

Waste and Recycling Committee

Date: 18 January 2023

Subject: Contracts Update – Part A

Report of: Justin Lomax, Head of Contract Services, &
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Team

Purpose Of Report

To update the Committee on performance of the Waste and Resource Management Services and Household Waste Recycling Centre Management Services Contracts that commenced on 1 June 2019.

Recommendations:

Members of the Committee are recommended to:

1. Note and comment on the matters set out in the report

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

There are no equalities impacts arising from the matters set out in this report. A fundamental principle of the WRMS and HWRCMS contracts is the sustainable management of waste in order to reduce carbon emissions from landfill disposal. The carbon impacts of the contracts are monitored and provided annually by the contractor.

Risk Management

Performance of the contracts and associated risks are captured in the GMCA corporate risk register.

Legal Considerations

Activities set out in this report are in accordance with the terms of the WRMS and HWRCMS contracts.

Financial Consequences – Revenue

Activities set out in this report are in accordance with the Waste revenue budget.

Financial Consequences – Capital

Activities set out in this report are in accordance with the Waste capital budget.

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

19/1/2019 - Waste Procurement, Corporate Issues and Reform Committee

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction

This report provides the Waste and Recycling Committee with an overview of performance of the Waste and Resources Management Services (WRMS) and the Household Waste Recycling Centre Management Services (HWRCMS) Contracts, with updates on key issues currently affecting the waste management services during this period.

2. Contract Performance

This report uses cumulative annual data, for the period up to the end of Quarter 2 (April 2022 to September 2022) of the financial year 2022/23 (Contract year 4), for the two Contracts held by Suez. This is the latest verified data available at the time of writing of the report.

2.1 Cumulative Data

Data is also provided for comparison with the current year to date, with the same period of the previous year, 2021/22:

Year to Date Performance – 2022/23 – Cumulative data	2022 / 2023	2021 / 2022
OVERALL Combined Performance		
Total arisings (t)	539,237	598,293
Recycling Rate (%)	47.9%	47.8%
Diversion Rate (%)	98.8%	98.9%
HWRC Combined Performance		
Recycling Rate (Household Waste) %	53.0%	50.5%
Diversion (Household Waste) %	97.2%	97.9%
WCA Recycling Collections		
Rejected Kerbside Recycling Collections (t)	856	1066
MRF Contamination Rate (Commingled) %	13.5%	12.8%

2.2 Total Waste Arisings

Total waste arisings for this period were almost 540k tonnes(t), which continued to be c.10% lower than for the previous year (2021/22), as was the case in Quarter 1. The

combined Recycling rate was at the same level as for this period of the previous year (with a very slight increase).

2.3 Landfill Diversion

Landfill diversion has fallen marginally, at less than 0.1% lower than last year, though still at a high rate, with nearly 99% of material diverted away from landfill disposal. Diversion has been affected by the annual maintenance shutdown at Runcorn Combined Heat and Power (CHP) facility (end of May to start of July 22) but was largely mitigated with storage and use of third party outlets where necessary.

2.4 HWRC Recycling Rate

At the HWRCs (combined for both Contracts = 20 sites total, with 9 sites in the WRMS contract plus 11 in the HWRCMS contract) the combined recycling rate was 53% - an increase of 2.5% compared to the same period last year.

For both contracts combined, the overall diversion from landfill of HWRC materials is still over 98%, though marginally lower than for the same period of last year.

2.5 Overall Rates

In summary, the overall performance for Contract year 4, up to Quarter 2, across both contracts combined, achieved a recycling rate of nearly 48%, resulting in a landfill diversion rate of almost 99%.

2.6 Contamination Levels

Contamination levels of kerbside collected recyclate, from unacceptable materials extracted by the MRF process, were at 13.5%. When compared to last year, there has been a small increase of incorrect material needing to be extracted from this stream.

For the loads collected for recycling, by Waste Collection Authorities (WCA), the rejected tonnage at the reception points across the Contract, continued to decrease, with c.20% less tonnage rejected overall (over 200t lower than last year). Whilst this position continues to improve, recycling collections still had 856t rejected due to contamination

being above acceptable levels, requiring ongoing measures to reduce contamination and encourage accurate recycling by residents.

3. Health And Safety

Health and Safety statistics are provided monthly in the Contractor Monthly Services Reports for each Contract and are considered at the monthly Suez Contract Management meeting.

