

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

7 December 2018

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

SUBJECT: Contracts Update

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 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, which is also scheduled to end on 31 March 2021.

- 2.5 Gateshead and Sunderland councils jointly procured separate contracts with SUEZ for the management of Household Waste and Recycling Centres (HWRC). 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 several waste management functions on behalf of the partner authorities, including reviewing and verifying monthly contract reports, which detail materials processed and service issues. Once approved, invoices are processed and, where appropriate, apportioned between partner authorities within contractual timescales.
- 2.10 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 latest contract performance (April-October 2018) can be found at Appendix A.

Service Update

- 3.2 During recent months, the operation of the EfW has encountered no significant issues so unavailability has been limited. For example, Line 5 has experienced 100% availability over the last three months. However, some services issues were experienced on Line 4:
- 0.5 hours of availability were lost on 4 August due to moisture within the air pollution control system, which restricted the ammonia flow and required the waste feed to be temporarily stopped. The delivery valve was cleaned out and dried and is now operating effectively.

- 18 hours were lost over 7-8 August due to high carbon monoxide (CO) levels that occurred during a plant trip as a consequence of overpressure in the flue gas treatment reactor. Procedural and technical investigations have been conducted and actions identified to prevent a recurrence.
- 3.3 Three and a half hours of turbine availability were lost on 29 September as a result of a trip initiated by a pump fault on the closed water cooling system. The trip was investigated, and the system reset.
- 3.4 An Incinerator Bottom Ash (IBA) exceedance of high copper levels was reported during October, resulting in the second exceedance within the rolling 24-week reporting period. Investigations are ongoing to identify a possible root cause.
- 3.5 During October, it was also observed that the Line 4 outboard and inboard grates were sticking during operations. However, the issue did not affect plant combustion or performance. A full investigation noted that operations have since improved, and whilst no repairs are considered to be necessary at this stage, the situation will continue to be monitored.
- 3.6 The dates for the annual EfW maintenance shutdown have now been confirmed:
- Line 4: 20 February – 14 March 2019
 - Line 5: 5 – 27 March 2019

Joint Insurance Cost Review (JICR)

- 3.7 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)

- 3.8 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.
- 3.9 Routine maintenance of buildings, plant, and control systems continues to be delivered as planned and no significant issues have been identified.
- 3.10 The former 'civic amenity' site area at Middlefields WTS was inspected by the Environment Agency (EA) on 24 August. No issues were raised, with the EA commenting '*...the site is operating well and this is represented in the year to date compliance rating [0 CCS points, compliance band A].*'

Targeted Recruitment and Training (TR&T)

- 3.11 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 highlighted at the

Jack Crawford House and Campground Community Liaison Groups to enable opportunities to be circulated across community contacts.

- 3.12 Following an internal restructure within SUEZ, and the conclusion of the subsequent secondment period, the position of site manager at Jack Crawford House WTS was advertised, interviews held, and a Sunderland resident was externally appointed into the role. The official start date is anticipated to be during January 2019.

Community Education and Engagement

- 3.13 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.

- 3.14 Between April and October 2018, over 7,280 local residents, children and young people, and community group members have taken part in waste awareness events, activities, and site visits. Recently, this has included:

- Waste awareness assemblies with 134 pupils at Harlow Green Primary School, Gateshead, and 157 pupils at St. Gregory's Primary School, South Tyneside.
- A waste awareness roadshow with almost 1,350 STWWMP residents at the intu Metrocentre as part of the national Recycle Week, which also enabled 14 children from Blaydon St. Joseph's Primary School Eco Club to undertake a behind-the-scenes tour of intu's recycling activities and facilities at the centre.
- Waste awareness community roadshows, including: 69 residents at Doxford Park (Sunderland); 165 attending the Big Local Event, Jarrow (South Tyneside); and 64 at the Raich Carter Centre Family Fun Day in Sunderland.

- 3.15 A separate events programme for the dedicated Waste Electrical and Electronic Equipment (WEEE) continues to be delivered with local schools and community groups. A battery amnesty campaign was launched in schools across STWWMP in September. Battery tubes are also being rolled-out to schools and community venues to further encourage battery recycling.

Community Liaison Groups

- 3.16 The Jack Crawford House Community Liaison Group met on Thursday 15 November 2018.

- 3.17 The group were updated on site operations, noting that it was operating well with no significant accidents or incidents occurred during the period since the last meeting. It was highlighted that across STWWMP, waste continues to be 100% diverted from landfill.

- 3.18 Although the EA were unable to attend the meeting, they provided a statement confirming that whilst no inspections had been undertaken since the last community liaison group meeting, they were happy with site operations.

- 3.19 The group also received a presentation on the dedicated WEEE project.

3.20 The Campground Community Liaison Group is scheduled to meet on Tuesday 27 November.

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 Table A at Appendix B highlights the total amount of materials collected by each authority between April and October 2018, broken down to demonstrate the paper collected separately in the inner box and the comingled materials collected in the main section of the blue bin. The overall recycling tonnages in each partner authority continue to fluctuate, but paper tonnages collected separately in the inner caddy have fallen again compared to the same period last year.

