

Meeting the waste challenge



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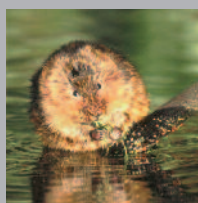
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The Hills Group Limited

Produced by Hills Waste Solutions Limited

Introduction

This is our sixth business performance report and covers the period from May 2016 to April 2017.

In February 2017 Hills Waste Solutions achieved the impressive milestone of diverting 2,000,000 tonnes of Wiltshire's household waste away from landfill.

After the waste management contract with Wiltshire Council was signed in 1996 it took 15 years for the first million tonnes of waste to be diverted from landfill. With technological advances and using alternative methods to landfill, including reuse, recycling and facilities which convert waste into energy, the two million tonne mark was achieved just six years later.

The company seeks to develop new opportunities to expand and grow the business beyond public sector contracts and is expanding operations into new regions and exploring introducing new treatment techniques.

The health and safety of our employees remains a priority for the business and so it is encouraging to see a 20% reduction in RIDDORS and a 41% reduction in Lost Work Days over the reporting period of this report. Our health and safety culture survey showed a third year of continued improvement which is welcomed.



Mike Hill
Chief executive



Core values

FAMILY ETHOS & COMMITMENT
HONESTY & INTEGRITY
INNOVATION
SERVICE & QUALITY
ENJOYMENT

Our company

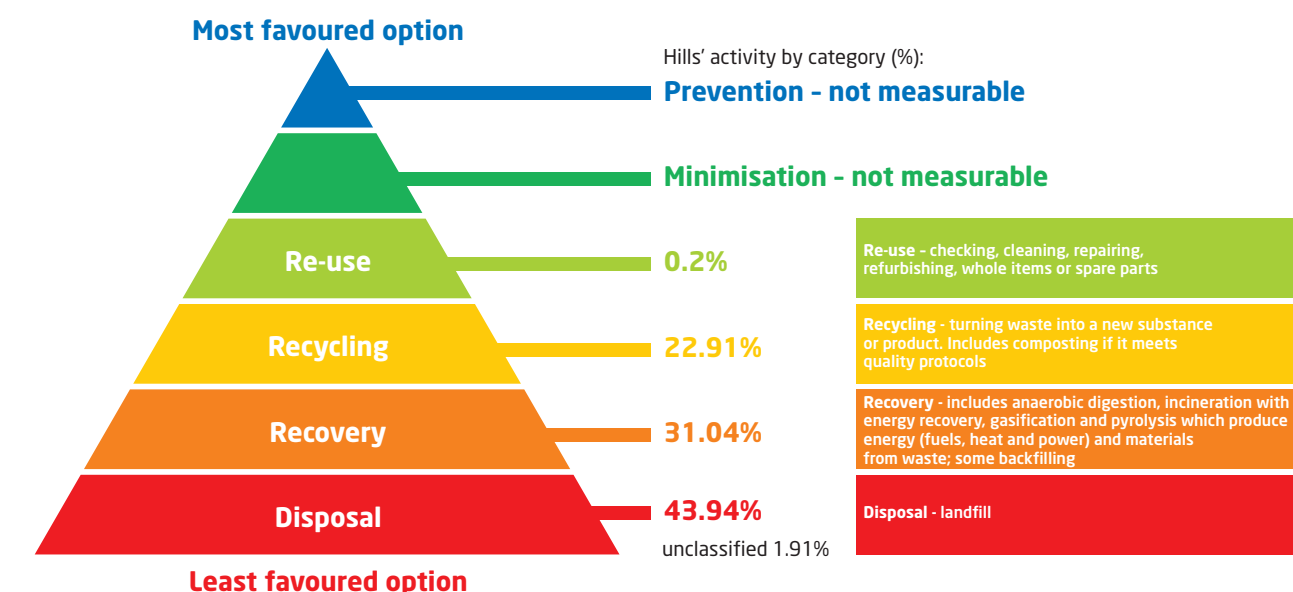
Hills Waste Solutions is part of The Hills Group, a family owned business which has operated in the Wiltshire area since 1900. We are an important local employer of nearly 300 people.

Direct employee deployment

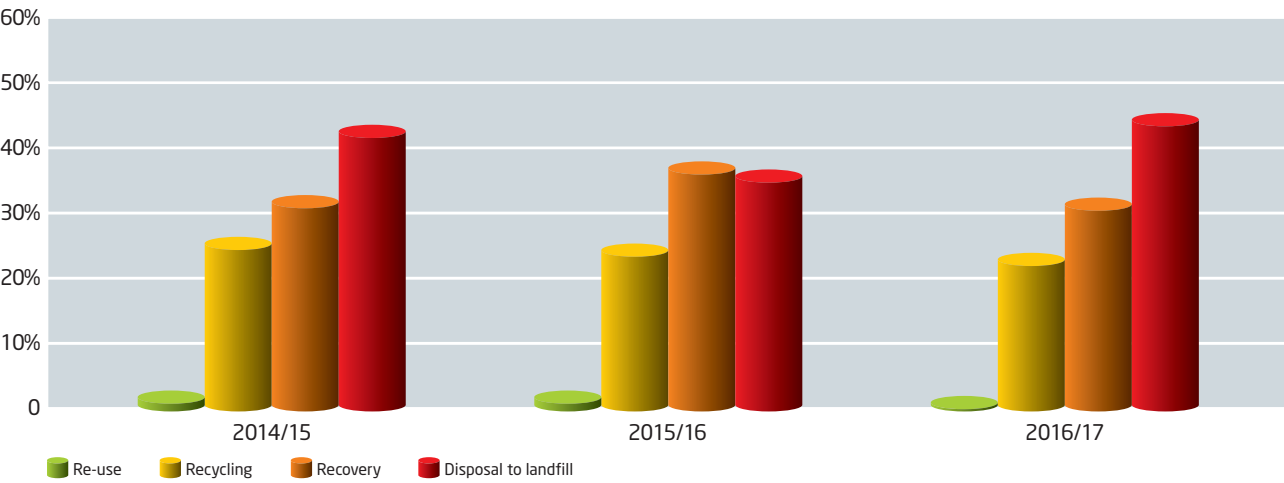


The waste hierarchy

We are helping householders and businesses move their waste up the waste hierarchy. We are firmly committed to producing less waste, increasing recovery and re-use, and reducing landfill, unless this is the only option.

