15.

3. Recommendation

- 3.1 The Cabinet Panel is invited to note the report and comment on the performance monitor for quarter 2 2015-16.

4. Strategic Performance Indicators, Contracts and Projects

- 4.1 The Waste Management strategic performance indicators, contracts and projects are listed below along with their data for Quarter 2 2015/16.

4.2 Hertfordshire Residual Waste Treatment Programme (RWTP)

RAG Status - Red

- 4.2.1 The RAG Status for the RWTP remains as Red due to its high profile nature and value. The overall risk score remains at 32 reflecting the current control measures in place including the interim disposal arrangements and capped termination provisions in the contract.
- 4.2.2 Following the Public Inquiry into the planning application for the construction and operation of a Recycling and Energy Recovery Facility on land at New Barnfield Hatfield by Veolia Environmental Services Ltd (VES), the County Council received notification on the 8 July 2014 that the Secretary of State for Communities and Local Government had refused the planning application. VES lodged an independent legal challenge against the Secretary of State's decision; the application was referred back to the Secretary of State for re-determination. On 17 July 2015 the County Council received notification that the application for New Barnfield had been reconsidered by the Secretary of State and that planning permission had again been refused. The re-determination decision has not been challenged effectively meaning that the New Barnfield solution, as originally proposed, will now not proceed.
- 4.2.3 Following the Highways and Waste Management Cabinet Panel and Cabinet meetings in November 2014, it was agreed to request a Revised Project Plan (RPP) from VES. VES submitted the draft RPP on 7 July 2015 in accordance with the contract. Evaluation of the RPP is currently ongoing and a decision on whether to accept the RPP or reject the RPP (which results in the termination of the contract with VES) is anticipated in the first quarter of 2016. Interim disposal arrangements are in place until 2018 with the opportunity to extend until 2021.

Key Achievements and Progress in Qtr 2 (July 2015 – September 2015)

- Continuing meetings with VES and external advisors regarding the evaluation of the RPP.
- A market consultation exercise was published in September calling for suppliers to complete a questionnaire with the purpose of collecting information on industry ideas of how to deal with Hertfordshire's residual Local Authority Collected Waste.
- Receipt of the ground investigation report from the former Ware landfill indicating that there are no major remediation or construction barriers to developing the site for the use of an Eastern Transfer Station.
- A site search in the north of the county has been carried out, identifying a range of potential sites for the development of a Northern Transfer Station.

Key Issues, Risks & Risk Mitigations:

- There is a risk that the RPP submitted by VES is not suitable (economically or technically) or that the RPP is not acceptable in terms of procurement law. These risks are mitigated by the Interim Contracts which are in place until 2018, with possible extension to 2021, and the option to terminate the contract with VES.
- In addition to the risks and mitigations above, officers continue to explore options and alternatives beyond the VES contract to inform decision making should the VES RPP be rejected by the Authority.

4.3 Waste Disposal Authority function (excluding RWTP) indicators

- 4.3.1 To ensure a compliant, high performing, economical and environmentally sound suite of waste disposal arrangements for Hertfordshire the Authority uses the performance indicators shown in sections 4.4 – 4.6.
- 4.3.2 This quarterly update provides an overview of the key factors influencing the three **annual** performance indicators for the Authority in its role as Waste Disposal Authority (as set out below) and also highlights other key areas and matters related to the function of the Waste Disposal Authority.
- 4.3.3 The performance indicators (based on waste collected) are reported annually and therefore this update **includes** the final outcome for 2014/15. The final outcome for 2015/16 will be presented in the October 2016 update once all data has been collated and confirmed.
- 4.3.4 All the Waste Disposal Authority performance indicators have shown improvement in the 2014/15 outturn compared with the previous year as can be seen as follows:

4.4 Total household waste per household in kilograms (the lower the better)

- 4.4.1 The total amount of collected household waste per household in 2014/15 was 1,046 kg which represents an improvement on the figure of 1,062 kg in 2013/14. This reflects a reduction in the quantity of collected organic waste due to a combination of less favourable growing conditions and kerbside service changes implemented by Three Rivers (collection frequency reduced from every week to fortnightly) and Dacorum (introduced a green waste winter break in December and January). Residual waste volumes reduced although recycling increased as a result of a number authorities diverting cardboard into, and providing, comingled collections which tends to increase participation in kerbside recycling services.
- 4.4.2 This indicator is considered as a Green RAG rating.

4.5 Based on NI 192 – Percentage of Household Waste Recycled, Composted or Re-used (the higher the better)

- 4.5.1 The percentage of household waste recycled, composted or reused improved in 2014/15 to 49.8%, an increase on the 2013/14 total of 49.1%.
- 4.5.2 This is particularly pleasing, as there has been an improvement despite the fourth quarter of 2014/15 seeing a 10 year low in the amount of organic waste collected. Service improvements introduced by a number of Waste Collection Authorities (WCAs) have resulted in the level of non-compostable material (that is rejected from composting facilities) reducing and dry recycling rates increasing (introduction of comingled recycling collections and diversion of cardboard from the organic to the dry recycling stream).

This indicator is considered as a Green RAG rating.

4.6 Based on NI 193: % of Local authority collected waste landfilled (the lower the better)

4.6.1 The proportion of Local Authority Collected Waste (LACW) landfilled in 2014/15 was 25%, a significant decrease (positive direction) on the 2013/14 total of 34.3%. This reflects the new suite of interim disposal contracts which focuses more on Energy from Waste (EFW) as opposed to landfill. This is expected to improve further in 2015/16 when the new Greatmoor EFW facility comes online towards the end of 2015.

