

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

**10 JANUARY 2020**

**REPORT OF:** Colin Huntington, 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 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 agreed in 2018, which is scheduled to end on 31 March 2021.
- 2.4 Sunderland City 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 agreed 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 agreed from 1 April 2017.
- 2.6 From 1 December 2017, South Tyneside Council entered into a 30-month HWRC management contract 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 1 April 2016
  - South Tyneside: SUEZ for 36 months from 1 April 2016
  - Sunderland: JBT (now delivered by Remondis following take-over of JBT) for 31 months from 1 September 2016
- 2.9 Following the expiry of the above contracts, all three partner authorities agreed to a 12-month extension from 1 April 2019.
- 2.10 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.
- 2.11 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 (RWTC)**

#### Service Update

- 3.1 Appendix A highlights the latest 2019/20 contract year performance. During recent months, service availability has continued to be strong with plant availability 99.23% and turbine availability 98.80%.
- 3.2 Line 4 reported 100% availability during August-November.
- 3.3 However, Line 5 lost a total of 35.82 hours of availability over 28 to 30 August due to a bottom ash chute blockage. During this period, in addition to the blockage clearance, grate cleaning works were also undertaken.

- 3.4 A further 49.4 hours were lost on Line 5 over 7 to 9 November due to the failure of the chain link on the bottom ash conveyor.
- 3.5 Line 5 reported 100% availability during September and October.
- 3.6 Turbine performance continues to be strong, with no issues or loss of availability encountered during the period August-November 2019.
- 3.7 During this contract year, no environmental breaches have been reported to date and all incinerator bottom ash samples have returned compliant results.

#### Line 6 - Update

- 3.8 The planning pre-application remains with Stockton-on-Tees Borough Council.

#### Refinancing

- 3.9 The exercise to replace the Debt Service Reserve Account (DSRA) with a contingent Debt Service Reserve Facility (DSRF), is still progressing.
- 3.10 The reduction to the Unitary Charge should generate revenue savings for each partner authority and it is projected that the joint benefit will be £0.24m per annum and £4.8m over the remainder of the contract.
- 3.11 It is hoped the exercise will be finalised this financial year.

#### Joint Insurance Cost Review (JICR)

- 3.12 Joint Insurance Cost Reports are provided by STWER every two years and they set out the mechanism for the insurance review procedure and sharing of insurance cost differentials. They illustrate the state of the insurance market during the term and any resulting increase or benefit from relevant insurance costs are shared between STWER and STWWMP.
- 3.13 The two outstanding JICRs have now been settled and the partner authorities have received a joint credit of £463,478. This was primarily due to the differences in the premiums and the PFI Insurance Market and Power and Engineering Insurance Markets having reduced rates consistently for the five years since the bid date base cost was established on 11 August 2010.
- 3.14 In the longer term, the position remains unclear as the exercise is linked to the base cost assumptions and any movements in the state of the insurance market in relation to our technology.

#### Waste Transfer Stations (WTS)

- 3.15 All three of the WTS have continued to remain available, with all sites accepting 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.
- 3.16 Routine maintenance of buildings, plant, and control systems continue to be delivered as planned and no issues have been identified.
- 3.17 The Environment Agency (EA) inspected the Campground WTS on 29 August 2019. No issues were identified during the visit.

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

- 3.18 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.
- 3.19 At present, 77% of post holders at the South Tyne and Wear waste transfer stations and working on the management and administration of the South Tyne and Wear RWTC are residents of the partnership area. Approximately 12% of post holders at the EfW facility are residents of the partnership area.
- 3.20 Interviews for the post of weighbridge operator at Campground WTS were held in August and an internal candidate – a South Tyneside resident - was appointed.
- 3.21 Two site operative positions at Middlefields became vacant in November 2019 and two South Tyneside residents were appointed as replacement post holders.
- 3.22 The current EfW Operations Manager has taken a 12-month promotion secondment as Plant Manager at the SUEZ Wilton EfW. The current Technical Plant Engineer commenced an 18-month secondment as replacement Operations Manager in October.