3.1 Reporting Categories

Health and Safety data is reported in key categories, separating incidents involving the Contractor staff and operations, from those involving members of the public (MoP), plus a Near Miss category. Near miss, Incident and Notifiable Incident data is collected centrally and analysed to feed into local, regional and national lessons learned across the Contractor organisation and communicated to all staff.

3.2 RIDDORS

For the Contract year 4, year to date position, up to the end of Quarter 2 (April 2022 to September 2022) there have been no events reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

4. HWRC Overview

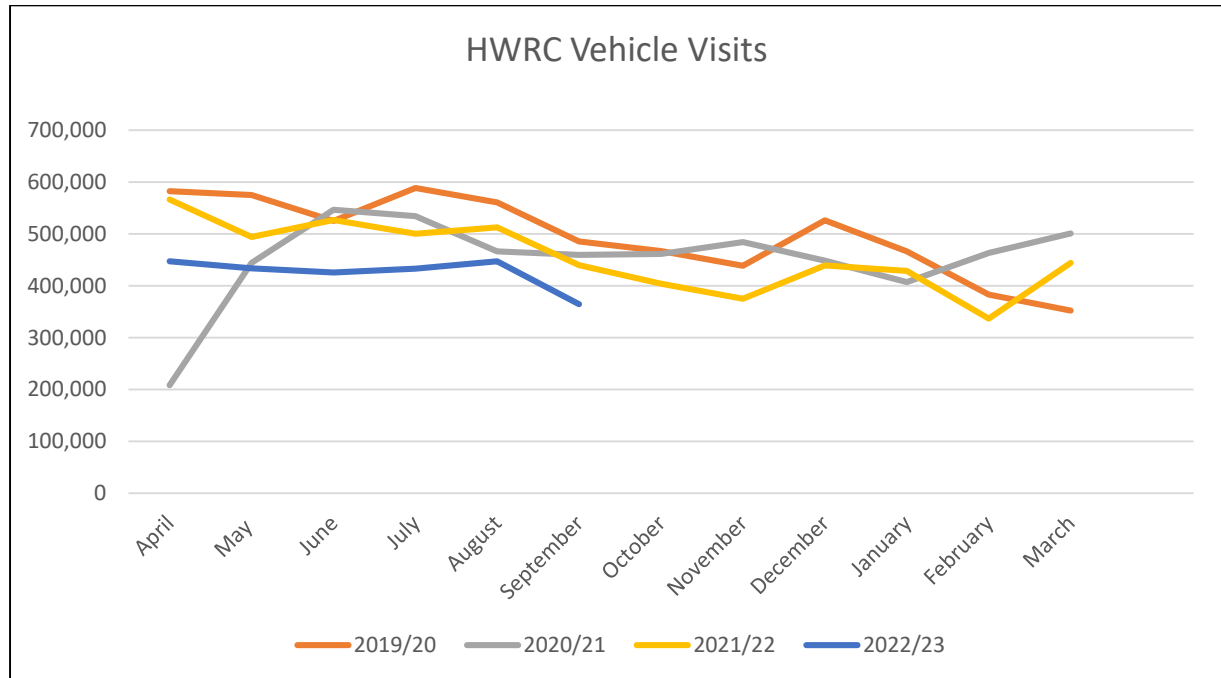
4.1 HWRC Visit Levels

The graph below shows monthly HWRC visit levels up to the end of Quarter 2 (April 22 to September 22) of this financial year, 2022/23, (Blue line on graph), compared to the three previous years.

From April to September 2022/23, a significant reduction in visitor numbers has continued, with c.16% lower throughput of traffic, when compared with the first six months of 2021/22.

