

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

**15 June 2018**

**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 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. A contract extension period was activated in 2018, which is scheduled to end on 31 March 2021.
- 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. A contract extension period was activated in 2018, and also is scheduled to end on 31 March 2021.

- 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 From 1 December 2017, South Tyneside Council entered into a 30-month HWRC management with Remondis JBT.
- 2.7 The end dates for all three HWRC management contracts are co-terminus. This will enable a joint approach between all three partner authorities to be considered for a new contract commencing on 1 April 2020.
- 2.8 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
- 2.9 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.

#### 2017/18 Service Update

- 3.2 The year-end performance information for the 2017/18 contract year can be found at Appendix A. Once again, RWTC contractual targets were exceeded.
- 3.3 The main 2018 EfW maintenance shutdown took place during February and March (Line 5 was brought offline 10 hours earlier than scheduled due to a bottom ash chute blockage), and the site continued to accept STWWMP waste throughout the shutdown period. However, RWTC contingency arrangements were successfully implemented when a small amount of waste received from Campground and Jack Crawford House was diverted to the Wilton EfW.
- 3.4 Maintenance undertaken during the shutdown included the replacement and installation of the superheater.

3.5 The turbine was also brought offline on 27 February for annual maintenance and inspections.

3.6 A number of service issues have also been experienced, including:

- 12 hours of plant availability was lost on 4 February due to a bottom ash chute blockage.
- A further 2 hours of plant operation were lost on 16 February because of several plant trips that occurred during online boiler cleaning, which resulted in a half hourly volatile organic compound (VOC) breach. The issue has been fully investigated and reported to the Environment Agency (EA) and a response in terms of a compliance classification scheme (CCS) score is still awaited. A dust breach was also recorded during the incident, but following investigation, it was proved as a miscalculated and subsequently false reading, and reported to the EA as abnormal operation under a Part C notification.
- In March, a large leak on the main condensate line resulted in 30 hours of lost production for Line 4 and 35 hours on Line 5. The fault was successfully repaired.

3.7 The extreme snowy and icy weather conditions that were experienced in March were challenging for the delivery of all collection services and resulted in unpredictable waste flows early in the month.

#### 2018/19 Service Update

3.8 Both Lines 4 & 5 have now had 'rams' fitted to assist with blockage clearance and help to reduce EfW downtime, as highlighted above. This upgrade is to be formally documented and new plans are to be submitted by STWER in the near future.

3.9 Service issues experienced in April include:

- Line 5 lost 23.4 hours availability over 1 & 2 April due to a gasket failure on a condensate delivery pipeline. This also resulted in the turbine generator unit being offline for 26 hours.
- Line 4 lost 2 hours of availability on 19 April as a consequence of a plant trip which was initiated by the failure of the waste feed chute level sensor causing the water level in the chute to drop to a low level. This also resulted in a daily exceedance of carbon monoxide (CO) and another half hourly VOC breach. The issue was reported to the EA and a full investigation has been conducted. A CCS score is pending.

#### Qualifying Refinancing Exercise

3.10 The exercise to investigate the potential opportunity to refinance the debt associated with the RWTC continues to progress.

#### Joint Insurance Cost Review (JICR)

3.11 Further discussions with representatives from the Department for Environment Food and Rural Affairs (Defra), STWER, and Willis Towers Watson insurers involving the joint insurance cost report associated with the RWTC are ongoing.

### Waste Transfer Stations (WTS)

- 3.12 All three of the WTS have remained available throughout the current 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.
- 3.13 Routine maintenance of buildings, plant, and control systems continues to be delivered as planned and no significant issues have been identified.
- 3.14 The EA undertook a full site inspection of Middlefields WTS in April to assess permit compliance. At the end of each year, inspected sites are awarded a compliance rating from Band A-F (with A being better performing than F). The EA noted that the site is operating well with zero CCS points accrued in the compliance year and, therefore, awarded the site a score of A.

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

- 3.15 The RWTC affords provision for SUEZ to help to improve local prosperity across the partnership area by promoting vacant posts within their facilities. The Economic Development Service at Gateshead Council continues to receive information on local vacancies, which are then cascaded to partner authorities for circulation to their client base. Local vacancies are also raised with the Jack Crawford House Community Liaison Group, with the group's Chair circulating opportunities to community contacts across Sunderland.
- 3.16 Currently, 71% of staff employed on the residual waste treatment contract at the STWWMP waste transfer stations and contract support team are residents of the partnership area. 7.5% of those employed at Lines 4 & 5 are Gateshead, South Tyneside, or Sunderland residents.
- 3.17 Following recent staff reorganisation within SUEZ, recent recruitment exercises have appointed Gateshead resident as a site supervisor on a 12-month secondment at Middlefields; a replacement site operative at Jack Crawford House; and an interim appointment in the role of maintenance manager at the EfW.

