

## Greater Manchester Combined Authority

### Waste and Resources Committee

Date: 22 January 2025

Subject: Contracts Update

Report of: Justin Lomax, Head of Contract Services & Paul Morgan, Head of Commercial Services, Waste and Resources Team

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#### 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 as well as an update on latest position on the UK Emissions Trading Scheme and Carbon Capture and Storage.

#### Recommendations:

The Committee is requested to:

1. Note and comment on all 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 Contract year 6 (2024/25) Quarter 2 (April to September 2024), 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, 2023/24:

<b>OVERALL Combined Performance (WCA + HWRC)</b>	<b>2024 / 2025</b>	<b>2023 / 2024</b>
<b>Cumulative data (Year end figures)</b>		
Total arisings (t)	544,493	545,108
Combined Recycling Rate*	49.3%	48.9%
Diversion Rate	99%	99%
<b>HWRC Combined Performance</b>		
Recycling Rate (Household Waste)*	64.5%	58.4%
Diversion (Household Waste)	99%	99%
<b>WCA Recycling Collections</b>		
Rejected Kerbside Recycling Collections (t)	137	420
MRF Contamination Rate (Commingled)	13.4%	13.5%

\*This Recycling Rate relates only to tonnage handled through the Suez contracts, from both WCA collections and delivered to HWRCs. It is not the same as the nationally reported Waste Data Flow recycling rate which includes other WCA waste and recycling streams that do not flow through Suez contracts.

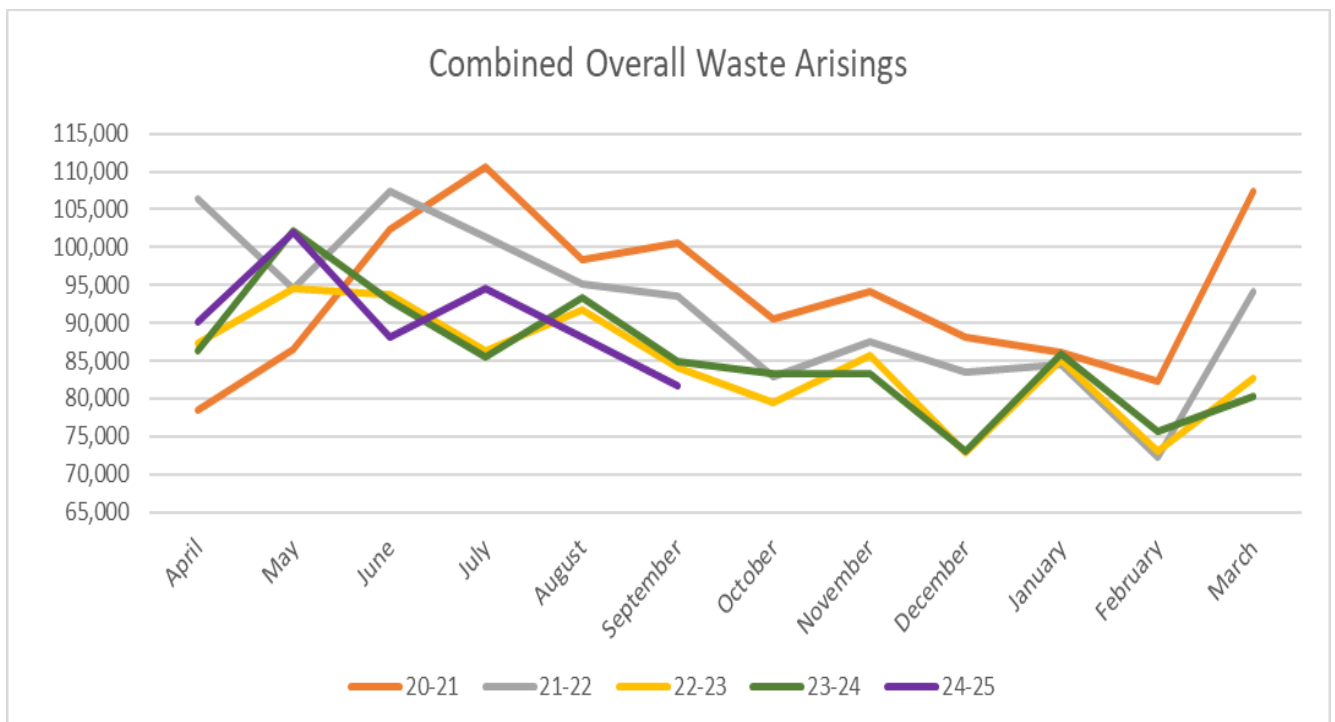
## 2.2. Total Waste Arisings

Total waste arisings for the first 6 months of this Contract year 6 (2024/25) was c.545k tonnes(t), which is very close to the level for the same period of the previous year.