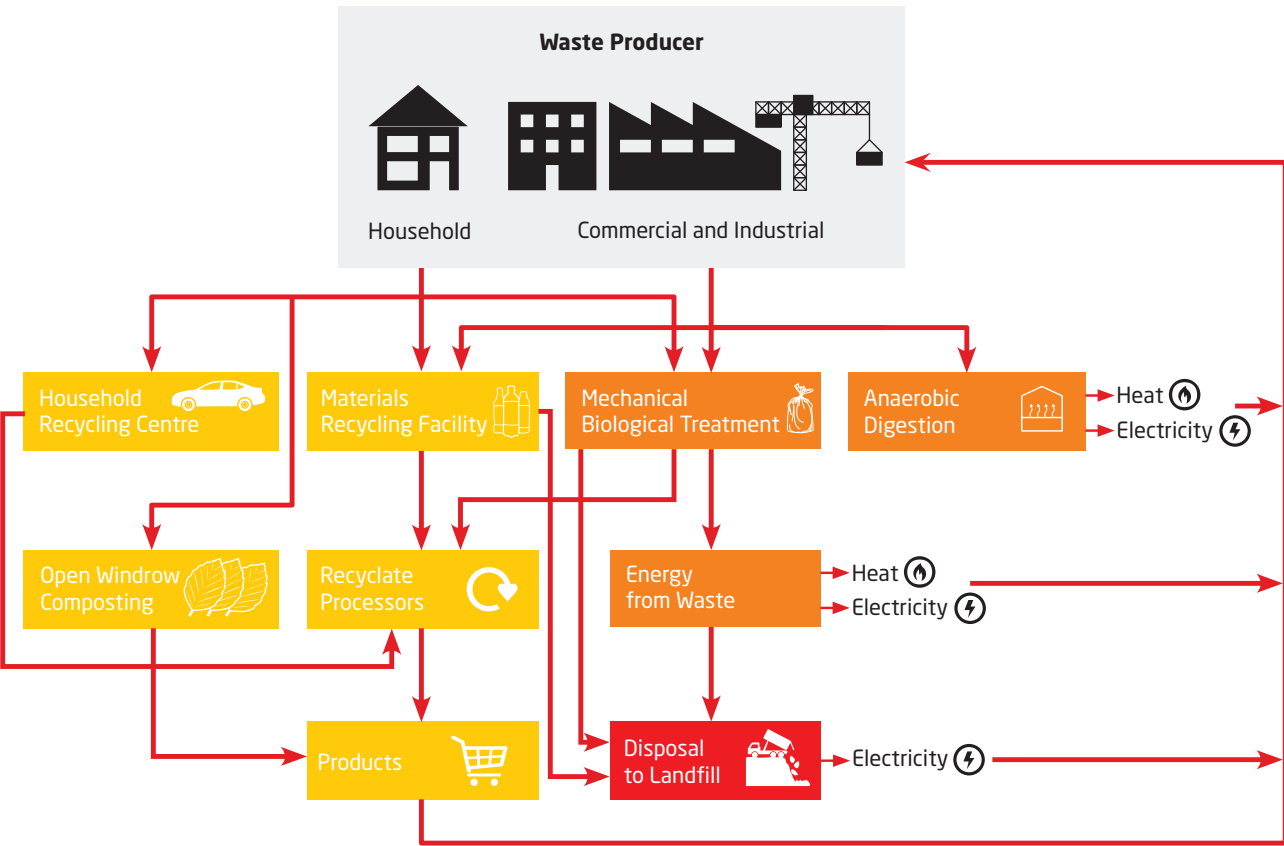


As the bar chart below shows, there has been a small increase in disposal to landfill since 2014/15 (+2.21%). As other operators' landfill sites in the region have reached capacity our own facilities have met the market demand for waste which cannot be recycled. The company continues to harness the latest recovery, recycling and treatment solutions to reduce volumes going to landfill where it can.



Supporting the circular economy

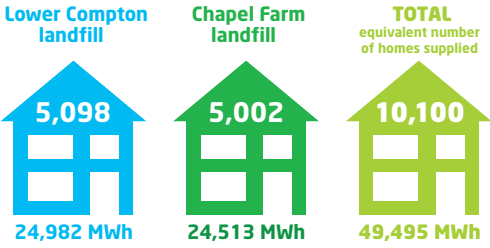
A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which resources are kept in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating products and materials at the end of each service life (Source: WRAP). This diagram shows the process we use to support a circular economy (some processes and relationships have been simplified for clarity).



General Performance Indicators

- 1 We processed 33,930 tonnes of green waste at our Lower Compton and Parkgate Farm facilities. We sold 14,035 tonnes of PAS100 quality assured compost.
- 2 We generated 49,495 MWh of electricity from landfill gas: 24,513 MWh from Chapel Farm and 24,982 MWh from Lower Compton. This was enough electricity to supply 10,101 homes* and avoided 20,300 tonnes of carbon dioxide emissions.

