



South Tyneside Council



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

18 March 2016

**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 current position regarding the Residual Waste Treatment Contract and other ancillary contracts and activities managed by the Partnership.

### 2. BACKGROUND

- 2.1 The Residual Waste Treatment Contract (RWTC) was awarded to a consortium led by SITA UK (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 Gateshead and South Tyneside Councils' Materials Recovery Facility (MRF) contract for dry recyclables commenced service with Palm Recycling on 1 April 2014.
- 2.3 Sunderland Council awarded a MRF contract to J&B Recycling, which commenced service on 1 April 2015.
- 2.4 Gateshead and Sunderland Councils jointly procured separate contracts for the management of their Household Waste and Recycling Centres (HWRC) with SITA UK. The contracts commenced service at the beginning of September 2014. The terms of these contracts, along with South Tyneside Council's existing contract with SITA UK, allow for consideration of a joint partnership contract involving all three authorities in due course.
- 2.5 The joint partnership team continues to undertake strategic waste management functions on behalf of the partner authorities. This is enabling, amongst other things, a far more 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 and HWRC.

2.6 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, the Partnership 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.

### 3. RESIDUAL WASTE TREATMENT CONTRACT - UPDATE

3.1 A further update from South Tyne and Wear Energy Recovery Ltd on the proposed 2014/15 reconciliation payment is awaited.

3.2 Most of the snagging items following construction of the EfW and WTS have been closed out, with plans progressing to audit the remainder.

3.3 By the end of January 2016, 162,093 tonnes of contract waste has been managed under the provisions of the RWTC. Partner authorities delivered the following tonnes of contract waste to WTS:

<b>Authority</b>	<b>Campground</b>	<b>Jack Crawford House</b>	<b>Middlefields</b>
Gateshead	47,650	-	-
South Tyneside	-	-	40,391
Sunderland	14,661	59,391	-

3.4 155,085 tonnes of this waste was delivered to the EfW facility.

3.5 Energy produced by EfWs contributes between 3% and 5% of the total energy produced nationally.

3.6 Since April 2015, SUEZ has reported that the Partnership's EfW facility achieved 97.14% availability and an unprocessed landfill diversion rate of 100%. The turbine has achieved 99.93% availability and generated 177,158MW of electricity. The reported recycling performance - predominantly from street sweepings and bulky wastes delivered to WTS - is 3.1% (against a target of 2.0%). These figures are currently being verified by the joint partnership team.

3.7 SUEZ monthly reports and service issues continue to be reviewed and audited by the joint partnership team. Once approved, invoices are apportioned to the partner authorities and paid to SUEZ within contractual timescales.

3.8 The planned annual major shutdowns for Lines 4&5 took place during February and March 2016. The shutdowns were staggered, with Line 4 offline from 5 to 18 February, and Line 5 from 25 February to 8 March. STWWMP contract waste continued to be delivered into the facility, but no other third party waste was accepted. Consequently, no contingency or landfill arrangements for STWWMP contract waste were required.

