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## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### SOUTH TYNE AND WEAR WASTE MANAGEMENT PARTNERSHIP JOINT EXECUTIVE COMMITTEE MEETING

Friday, 16 March 2018

**PRESENT:** Councillor Linda Green (Gateshead Council) (Chair)

Gateshead Council Councillor Catherine Donovan

South Tyneside Council Councillor Jim Foreman

Sunderland Council Councillor Michael Mordey

**IN ATTENDANCE:**

Gateshead Council Anthony Alder, Fiona Swinburne, Gary Smith and Colin  
Huntington

South Tyneside Council Andrew Whittaker

Sunderland Council Colin Curtis

**APOLOGIES:** Councillor Angela Douglas  
Councillor Graeme Miller, Councillor Allan West, Councillor Melvin  
Speding, Chris Wilson, Mark Speed and Brendan McNeany

**1 APOLOGIES**

Apologies for absence were received from Councillor Miller, Councillor West,  
Councillor Douglas, Brendan McNeany and Mark Speed.

**2 MINUTES**

The minutes of the meetings held on 22 September 2017 and 8 December 2017  
were agreed as a correct record.

**3 DECLARATIONS OF INTEREST**

No declarations of interest were submitted.

**4 WASTE INFRASTRUCTURE DELIVERY PROGRAMME (WIDP)**

The Committee received a presentation on waste policy. It was noted that the

existing targets of 50% diversion by 2020 have been reached in 2010-11, therefore biodegradable municipal waste (BMW) is not a big issue. Although recycling rates have increased since 2000-2001 there appears to be a national plateau at 44-45%.

Previously there has been a heavy reliance on landfill, however this is no longer the case. There has been a small increase in incineration but this is due to the new technologies in place.

In terms of regional recycling rates the East is doing well with just under 50%, the North East is currently performing at 35.7%. However, it was pointed out that this is not a black and white picture as, in terms of the South Tyne and Wear, very little goes to landfill compared to other North East authorities. Newcastle and Darlington landfill the most waste in the North East.

Defra papers have been published; 25 Year Environmental Plan, EU Circular Economy Package and Resource and Waste Strategy, which will be published in September / October. All the documents are about the direction of travel of waste management in the next 15 years. It was noted that the papers contain a lot of aspiration but not a lot of detail. The 25 Year Environmental Plan sets out the ambition to eliminate all avoidable plastic waste by the end of 2042. A number of aspirations are outlined such as; the 5p single use bag charge to be extended to small businesses on a voluntary basis, plastic free supermarket aisles to be explored and developing producer responsibility schemes to incentivise producers to resource efficient products. In addition there is an ambition to have no food waste entering landfill by 2030.

The EU Circular Economy Package outlines targets of 55% recycling rate by 2025, 60% by 2030 and 65% by 2035. It also states that, by 2035, no more than 10% of municipal's waste should go to landfill. There is also to be a mandatory separate collection of bio-waste with effect from December 2023.

The Resource and Waste Strategy which is due to be published this year sets out how authorities will work towards the ambition of zero avoidable waste by 2050. This focuses on moving waste up the hierarchy, targets will be weight based, tax and incentives to be outlined as well as infrastructure needs and more enforcement power for local authorities.

It was noted that there is a gap between what the government expect to receive from landfill tax and what is actually paid, therefore this is a loss of income which may drive incineration tax to be developed.

It was agreed that further information would be brought back to the Committee on these issues in the near future.

RESOLVED - That the Joint Executive Committee noted the information presented.

## 5

### CONTRACTS UPDATE

The Committee received a report on the current position regarding the Residual Waste Treatment Contract and other contracts and activities managed by the Partnership.

It was reported that production was lost due to blockages in the bottom ash extractor and the waste feed chute. Suez has set up a working group to investigate the blockages and to identify potential recommendations for improvement.

Health and Safety officers from the partner authorities visited the EfW facility in November to undertake a review of protocols, procedures and reporting systems.