*The conversion factor is sourced from the Renewable Energy Association. On average, one house in the UK consumes 4.9 MWh of electricity per year.



- 3 Our total carbon footprint is 42,500 CO₂e tonnes. Fugitive emissions, due to methane not collected by the extraction system, from landfill is 35,000 CO₂e tonnes.



- 4 We received nearly 1.5 million visits to Wiltshire household recycling centres (HRCs) from the public.



- 5 We made 4.96 million collections from households and travelled 492,000 miles.



- 6 We improved our environment. We restored 4,000m² of landfill, an area equivalent to half a football pitch. 2,000m³ of virgin aggregate saved by using PAS108 tyre bales at Lower Compton. Planted 600 trees in restored areas.



- 7 We maintained our health and safety performance and continue to improve our supporting management systems:
 - Our 'Safer for All' working group delivered improvements in five key areas
 - RIDDOR reportable accident incidence rate remained at the same level
 - No enforcement action from the Health & Safety Executive
 - No major accidents
 - No major non-conformances from our OHSAS18001 external auditsOur 'Safer for All' campaign includes a near miss reporting scheme. 647 near misses were reported in 2016/17. 99% had actions taken against them to prevent them happening again.



Business development



2,000,000 tonnes diverted from landfill
In February 2017 Waste Solutions celebrated the milestone of diverting 2,000,000 tonnes of Wiltshire’s household waste away from landfill – in a fraction of the time it took to hit the first million milestone.

Waste Solutions signed the waste management contract with Wiltshire Council in 1996, taking 11 years to divert 500,000 tonnes of waste from landfill.

It then took another four years to hit the one million mark in 2011, but with technological advances and more diversion options now available, the two million tonne mark was achieved just six years later.

The diversion could not be achieved without the contribution of Wiltshire Council and residents. To mark the occasion 10,000 reusable shopping bags were given away through the county’s 11 household recycling centres.

New depot in Bristol
Waste Solutions has acquired Able Waste Management, which provides commercial waste recycling and food collections as well as trade and residential skip services using a fleet of 18 vehicles. The company has 26 employees, and also operates a transfer station on a trading estate at Avonmouth, with permission to handle 75,000 tonnes of waste per annum.



Key milestones in the Wiltshire Council waste contract



1996 Chairman Alan Pardoe (right) signs the 20 year Wiltshire Municipal Waste Contract.



2003 Multi-material kerbside collections are implemented beginning with 57,500 households in eight towns.



2007 500 Cherry trees given to the public to celebrate diverting 500,000 tonnes from landfill.



2010 The contract to supply 50,000 tonnes of residual waste per year to the Lakeside Energy from Waste plant commences.



2011 Contract signed to build Wiltshire’s first mechanical and biological treatment plant in Westbury – The Northacre Resource Recovery Centre (Northacre RRC).



2011 The 11th and most recent household recycling centre opens in Marlborough.



2011 Waste Solutions’ employees celebrate diverting 1,000,000 tonnes of waste from landfill through reuse, recycling and recovery.



2011 Construction starts at the £20 million Northacre RRC in Westbury.



2012 Sorting equipment including an optical separator is installed at the Porte Marsh Recyclables Management Facility to process cardboard and plastic bottles.



2012 The purpose built 90m x 150m composting facility at Parkgate Farm, Purton opens.



2013 Commissioning at the Northacre RRC completes, signalling the start of a 25 year contract with Wiltshire Council to convert 60,000 tonnes of household waste each year into fuel for Energy from Waste plants.



2017 2,000,000 tonnes diverted from landfill!

People development

We recognise that our employees are a major resource. We invest time and money to ensure that employees have the skills, knowledge and experience to carry out their roles.

All employees take part in annual appraisals with their managers. This is a two way process which helps employees fulfil their roles and achieve their potential. We provide a wide range of vocational and technical training such as management skills, training certified by National Examination Board in Occupational Safety & Health (NEBOSH) and on the job training. In the waste industry, technically competent management is a legal requirement and we ensure that our waste managers are supported to achieve and maintain this certification. We manage our technical training to ensure that our training targets are met.

Move to Improve annual awards

As an innovative business we want to engage, motivate and gain the benefit of our employees' ideas. Our Move to Improve scheme rewards employees for good ideas and innovations to develop the business. This year we received 83 ideas to improve the business. Ten employees were rewarded with gift vouchers for proposing the best ideas from each quarter.

The top idea came from Chris Wheeler, shift supervisor at Northacre RRC (pictured second from right, bottom row). He suggested an improvement to the trommel screen, which would save cleaning time.

A trommel is a giant rotating drum which is used at the Northacre RRC to separate household waste into oversize and undersize fragments. The holes of the trommel get clogged on a daily basis meaning an operative spends around three hours manually cutting away all the tangled waste. Fitting the metal tubes to the outside of the trommel has reduced the required cleaning time to around just 15 minutes per day. Employee welfare and safety is paramount and Chris' suggestion means we have now reduced employee exposure to waste and also benefit from the additional production time created.



Employees at the annual Move to Improve awards. Chris Wheeler is pictured in the front row, second from the right.



Environment officers Rob Jones and Naomi Henson with landfill site manager Dave Meakin (centre).

Waste industry secondment scheme

Waste Solutions welcomed two officers from the Environment Agency (EA) to gain work experience from the operator's perspective as part of a waste industry secondment scheme. We see this as part of building good working relationships with the regulator and an opportunity to discuss industry challenges.

