

**REPORT TO THE SOUTH TYNE AND WEAR WASTE MANAGEMENT  
PARTNERSHIP JOINT EXECUTIVE COMMITTEE**

**22 September 2017**

**REPORT OF:** Tony Alder, Project Director, South Tyne and Wear Waste Management Partnership

**SUBJECT:** Contracts Update

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**1. PURPOSE OF REPORT**

- 1.1 To advise the Joint Executive Committee of the latest position regarding the Residual Waste Treatment Contract and other ancillary waste treatment joint contracts and activities managed by the South Tyne and Wear Waste Management Partnership (STWWMP).

**2. BACKGROUND**

- 2.1 The Residual Waste Treatment Contract (RWTC) was awarded to a consortium led by SITA UK (through SITA South Tyne and Wear Ltd) on 20 April 2011. The contract comprises the energy-from-waste facility (EfW) at Teesside, fed by waste from three Waste Transfer Stations (WTS) situated for use by each of the partner authorities. The contract commenced service on 22 April 2014.
- 2.2 In March 2015, SITA UK's parent company announced a global rebrand, indicating that all of its subsidiary companies would change their names to SUEZ. In December 2015, STWWMP received formal notification that SITA South Tyne and Wear Ltd had also changed its name, and would now be known as South Tyne and Wear Energy Recovery Ltd (STWER).
- 2.3 Gateshead and South Tyneside Councils' 48-month Materials Recovery Facility (MRF) contract for dry recyclables commenced service with Palm Recycling Ltd on 1 April 2014.
- 2.4 Sunderland Council awarded a separate MRF contract to J&B Recycling, which commenced service on 1 April 2015 for a period of 36 months.
- 2.5 Gateshead and Sunderland Councils jointly procured separate contracts for the management of their Household Waste and Recycling Centres (HWRC) with SUEZ. Both incentive-based contracts were two years and seven months in

length, and commenced service at the beginning of September 2014. 36-month contract extension periods were activated from 1 April 2017.

- 2.6 South Tyneside Council entered into a different contract for HWRC management with SUEZ, which commenced on 1 April 2013. The contract allows the council to manage the end outlets for the waste streams and includes regular market-testing to ensure value for money is being received. A short-term contract extension until 30 September was previously negotiated with the current contractor, but due to delays in the procurement process, South Tyneside Council is currently investigating an extension of that arrangement to 30 November 2017.
- 2.7 A joint procurement exercise awarded three separate green waste composting contracts for each partner authority. Although contracts were awarded to three different providers, the timing of the contract lengths has been structured to enable a joint partnership contract to be considered at the end of the current arrangements. The current contract providers are:
- Gateshead: A.Willey for 36 months from 01 April 2016
  - South Tyneside: SUEZ for 36 months from 01 April 2016
  - Sunderland: JBT (now delivered by Remondis following take-over of JBT) for 31 months from 01 September 2016
- 2.8 The joint partnership team continues to undertake strategic waste management functions on behalf of the partner authorities. This is enabling, amongst other things, a proactive and timely approach to management of the RWTC which is operated under strict timescales. Similar benefits are also afforded to the procurement and management of other ancillary contracts, such as MRF, HWRC, and green waste composting.

### 3. **RESIDUAL WASTE TREATMENT CONTRACT**

- 3.1 The joint partnership team continues to review and verify monthly reports received from SUEZ, which detail materials processed and service issues. Once approved, invoices are processed and apportioned to the partner authorities within contractual timescales.

#### 2016/17 Contract Year

- 3.2 The joint partnership team signed-off the 2016/17 reconciliation exercise with SUEZ and STWER in July 2017, and the final invoice from STWER is awaited.

#### 2017/18 Service Update

- 3.3 The latest performance information for the 2017/18 contract year (April-July 2017) can be found at Appendix A.
- 3.4 During recent months, a number of service issues have been encountered, including:
- A potential half-hourly and daily dust breach was reported to the Environment Agency (EA) on 21 May. Following investigation and consultation with the emissions monitoring equipment supplier, it was

confirmed that the dust readings recorded were inaccurate and should be discounted as abnormal operation.