It was reported that the main 2018 EfW shutdown will take place of line 4 from 27 February until 22 March and line 5 from 19 February until 7 March.

It was noted that the 2018/19 Annual Unitary Charge Forecast (AUCF) is nearing completion, this will form the basis of what each partner will pay for each month. The final reconciliation payment at the end of the financial year will be a one-off payment to establish the difference paid on the AUCF estimates and the actuals observed.

The exercise to investigate the potential opportunity to refinance the debt associated with the residual waste treatment contract is progressing. A joint insurance cost review is also ongoing, it was noted that the partnership is leading the exercise on behalf of the sector as this is an issue across the whole sector.

Committee was advised that STWWMP has been shortlisted at the LGC Awards 2018 for its WEEE Reduce, Reuse and Recycle project, under the Public/Private Partnership category. Winners will be revealed at the awards evening on 21 March 2018. Following a successful application for external funding to deliver another WEEE project, a project officer has been appointed.

In terms of the MRF contracts it was reported that the amount collected has increased overall in Sunderland, which is due to the introduction of fortnightly collections from April 2017.

The MRF contracts are due to end on 31 March 2018 for all partner authorities, however it has been agreed to activate the contract extension periods until 31 March 2021. This will allow a joint approach between all partner authorities for a new contract commencing 1 April 2021.

RESOLVED - That the Joint Executive Committee noted the contents of the report.

## 6

### QUALIFYING REFINANCING EXERCISE

Committee received a report on the progress of the Residual Waste Treatment Contract refinancing exercise.

The STWWMP signed a £727m 25 year contract to provide waste treatment and disposal. £73.525m of PFI credits were secured to support the investment. Refinancing is permitted under the contract and South Tyne and Wear Energy Recovery (STWER) approached the STWWMP in 2017 because it had identified an opportunity to renegotiate the Contract. Due to issues with the turbine the refinancing exercise was postponed until now.

The refinancing exercise has resumed and discussions have commenced with STWER and their lenders as well as Pinsent Masons LLP as the financial and legal advisors for STWWMP.

It was noted that Defra is involved to ensure there continues to be no impact on the PFI credits. Any benefits of the re-financing exercise are to be shared between the Partnership and STWER, calculated by the impact of the exercise on the Net Present Value of the projected distributions over the term of the contract. The Partnership would benefit from 50% of a re-financing gain of up to £1m, 60% of up to £3m and 70% of a gain exceeding £3m. The re-financing gain can be paid through a single payment, a reduction in the unitary charge payment or a combination of both.

It was confirmed that the exercise will take up to 12 months but that it is hoped to be complete within 2018.

- RESOLVED -
- (i) That the Joint Executive Committee noted the contents of the report and agreed to the progression of the exercise to release the financial benefits.
  - (ii) That the Joint Executive Committee agreed to receive further updates during the exercise.

## **7 JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY 2018-2022**

A report was presented on the progress of the five-year review of the Joint Municipal Waste Management Strategy (JMWMS). The strategy was initially agreed by each partner authority in 2007, and covers the management of municipal waste for 20 years, until 2027.

At the time of implementing the strategy it was agreed that a review be carried out every five years. This is the first review since service commencement of the RWTC.

Successes over the last five years were identified, including; no landfill since April 2015, increased community engagement following establishing the Visitor and Education Centre and joint procurement exercises leading to financial savings.

In 2013 the refresh of the JMWMS contained objectives which were too aspirational in times of austerity. However, key service options remain on the radar for future work.

Future key challenges were acknowledged such as Brexit, austerity and National

Sword operation in China.

It was proposed to retain the original 20 year timeline to allow partner authorities to focus on the strategic aims and aspirations of the partnership rather than identifying specific actions within the JMWMS. The full strategy will be brought to the next meeting.

RESOLVED - That the Joint Executive Committee noted the contents of the report.