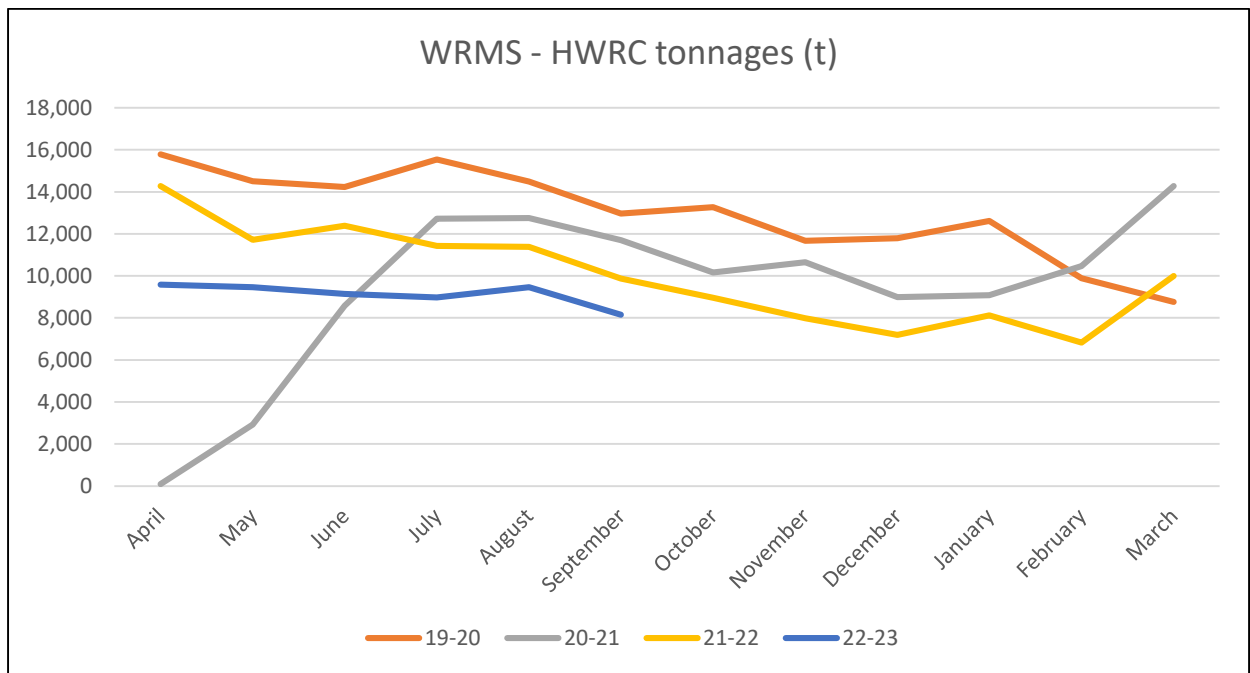
There were over 2.5 million visits up to Quarter 2, although this was almost 0.5 million less vehicles attending HWRCs than last year. This is also lower than the previous

years, with the exception of 2020/21 (when the Covid restrictions temporarily closed HWRC sites and so reduced the annual totals).



4.2 WRMS Contract HWRC Tonnage Levels

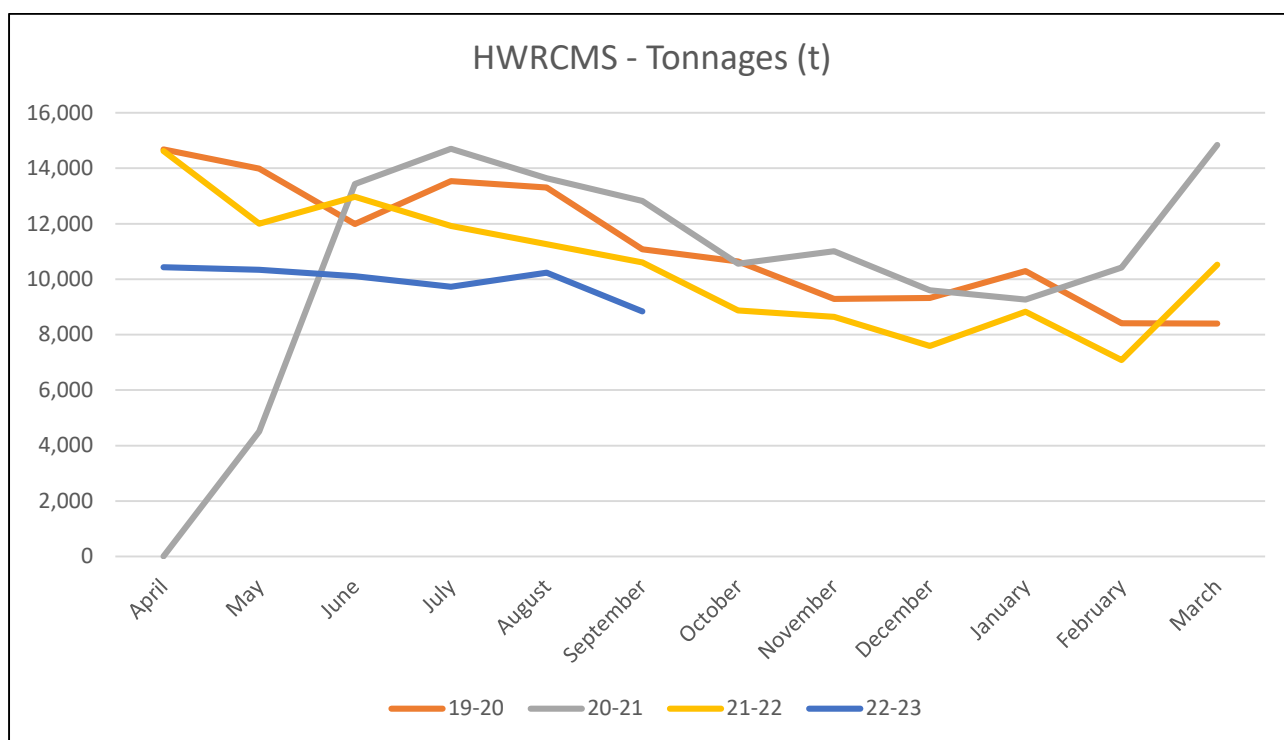
The data in the table below shows the tonnages received at the 9 HWRCs in the WRMS contract up to Quarter 2, 2022/23 (Blue line in graph below), with a month-on-month comparison for the previous three years. As previously mentioned, please note that 2020/21 (Grey line) data was significantly impacted by Covid restrictions.