Two EA officers spent a week shadowing members of Waste Solutions' team to get an insight into the industry and some hands-on experience of operational practices in the company.

Health and safety: protecting our employees, contractors and visitors

**SAFER
FOR ALL**

Waste and recycling continues to be a high risk industry. We remain committed to maintaining the health, safety and wellbeing of our workforce and visitors to our sites.

During 2016/17 the company's health and safety performance has once again improved with significant reductions achieved in accident numbers and ill health related absences.

- No enforcement action from the Health & Safety Executive
- No major accidents
- High levels of near miss reporting
- We maintained our OHSAS18001 health & safety management systems certification

Accident prevention

Thanks to the commitment of our workforce, we have sustained high levels of near miss reporting which has enabled us to take effective action to prevent accidents and incidents from occurring. We have also widened the scope of our investigation process to deliver more opportunities to identify and implement preventative measures.

Site safety

We purchased a portable radar activated speed sign to influence staff and visitor behaviour whilst driving on-site. The interactive sign, which is periodically moved to various locations at our sites, has resulted in immediate changes to driver behaviour and has been acknowledged by all concerned as a positive addition to the existing arrangements to control vehicle speeds.



Fire

We handle, process and store large volumes of combustible recyclable materials which can present a serious risk of fire. Effective protection against fires does not just save lives, it saves downtime and ensures business continuity. This year we undertook detailed reviews of our fire prevention arrangements against newly issued industry guidance. One important improvement adopted as a result of the review was the installation of automatic fire suppression on mobile plant which operates inside buildings (see diagram right for an explanation of the system).

Health and wellbeing

We continued to expand both the scope and coverage of our health assessments to include entry, periodic in service and exit evaluations. We also increased the assessment scope away from targeting issues linked to specific risks to including comprehensive general assessments.

Training

We expanded the scope of our toolbox talk training library to include various higher risk topics such as the safe use of ladders & stepladders and permit to work activities.

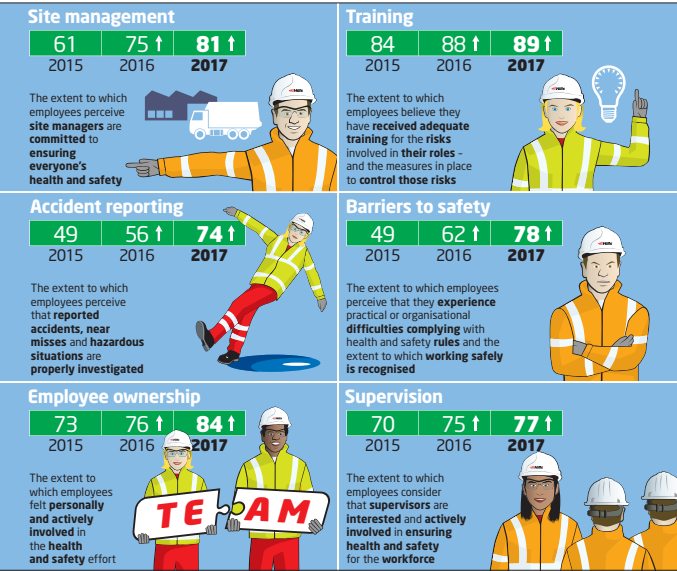
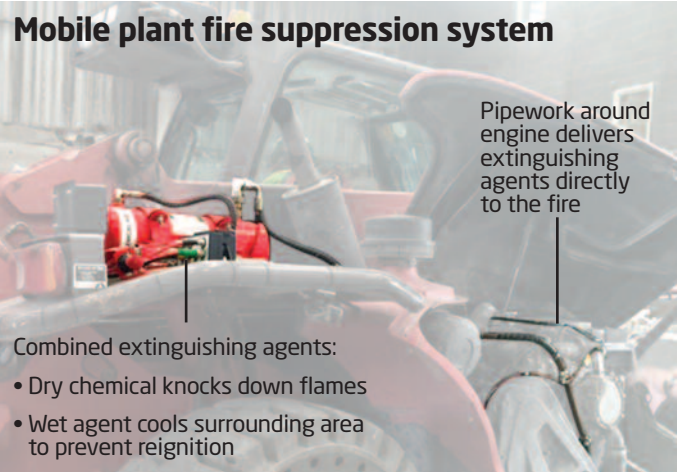
Health and Safety culture

We repeated our workforce health and safety culture survey for the third year. The results (see right) showed continued improvements in each of the six areas of health and safety that we measure.

How's My Driving?

Hills Waste Solutions operated a fleet of 102 vehicles to provide kerbside and commercial waste collection and delivery services. Over the reporting year, the vehicles travelled 3.9 million miles. These activities have the potential to impact on other road users and the public if not managed properly so we are members of the Freight Transport Association independent scheme How's My Driving?

Nine substantiated reports were received in the period and these were all followed up with our driver staff and additional training delivered as necessary. This scheme is recording one complaint per 433,000 miles travelled.



Management systems

We were proud to maintain ISO 9001, ISO 14001 and BS OHSAS 18001 certification across all our facilities. This demonstrates our commitment to continually improve and provide a reliable, high quality service to our customers whilst complying with legal requirements and minimising risks to people and the environment.