## **8 HWRC VEHICLE PERMIT SCHEME REVIEW**

It was reported that over the last few months the Partnership team has been leading an evaluation of the Household Waste and Recycling Centre (HWRC) vehicle permit schemes in order to harmonise site access arrangements across the partnership area.

There are four HWRC's across the partnership area, each of which is managed on behalf of the partnership by external contractors. The sites are made up of a number of different skips for different materials, they are open seven days per week except Christmas. HWRC's can be used by any resident of the same local authority area, as there is no pedestrian access a vehicle must be used to dispose of any waste.

Previously vehicle permit schemes were introduced to restrict opportunities for inappropriate and potentially illegal access for the disposal of non-household waste or very large volumes of waste. Those residents using cars with trailers, vans, vehicles with a flat bed loading space of 4x4 vehicles with solid rear panels, must apply for a permit for their specific vehicle in order to gain access to the site. Vehicles such as live agricultural vehicles, vans with trailers and box vans are banned from sites due to their size and the type of waste they would likely be transporting. Across the partnership the vehicle permit schemes have basically corresponding criteria except some minor inconsistencies around vehicle height, length and weight.

It was noted that HWRC's are only licensed to accept household waste, commercial waste cannot be disposed of as it needs to be managed within the correct legal framework. In Gateshead and Sunderland vehicle length was selected as a key restriction due to health and safety issues and traffic movement, as well as the suspected misuse of HWRC's by traders and commercial businesses. However it was reported that there has been an increase in complaints regarding site access restrictions, this is because many of the new style pick-ups are as common as everyday estate cars but are often over the five metre maximum length limit and therefore are not allowed to access sites. In South Tyneside instead of vehicle length restriction, vans and larger vehicles are subject to a maximum gross vehicle weight limit of three and a half tonnes. It was pointed out however that this is difficult to enforce and essentially allows any type of van, regardless of their size, to enter the site.

In terms of the 2016/17 permit scheme statistics only 158 applications were refused

in Gateshead; 25% of which was because they were identified as trade waste and 69% because the vehicle was over 5 metres long. 1,233 were refused in South Tyneside, 53% of these were because too many permits had already been issued that month, 43% because the vehicle had previously been used by another resident and 5% because they were suspected trade waste. In Sunderland the number of permits refused was 346, 66% because they were trade waste, 24% because the vehicle was over 5 metres and 7% because excessive amounts of waste were trying to be disposed. It was acknowledged that these figures do not include telephone applications where, once a restriction is breached, the application process is terminated immediately and the details are not recorded. It was also reported that generally residents apply for more permits than they actually need. For example, in Gateshead, 18,499 permits were issued online but only 7,976 were presented at an HWRC, similarly 3,207 permits were posted but only 1,186 were used. 442 permits were printed by the Council for collection from the Civic Centre and only 205 were used. It was noted that in Sunderland only 60% of the permits issued were presented on site. Issuing more permits than are needed costs the Councils more in administering the permit scheme.

In reviewing the existing vehicle permit schemes gives an opportunity to harmonise access arrangements and maximise the benefits of using HWRC's for as many residents as possible, whilst ensuring that trade users' access to sites is restricted. This will also support the joint approach to the procurement of a new partnership wide HWRC contract in 2020.

The review recommended two changes to the existing HWRC vehicle permit schemes; the first being the introduction of a maximum annual limit of 12 permits per year (most other local authorities already restrict the number of permits). The statistics show that it would seem reasonable to implement and would only impact on a relatively small number of genuine service users and will significantly restrict commercial users disposing of their trade waste free of charge. The restriction will also encourage service users to only apply for the number of permits they actually need. Any unused permits will not be able to be carried forward to the next year. It was acknowledged that there are still some issues to be ironed out to ensure effective operation, for example customer services will need to cross-reference the named resident against the vehicle and the household from which the application is being made, this is to ensure traders are not asking others to apply for permits on their behalf. Consideration is also being given to whether all 12 permits should be issued in a single application and whether the annual period should relate to a calendar / financial year or a 12 month period from the date of application.