The combined (overall) Contract Recycling rate was over 49%, which has increased by c.0.5% compared to the first six months of last year. Across the HWRC network, the significant increase in the combined Recycling performance has been sustained, resulting in a rise of over 6% higher year on year, reaching a total of over 64%.

The graph below gives a 5 year comparison, with the previous 4 years of the Contracts against the year-to-date trend (purple line) for 24/25, (noting the April to July trend in the orange line, for 20/21, reflects Covid lockdown impacts).

The trend for Contract Year 6 (purple line), April to September, against last year, shows a reverse pattern through June and July, but on aggregate has tracked a similar level to the same period of previous year, with a marginally lower overall tonnage level.



### **2.3. Landfill Diversion**

Tonnages, up to the end of Quarter 2 of Contract year 6, showed the continuing good performance at both Energy Recovery Facilities (ERF), in Runcorn and Bolton. As a result, diversion remains very high, with almost all (over 99%) of residual (non-recycled) materials diverted away from landfill.

### **2.4. Contamination Levels**

The contamination level of kerbside collected recyclate, from unacceptable materials extracted by the MRF process, was c.13%, similar to this time last year. This meant that only 137t of materials had to be rejected at Contract reception points, due to excess levels of unacceptable materials in the delivered loads, which is significantly lower than at this point in the previous year (a 67% reduction). Since the Contracts started, there has been an ongoing downward trend in non-target materials in the collection. This can be considered as very positive progress, whilst efforts continue to improve the accuracy of materials presented for recycling.

### **2.5. Overall Combined Rates**

In summary, the overall performance for the first 6 months of Contract year 6, combined for both Contracts (incorporating WCA and HWRC tonnages), achieved a recycling rate of over 49%, with a landfill diversion rate of over 99%.