### Community Education and Engagement

- 3.23 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.
- 3.24 Between April and November 2019, 4,790 local residents, children and young people, and community group members took part in waste awareness events, activities, and site visits. Recently, significant activities have included:
- Waste awareness assemblies for:
    - 189 Year 7 pupils at Castle View Academy, Sunderland
    - 167 Year 9 pupils at Mortimer College, South Tyneside
  - A waste awareness session for 38 Year 1 and Year 2 pupils at Kibblesworth Academy, Gateshead
  - Waste awareness information stalls for:
    - 86 and 63 people at the two-day Sandhaven Beach Festival, South Tyneside
    - 348 and 296 9-14 years olds attending the two-day Bring It on Event engineering careers event at the Stadium of Light
    - 84 attendees at Sunderland NHS Sustainability Day
  - A series of holiday activity club recycling sessions with children at Larkspur Primary School, Gateshead.

### Community Liaison Groups

- 3.25 The Campground Community Liaison Group met on Tuesday 24 September 2019.
- 3.26 The group were informed that the waste transfer station was operating effectively, and no issues or concerns were raised.
- 3.27 The Jack Crawford House Community Liaison Group met on Thursday 17 October 2019.
- 3.28 The group received an update on site operations, noting that it was operating well and is managing contract waste in line with expectations. No significant accidents or incidents had occurred during the period since the last meeting.
- 3.29 The Environment Agency reported that no complaints about the site had been received since the last meeting and that no permit breaches had been identified on previous inspections.

## **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 latest 2019/20 performance (April-November 2019) for the materials collected by each partner authority in the kerbside 'blue bin' recycling service. The results are 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.
- 4.3 The comingled recycling tonnages in each partner authority continue to fluctuate due to several different reasons, including the development of light weight recyclable materials across the sector, householder participation, and seasonal variations. However, paper tonnages collected separately in the inner caddy continue to fall year on year and is now around 11% of the overall tonnage collected by the three partner authorities.
- 4.4 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since Quarter 1 2018/19. 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 and reduce contamination (shown as recovery in the table) rates, to bring these levels in line with Gateshead and South Tyneside.
- 4.5 The recycling trial that commenced in February 2019 on a single collection round in both Gateshead and South Tyneside is enabling around 2,400 households to recycle paper and cardboard materials together in a separate, additional, wheeled bin. Table C at Appendix B provides details of the tonnage of paper and cardboard (known as mixed fibre) that has been collected since the start of the trial.

4.6 The Waste and Resources Action Programme (WRAP) has undertaken an initial evaluation of the trial. The evaluation found that:

- Following the implementation of the trial, almost all of the fibre presented for collection (99%) is now contained in the separate fibre bin. This has enabled separately presented fibre levels to rise from an average 33.03 kg per household (paper only) to 82.35kg per household (paper and card).
- Presentation rates for the comingled DMR bins remained consistent both pre- and post-trial implementation, but the separate fibre bins recorded much higher levels of presentation when compared to the previous use of the inner caddy.
- Before the trial, inner caddy presentation rates were 41-42% in Gateshead and 40% South Tyneside, but this has now risen to presentation rates of 79% in Gateshead and 84% in South Tyneside for the new fibre bin.
- Separating the recycling in this way protects the integrity of the fibre-based materials and improves its overall quality, which makes it more recyclable and therefore more commercially viable to the contractor because the contamination levels have been negligible.
- Reduced contamination levels within the DMR presented in the existing blue bins and less than 1% of recycling-related side waste (i.e. materials presented for collection next to the bin, not contained inside) has been reported in both Gateshead and South Tyneside.
- Increased income levels that the councils receive from Palm for the fibre collected from the trial households.
- Consultation with residents in the trial area highlighted a positive response to the service change.

4.7 Although the trial is taking place in Gateshead and South Tyneside, the trial feedback and results will benefit all three partner authorities and will be used when evaluating future service delivery models.

## 5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

5.1 Table A at Appendix C highlights the latest HWRC recycling performance for 2019/20 (April-October 2019), excluding inert materials, such as rubble.

5.2 The partner authority HWRC contracts with SUEZ and Remondis are set to expire at the end of March 2020.

5.3 A joint procurement exercise is currently being undertaken and, following the invitation to tender, submissions have been received and are currently being evaluated by the partner authorities. A decision is anticipated regarding appointment of the successful contractor/s in February 2020.

## 6. GREEN WASTE COMPOSTING CONTRACTS

6.1 The garden waste kerbside collection service resumed in all three partner authorities in April 2019. Contract management meetings continue to be held with service providers at the various facilities, which also include Health & Safety site inspections.

6.2 The current contracts were scheduled to end on 31 March 2020, but all three partner authorities have now agreed to extend the existing arrangements until 31 March 2022.