Complaints and compliments

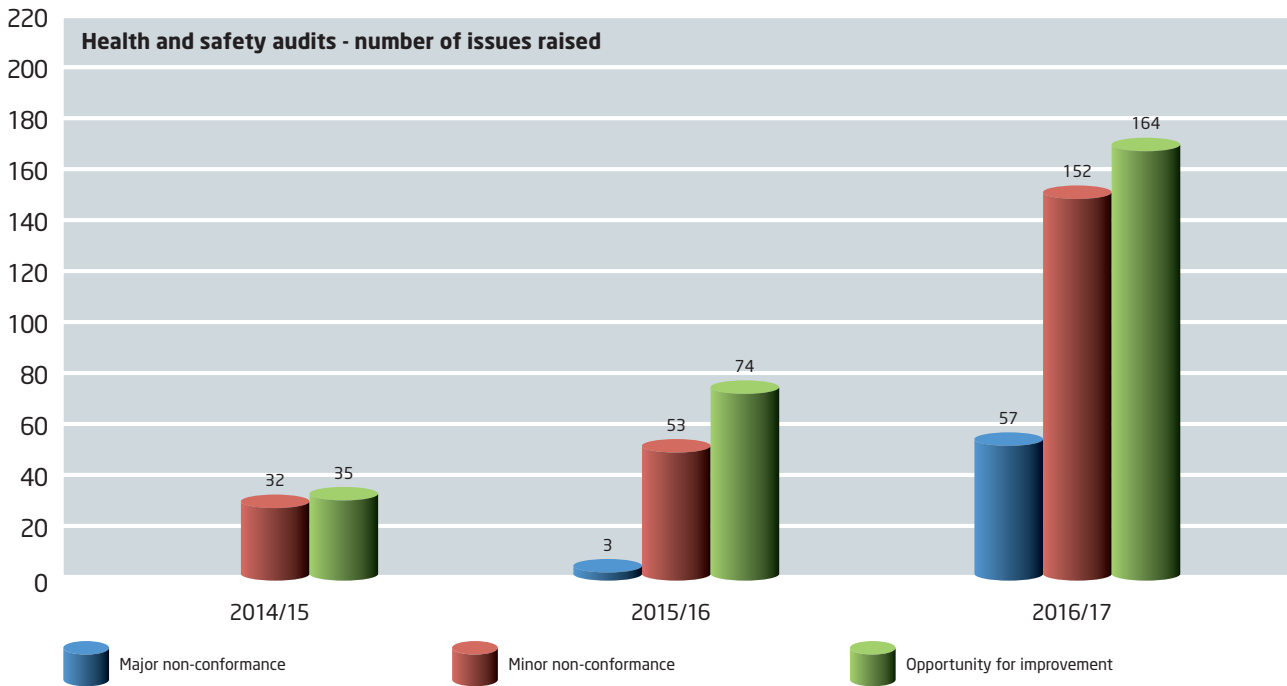
Hills Waste Solutions takes customer feedback seriously. We aim to investigate every complaint and take appropriate action. Positive and negative communication is fed back to our staff.

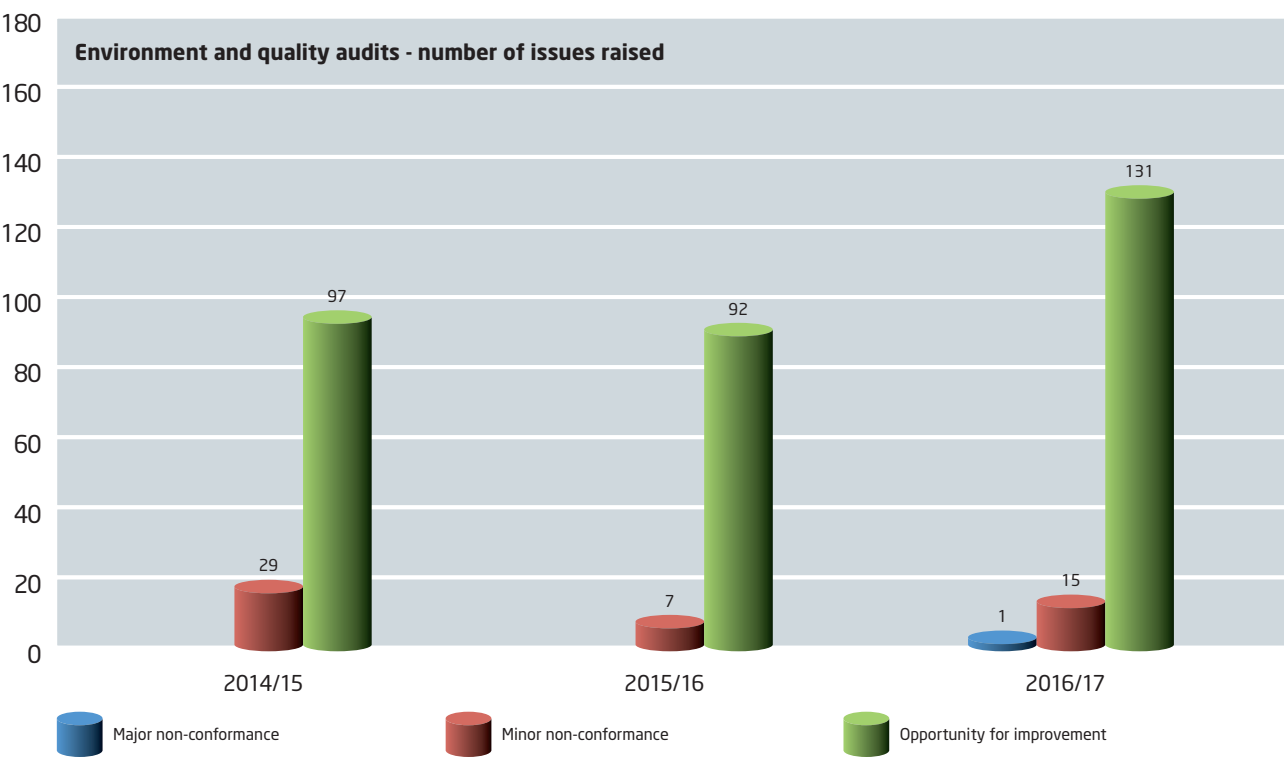
We try to minimise any negative impact that our operations may have on the communities and environment around our facilities and we want to have satisfied customers. We recorded a total of 33 service complaints and 27 service compliments across all our operations. The number of environmental complaints increased from 49 in 2015/16 to 83 in 2016/17. The majority of the complaints (63) related to a single incident at the Northacre Resource Recovery Centre (RRC).