4.6.2 The indicator is considered as a Green RAG rating.

Key Achievements and Progress in Qtr 2 (July to September 2015)

- Due to delays in finalising the procurement documents the new service for recycling street sweeping collected by all ten WCAs has been put back until January 2016 (full tender process commencing in October 2015). The four trials currently ongoing in Broxbourne, Dacorum, St Albans and Stevenage will continue until the start of the new service.
- The Waste Management Unit has been working with colleagues from all 10 WCAs to submit their Waste Data flow quarterly return which includes new information for Question 100 (includes additional information on end disposal sites, is much more involved than previous submissions but will ensure greater transparency and alignment in future performance reporting).
- Preparations for a new clinical waste disposal contract to commence from April 2016 are well developed.

Key Issues, Risks & Risk Mitigations:

- Commodity market prices for recycled materials remain low and are on a downward trend which has impacted on the 2015/16 budget. This is primarily the result of low oil prices and reduced demand from key importers such as China.
- Monitor the construction of the FCC operated Greatmoor Energy Recovery Facility in Buckinghamshire. Once operational, disposal to this facility will commence and is expected to contribute to the planned economic and performance improvements in 2015/16.
- Monitor proposals for potential European and national recycling targets which may impact at a local level.

4.7 Hertfordshire Household Waste Recycling Centre (HWRC) Service

4.7.1 Hertfordshire County Council has a statutory obligation as a Waste Disposal Authority under the Environmental Protection Act 1990 to provide a HWRC service. AmeyCespa Ltd (Amey) took over the running of this service on 6 October 2014. Under this contract Amey provides a Household Waste Recycling Service (HWRS) at the 17 HWRCs and has delivered financial savings of £750 k per annum to the council.

4.7.2 From 5 January 2015, and following a public consultation, a number of significant service changes were implemented. These changes included reduced opening hours at 16 of the 17 HWRCs and the closure of the sites for two days a week on

two of the least used weekdays (with the exception of Buntingford). Other changes introduced include the introduction of a van permitting scheme, the implementation of reuse across the network and the plan to trial a commercial waste service at their St Albans depot.

Key Achievements and Progress in Qtr 2 (July – September 2015)

- Continued application of the van permitting scheme which has so far dealt with in excess of 15,000 applications.
- Reuse centres have been rolled out at all sites except for Buntingford HWRC, which provides the opportunity for residents to purchase items that would have otherwise been sent for disposal.
- Auditors provided **full assurance** for a well-managed procurement and public consultation exercise and the successful delivery of the mobilisation phase. This was due to the robustness of the monitoring arrangements, which provided a seamless as possible transition of the HWRC Service to the new contractor.
- A robust contractual framework has been established to drive improvements. KPI / PBR tools are being used in relation to the contractual financial payments.
- New trade waste disposal services commenced at St Albans HWRC on 1st September 2015 offering trade waste disposal facilities to small and medium sized business.
- Procurement process completed for 12 additional waste containers for Letchworth HWRC as part of improvements planned for this well used site. The improvements are expected to be implemented in early December 2015.

Key Issues, Risks & Risk Mitigations:

- Peaks in service demand for the centres have always generated complaints regarding queues and capacity issues at the sites. Although not clearly evidenced, the reduction in days and hours may have added to the pressure on the network and certain facilities have experienced some significant issues, where queues have blocked local roads and sites have closed early due to lack of container space.
- To mitigate the above issues, all operational procedures relating to the HWRC network are being closely reviewed and monitored in partnership with Amey to ensure they are as efficient and effective as possible.
- A behaviour and user survey and traffic counters exercise has been completed at key sites, to give a better understanding of how residents are using the service and the results of this were included within a report on the HWRS considered by Members at the October Community Safety & Waste Management Panel. In the meantime, officers are working closely with the contractor to mitigate any negative impacts and implement improvements.
- A health and safety (H & S) audit post mobilisation identified a number of failings from Amey and as a result, officers immediately sought formal rectification using the Remedies of Poor Performance clause of the contract. This required Amey to develop an action plan to address the issues and all aspects of this plan have now been implemented. A follow up audit by the County Council's H & S team confirmed satisfactory completion of all required actions.
- Problems with the van permitting system were initially identified and these have subsequently been addressed to ensure that the service remains accessible to residents, while still preventing abuse of the system.

- Mystery Shopper inspections are being conducted to assess the level of customer satisfaction and also to identify any key issues. Officers are regularly visiting sites to highlight any areas of poor performance and drive improvement.
- A number of facilities have long been identified as not fit for purpose and as needing relocation or redevelopment. Officers continue to work with Hertfordshire Property colleagues to find alternative options and an assessment of the network was included in the report to Members at the October Community Safety & Waste Management Panel.
- In addition to the risks and mitigations above, a second Action Plan has been developed to identify key learning points on the contract to date and officers continue to monitor Amey's progress against this.

5. Risks

- 5.1 Waste Management has one strategic level risk relating to Residual Waste Treatment – Risk (ENV0104).

The overall risk score remains at 32 based on the control measures in place including the interim disposal arrangements and capped termination provisions in the contract. However, the risk remains 'red' due to its high profile nature and value.

6. Financial Implications

- 6.1 There are no financial implications arising from this report.

7. Internal Audit

- 7.1 There were no high priority recommendations by audit and no Internal Audit opinions were issued in this quarter with a 'limited assurance' or 'no assurance' level.

Background Information

None