### Community Education and Engagement

- 3.18 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, the energy-from-waste facility, and through outreach activities held in local schools and community settings.
- 3.19 During the financial year 2017/18, 5,395 local children and young people, residents, and community group members took part in waste awareness activities and site visits. In recent months, significant events have included:
- A whole school waste awareness assembly with 200 pupils at Stanhope Primary School, South Tyneside.
  - A whole school waste awareness assembly and Year 3 waste awareness session with a total of 210 pupils at Holley Park Academy, Sunderland.
  - A whole school waste awareness assembly and Year 2 waste awareness workshop with a total of 224 pupils at Ridgeway Primary Academy, South Tyneside.

- The launch of the Washington Clean and Green inter-schools recycling project at Barmston Village Primary School.

3.20 Since April 2018, events have included:

- An EfW tour for Year 5 pupils from St. Paul's Primary School, Sunderland.
- A whole school waste awareness assembly for 148 pupils at Wessington Primary School, Sunderland.
- A whole school waste awareness assembly for 125 pupils at Fell Dyke Primary School, Gateshead.

3.21 Following the recent launch events for the dedicated Waste Electrical and Electronic Equipment (WEEE) project, an events programme including WEEE swap shops and WEEE amnesties continues to be delivered with local schools and community groups.

#### Community Liaison Groups

3.22 The Jack Crawford House Community Liaison Group met on 22 March 2018.

3.23 The group noted that STWWMP continues to divert 100% of its residual waste from landfill, with approximately 96% processed (recovered) through the EfW and 4% recycled. No significant accidents or incidents had occurred on site during the period since the group last met.

3.24 A statement from the EA noted that the most recent inspection found the Jack Crawford House site to be fully compliant with the permit, with no amenity issues evident or permit breaches observed. No incidents have been reported in relation to the waste transfer station or other issues within the local community.

3.25 The next meeting of the Jack Crawford House Community Liaison Group was scheduled for Thursday 5 July 2018.

3.26 The Campground Community Liaison Group meeting scheduled for 8 May 2018 was postponed, and is currently being rescheduled.

## **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 & Safety site inspections at the various contractor facilities to ensure that recycling performance is maximised.

4.2 Regular discussions at MRF contract management meetings consider ways in which recycling quality and performance can be improved in order to increase the amount of material recycled and reduce the amount sent for energy recovery. This continues to be an important factor due to the Chinese import restrictions on recycling which are impacting on world markets for recycling materials. Currently, these restrictions have had limited impact on the

marketing of the materials from the partnership's MRF contractors as they are either of acceptable quality or alternative destinations have been secured. However, the contractors are now looking at what changes can be made to their own processes to ensure that recycling levels are maintained.

- 4.1 Table A, at Appendix B, highlights the total amount of materials collected by each authority during 2017/18, broken down between the paper collected separately in the inner box and the comingled materials collected in the main section of the blue bin. In Gateshead and South Tyneside, overall recycling tonnages have dropped compared to the previous year. There has been an increase in the amount of comingled recycling collected in Sunderland, which can be attributed to the introduction of fortnightly refuse collections in April 2017. However, paper tonnages continue to reduce year on year for all three partner authorities. Table B highlights the blue bin data for April 2018.
- 4.2 Appendix B also shows Table C, which highlights the 2017/18 year-end MRF recycling and recovery rates for comingled materials only. Recycling performance has generally remained at the same level in each partner authority throughout the year. Sunderland City Council continue to identify actions to help increase their recycling rates.

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

- 5.1 Table A, Appendix C, shows the 2017/18 year-end performance information. Table B highlights the latest HWRC recycling figures available (April 2018 only).
- 5.2 Beach street recycling performance has reduced as a result of the introduction of fortnightly refuse collections in Sunderland in April 2017. This has resulted in more residents taking their residual waste to the HWRC which cannot be recycled. This has also impacted on the Campground performance as Sunderland residents use this site.

## 6. **GREEN WASTE COMPOSTING CONTRACTS**

- 6.1 All three partner authorities recommenced garden waste kerbside collection services in March/April 2018. Contract meetings have been held with service providers at the various facilities which also includes health & safety site inspections.
- 6.2 There has been a recent issue with the quality of garden waste on the Gateshead contract highlighted by the contractor. This is due to contamination from the HWRC sites in Gateshead and not from kerbside collections. The Partnership have been liaising with Suez to ensure quality of garden waste collected from the HWRCs improves.

