

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

12 JUNE 2020

REPORT OF: Colin Huntington, 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 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 South Tyneside Councils recently undertook a joint procurement exercise for the management and operation of the HWRCs from 1 April 2020. The incentive-based joint contract was awarded to SUEZ for a period of 36 months with an option to extend for a further three x 12-month periods.
- 2.6 Under the joint procurement exercise, Sunderland City Council was unable to award a new contract as the bids received did not meet the affordability criteria. However, a short-term extraordinary extension has now been agreed with the current service provider, SUEZ.
- 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 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
- 2.8 Following the expiry of the above contracts, all three partner authorities agreed to 24-month extensions from 1 April 2020.
- 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 (RWTC)**

Service Update

- 3.1 Appendix A highlights the 2019/20 year-end contract year performance. Across the 2019/20 contract year service availability was strong with plant availability 94.26% and turbine availability 93.11%. 89% of the 194,881 MWh of electricity generated by Lines 4&5 was exported to the National Grid.
- 3.2 Both the contractual recycling and recovery performance targets were exceeded and the unprocessed landfill diversion rate was once again 100%.
- 3.3 The Line 4 annual planned maintenance shutdown began on 10 February 2020 as scheduled. Restart was originally planned for 26 February 2020, but was delayed for approximately 48 hours, predominantly as a consequence of extensive corrosion that had been identified around the flue gas duct entering the stack. Line 4 was therefore restarted on 28 February 2020.

- 3.4 As scheduled, the Line 5 annual planned maintenance shutdown commenced on 15 February. However, Line 5 was successfully brought into service 24 hours ahead of original shutdown schedule. Once back online, operations were consistent and stable with no reported losses of availability or unplanned events.
- 3.5 As part of the annual maintenance exercise, a minor inspection of the turbine/generator was conducted by equipment manufacturer TGM Kanis. Subsequently, two emergent issues were identified which were linked to a cracked component within the steam inlet governing valve and alignment issues between the turbine/generator/gearbox. Due to the availability of spare parts, this resulted in an additional seven days of unplanned turbine unavailability. The machine was successfully recommissioned on 6 March 2020 and has operated in a stable and consistent manner since.
- 3.6 Line 4 lost 0.17 hours of availability on 30 March 2020, which occurred during the annual boiler trip testing, as required by the insurers and the written scheme of examination. Outside of this short period, no further issues or losses of availability were encountered in March and operations following the maintenance shutdown were stable and consistent.
- 3.7 No environmental issues were reported during the 2019/20 contract year and all Incinerator Bottom Ash samples returned compliant results.

Line 6 - Update

- 3.8 There is no further progress to report with the potential construction of a sixth EfW Line at Haverton Hill.

Refinancing

- 3.9 The exercise to replace the Debt Service Reserve Account (DSRA) with a contingent Debt Service Reserve Facility (DSRF) is still progressing.

Joint Insurance Cost Review (JICR)

- 3.10 The third JICR was previously submitted by Willis Towers Watson and reviewed by STWWMP. Initial indications are that due to movements in the insurance market in relation to our technology the position is not as good as it has been previously. A response from STWER to the feedback previously provided is still awaited.

Waste Transfer Stations (WTS)

- 3.11 All three of the WTS were available for the entire 2019/20 contract period. Recycling outputs from the sites include segregated street sweepings, wood, scrap metals.
- 3.12 Routine maintenance of buildings, plant and control systems was undertaken as scheduled at all three transfer stations during the year.

Targeted Recruitment and Training (TR&T)

- 3.13 The RWTC affords provision for SUEZ to help to improve local prosperity across the partnership area by promoting vacant posts within their facilities. Local vacancies are circulated to partner authority economic development services for circulation to their client bases. Vacancies are also highlighted at

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

- 3.14 There are no further TR&T updates available at the current time.

Community Education and Engagement

- 3.15 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.
- 3.16 The final results of the 2019/20 programme were impacted by the coronavirus pandemic restrictions and the remaining activities that had been scheduled for late March were cancelled immediately.
- 3.17 Therefore, between April 2019 and March 2020, a total of 6,268 local residents, children & young people, and community group members took part in waste awareness events, activities, and site visits to different facilities. Of this, 5,872 were held through outreach sessions in local schools and community settings.
- 3.18 Recently, the Visitor and Education Centre coordinator employed by GNEC submitted their resignation to take up an employment opportunity elsewhere. STWWMP is discussing with SUEZ and GNEC how a recruitment process to identify a suitable replacement can be undertaken in due course within the current pandemic situation.

Community Liaison Groups

- 3.19 No Community Liaison Group meetings were held during February or March.

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 Tables A(i)-A(iii) at Appendix B highlight the 2019/20 year-end performance for each partner authority for the materials collected in the kerbside 'blue bin' recycling service, in comparison to service results since 2014/15. The results are also broken down into tonnages and percentage content to demonstrate the levels of paper collected separately in the inner box and the comingled materials collected in the main section of the bin.
- 4.3 The tables highlight that comingled recycling tonnages in each partner authority have fluctuated over recent years but demonstrate that paper tonnages collected separately in the inner caddy have continued to fall year-on-year.
- 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.

