

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

11 SEPTEMBER 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)**

- 3.1 During the national lockdown to contain the spread of the COVID-19 coronavirus pandemic, residual waste levels rose significantly as the majority of residents across the partnership area remained at home due to restrictions on movement and the introduction of home working etc.
- 3.2 In comparison to the weeks immediately prior to the lockdown, additional Gateshead residual waste tonnages subsequently peaked at +15%, South Tyneside at +31%, and in Sunderland, the peak collection week showed a 27% rise.
- 3.3 However, all partner authorities have been able to continue to collect residual waste from households across the partnership area without interruption, the three waste transfer stations have continued to manage the waste levels that

were received, and the EfW facility has continued to operate as planned and process the waste for energy recovery.

EfW Service Update

- 3.4 Appendix A highlights the 2020/21 contract performance for the period April-July 2020. Plant availability has remained strong at 98.49% and turbine availability 97.51%.
- 3.5 Both contractual recycling and recovery performance continues to operate above target and the unprocessed landfill diversion rate remains at 100%.
- 3.6 Line 4 experienced a half hour volatile organic compound (VOC) breach on 26 April, which resulted in a plant trip arising from a suspected significant gas bottle explosion within the furnace. The breach was reported to the Environment Agency (EA) and the compliance classification score (CCS) is still awaited.
- 3.7 Between 27 and 29 May, Line 4 lost 48.16 hours of availability and Line 5 29.75 hours due to a consecutive trip of all four air-cooled condenser fans, which also resulted in a loss of the turbine for 44 hours. Initial investigations indicated that the root cause of the issue was due to a spurious software trip which was reset. The turbine was successfully restarted on 29 May.
- 3.8 However, Line 4 lost a further 5.83 hours of availability and Line 5 6.08 hours on 14/15 June due to a repeat condenser fan failure which tripped the plant again, including the turbine for 29.1 hours. Following further inspections, the fault was traced to a malfunctioning emergency stop switch which was repaired. As only one of five switches have been identified as faulty, its replacement can be carried out during the 2021 annual maintenance shutdown. The turbine was successfully restarted on 16 June.
- 3.9 30 minutes of abnormal operations were reported to the EA on 6 June due to a total loss of power to the emissions monitoring equipment. However, as evidence was available to prove that operational stability was maintained throughout the full period of the incident this is, therefore, not classified as a breach and will not receive a CCS.
- 3.10 To date, all Incinerator Bottom Ash samples have returned compliant results.

Refinancing

- 3.11 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)

- 3.12 The third JICR was previously submitted by Willis Towers Watson and reviewed by STWWMP. A response from STWER is still awaited.

Waste Transfer Stations (WTS)

- 3.13 As highlighted above, all three of the WTS were fully operational between April and July. Recycling outputs from the sites include segregated street sweepings, wood, and scrap metals.

- 3.14 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)

- 3.15 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.

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

Community Education and Engagement

- 3.17 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.

- 3.18 All planned and proposed activities have been cancelled as a result of the ongoing COVID-19 pandemic. However, the suspension of activities is enabling a review of the programme to be undertaken.

- 3.19 The recruitment process to appoint a replacement Visitor and Education Centre Coordinator is also ongoing within the COVID-19 restrictions. The job description and person specification were agreed, the post advertised, and interviews scheduled to take place in September 2020.

Community Liaison Groups

- 3.20 The pandemic has also impacted on both the Campground and Jack Crawford House Community Liaison Groups and no meetings have been able to be held.

4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS

- 4.1 Table A at Appendix B provides the latest 2020/21 performance for blue bin recycling (April-July 2020). As previously reported to the Joint Executive Committee, all partner authorities have maintained the statutory blue bin recycling collection service to households throughout the COVID-19 pandemic without interruption to service.

- 4.2 However, as with residual waste levels, the impact of the national lockdown resulted in significant increases in recyclable materials presented by households across the partnership area. All partner authorities' commingled recycling increased by over 30% when compared to April-July 2019, yet the continuing decline in paper-based materials was further accelerated during the lockdown, which resulted in significant reductions in separately presented paper materials when compared to the same period last year.

- 4.3 The MRF contracts continue to be monitored closely by the joint partnership team. As highlighted above, recycling tonnages of commingled materials remain at above average levels, therefore, regular contract meetings/calls are being held with contractors to discuss any mitigation measures that may need

to be taken to ensure that the storage of material at the MRFs does not become an issue and that the sites are still able to process the additional tonnage that is being received. The contractors' updated business continuity plans have also been requested.

- 4.4 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since Quarter 1 2019/20. 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 an estimated 17.05%. 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 in the longer term and will be used when evaluating future service delivery models.
- 4.8 The partner authority MRF contracts with Palm and J&B are set to expire at the end of March 2021. The partner authorities continue to evaluate the most feasible service delivery options for this contract post-March 2021 and further detail will be provided at the next meeting.

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

- 5.1 Table A at Appendix C highlights the latest HWRC recycling performance for 2020/21 (April-July 2020). The new way of calculating HWRC recycling performance now excludes not only inert materials (such as rubble), but also electrical waste (WEEE), low grade wood, and dry mixed recyclables/textiles etc. This means that the performance of a site appears to be lower than that of previous years. The results highlight the performance of the first recycling incentivised HWRC contract delivered in South Tyneside but the results for Sunderland are provided for comparison only as the contract is, technically, calculated differently.
- 5.2 However, the results shown are still subject to change due to new national guidelines regarding the recycling of all wood materials collected at HWRCs. Furthermore, it should also be noted that due to the limited number of materials being accepted at the sites due to the COVID-19 restrictions (see below), this has also impacted on recycling performance.
- 5.3 The Joint Executive Committee was previously advised that following government guidance on essential travel requirements during the COVID-19

national lockdown, all partner authority HWRCs closed temporarily and ceased to operate at the end of March.