It was noted that the review also proposes to increase vehicle length limit across the partnership to a maximum of 5.5 metres. This will mean only minor changes will be needed to the Gateshead and Sunderland HWRC services, although South Tyneside will be changing from vehicle weight to vehicle length, which will mean some vehicles currently able to apply for a permit will be prevented from continuing to do so.

It was confirmed that any actual costs savings are too difficult to quantify as there is no direct tonnage information available to analyse the exact amount of trade waste that is being disposed of. It was reported that the review of the vehicle permit

scheme will ultimately restrict commercial users from disposing of trade waste illegally at the Council's expense and this will therefore improve the service for genuine service users by reducing queuing traffic and shortening the time that people are spending on site.

During the review discussions were held with Suez as the HWRC provider for Gateshead and Sunderland, as South Tyneside's provider changed during the review to Remondis JBT discussions around the service change will need to be held. The two current proposals are considered as 'quick wins' in terms of the HWRC service but they do require significant back office work by colleagues outside of the partnership team, for example customer service front line staff and the software that manages online applications. It was noted that this will need to be underpinned by a coordinated communications campaign across the partnership area in advance of the introduction of the changes.

RESOLVED - That Joint Executive Committee noted the information presented.

## **9 COMMUNICATIONS UPDATE**

A presentation was given to the Committee on waste-related stories that have recently been in the media.

It was reported that the fallout from the Chinese recycling import restrictions continues. Resource Minister Therese Coffey stated that the ban gives us an opportunity to reprocess more here instead of exporting it to the other side of the world. However, these comments have been criticised by the Environmental Audit Committee and compliance specialists Ecosurety who have stated that the UK is nowhere near ready to create the number of recycling plants that will be required if all plastic waste is to be recycled on home soil. They have stated that the country will therefore need to continue to export plastic waste overseas or incinerate it for the near to medium future while the recycling capacity in the UK is built up. Also in that time the Government will need to inject financial and market incentives for those companies that want to invest in plastic reprocessing. Ecosurety has also said that UK householders will have to become better at sorting plastic for recycling to ensure recyclers receive the right quality of plastic materials. It therefore called on Government to ensure a uniform domestic recycling system is introduced across the UK backed up by a campaign to educate households about how to recycle their plastic waste properly.

The paper recycling company Mid UK Recycling Ltd has stated that the issue with China is overshadowing another crisis in the industry; that of paper and cardboard. It has been suggested that packaging is becoming more difficult to recycle as cardboard boxes often contain metal staples, plastic parcel tape and amazon parcel stickers. This means that the Chinese maximum 0.5% contamination rate is barely achievable. Also, European mills are full with high stock levels, which is worse for the UK as they are battling against the UK winter to control moisture levels within storage facilities whilst facing increasing restrictions following the Environment Agency fire prevention plan guidance coming into play.

It was noted that EU ambassadors have endorsed the provisional agreement on the legislative proposals of the waste package that was reached with the European Parliament last year, with an increase in recycling targets for all member states. The proposals will set the following targets for the preparation for reuse and recycling of municipal waste by weight;

- 55% by 2025
- 60% by 2030
- 65% by 2035

Committee was advised that Michael Gove remains as the Environment Secretary and Therese Coffey kept her post as Resource Minister for a second year. The SUEZ Chief Executive said it was reassuring to have stability in the leadership of the department and that consistency at Defra is crucial if the UK wants to stand any chance of being a future leader in resource efficiency, sustainability and environmental protection.