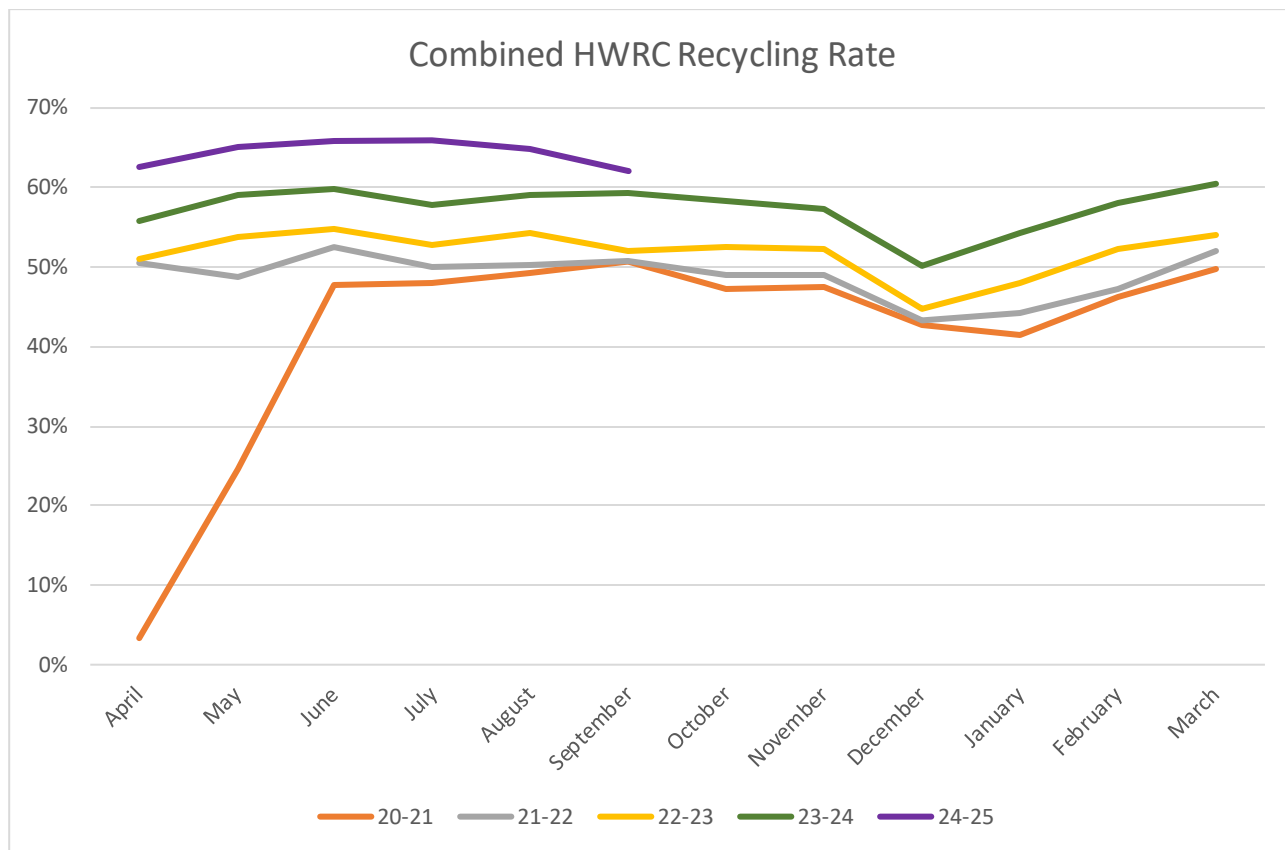
### **2.6. HWRC Recycling Rate**

At the 20 HWRCs, across both Contracts (WRMS has 9 sites, plus 11 in HWRCMS contract), the combined recycling rate up to the end of Quarter 2 of 24/25 was above 64%.

Measures to maintain and increase recycling on the 20 HWRCs continue, combined with the prevention of trade and cross-boundary waste via the ongoing Access Policy controls (meet and greet; ANPR system; van permit scheme), having a positive impact by lowering levels of arisings and improving segregation for recycling.

The graph below gives a comparison of the year-on-year combined HWRC recycling rates against the previous 4 Contract years to date. The trend for 24/25 (purple line) shows the recycling rate across the HWRCs increasing by over 6%, when compared to the same period last year. There has been a continued year-on-year increase in the recycling rates across

the Contracts, since they commenced in 2019, meaning we continue to have an ongoing improvement each year, as well as against the previous Contract.