In line with the reduced visitor levels, tonnage levels to date for 2022/23 also remained significantly below pre-Covid-year levels, with consistently less household material being received at HWRC sites than in the two pre-Covid years.

4.3 HWRCMS Contract HWRC Tonnage Levels

The table below shows the tonnages received at the 11 HWRCs in the HWRCMS contract for the 2022/23 Contract year to date (Blue line in graph below), with a month-on-month comparison for the previous two years. Trends for these standalone HWRC sites are very similar to the sites that are attached to the WRMS facility sites.



4.4 Overall Combined HWRC Tonnage Levels

Overall, the cumulative figures up to Quarter 2 of 2022/23, show that the household tonnages going through the 20 HWRCs, across both Contracts, are over 20% lower than the arisings for same period last year. This equates to c.30k tonnes less material being delivered to the HWRC sites over this period.

5. English Resources and Waste Strategy Update

Several strands of the implementation of the Government's Resources and Waste Strategy remain unresolved. The two most pressing elements that have the greatest impact on local authorities in the shorter term are the proposals for waste collection consistency and the introduction of the extended producer responsibility for packaging (EPR).

On the consistency proposals, Defra first consulted on increasing consistency in the kerbside collection of recycling to reduce confusion in 2019. A second consultation followed

in May 2021. A response from Government on the second consultation has been anticipated for some months but in November 2022 the new minister with responsibility for recycling confirmed that a date for publication had not been set.

5.1 Waste Collection Consistency - Food Waste

Just before Christmas 2022 Defra contacted all Waste Disposal Authorities to seek information (via an online questionnaire) on the possible impact on residual waste treatment contracts of the requirement for weekly separate food waste collections. Questions covered key contract dates, the possible cost impacts of not meeting (for example) guaranteed minimum tonnages etc. It also provided the opportunity to add other relevant information.

The purpose of the questionnaire is to give Defra an understanding on whether Waste Disposal Authorities and their constituent Waste Collection Authorities require 'transitional arrangements' to effectively delay the implementation of the full requirement for weekly separate food waste collections. If transitional arrangements are required, the relevant authorities will need to be named in the Commencement Order accompanying the legislation. The questionnaire's submission deadline was 13 January 2023.

What the questionnaire did not cover is the potential impact on other contracts. For us the other half of the implications assessment needs to consider our existing contracts for the treatment of biowaste via in vessel composting and wider service issues.

We attended a virtual meeting of the Waste Infrastructure Delivery Programme Network where a Defra representative presented on the questionnaire and took questions. Some of the key points from that session were:

- The responsibility to deliver separate weekly food waste collections rests with Waste Collection Authorities (WCA);
- WCAs will be eligible for New Burdens funding to support the introduction of separate weekly food waste collections. This is a capital pot of £295m which will be allocated on a formula basis to those WCAs that have not introduced separate weekly food waste collections (formula allocation methodology yet to be agreed);

- WCAs will receive transitional costs to cover the move to separate weekly food waste collections (when they take place) and after two years the payment for the ongoing delivery of the service will be subsumed into general grant allocations;
- It was re-iterated that co-mingled biowaste collections (such as ours) will be permitted if an assessment of technical, environmental and economic practicability demonstrates weekly separate collections are not practicable. However, as it appears the Government is funding the new services, economic practicability may not be applicable;
- The practicability assessment will need to be reviewed when (for example) contracts change. The Environment Agency has powers to review and question the assessments;
- The collection requirement covers all households and Defra expects flats to be included. Use of enforcement powers is suggested if landlords try to refuse the imposition of receptacles and collections; and
- An end date to transitional arrangements will be published in due course.