Internal audits

The Compliance team undertook 45 internal process audits. Overall, there were 57 major non-conformances, 152 minor non-conformances and 164 opportunities for improvement. The significant increase in health and safety non-conformances is due to issues identified following the acquisition of Able Waste in Bristol, which are being addressed.

As part of our contractor approval process, we also carry out Duty of Care audits on waste management facilities that handle waste on our behalf. This helps to ensure that our high service and environmental standards are matched by our suppliers.





External certification audits:
ISO 9001, ISO 14001, BS OHSAS 18001, PAS 100

During the year, a total of 24 processes were externally audited.

SGS, independent auditors, carry out an external surveillance audit every six months to ensure that we continue to meet the requirements of the three ISO standards. They look at our core system and a selection of sites and processes at each audit visit. Over a three year cycle they visit every site and review all processes.

Our composting facility at Parkgate Farm achieved the PAS 100:2011 certification for production of compost for the sixth year running. The product also meets the Soil Association Standard for use in organic agriculture.

In addition, The Hills Group has commissioned IM&S Solutions Limited, an independent health and safety consultancy, to audit our health and safety management system at selected sites.



Review of performance against targets

We measure our performance and set top level and departmental targets to drive improvement in critical areas. Each year we review our performance and amend targets as needed. Key Performance Indicators (KPIs) are the measurements made to show whether the company has met its targets.



Quality

Hills works to meet customer requirements by providing excellent service and products.

Providing reliable service

We provide waste management services to the residents of Wiltshire as part of our contract with Wiltshire Council. These are focused on household recycling centres and kerbside recycling collections.

We recorded 26 complaints in total from nearly five million kerbside collections, travelling 492,000 miles. Five complaints were received from around 1.5 million HRC users.

The commercial transport operation is also customer facing and received 15 complaints and 12 compliments from a total of 290,315 collections made and 1,414,000 miles travelled.



Target 1	Limit the number of commercial skip and Roll-on Roll-off collections not made due to our fault to less than 1% of collections.	Performance 0.82%	Achieved Yes
Target 2	Limit the number of food waste collections not made due to our fault to less than 1% of collections.	Performance 0%	Achieved Yes
Target 3	Limit the number of commercial waste collections not made due to our fault to less than 1% of collections.	Performance 0.59%	Achieved Yes
Target 4	Achieve 100% of missed commercial waste collections collected within 2 working days¹.	Performance 43.83%	Achieved No
Target 5	Achieve 90% resolution of disputes within 2 weeks.	Performance 95.93%	Achieved Yes

Health and safety



Reducing injuries and ill health

Data published by the Health & Safety Executive for the waste sector in 2015/16 shows the industry remains high risk in relation to injury and ill health. We continue to prioritise the reduction of injuries and ill health via our OHSAS 18001

certified management system. We also continued to participate at a national level with the Environmental Services Association (ESA) and Waste Industry Safety & Health (WISH) health and safety working groups to engage with our industry peers and provide best practice guidance for the industry.

Target 1	Deliver 75% of essential H&S training.	Performance 77.45%	Achieved Yes
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Accidents and incidents

Employers are required by law under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) to report specified workplace incidents, work related diseases, and dangerous occurrences.

Target 2	Reduce the RIDDOR reportable accident incidence rate by 10% compared to the previous year.	Performance 20% reduction	Achieved Yes
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We extended the scope of our accident investigation process to include minor accidents. This enabled us to identify more root causes and implement more preventative measures, reducing both the number and the severity of accidents.

Target 3	Reduce the lost working time accident incidence rate by 10% compared to previous year.	Performance 41% reduction	Achieved Yes
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We are continuing to effectively capture near miss reports which enable us to identify potential causes of accidents or incidents and take action to avoid harm or loss.

Target 4	306 Near Miss Reports.	Performance 647	Achieved Yes
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Management systems and regulator enforcement