- 3.9 Inspections undertaken during the shutdowns of both Lines 4&5 went to plan and did not identify any significant issues or areas where additional maintenance was required.
- 3.10 The RWTC includes provision for SUEZ to support economic development and help to improve prosperity across the Partnership area by advertising vacant posts at not only at the EfW key facility, but also regarding opportunities arising at other local SUEZ facilities. Economic and Housing Growth Service at Gateshead Council receive information on vacancies as appropriate, which are then cascaded to partner authorities for circulation to their client base.
- 3.11 Eight staff from within the Partnership area are currently employed at the EfW facility (19% of total staff).
- 3.12 SUEZ's ongoing recruitment exercise for posts at local facilities continues. All posts advertised continue to receive applications from across the Partnership area. Recently, two posts (Site Supervisor and Site Operative) at Campground have been advertised and circulated to partnership authorities.
- 3.13 The Partnership is investigating opportunities with SUEZ to also promote local vacancies through the Community Liaison Groups.
- 3.14 The ongoing programme of stakeholder engagement continues to be delivered in both the Visitor and Education Centre and through activities held in local community settings.
- 3.15 Between April 2015 and January 2016, over 1,900 children participated in events held at the Visitor and Education Centre or in schools and colleges across the Partnership area. Recent highlights include two separate visits to the EfW facility for 62 'home educated' pupils from Gateshead, and a waste awareness session with 110 pupils at Mortimer College, South Tyneside.
- 3.16 The results of this year's project with Fashion and Design students from Sunderland College, involving the design and manufacture of paper hats, will be displayed at the following locations:
- 04 to 22 March: Campground Visitor and Education Centre
  - 23 March to 10 April: Sunderland Museum and Winter Gardens
  - From 11 April: Hendon Library
- 3.17 There will also be a photo shoot with the students at Sunderland Museum and Winter Gardens at 10am on Thursday 24 March.
- 3.18 Furthermore, during the same period, 699 members of local communities have participated in 22 waste-related events at either the Centre itself or within their local community setting. This included a Christmas Fair at The Nursery at Lobley Hill in Gateshead, which was attended by 200 people.
- 3.19 The Campground Community Liaison Group last met at the Visitor and Education Centre on 15 March 2016. The date for the next meeting is to be confirmed.

3.20 The Jack Crawford House Community Liaison Group has not met since the last Joint Executive Committee meeting. The Group are scheduled to meet on Thursday 07 April 2016.

#### 4. MRF CONTRACTS - UPDATE

4.1 Gateshead and South Tyneside Councils are now 23 months into the 48-month MRF contract with Palm Recycling. Between April 2015 and January 2016, the councils delivered 3,878 tonnes of paper and 20,082 tonnes of comingled dry recyclate to Palm Recycling's depot at Team Valley, Gateshead.

4.2 Sunderland City Council awarded a MRF contract to J&B Recycling Ltd on 1 April 2015 for a period of 36 months. In the first 10-months of the contract, 3,290 tonnes of paper and 12,957 tonnes of comingled dry recyclate were delivered to the J&B Recycling depot at Monument Park, Washington.

4.3 The table below demonstrates that the tonnage of dry recycling collected through the blue bin kerbside collection service between April 2015 and January 2016 has increased, when compared the same period in 2014/15.

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	11,053	9,029	12,957
Paper tonnage	2,645	1,233	3,290
<b>Total tonnage</b>	<b>13,698</b>	<b>10,262</b>	<b>16,247</b>
<i>Comparison to Apr. 2014-Jan. 2015</i>	<i>3.2% increase</i>	<i>2.6% increase</i>	<i>1.4% increase</i>

4.4 The performance of both MRF contracts continues to be monitored closely by the joint partnership team. This includes auditing claims and processing payments, and holding regular contract meetings and inspections at the various contractors' facilities. The joint partnership team are currently working with Palm Recycling to resolve a number of issues.

#### 5. HWRC CONTRACTS - UPDATE

5.1 Gateshead and Sunderland Councils' HWRC management and servicing contracts commenced with SUEZ in September 2014. The contract length of two years and seven months is incentive-based.

5.2 South Tyneside Council entered into a different contract for HWRC management with SUEZ, which commenced on 1 April 2013. The contract allows the council to manage the end outlets for the waste streams and includes regular market-testing to ensure value for money is being received.

5.3 Excluding inert materials (such as rubble) the April 2015 to January 2016 recycling performance figures for the Gateshead and Sunderland contracts are:

- Campground approx. 67%
- Cowen Road approx. 62%
- Beach Street approx. 67%

5.4 The joint partnership team continues to work with SUEZ to develop and improve communications around HWRC usage. For example, in December, a SUEZ press release highlighted resident usage of HWRCs during 2015, and provided advice on Christmas opening hours and examples of which materials can be recycled, including real Christmas trees.

5.5 Work is progressing to refresh the HWRC-related content on STWWMP partner authorities' websites to provide residents across the Partnership area with relevant information about service provision and site regulations, and improve their understanding about site operations. Refreshed content has been drafted and feedback is awaited from communications professionals within partner authorities.

## 6. **RECOMMENDATION**

6.1 The Joint Executive Committee is requested to note the progress of the project.

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