- On 21 June, the plant lost 2.8 hours of availability on Line 4 and 4.4 hours on Line 5 due to a failure of the bottom ash crane grab power cable, which resulted in the inability to remove ash from the bottom ash chutes. 2.3 hours of turbine availability were also lost due to this issue, as both lines were simultaneously unavailable.
- Line 4 was unavailable for 15.7 hours on 7 July due to a bottom ash drop-off chute blockage, and a minor loss of 45 minutes was experienced on 28 July due to a fly ash conveyor trip when a section of superheater shield also caused a conveyor blockage.

3.5 SUEZ is in the process of carrying out a project to further investigate the ongoing incidents of plant blockages, so that future actions can be developed to, where possible, avoid chute blockages and, therefore, reduce plant down time.

3.6 The planned maintenance shutdown for Line 4 is planned for 7-15 September. However, Line 5 will not be taken off-line and third party waste deliveries to the site will not be restricted, and no impact on STWWMP contract waste is anticipated.

3.7 Shutdown periods have also been scheduled for:

- Line 4: 27 February to 22 March 2018
- Line 5: 19 February to 7 March 2018

#### Qualifying Refinancing Exercise

3.8 STWER contacted STWWMP to inform that there may be an opportunity to refinance the debt associated with the project, and were advised that investigations into the exercise can proceed.

#### Insurance Review

3.9 Following the meeting in London earlier this year with representatives from the Department for Environment Food and Rural Affairs (Defra), STWER, and Willis Towers Watson insurers, discussions around the joint insurance cost report associated with the STWWMP PFI contract are ongoing. A revised model from the insurers that meets SOPC 4 requirements is still awaited.

#### Waste Transfer Stations (WTS)

3.10 All three of the WTS have remained available during this contract year, with all sites continuing to accept STWWMP contract waste without significant issues. Recycling activities are ongoing at each site, which includes the segregation of materials, such as street sweepings, wood, and scrap metals. New procedures that were introduced with Valpak for managing waste electrical and electronic equipment (WEEE) materials, such as commercial fridges, are working well.

3.11 Routine maintenance of buildings, plant, and control systems continues to be delivered as planned and no significant issues have been identified.

3.12 However, a number of service issues have been experienced resulting from infringements of site rules. This has required several third party and council

collection crew staff to be formally reminded of the site rules and procedures and, where necessary, re-inducted.

- 3.13 A complaint was received regarding litter on the Long Bank in Gateshead, which suggested that it could be from vehicles tipping/ collecting from Campground WTS and HWRC. However, a review of all vehicle activity highlighted that only ro-ro container servicing vehicles from Cowen Road travel on the Long Bank. Following observations of vehicle activity, there is no evidence that materials are leaving the containers and, therefore, that any litter on the Long Bank is not linked to any site operations. Observations are continuing to ensure that this remains the case.
- 3.14 On 29 June, it was reported that a bulk haul vehicle on route to the EfW ejected approximately one tonne of waste on the southbound carriageway of the A19 in the Murton area. The waste was cleared from the carriageway and was delivered back to Jack Crawford House WTS. However, an investigation by SUEZ and Hargreaves concluded that the vehicle left site without collecting any waste.
- 3.15 The EA inspected Campground WTS in July following a complaint from a local resident regarding fly activity. An inspection form was issued, containing a CCS score 3 relating to the content of the site management plan. SUEZ subsequently resubmitted all site management plans, including pest control management, and a repeat visit by the EA found no issues or infestation.

#### Targeted Recruitment and Training (TR&T)

- 3.16 The RWTC also affords provision for SUEZ to help to improve local prosperity across the partnership area by promoting vacant posts within their facilities. The Economic and Housing Growth Service at Gateshead Council continues to receive information on local vacancies, which are then cascaded to partner authorities for circulation to their client base.
- 3.17 Following a number of shift managers moving on to pursue careers outside SUEZ, and other internal staff movements and promotions, several posts have been advertised at the EfW facility. This includes day team supervisor; shift manager; cost control administrator; day ops supervisor; and two administrative roles. Whereas all posts were distributed as highlighted above, no applications were received from the STWWMP area.
- 3.18 In addition, recruitment exercises have recently taken place at each of the WTS. At Campground, two site operatives have been appointed after the resignation of the previous post holders. Two site operatives have also been appointed at Jack Crawford House following internal staff movements within SUEZ, and a temporary site operative position has also been recruited at Middlefields. All five appointments are residents from Gateshead, South Tyneside, or Sunderland.