- 5.4 Subsequent guidance on local authority prioritisation of waste collection services was issued by the Department of Environment, Food and Rural Affairs (Defra) on 7 April, which was followed by further guidance on 17 April regarding the re-opening of HWRCs for the disposal of waste. This was aimed at providing extra support to households where the build-up of waste produced during the lockdown restrictions posed 'a risk of injury, health or harm', and strict COVID-19 legislation and protocols would need to be maintained on site.
- 5.5 Consequently, HWRCs across the partnership reopened in early May with an alternative service delivery model in place. This included restrictions to the number of vehicles accepted on sites, reductions to the material streams that could be disposed, and the implementation of strict social distancing measures with zones in place to ensure that residents did not interact with other residents (i.e. one car per zone at any one time).
- 5.6 The partner authorities subsequently extended the range of wastes that could be disposed at HWRCs to include waste electrical and electronic equipment from 19 May. Vehicle access was still restricted to cars only.
- 5.7 At the start of June, some restrictions on vehicle access to sites were lifted and small car-derived vans, family pick-up trucks, and 4x4-type vehicles with rear panels were allowed to access the HWRCs using the established vehicle permit scheme.
- 5.8 However, to continue to consider traffic management and restrict the volume of vehicles accessing HWRCs at any one time, both Gateshead and South Tyneside continue to operate the 'odd and even' car number plate system and in Sunderland, the advance booking system. Larger vans, commercial vehicles, or vehicles with trailers are still currently omitted from the accepted vehicles list.

6. GREEN WASTE COMPOSTING CONTRACTS

- 6.1 Because of the restrictions introduced due to the pandemic and requirement to maintain statutory waste collection services, each partner authority suspended the garden waste kerbside collection service prior to the commencement of the 2020 season in April. Collections recommenced for service subscribers in May.
- 6.2 Contract management meetings and discussions continue to be held with service providers and no significant issues have been identified.

7. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

- 7.1 The team delivering the DTS WEEE Reduce and Reuse Project returned from furlough on a part-time basis in August, with plans to return to full-time activities from September. Due to the implications of the pandemic, methods of engagement are being reviewed to consider new methods to collect material for servicing and redistribution to vulnerable residents.

7.2 Discussions are ongoing regarding the kerbside WEEE Material Change project, considering a potential start date of September 2020, once the funding has been received. The project will also link into the work of the DTS Reduce and Reuse Project.

8. ANNUAL RECYCLING PERFORMANCE

8.1 In response to an audit undertaken by the Lead Partner Internal Audit Service in 2019, it was agreed that overall partner authority recycling performance should be reported to the Joint Executive Committee in September each year, once Waste Data Flow returns have been validated.

8.2 All local authority overall recycling performance is generated by the national Waste Data Flow database, using the definition of the former national performance indicator NI192 to calculate the percentage of household waste sent for reuse, recycling or composting.

8.3 The NI192 results have risen in each partner authority, with the 2019/20 results showing:

- Gateshead 32.0%
- South Tyneside 30.7%
- Sunderland 27.3%

9. RECOMMENDATION

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

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RESIDUAL WASTE TREATMENT CONTRACT

2020/21 latest performance: April-July 2020

Total contract waste	71,467.85 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 22,280.58 tonnes Sunderland 7,410.91 tonnes South Tyneside 18,000.66 tonnes Sunderland 23,775.69 tonnes
Total contract waste delivered to EfW	68,526.52 tonnes
Line 4 availability Line 5 availability Overall EfW availability	98.18% 98.80% 98.49%
Average turbine availability	97.51%
Electricity generated Electricity exported Electricity imported	67,875 MWh 60,508 MWh 126 MWh
Recycling performance	Target 2.1% Performance 2.5%
Recovery performance	Target 95.5% Performance 97.0%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 5 20 14 0

MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2020/21 latest blue bin tonnage data: April-July 2020

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	5,768	4,345	8,172
Paper tonnage	487	307	428
Total tonnage	6,255	4,652	8,600
<i>Comparison to April-July 2019 - comingled</i>	<i>30.7% increase</i>	<i>35.8% increase</i>	<i>35.9% increase</i>
<i>Comparison to April-July 2019 - paper</i>	<i>26.1% decrease</i>	<i>33.2% decrease</i>	<i>26.2% decrease</i>
<i>Comparison to April-July 2019 - all materials</i>	<i>23.3% increase</i>	<i>27.1% increase</i>	<i>28.4% increase</i>

Table B: MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
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	88.60%	11.40%	89.00%	11.00%	82.70%	17.30%
Q1 2020/21	86.99%*	13.01%*	86.99%*	13.01%*	82.95%*	17.05%*

*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
April 2020	7.40	8.34
May 2020	5.18	8.36
June 2020	8.32	8.16
July 2020*	17.36	16.42
Total	145.61	141.32

**NB: 2 fibre collections delivered during the months of August 2019 and July 2020.*

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2020/21 latest recycling performance (excluding inert materials, such as rubble, WEEE, low grade wood and dry mixed recycling/textiles):

HWRC	Annual Target	April-July 2020
Campground	48%	51.4%*
Cowen Road	48%	58.4%*
Beach Street	N/A	48.2%*
Middlefields (Recycling Village)	50%	52.7%*

**NB: Results subject to change – currently includes all wood materials collected but verification required regarding treatment routes, i.e. recycling, recovery, or disposal.*