## 7. **WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT**

7.1 The regional contract procured through the North East Procurement Organisation (NEPO) for member authorities for the collection and management of Waste Electrical and Electronic Equipment (WEEE) and Batteries was awarded to Valpak Limited in December 2019.

7.2 The current framework contract commenced on 1 January 2020 for a period of 36 months, with an option to extend for a further 2 x 12 months.

7.3 The contract covers the following categories of WEEE:

- Large Domestic Appliances (LDA);
- Fridges and Freezers (to include commercial type and ammonia units);
- Small Domestic Appliances (SDA);
- Visual Display Equipment;
- Fluorescent Lighting Tubes; and
- Post-Consumer Batteries.

7.4 STWWMP worked in partnership with Valpak, SUEZ, and GNEC to submit two successful external funding applications for new WEEE projects, which will be rolled out during 2020 and 2021.

7.5 The Distributor Takeback Scheme, through their Funding for Local Authority WEEE Projects, awarded £119,460 to deliver a multi-faceted reduce and reuse project. The project concentrates on the delivery of repair, reuse and repurposing workshops, amnesty events and swap shops for SDA, and where this is not possible, to divert the material for recycling.

7.6 Delivery of the project will be achieved through the employment of a full-time dedicated WEEE project officer, who will arrange, promote and run the events/activities throughout the partnership area. This will be supported by a part-time PAT certified electrician, who will be responsible for providing professional electrical services at repair and reuse workshops in addition to training volunteers to provide them with the skills and knowledge to undertake repairs and PAT testing.

7.7 In addition, the WEEE Fund for small e-waste kerbside investments awarded £59,923 to deliver a concentrated kerbside recycling scheme.

7.8 This project will be delivered through a full-time officer and its key focus will be the provision localised collection activities for SDA and batteries in concentrated areas where bags will be delivered along with instructions for residents to encourage them to clear out unwanted, old, and broken SDA and place them at the edge of their property for collection on a designated day.

8. **RECOMMENDATION**

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

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## RESIDUAL WASTE TREATMENT CONTRACT

2019/20 latest performance: April-November 2019

Total contract waste	131,714.94 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 41,4040.54 tonnes Sunderland 11,900.52 tonnes South Tyneside 34,482.31 tonnes Sunderland 43,927.57 tonnes
Total contract waste delivered to EfW	128,820.82 tonnes
Line 4 availability Line 5 availability Overall EfW availability	99.98% 98.48% 99.23%
Average turbine availability	98.80%
Electricity generated Electricity exported Electricity imported	138,245 MWh 122,845 MWh 1,678.5 MWh
Recycling performance	Target 2.1% Performance 2.9%
Recovery performance	Target 95.5% Performance 97.1%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 9 92 35 0

## MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2019/20 latest blue bin tonnage data: April-November 2019

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	8,754	6,405	12,184
Paper tonnage	1,348	950	1,191
<b>Total tonnage</b>	<b>10,102</b>	<b>7,355</b>	<b>13,375</b>
Comparison to April-November 2018 - <b>comingled</b>	1.5% increase	2.4% increase	1.2% decrease
Comparison to April-November 2018 - <b>paper</b>	11.1% decrease	7.3% decrease	8.8% decrease
Comparison to April-November 2018 - <b>all materials</b>	0.4% decrease	1.0% decrease	2.0% decrease

Table B: MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
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%
Q3 2018/19	87.0%	13.0%	82.9%	17.1%	77.6%	22.4%
Q4 2018/19	87.8%	12.2%	84.3%	15.7%	79.4%	20.6%
Q1 2019/20	87.2%	12.8%	84.8%	15.2%	79.3%	20.7%
Q2 2019/20	87.5%	12.5%	83.6%	16.4%	77.1%	22.9%

Table C: Mixed fibre separate collection trial

Month	Gateshead (tonnes)	South Tyneside (tonnes)
April	8.00	8.00
May	8.38	7.42
June	8.00	7.68
July	7.87	6.68
August*	15.76	15.02
September	8.16	7.26
October	7.70	7.48
November	8.56	8.10
<b>Total</b>	<b>72.43</b>	<b>67.64</b>

\*NB: 2 fibre collections delivered during the month of August

## HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2019/20 latest recycling performance (excluding inert materials, such as rubble):

<b>HWRC</b>	<b>Annual Target</b>	<b>April-October 2019</b>
Campground	63.4%	65.6%
Cowen Road	63.1%	65.1%
Beach Street	61.6%	61.3%
Middlefields (Recycling Village)	N/A	62.5%