Target 5	Zero HSE improvement or prohibition notices.	Performance Zero	Achieved Yes
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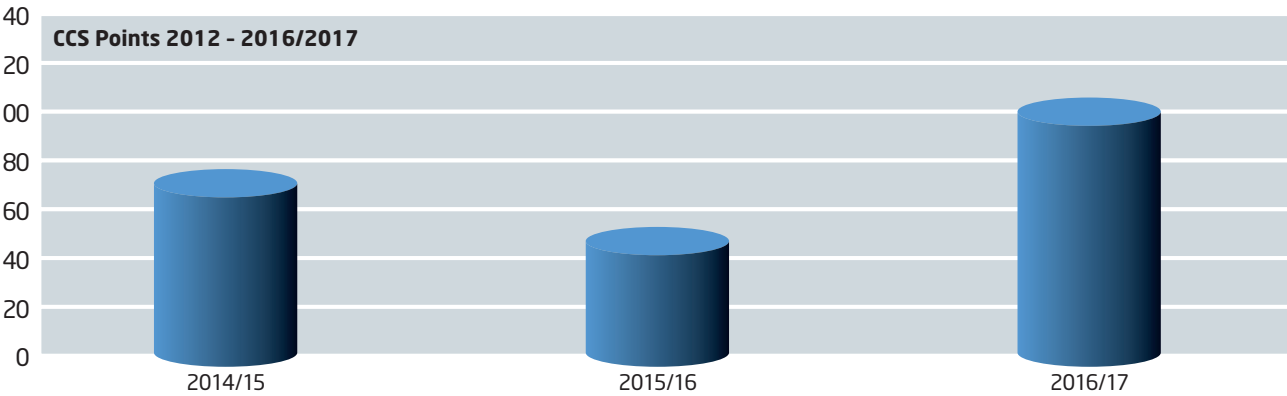
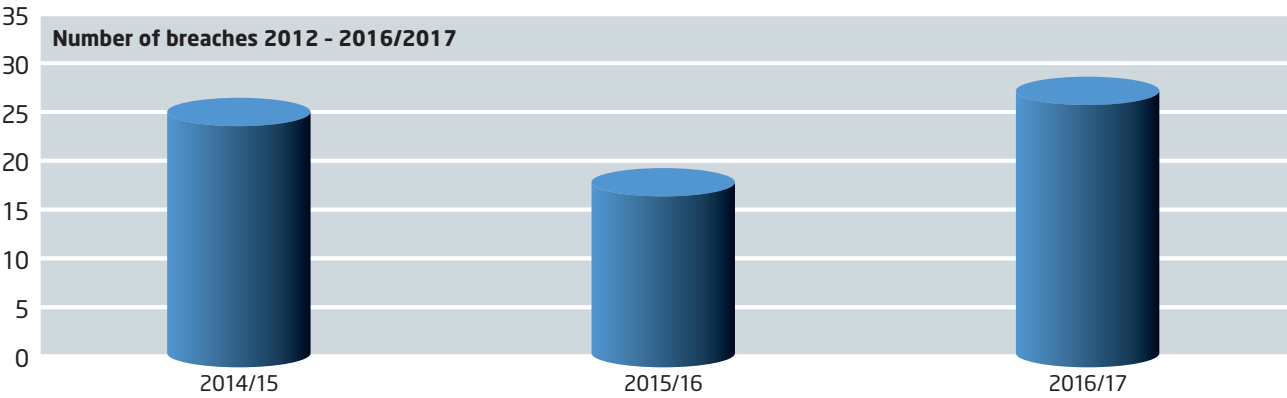
Environmental



Legal compliance

Legal compliance and prevention of pollution is the cornerstone of our environmental management system (EMS). The Environment Agency carries out audits and inspections of our company. The findings are recorded on CAR1 forms and any issues addressed through our management system. Each inspection generates a Compliance Classification Scheme (CCS) score; the higher the score, the poorer the performance

and the increased likelihood of prosecution. The number of breaches and CCS points we received in the last reporting year (2016/17) has risen which is in large part due to the challenges of introducing new technologies, such as MBT and more rigorous EA scoring. We make sure that information on legal requirements is communicated to employees and additional training is given as needs are identified



Target 1	No prosecutions, fines or notices served on the company.	Performance No prosecutions	Achieved Yes
Target 2	Achieve less than 50 CCS points.	Performance 100	Achieved No
Target 3	Achieve less than 0.594 CCS points per inspection.	Performance 1.06	Achieved No

Compliance points have increased from 44.6 to 100, matched by an increase in points per inspection from 0.507 to 1.06

Nuisance - odour and fly complaints

We realise that our open windrow composting and landfill operations in particular, have the potential to create odours, so we have decided that odour complaints are a key performance indicator for the company. We have developed odour management plans, which are agreed with the EA, for all sites that need them. We take the issue of odour seriously, investigate every complaint and take action as required.

Target 4	Limit substantiated odour complaint days to 2 at Parkgate Farm compost operations.	Performance 1	Achieved Yes
Target 5	Limit substantiated odour complaint days to 2 at Lower Compton concrete pad operations.	Performance 1	Achieved No
Target 6	Limit substantiated odour complaint days to 2 at Lower Compton landfill.	Performance 7	Achieved No
Target 7	Limit substantiated odour complaint days to 3 at Northacre Resource Recovery Centre.	Performance 1	Achieved Yes
Target 8	Limit substantiated fly complaint days to 6 at Northacre Resource Recovery Centre.	Performance 6	Achieved Yes

The Northacre Resource Recovery Centre is introducing improved fly management techniques.

Carbon footprint



Under our environment and community policy, Waste Solutions is committed to provide a sustainable service. This involves responsible management to protect the local and global environment, controlling greenhouse gas emissions and protecting biodiversity.

Greenhouse gas emissions arise from the combustion of fossil fuels, fugitive emissions of certain gases and consumption of generated electricity. Our carbon footprint¹ measures the greenhouse gas emissions in tonnes of carbon dioxide equivalent (tCO₂e) using an industry standard method² and conversion factors³.

