

HERTFORDSHIRE COUNTY COUNCIL

COMMUNITY SAFETY & WASTE MANAGEMENT CABINET PANEL

FRIDAY 4 MARCH 2016 AT 10.00AM

WASTE MANAGEMENT PERFORMANCE MONITOR

Agenda Item no

7

Report of the Chief Executive & Director of Environment

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Executive Member: Richard Thake, Community Safety & Waste Management

1. Purpose of report

- 1.1 To allow the Panel to review the performance of Waste Management for the third quarter of this year (October – December 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 Waste Management

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 Hertfordshire Waste Partnership Annual Report.

3. Recommendation

- 3.1 The Cabinet Panel is invited to note the report and comment on the performance monitor for Quarter 3 of 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 3 2015/16.

4.2 Hertfordshire Residual Waste Treatment Programme (RWTP)

RAG Status – Red

At this stage in the programme a number of risks have been reduced due to the control measures in place, however overall the status remains as red due to the high profile nature and high value of the programme.

Veolia Environmental Services (VES) successfully challenged the decision to reject planning permission for New Barnfield; the application was referred back to the Secretary of State for re-determination. A letter was issued on 16 July 2015 informing the Authority that the Secretary of State had again turned down the planning application. There were no challenges lodged to the re-determination decision effectively meaning that the proposed New Barnfield solution will now not proceed.

A draft Revised Project Plan (RPP) was submitted by VES on 7 July 2015 with the outcome of discussions and evaluation the subject of a separate report to this Panel. Interim residual waste disposal arrangements are in place until 2018 with the opportunity to extend until 2021.

Key Achievements and Progress in Qtr 3 (October – December 2015)

- Further analysis of the draft RPP including additional technical and financial information provided by VES.
- Continuing meetings and negotiations with VES regarding their draft RPP submission.
- Ongoing meetings with external advisors for the evaluation of the submitted draft RPP.
- Evaluation of the responses from the market consultation exercise and discussions with potential service providers.
- A report providing an update on the programme was taken to the Community Safety and Waste Management Panel in October.
- The contract with VES was varied in December 2015 to extend the time that the Authority has to inform VES of acceptance or rejection of the RPP until 31 March 2016.
- A Screening Opinion response has been received for the former Ware landfill site indicating that a full Environmental Impact Assessment should be undertaken before developing the site. The site has been identified for the potential development of an Eastern Transfer Station.
- Following a site search in the north of the county to identify potential sites for the development of a Northern Transfer Station, procurement of a consultant has been undertaken to carry out a highways assessment and a feasibility study.

Key Issues, Risks & Risk Mitigations:

- There is a separate report on the Agenda dealing with the RPP which covers its suitability economically, technically and in procurement terms. Any risks in this

- regard 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 contract with VES to inform decision making should the VES RPP be rejected by the Authority.

4.3 Waste Disposal Authority function (excluding RWTP) indicators

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 below.

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.

The performance indicators are reported annually. The final outcome for 2015/16 will be presented in the October 2016 update once all data has been collated and confirmed.

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)

As previously reported the total amount of 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.

In December 2015 DEFRA released final figures for 2014/15. Although the figure produced is not directly comparable to this indicator, they show that total **residual** waste per household in kilograms for Hertfordshire was 534kg which is comparable to the eastern region figure of 531kg and better than the England average of 558kg. The top performing Waste Disposal Authority is Oxfordshire (412kg) as a result of the separate collection of food waste and effective restrictions on residual waste capacity at the kerbside in the administrative area.

In 2015/16 it is expected that this indicator will improve further as a result of the full year effect of kerbside changes in Dacorum and Three Rivers, and new service changes introduced by Broxbourne (reduced residual waste capacity).

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)

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%. This is comparable

to the regional figure of 49.3% and above the England average of 43.7%. The range for Waste Disposal Authorities varies from 23.3% to the top performing Waste Disposal Authority (Oxfordshire County Council) at 60.5%. Hertfordshire was ranked 13 out of the 32 Waste Disposal Authorities.

As noted above this performance indicator is expected to improve in 2015/16 as a result of Dacorum and Three Rivers' full year service changes, and Broxbourne's service change in October 2015.

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)

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 now that the new Greatmoor EFW facility (in Buckinghamshire) has entered commissioning.

As a comparison, in the Eastern region 34.8% of LACW was landfilled. This figure is considerably lower in the North East of England (8.8%) which is reflective of greater provision of non-landfill options (e.g. Energy from Waste) and is suggestive of under capacity in Eastern England for non-landfill facilities.

The indicator is considered as a Green RAG rating.

Key Achievements and Progress in Qtr 3 (October to December 2015)

- The tender for a new clinical waste disposal contract went 'live' in December. The expectation is for evaluation and award of the contract in January 2016 with a commencement date of April 2016.
- Site searches have been commissioned (to commence in early 2016) to identify potential new sites for Household Waste Recycling Centres in the Bishops Stortford and Welwyn / Hatfield areas.
- Work has commenced on the review of the Draft Municipal Waste Spatial Strategy to refresh the Waste Disposal Authority requirements up to 2031.

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. The facility is now in the commissioning stage and is expected to take deliveries of Hertfordshire's waste in January 2016. This is expected to contribute to economic and performance improvements in 2015/16.
- Monitor proposals for potential European and national recycling targets which may impact at a local level, including proposals for a 65% recycling rate announced in December 2015 by the European Commission.

4.7 Hertfordshire Household Waste Recycling Centre (HWRC) Service

HCC 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 the 17 HWRCs in Hertfordshire on 6 October 2014.

Key Achievements and Progress in Qtr 3 (October – December 2015)

- In response to difficulties accessing the Letchworth HWRC, officers have worked closely with Amey to scope and deliver an improved site layout and enhanced site signage.
- A new approach has been agreed with Amey for the processing of wood waste brought to sites. This will significantly improve the proportion of this material that is recycled (rather than energy recovery through biomass facilities) which will improve recorded performance.
- The van permitting scheme has now received in excess of 19,000 applications.
- Since the roll out of the reuse centres at all sites (except for the Buntingford HWRC) Amey in partnership with HCC and with support from WRAP, are looking into ways of improving reuse options and opportunities, including consideration of further local third sector involvement.
- A robust contractual framework continues to drive improvements. Key Performance Indicators and Performance By Results tools are being used in relation to the contractual financial payments, which penalises Amey where they haven't performed.
- A commercial waste facility is operational at Amey's St Albans depot although use of this facility by traders has been fairly limited.
- Amey have appointed a new Contracts Manager, who will take up their post on 25 January 2016 and have implemented a new contract management structure to help address some of the outstanding issues.

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. Although these issues have reduced throughout the Summer and Autumn, as the sites have become quieter.
- 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.
- Amey carried out a behaviour and user survey and traffic counters exercise at a small number of key sites to inform a communications plan that has been implemented to encourage residents to improve their recycling habits in order to reduce the frequency of visits and to maximise use of their kerbside recycling

provision. Officers continue to work closely with the contractor to mitigate any negative impacts and implement improvements across the network.

- Amey are investigating further ways to improve the current van permitting system to ensure that the service remains accessible to residents, while still preventing abuse of the system.
- Mystery Shopper inspections are being conducted routinely 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 refreshed Action Plan has been developed to identify key failings 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