It was reported that the Government's delayed 25-year Environment Plan was published in January, it includes pledges to support 'comprehensive and frequent waste and recycling collections which protect local amenities and ensure that products are recycled as much as possible, returning high quality materials back into the economy. Its initial waste-related focus will be on plastics, some of the other proposals include urging supermarkets to create plastic free aisles, charging for single use plastic items and extending the plastic bag levy to smaller retailers. It was noted that delivery of the Plan will link to the Resources and Waste Strategy which is expected to provide more detail on the funding of services to increase recycling levels. Although it was confirmed that the strategy is not likely to be published until the second half of 2018 as Defra needed to consider the proposed call for evidence on how the tax system or charges could help reduce the amount of single use plastic waste, and there would have to be consultation on elements of the strategy because it would propose regulatory changes.

It was also reported that Asda has become the first of the 'big four' supermarkets to set out detailed plans about how it will reduce its use of plastic. Asda has pledged to 'use less and recycle more' by reducing the amount of plastic in its own-brand packaging by 10% by the end of the year and work with suppliers to investigate new options to replace plastic packaging or identify more recyclable solutions. Asda will also remove all single use cups and plastic cutlery from its cafes by the end of 2019 and will replace single use carrier bags with bags for life by the end of 2018. In addition, Waitrose has announced it will remove black plastic trays from meat, fish, fruit and vegetables by the end of 2018 and will stop selling packs of disposable straws from September. Waitrose has also stopped selling items containing microbeads and switched to paper-stem cotton buds and are committed to making its own-label packaging widely recyclable, reusable or home compostable by 2025. The retailer Iceland committed to eliminate plastic packaging from all of its own brand products by the end of 2023 by harnessing the latest technologies to create packaging using paper.

Starbucks launched a 5p coffee cup trial across 35 stores in London to assess whether customers reduce their use of single-use paper cups because of the

additional charge. The proceeds generated will be donated to environmental regeneration charity and behavioural change experts Hubbub. Starbucks has also commissioned research which found that 48% of respondents said they would carry a reusable cup to save money and reduce waste.

Committee was advised that the London Borough of Newham has said its expensive and inflexible PFI deal is preventing it from improving its household recycling rate, which is currently the lowest in England at 14.1%. Newham is part of the East London Waste Authority which has a 25 year PFI contract to collect and dispose of 121,000 tonnes of waste a year. The PFI contract and Government funding cuts have been blamed for the authority being unable to boost its recycling rate. The Mayor of Newham stated that the PFI contract restricts waste materials from being collected separately, that the overall cost of the waste levy was one of the highest in the country and that there is a lack of financial incentives for the Council to invest in achieving higher recycling rates. The Mayor also stated that the Council is now caught in an expensive PFI where they lack choice, flexibility and saving opportunities through recycling solutions that many other authorities are able to exercise.

It was also noted that Brighton and Hove City Council has blamed an inflexible PFI deal for restricting recycling, saying that its PFI contractor, Veolia, only recycled those materials where there is a guaranteed end market. Veolia are not willing to change their position and the Council is contractually obliged under the terms of their PFI agreement to provide all waste materials, whether residual or recyclable, to the contractor. The former Head of Waste at the Department of the Environment has highlighted that the East London Waste Authority was one of the early PFI's which was conceived when recycling targets were lower and the focus was on reducing biodegradable waste to landfill. Therefore such contracts have little flexibility to adjust to the changing legislative and market conditions or to adapt to consumer behaviour.

Committee was advised that Conwy County Borough Council has delayed the roll-out of four weekly residual household waste collections after hearing that residents were having problems with recycling. A motion was passed to ask Cabinet to reconsider their resolution and ensure they were wholly satisfied that all education and communication mitigation measures raised at the meeting were in place.

RESOLVED - That the Joint Executive Committee noted the information presented.

**10**

## **DATE AND TIME OF FUTURE MEETINGS**

RESOLVED - That the Joint Executive Committee agreed to the following schedule of meetings for 2018/19;

- 15 June 2018 – 1.30pm
- 21 September 2018 – 1.30pm
- 7 December 2018 – 1.30pm
- 15 March 2019 – 1.30pm