#### Community Education and Engagement

- 3.19 STWWMP remains committed to an ongoing programme of community education and engagement, managed by Groundwork North East & Cumbria (GNEC) at the visitor and education centre, energy-from-waste facility, and through outreach activities held in local schools and community settings.

- 3.20 969 children and young people have now taken part in waste awareness activities delivered between April and August 2017. Recently, this has included:
- Work with Lord Lawson of Beamish School in Gateshead to deliver waste awareness sessions to 122 Year 10 pupils and an EfW tour to 30 Year 8 children.
  - A total of 152 pupils from Sunderland west end primary schools who participated in waste awareness activities at Barnes Park.
  - Waste awareness sessions delivered to 134 year 10 pupils at Mortimer College, South Tyneside.
- 3.21 During the same period, similar activities were delivered to 1,027 members of local community groups. This included attendance at a public engagement event in Barnes Park, Sunderland, which was attended by almost 600 people. Over the summer holiday period, various waste awareness activities have been undertaken with 320 young people on the Gateshead and Sunderland National Citizenship Service programmes as part of their social interaction courses.
- 3.22 The visitor and education centre featured as part of the 2017 Heritage Open Days, delivered across the Campground WTS site on 8 and 9 September. Pre-booked tours of the centre and site infrastructure enabled participants to find out more about what happens to their waste once their bin has been emptied, how materials are recycled, how their waste is turned into electricity, and provided an opportunity to showcase the state-of-the-art visitor and education centre and outdoor classroom.

#### Community Liaison Groups

- 3.23 As reported previously, the next meeting for the Campground Community Liaison Group has been scheduled for 28 November 2017.
- 3.24 The rescheduled Jack Crawford House Community Liaison Group meeting was held on Thursday 6 July 2017. The group were informed that the site continues to operate and receive contract waste as forecast, with 100% of Sunderland City Council (SCC) waste managed through landfill diversion. The group were also informed that third parties are charged to use the WTS on a tonnage basis.
- 3.25 SCC's recent move to fortnightly refuse collections was highlighted, and that the refuse and cleansing teams had now been merged to ensure complementary services, for example, refuse collection days could be followed by street cleansing activity.
- 3.26 The group queried whether another HWRC could be introduced within the city to reduce queues encountered at the current Beach Street site, and were advised that Sunderland residents are also able to access Campground HWRC.

#### **4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS**

- 4.1 The MRF contracts continue to be monitored closely by the joint partnership team. This includes processing payments, holding regular contract meetings

and performance reviews, and health and safety site inspections at the various contractor facilities to ensure that recycling performance is maximised.

- 4.2 Recycling and recovery rates at MRFs are discussed regularly at the contract management meetings. Contractors continue to consider ways in which the processes can be modified to increase recycling performance, with STWWMP partner authorities examining their own processes to help to improve the quality of materials received by contractors.
- 4.3 Table A highlights the total amount of material collected by each authority between April-July 2017, broken down between the paper collected separately in the inner box and the comingled materials collected in the main section of the bin. There has been a reduction in the tonnage of materials collected in Gateshead and South Tyneside, when compared to the same period last year. However, in Sunderland, there has been an overall increase in the amount of materials collected, which can be attributed to the introduction of fortnightly refuse collections in April 2017.
- 4.4 Table B highlights MRF recycling and recovery rates for comingled materials only since Quarter 1, 2016/17. The joint partnership team continues to support Sunderland City Council and MRF contractor J&B Recycling to identify actions to reduce the level of materials sent for recovery and, therefore, improve recycling rates.
- 4.5 The current MRF contracts for all partner authorities are scheduled to end on 31 March 2018. The Officer Project Board is finalising the various options available with the current contractors to determine the most appropriate arrangements from 1 April 2018.