- 4.5 Sunderland City Council continue to identify actions to help increase their recycling rates and reduce contamination rates (shown as recovery in the table), including direct engagement with the public. The rate shows a significant drop in the recovery rate to 17.39%. However, it should be noted that the method for calculating this data is now based on inputs into the MRF rather than outputs.
- 4.6 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.
- 4.7 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 year-end HWRC recycling performance for 2019/20, excluding inert materials, such as rubble.
- 5.2 During the 2019/20 contract year, the actual tonnage of recycled materials received at HWRCs increased in comparison to the previous year. However, the amount of residual waste also significantly increased which impacted on the percentage-based annual recycling targets, which were subsequently not achieved.

6. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

- 6.1 The new WEEE regional contract continued to operate without incident during the remainder of the 2019/20 financial year.
- 6.2 The formal launch of the STWWMP WEEE Repair and Reuse Project, originally scheduled for 18 March 2020 at the Visitor and Education Centre, had to be cancelled at late notice due to restrictions introduced because of the coronavirus pandemic. This also resulted in the two employees delivering the project being furloughed by GNEC. However, the project funders have agreed that STWWMP can extend the timeline for the delivery of the project to reflect the period where activities are unable to be delivered because of the pandemic.
- 6.3 A second project, focusing on kerbside WEEE recycling, will commence once the grant has been received from the funding body. However, this is still awaited due to further delays in the launch of the 'Recycle Your Electricals' campaign and the implications of the ongoing pandemic situation.

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

2019/20 year-end performance

Total contract waste	19,546 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 61,268 tonnes Sunderland 17,969 tonnes South Tyneside 50,598 tonnes Sunderland 64,711 tonnes
Total contract waste delivered to EfW	190,178 tonnes
Line 4 availability Line 5 availability Overall EfW availability	94.49% 94.04% 94.26%
Average turbine availability	93.11%
Electricity generated Electricity exported Electricity imported	194,881 MWh 173,428 MWh 23288.5 MWh
Recycling performance	Target 2.1% Performance 2.8%
Recovery performance	Target 95.5% Performance 97.2%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 17 151 48 0

MATERIALS RECOVERY FACILITY CONTRACTS

Table A(i): Year-end blue tonnage data 2014/15 – 2019/20 - Gateshead

Year	Total recycling (tonnes)	Comingled materials (tonnes)	Comingled materials (percentage)	Separate paper (tonnes)	Separate paper (percentage)
2014/15	15,765	12,314	78.10%	3,451	21.9%
2015/16	16,260	13,101	80.57%	3,159	19.4%
2016/17	15,737	12,808	81.39%	2,929	18.6%
2017/18	15,299	12,757	83.39%	2,542	16.6%
2018/19	15,286	13,080	85.57%	2,206	14.4%
2019/20	15,403	13,416	87.10%	1,987	12.9%

Table A(ii): Year-end blue tonnage data 2014/15 – 2019/20 – South Tyneside

Year	Total recycling	Comingled materials	Comingled percentage	Separate paper	Paper percentage
2014/15	11,838	10,066	85.03%	1,772	15.0%
2015/16	12,220	10,749	87.96%	1,471	12.0%
2016/17	11,978	10,114	84.44%	1,863	15.6%
2017/18	11,216	9,516	84.84%	1,700	15.2%
2018/19	10,952	9,481	86.57%	1,471	13.4%
2019/20	11,154	9,768	87.58%	1,386	12.4%

Table A(iii): Year-end blue tonnage data 2014/15 – 2019/20 - Sunderland

Year	Total recycling	Comingled materials	Comingled percentage	Separate paper	Paper percentage
2014/15	19,026	14,798	77.78%	4,228	22.2%
2015/16	19,349	15,448	79.84%	3,902	20.2%
2016/17	18,798	15,552	82.73%	3,246	17.3%
2017/18	20,314	18,137	89.28%	2,177	10.7%
2018/19	21,080	19,054	90.39%	2,026	9.6%
2019/20	20,472	18,757	91.6%	1,715	8.4%

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%
Q3 2019/20	88.45%	11.55%	89.72%	10.28%	79.84%	20.16%
Q4 2019/20	88.00%*	12.00%*	88.00%*	12.00%*	82.61%*	17.39%*

*Estimated results

Table C: Mixed fibre separate collection trial

Month	Gateshead (tonnes)	South Tyneside (tonnes)
April 2019	8.00	8.00
May 2019	8.38	7.42
June 2019	8.00	7.68
July 2019	7.87	6.68
August 2019*	15.76	15.02
September 2019	8.16	7.26
October 2019	7.70	7.48
November 2019	8.56	8.10
December 2019	9.00	8.06
January 2020	10.02	9.84
February 2020	7.88	7.04
March 2020	8.02	7.46
Total	107.35	100.04

*NB: 2 fibre collections delivered during the month of August 2019

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

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

HWRC	Annual Target	2019/20
Campground	63.4%	62.9%
Cowen Road	63.1%	62.7%
Beach Street	61.6%	56.7%
Middlefields (Recycling Village)	N/A	59.1%