## 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 year-end performance

Total contract waste	190,141.07 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 58,660.53 tonnes Sunderland 17,407.30 tonnes South Tyneside 49,886.82 tonnes Sunderland 64,186.42 tonnes
Total contract waste delivered to EfW	184,707.82 tonnes
Line 4 availability Line 5 availability Overall EfW availability	90.13% 93.56% 91.85%
Average turbine availability	96.82%
Electricity generated Electricity exported Electricity imported	190,820 MWh 169,003 MWh 15,073 MWh
Recycling performance	Target 2.1% Performance 4.1%
Recovery performance	Target 95.5% Performance 95.9%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 11 108 41 0

2018/19 latest performance: April 2018 only

Total contract waste	15,931.79 tonnes
Contract waste delivered to WTS: <ul style="list-style-type: none"> <li>- Campground</li> <li>- Middlefields</li> <li>- Jack Crawford House</li> </ul>	Gateshead 4,930.98 tonnes Sunderland 1,462.61 tonnes South Tyneside 4,207.30 tonnes Sunderland 5,330.90 tonnes
Total contract waste delivered to EfW	15,400.24 tonnes
Line 4 availability Line 5 availability Overall EfW availability	99.72% 96.75% 98.24%
Average turbine availability	96.4%
Electricity generated Electricity exported Electricity imported	16,677 MWh 14,929 MWh 0 MWh
Recycling performance	Target 2.1% Performance 3.6%
Recovery performance	Target 95.5% Performance 95.4%
Unprocessed landfill diversion rate	100%
Health and safety: <ul style="list-style-type: none"> <li>- RIDDOR</li> <li>- Injuries and accidents</li> <li>- Near misses</li> <li>- Property damage</li> <li>- Fires</li> </ul>	0 0 7 4 0

## MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2017/18 year-end blue bin tonnage data

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	12,757	9,516	18,137
Paper tonnage	2,542	1,700	2,177
<b>Total tonnage</b>	<b>15,299</b>	<b>11,216</b>	<b>20,314</b>
<i>Comparison to 2016/17 - <b>comingled</b></i>	<i>0.4% decrease</i>	<i>5.9% decrease</i>	<i>16.6% increase</i>
<i>Comparison to 2016/17 - <b>paper</b></i>	<i>13.2% decrease</i>	<i>8.8% decrease</i>	<i>32.9% decrease</i>
<i>Comparison to 2016/17 - <b>all materials</b></i>	<i>2.8% decrease</i>	<i>6.4% decrease</i>	<i>8.1% increase</i>

Table B: 2018/19 latest blue bin tonnage data: April 2018 only

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	1,045	765	1,458
Paper tonnage	180	124	143
<b>Total tonnage</b>	<b>1,225</b>	<b>889</b>	<b>1,601</b>
<i>Comparison to April 2017 - <b>comingled</b></i>	<i>7.3% increase</i>	<i>No change</i>	<i>13.0% increase</i>
<i>Comparison to April 2017 - <b>paper</b></i>	<i>12.2% decrease</i>	<i>1.2% decrease</i>	<i>26.6% decrease</i>
<i>Comparison to April 2017 - <b>all materials</b></i>	<i>3.9% increase</i>	<i>0.2% decrease</i>	<i>7.8% increase</i>

Table C: 2017/18 MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
Q1 2017/18	89.8%	10.2%	84.9%	15.1%	73.4%	26.6%
Q2 2017/18	88.1%	11.9%	84.2%	15.8%	75.6%	24.4%
Q3 2017/18	88.6%	11.4%	85.7%	14.3%	76.4%	23.6%
Q4 2018/17	88.0%	12.0%	82.3%	17.7%	75.3%	24.7%

## HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2017/18 year-end recycling performance (excluding inert materials, such as rubble):

<b>HWRC</b>	<b>2016/17</b>	<b>2017/18</b>
Campground	65.6%	61.4%
Cowen Road	63.2%	63.4%
Beach Street	65.9%	58.8%
Middlefields (Recycling Village)	51.0%	50.8%

Table B: 2018/19 latest recycling performance (excluding inert materials, such as rubble):

<b>HWRC</b>	<b>April 2018 only</b>
Campground	60.8%
Cowen Road	61.6%
Beach Street	57.4%
Middlefields (Recycling Village)	TBC