## **5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS**

- 5.1 The joint partnership team also closely monitor all aspects of contract management in relation to the Gateshead and Sunderland HWRC contracts. This includes processing payments, regular contract meetings, and health and safety site inspections at the HWRCs. The South Tyneside contract is managed directly by officers from South Tyneside Council.
- 5.2 The latest performance information April-July 2017 can be found at Appendix C. However, it should be noted that because the South Tyneside HWRC contract is delivered in a different way to the Gateshead and Sunderland contracts, when recycling performance for each HWRC is calculated in the same way, the South Tyneside results will always be slightly lower.
- 5.3 South Tyneside previously negotiated a short-term contract extension until 30 September with the current contractor, SUEZ, but due to delays in the procurement process is investigating an extension of that arrangement to 30 November 2017. The new contract will then commence on 1<sup>st</sup> December 2017, with an end date that will be co-terminus with the Gateshead and Sunderland contract extensions. This will enable a joint approach between all three partner authorities to be considered for a new contact commencing on 1 April 2020.

## 6. GREEN WASTE COMPOSTING CONTRACTS

- 6.1 The joint partnership team provide all aspects of contract management for the Gateshead and Sunderland green waste composting contracts. This includes processing payments, regular contract meetings, and health and safety site inspections at the various facilities. Officers from South Tyneside Council directly managing their contract.
- 6.2 As the final kerbside collections of the season approach, all green waste composting contracts continue to operate without significant service issues and material quality remains at a high level.

## 7. RECOMMENDATION

- 7.1 The Joint Executive Committee is requested to note the contents of this report.

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## RESIDUAL WASTE TREATMENT CONTRACT

2017/18 latest performance: April-July 2017

Total contract waste	63,762.21 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 19,831.72 tonnes Sunderland 5,116.08 tonnes South Tyneside 16,812.89 tonnes Sunderland 22,001.52 tonnes
Total contract waste delivered to EfW	61,625 tonnes
Line 4 availability Line 5 availability Overall EfW availability	98.1% 99.8% 98.9%
Average turbine availability	99.7%
Electricity generated Electricity exported Electricity imported	69,015 MWh 61,215 MWh 20.4 MWh
Recycling performance	Target 2.1% Performance 4.6%
Recovery performance	Target 95.5% Performance 95.4%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 4 29 8 0

## MATERIAL RECOVERY FACILITY CONTRACTS

Table A: 2017/18 latest blue bin tonnage data: April-July 2017

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	4,146	3,188	5,876
Paper tonnage	857	546	776
<b>Total tonnage</b>	<b>5,003</b>	<b>3,734</b>	<b>6,651</b>
<i>Comparison to April-July 2016 - <b>all materials</b></i>	<i>2.7% decrease</i>	<i>5.2% decrease</i>	<i>7.5% increase</i>
<i>Comparison to April-July 2016 - <b>paper</b></i>	<i>12.8% decrease</i>	<i>7.7% decrease</i>	<i>30.9% decrease</i>
<i>Comparison to April-July 2016 - <b>comingled</b></i>	<i>0.3% decrease</i>	<i>4.8% decrease</i>	<i>16.0% increase</i>

Table B: MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
Q1 2016/17	89.1%	10.9%	87.0%	13.0%	85.4%	14.6%
Q2 2016/17	87.8%	12.2%	86.0%	14.0%	82.5%	17.5%
Q3 2016/17	88.1%	11.9%	85.1%	14.9%	79.9%	20.1%
Q4 2016/17	86.1%	13.9%	86.1%	13.9%	81.4%	18.6%
<b>Q1 2017/18</b>	<b>89.8%</b>	<b>10.2%</b>	<b>84.9%</b>	<b>15.1%</b>	<b>73.4%</b>	<b>26.6%</b>

**HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS**

2017/18 latest recycling performance (excluding inert materials, such as rubble):

<b>HWRC</b>	<b>April-July 2017</b>
Campground	64.7%
Cowen Road	66.5%
Beach Street	63.1%
Middlefields (Recycling Village)	55.0%