The GMCA completed the questionnaire with input from the districts. Our position on contracts and our collection services was made clear and information was used from previous consultant studies to support our submission. For example we provided information on:

- our existing biowaste treatment contracts which do not expire until mid-2026 and terminating early will be at a cost; and
- vehicle requirements for weekly separate food waste collections and the implications for procuring and accommodating expanded fleets at existing depots and challenges recruiting staff.

Following the review of the questionnaire we anticipate Defra will arrange meetings with WDAs and WCAs as soon as possible to explore the barriers to implementation further. They will also want to understand our evidence base for the transitional arrangements and future costs.

On the Government's response to the second consistency consultation the letter states it "...will be published in the near future and, subject to Ministerial and Cabinet Clearance it will set out that separate weekly food waste collections from households must be

introduced by the majority of WCAs by a common date.”. We will seek clarification on the latter part of this statement as previously it had been hinted that the mixed biowaste service utilised across Greater Manchester may be acceptable subject to a technical and environmental assessment. Further details and considerations for food waste collection are provided in the accompanying Part B report.

5.2 EPR Proposals

EPR proposals are developing more quickly. In short, the EPR will result in local authorities receiving financial support for the collection, recycling, treatment and disposal of packaging and payments being based on modelled costs. Defra has been running a series of workshops to seek to understand how costs flows within waste collection and disposal authorities so that the modelling that is undertaken accurately captures elements of the “necessary costs” that the scheme is intended to cover – representatives from Greater Manchester have attended these workshops. In November the Government did publish draft regulations on data collection aimed at the packaging industry indicating that work was progressing on the implementation of the scheme. It was reported in December 2022 that the wider Government was intending to review district council funding (initially) in light of the emergence of a new funding stream.

When significant updates are published, we will continue to brief Members and Officers.

6. 25 Year Environment Plan - Residual Waste Target

In December 2022 Defra confirmed its legally binding targets to protect our environment, clean up our air and rivers and boost nature had been published. These targets tackle air and water quality, waste and sustainable use of our resources, tree planting, the marine environment and developing a more diverse, resilient natural environment.

In particular relation to waste Defra confirmed the following target:

- Reduce residual waste (excluding major mineral wastes) kg per capita by 50% by 2042 from 2019 levels.

To note, the achievement of this target does not sit solely on the shoulders of local authorities as the waste in scope includes non-household residual waste. However, to apply the target to our waste the Government calculated that the in-scope waste amounted to (for England) 560kg per head including non-household residual waste. For GMCA in 2019 residual waste was approximately 179kg per head but increased to 201kg for 2021/22. To achieve halving 'our' residual waste to 90kg per head we would need to increase our recycling rate to 74% and/or undertake a successful waste minimisation campaign eliminating significant amounts of waste before it is collected.

7. Persistent Organic Pollutants in Seating

Just before Christmas 2022 the Environment Agency (EA) published its final guidance and Regulatory Position Statements (RPS) on the management of waste upholstered seating that may contain Persistent Organic Pollutants (POPs). This followed draft guidance which was published in September 2022 and followed by draft RPSs in November 2022 ahead of the prohibition of the landfilling waste upholstered seating that may contain POPs on 31 December 2022.

POPs are synthetic, toxic chemicals, which do not readily degrade in the environment. They can be found in many industrial applications but the most common municipal waste that contains POPs is soft furnishings (such as armchairs, sofas and other domestic seating) which can form part of municipal bulky waste either collected by the WCAs or delivered to HWRCs by residents. Newer domestic seating may not contain POPs but to destroy the chemicals in question the waste upholstered seating must be incinerated.

The five guidance documents published by the EA cover various aspects of managing POPs-containing waste upholstered seating (WUDS) and the three RPSs cover:

- Shredding WUDS containing POPs;
- Temporary storage of WUDS containing POPs; and
- Segregating WUDS that may contain POPs at HWRCs.