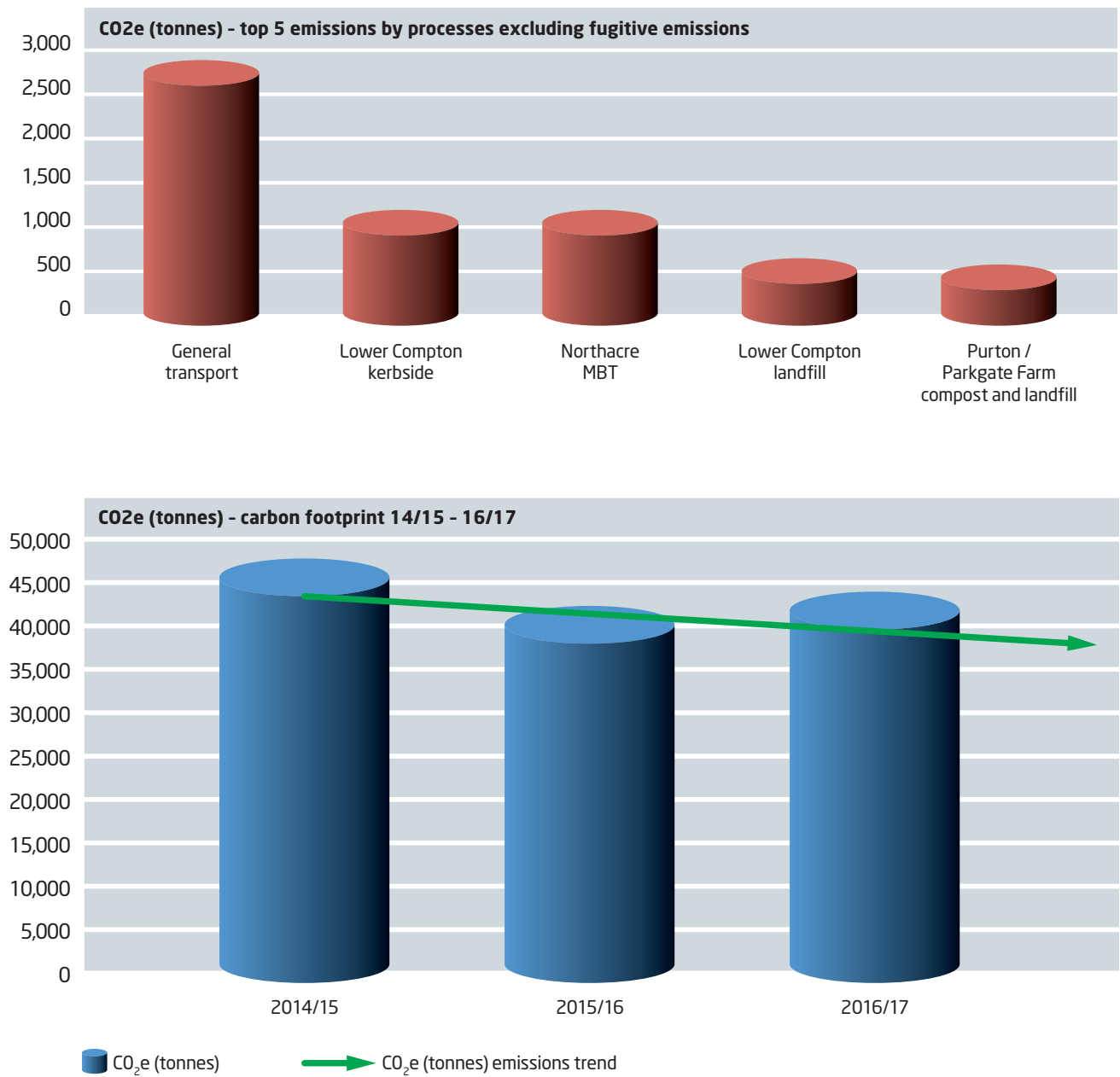
We provide landfill facilities for residual wastes as part of our portfolio. The emissions from these facilities, which are dominated by fugitive emissions of methane, rank them in the top two processes.

Chapel Farm (see image above) and Lower Compton landfills are equipped with gas extraction and utilisation equipment. This captures the bulk of the landfill gas and burns it in engines to generate electricity for the national grid. In 2016/17, we generated 49.5MWh of electricity, which equates to avoided emissions⁴ of 20,300 tonnes of CO₂. Our Chapel Farm landfill facility is now closed and capped, meaning that we expect that site's fugitive emissions to drop.

When the landfill fugitive emissions are removed from the carbon footprint, the transport emissions, due to fuel use, and mechanical biological treatment (MBT) emissions, due to electricity consumption, move up the ranking. We are considering schemes to offset the carbon produced by our transport operations to zero. In addition, we are investing in route optimisation and new vehicles across the business as part of the new Wiltshire contract starting in August 2018, which should improve transport efficiency. The electricity generated by the solar panel system, installed by Wiltshire Council on the roof of the Northacre Resource Recovery Centre, offsets on average 135 tonnes CO₂ per year.

The overall carbon footprint for the company shows a steady reduction in the period 14/15 – 16/17.

1 Exclusions some scope 3 emissions i.e. employee travel. Waste carried by non-HwS transport i.e. RDF to Germany
2 The method is based on a protocol developed by the waste management companies Suez and Veolia.
3 Defra conversion factors
4 The amount of CO₂ emissions that would have occurred to produce an equivalent quantity of energy.



Giving back to the community

Twenty nine projects across Wiltshire received a total £479,533* in the past year as a result of Hills working in partnership with Community First, Wiltshire Wildlife Trust and the Cotswold Water Park Trust. The funding for these projects was made available through the Landfill Communities Fund (LCF).

An initiative with The Cotswold Water Park Trust to reintroduce Water Voles at the Swillbrook Lakes and Clattinger Farm nature reserves and support for Westbury Ladies Rugby Football Club illustrates the diversity of the 29 projects Hills supported in 2016/17.

Hills continues to work with its partners to ensure that the maximum amount of funding is available for all communities across Wiltshire.

*This gross figure includes Entrust registration and administration fees



Charitable giving
Hills provided almost £10,000 in direct funding to a number of charities and good causes during the year. In addition, employees are encouraged to nominate charities they wish to support through regular fundraising events.



Employees at our Swindon office dress down in their team's colours, raising money on red nose day.



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