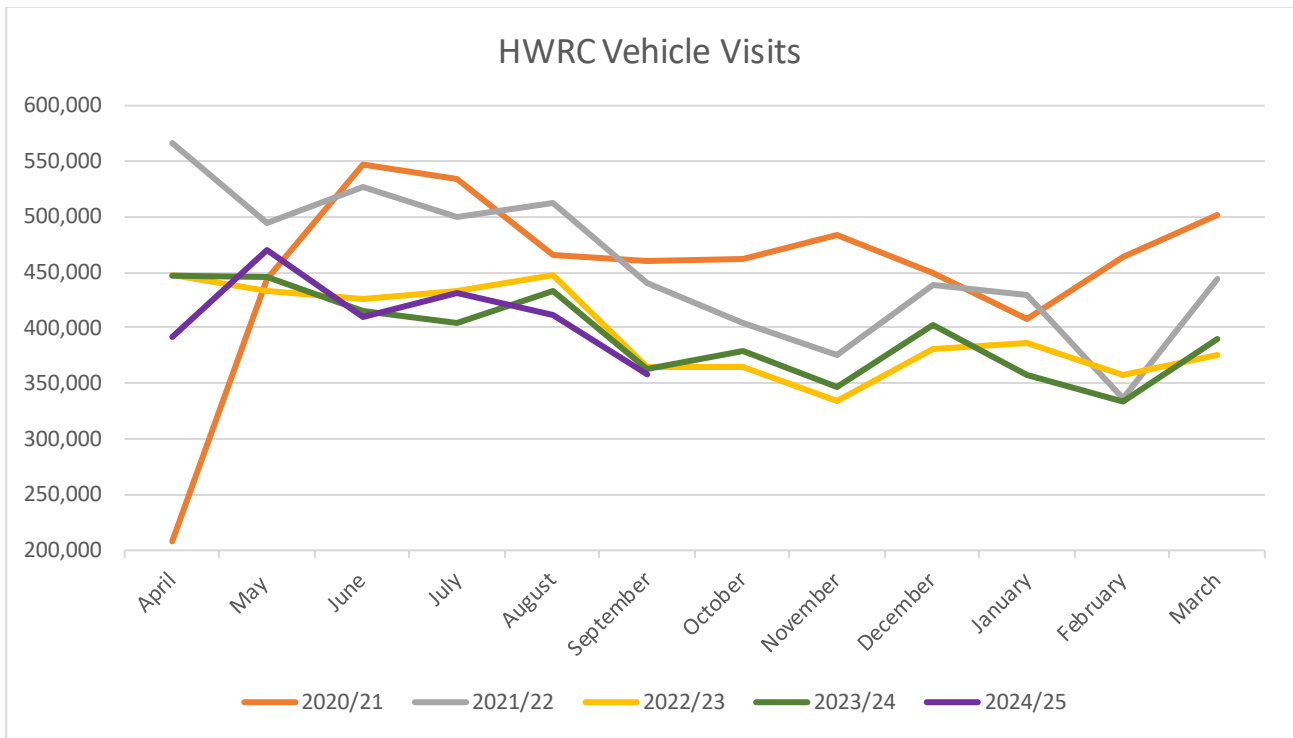


## 2.7. HWRC Visit Levels

The graph below shows monthly HWRC visit levels up to Quarter 2 of Contract Year 6 (April to September 24 – purple line on graph), compared with the previous four Contract years.

There were over 2.47 million visits in this 6 month period. There has been a continued trend of reducing visitor numbers across the 20 HWRC sites. Numbers have fallen significantly since the start of the Contracts, due to the Access Policy measures preventing trade / commercial waste from illegally entering the system.

Additionally, efforts continue to reduce the amount of cross-boundary waste, entering Greater Manchester sites from neighbouring Authority areas.



### 3. Health And Safety

Health and Safety statistics are provided in the Contractor Monthly Services Reports for each Contract and are scrutinised 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

Up to the end of Quarter 2 of Contract year 6 (April to September 2024), fortunately, there have been no events reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013. Hopefully, this position will continue to be maintained.



### 3.3. Year on Year Comparison

The table below shows a comparison of the number of RIDDOR incidents that have occurred by Contract year:

Year End	19-20	20-21	21-22	22-23	23-24	24-25* Qtr2 YTD
RIDDORs	5	3	3	4	4	0

## 4. Update on the UK Emissions Trading Scheme and Carbon Capture and Storage

At the January 2024 meeting of this Committee a report regarding the management of carbon emissions from GM's household waste was presented. This detailed:

- the potential future financial impacts of the UK Emissions Trading Scheme commencing 1st January 2028; and
- summarised proposal for an alternative technology to capture and store carbon emissions arising from waste thermally recovered at the Runcorn energy from waste facility.

### 4.1. Potential Future Financial Impacts

There is little news to report on this other than to say the Scheme is still scheduled to be implemented for the waste sector in January 2028 and the preceding two years will be used as a period to put in place and test the systems that will administer the Scheme. The financial impact of this is still likely to be considerable and the Waste & Resources team continues to seek to raise awareness of this with district finance officers. Further updates will be provided when more information becomes available.

### 4.2. Carbon Capture and Storage Proposals

The January 2024 report outlined a proposal to add infrastructure to the Runcorn energy from waste facility that would divert CO2 from being emitted to atmosphere and instead re-directing it to be stored in now-depleted natural gas strata below the Irish Sea. The operator of Runcorn was (and still is) in detailed discussions with the Department for Energy Security

& Net Zero (DESNEZ) to implement the project. However, to see it come to fruition the project requires the approval of GMCA as we supply around 36% of the waste to the facility.

### **4.3. Considerations and Impacts**

Although preventing CO<sub>2</sub> from being emitted from the thermal recovery of household waste is positive, GMCA has a number of serious concerns over the technology, the impact the project may have on our contracts and the costs (it will cost the same as paying the ETS cost). Throughout 2024 there have been sporadic discussions with Viridor (the operator of the EfW and main partner in the project) and, disappointingly, at the time of writing our concerns had not been allayed.

### **4.4. Next Steps**

Just after the deadline for the submission of this report, TPSCo (the owner of the Runcom EfW and our contracted party), Viridor and GMCA were due to meet. It is hoped that the meeting will result in progress so that the GMCA can make an informed decision on whether or not to participate in the project. A verbal update will be provided on this at the meeting.