7.1 POPs Guidance Points

In brief the guidance points out the following key points and principles:

- All reasonable steps must be taken to avoid mixing POPs waste with other waste during storage, collection and treatment (e.g. in a skip or container or a bay at a transfer loading station). If you do mix, you must manage the whole load as POPs waste;
- An accurate description of your waste must be provided as part of your duty of care and you must include POPs in the description where they are present;
- You must not recycle or reuse any waste that contains POPs. The POPs must be destroyed;
- You must sort and store waste upholstered domestic seating containing POPs in a way that prevents damaging it, releasing POPs and/or contaminating with other waste;
- You can collect waste upholstered domestic seating on the same vehicle as other waste items (for example, doorstep bulky waste collection) as long as they are:
 - not mixed (kept separate)
 - collected in a way that does not allow it to contaminate the other waste
 - separated from the other waste when unloaded from the vehicle
- You can only separate whole items of upholstered domestic seating from mixed waste, for example fly-tipped waste or waste in a skip, if you can show that it has not contaminated the other waste;
- If the incinerator operator requires the shredding of POPs containing waste the conditions of the RPS must be complied with and you may blend the waste to make loading easier, to control calorific value and to optimise combustion;
- Compacting waste domestic seating containing POPs is allowed but you must take reasonable steps to prevent, contain and collect any releases of POPs contaminated material or dust produced. You can do this by squashing the waste slowly to confine all materials within the space you are working. For example you can use:
 - a grab or bucket to compact the waste steadily
 - the roller packer system in the container
 - ram-based compaction into a container
- You must regularly check for particulates to make sure they are not released during compaction. You can control release by:
 - misting and using sprays over the container
 - using suitably placed mobile dust suppression cannons

- spraying the surface of the waste before compaction using a backpack sprayer
- A POPs-containing item may be reused so long as it is not categorised as waste in the first place and subject to other conditions.

7.2 POPs Regulatory Position Statements (RPS)

The three RPS have been published covering shredding, storage and segregation of WUDS containing POPs. RPSs effectively allow the operation of a process without it meeting legal requirements for a fixed period so long as set conditions are adhered to. In short:

- RPS 264 - Shredding waste upholstered domestic seating containing POPs allows the shredding of WUDS at permitted sites while equipment to abate emissions is designed and fitted to plant or buildings. This must be installed and commissioned December 2024;

Shredding can only take place on an impermeable surface inside a building with any particulate releases being minimised by abating emissions directly from the shredder and any associated conveyors, from the area and around the shredder and from the shredder building.

The GMCA must notify the EA that it intends to use this RPS before using it and then confirm our proposed methods and timescales for installation and commissioning by July 2023;

- RPS 265 - Temporary storage of waste upholstered domestic seating containing POPs. This RPS seems to mandate the requirement of an x-ray fluorescence device (XRF) to confirm if the item of soft furnishing contains POPs. The conditions attached to this RPS are that storage in a secure building (preventing waste escaping and access by the public) is only for up to six months and not exceeding 750m³, is included in list of waste code 20 03 07 and a fire prevention plan is in place. This RPS will be reviewed by 1st December 2024; and
- RPS 266 Segregating WUDS that may contain POPs at HWRCs – to comply with this RPS notify the EA before 31st January 2023 with site details and plans explaining how WUDS will be segregated and only mix WUDS (if it is to be mixed) with other mixed residual or bulky wastes and properly describe the waste on the Controlled Waste Transfer Note.

The public can still donate furniture for reuse (and in this case it will not be categorised as waste until such time an inspection later deems it so). So if a householder at a HWRC takes the item to the donation container the requirements above do not apply.

7.3 Implications for the GMCA

The guidance and the RPSs were published on deadline day for the Committee reports so the implications of them are yet to be fully understood. In the short term, there appears to perhaps be little operational impact on the WDA. However, we are not clear if we can take a precautionary approach and categorise all WUDS as POPs-containing. On the face of it this would remove the need to separately test each item to see whether they are POPs-containing but some clarification on testing is required. In the longer term and before December 2024 each of our shredding sites (currently four in total) would appear to need a comprehensive upgrade to dust extraction.

The impact on WCAs will depend on how bulky waste including WUDS is collected. Compaction may be allowed depending on how the guidance is interpreted but it may be safer to collect items on (for example) flatbed vehicles where they won't be damaged.

A verbal update to Members will be provided at the meeting.

8. Industrial Action on the Railways

Throughout the autumn and early winter trade unions held industrial action on the rail network and this impacted our ability to send waste by rail to the Runcorn EfW. At the time of writing the mid-December disruption had not had an impact on services but the situation is monitored very closely with Suez providing a weekly analysis of waste inputs, waste levels on sites, cancelled trains and the use of contingency facilities.

The GMCA has taken advice to understand the contractual impact of the industrial action and will update Members verbally on any impacts to services and contractual matters.