4.3 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since Quarter 1 2017/18. Recycling performance has generally remained at similar levels in each partner authority. Sunderland City Council continue to identify actions to help increase their recycling rates.

4.4 A recycling trial will be introduced in Gateshead and South Tyneside in January/February 2019 which will involve the collection of paper and card together in an additional wheeled bin, which will replace the inner caddy at the households in the trial area. Councillors are being fully briefed regarding the development and delivery of the trial. Meetings with the contractor, Palm Recycling, remain ongoing to ensure the new arrangements are communicated effectively to residents within the trial area. Although the trial is taking place in Gateshead and South Tyneside, the results will benefit all three partner authorities and will be used when evaluating future service delivery models.

4.5 The joint partnership team has begun investigations to support the partner authorities in considering the future delivery of the MRF contracts post-2021. As part of this process, a market engagement day will be held in February 2019, enabling a range of recycling contractors to engage in direct dialogue with STWWMP. This will impact on the next MRF contract procurement exercise by enabling the partnership to clarify and consider contractors' delivery model preferences.

4.6 Furthermore, STWWMP has secured free-of-charge consultancy from the national Waste Resources and Action Programme (WRAPWRAP), which will enable specialist support to be provided in the development of the future MRF contract, such as:

- Analysis of the outcomes arising from the market engagement day;
- Support in the evaluation and impact of the Palm paper and card recycling trial;

- Appraisal of different collection service configurations and service delivery models; and
- Support in the development of contract specifications and relevant documentation.

4.7 The Palm MRF on Teesside, which processes recycling material collected by Gateshead and South Tyneside, was recently offline for 4 days. However, the fault has now been rectified and there was no impact on contract operations as materials were able to safely stored on site before full service resumed.

4.8 In October, councillors from Sunderland City Council visited the J&B Recycling MRF at Hartlepool. The visit was aimed at demonstrating what happens to waste that is collected for recycling, how it is processed, and the problems caused by material contamination etc. In addition to the operations at the MRF, councillors also witnessed two different council collection crews undertaking recycling rounds and material drop-off activities at the waste transfer station at Washington.

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

5.1 Appendix C highlights the latest HWRC recycling performance April-September 2018).

5.2 Recycling performance at the sites remains at a similar level to the previous year and is either exceeding or in line with annual recycling targets.

5.3 At Beach Street, residual waste received has increased significantly in comparison to the same period to last year, with a slight increase in recycling tonnages also experienced.

5.4 All HWRC contractors continue to explore whether additional materials disposed at sites can be recycled and further improve recycling performance. For example, SUEZ are currently trialling mattress recycling at the Gateshead and Sunderland sites. Mattresses are traditionally difficult to recycle, due to the different materials involved in their manufacture, but SUEZ has provided additional resources and equipment to separate the different material types (i.e. metals and flock) so that they can be both be processed as recycling.

6. **GREEN WASTE COMPOSTING CONTRACTS**

6.1 All three partner authorities recommenced garden waste kerbside collection services in March/April 2018. Contract management meetings have been held with service providers at the various facilities, which also include Health & Safety site inspections.

6.2 The current contract periods are scheduled to end in March 2019. However, it is proposed that the current contracts are extended for a period of 12 months. Written feedback from all contractors to confirm the extensions is awaited.

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

2018/19 latest performance: April-October 2018

Total contract waste	114,985.42 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 35,771.47 tonnes Sunderland 11,055.13 tonnes South Tyneside 29,948.53 tonnes Sunderland 38,210.29 tonnes
Total contract waste delivered to EfW	112,399.88 tonnes
Line 4 availability Line 5 availability Overall EfW availability	98.09% 97.67% 97.82%
Average turbine availability	98.44%
Electricity generated Electricity exported Electricity imported	119,634 MWh 105,438 MWh 15,842 MWh
Recycling performance	Target 2.1% Performance 3.2%
Recovery performance	Target 95.5% Performance 96.8%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	1 4 51 19 0

MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2018/19 latest blue bin tonnage data: April-October 2018

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	7,549	5,449	10,745
Paper tonnage	1,315	888	1,117
Total tonnage	8,864	6,336	11,863
<i>Comparison to April-October 2017 - comingled</i>	<i>3.7% increase</i>	<i>0.6% decrease</i>	<i>2.8% increase</i>
<i>Comparison to April-October 2017 - paper</i>	<i>14.2% decrease</i>	<i>12.2% decrease</i>	<i>16.0% decrease</i>
<i>Comparison to April-October 2017 - all materials</i>	<i>0.6% increase</i>	<i>2.4% decrease</i>	<i>0.6% increase</i>

Table B 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%
Q1 2018/19	88.3%	11.7%	84.6%	15.4%	75.5%	24.5%
Q2 2018/19	86.7%	13.3%	83.1%	16.9%	76.4%	23.6%

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

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

HWRC	Annual Target	April-September
Campground	63.4%	65.0%
Cowen Road	63.1%	63.6%
Beach Street	61.6%	61.1%
Middlefields (Recycling Village)	N/A	60.9%