

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

11 JUNE 2021

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 would now be known as South Tyne and Wear Energy Recovery Ltd (STWER).
- 2.3 The previously agreed extension periods for both of the Materials Recovery Facility contracts (with Palm Recycling Ltd and J&B Recycling) expired at the end of March 2021. However, the unexpected disruption in 2020 resulting from the COVID-19 public health emergency impacted on STWWMP's ability to move forward with the planned procurement exercise for replacement MRF contracts. This required STWWMP to consider alternative options and issue new, short-term contracts under urgent direct award provisions.
- 2.4 In October 2020, Sunderland City Council entered into a short-term MRF household recycling contract with the contractor J&B Recycling using the

negotiated procedure without prior publication of an OJEU Notice under regulation 32 (2) (c) of the Public Contracts Regulations 2015. The contract is scheduled to end on 31 March 2022.

- 2.5 However, a similar arrangement for Gateshead and South Tyneside MRF materials was unable to proceed as planned when the existing sub-contractor, Ward Recycling Ltd (who had been issued with a short-term MRF household recycling contract under the same arrangements), ceased trading unexpectedly in February 2021.
- 2.6 Subsequently, the STWWMP Project Director was authorised by Gateshead and South Tyneside councils to enter into a replacement 13-month contract until 31 March 2022 with Re-Gen Waste under urgency delegation provisions of the councils' constitutions. The same arrangements were utilised to enter into a separate 12-month contract for the provision of a delivery point for Gateshead Council only, which was awarded to Riverdale Paper Plc until 31 March 2022.
- 2.7 Gateshead and South Tyneside Councils' incentive-based joint contract for the management and operation of HWRCs from 1 April 2020 was awarded to SUEZ for a period of 36 months with an option to extend for a further three 12-month periods.
- 2.8 Under the joint HWRC 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 that will end on 30 September 2021 has been agreed with the current service provider, SUEZ.
- 2.9 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
- 2.10 Following the expiry of the above contracts, all three partner authorities agreed to 24-month extensions from 1 April 2020.
- 2.11 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.
- 2.12 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 ongoing COVID-19 coronavirus pandemic restrictions, household waste levels have continued to remain high. All partner authorities have been able to maintain normal residual waste collections from households across STWWMP without interruption.

EfW Service Update

3.2 Both Lines 4 and 5 experienced no significant unplanned losses and reported 100% availability during March 2021.

3.3 Turbine performance was also 100%, with no issues or problems reported.

3.4 Appendix A highlights the 2020/21 year-end contract performance. Average plant availability remained strong throughout the year at 98.11% with turbine availability of 89.80%.

3.5 Both contractual recycling and recovery performance continued to operate above target.

3.6 No emissions breaches were reported during March 2021 and all incinerator bottom ash (IBA) samples returned compliant results. However, discussions are ongoing with the Environment Agency (EA) regarding the compliance classification score that was issued as a result of the Campground WTS fire.

Joint Insurance Cost Review (JICR)

3.7 The third JICR was previously submitted by Willis Towers Watson and has been reviewed by STWWMP with support from colleagues at the Department for Environment, Food and Rural Affairs (Defra). A response from STWER is still awaited.

3.8 STWER previously indicated that the impact of the COVID-19 pandemic has resulted in significant increases to insurance costs. The changes will be reflected in the next scheduled JICR.

2020/21 Insurance Premium

3.9 STWWMP continue to review the previous request received from STWER for changes to the insurance cover.

Waste Transfer Stations (WTS)

3.10 As previously reported, the Campground WTS suffered a serious fire within the transfer hall on 28 February 2021 and the facility was unable to fully operate throughout March 2021 as investigations into the structural integrity of the building took place and a repairs programme identified.

3.11 Throughout March, orders for key pieces of infrastructure (such as doors, odour suppression, lighting, fire alarm systems, and CCTV) were placed. SUEZ also advised that a construction programme manager will be procured to manage the structural repairs.

- 3.12 During March 2021, the ad hoc area and sweepings bay were able to be re-opened to Gateshead and Sunderland vehicles. Following a further review of site, material streams, and discussion with the EA, the site also began to accept deliveries from Gateshead bulky waste, void clearance, and fly tipping vehicles.
- 3.13 Both Middlefields and Jack Crawford House WTS were fully operational during March and, as part of the business continuity plans that were enacted following the Campground fire, they accepted and managed material from Gateshead and Sunderland waste collection vehicles. Recycling outputs from the sites include segregated street sweepings, wood, and scrap metals and routine maintenance of buildings, plant and control systems was undertaken as scheduled during this period.
- 3.14 As a result of the fire, 374 tonnes of waste required disposal by landfill although this had a minimal impact on the annual unprocessed landfill diversion rate.

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 No further vacancies were made available in March.

Community Education and Engagement

- 3.17 STWWMP remains committed to an ongoing programme of community education and engagement, delivered 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 The physical delivery of both onsite and outreach activities remained suspended during March because of the COVID-19 pandemic restrictions.
- 3.19 However, an interactive online event to support Global Recycling Day (GRD) was launched in March which allowed students to promote their actions in supporting GRD and encourage them to share their thoughts about why recycling is beneficial.
- 3.20 Work continues to develop a new structure for hosting activity days at the visitor and education centre, which can be adjusted to cater for COVID-19 restrictions and enable specific groups to be targeted.
- 3.21 This also includes preparations to revamp the raised planting beds in the centre's garden area, which have been unable to be maintained since the first pandemic lockdown in March 2020.

Community Liaison Groups

- 3.22 The ongoing pandemic restrictions continue to impact both the Campground and Jack Crawford House Community Liaison Groups and no further meetings have been able to be held.

4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS

- 4.1 All partner authorities have continued to maintain the kerbside recycling collection service to households throughout the COVID-19 pandemic without interruption.
- 4.2 Tables A(i)-A(iii) at Appendix B highlight the 2020/21 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 This highlights that commingled 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 However, as with residual waste levels, the impact of the pandemic continues to see higher levels of recycling presented across the partner authorities as many residents continue to work from home.
- 4.5 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since Quarter 1 2019/20. Recycling performance levels reduced in Gateshead and South Tyneside in Quarter 4. STWWMP continues to work with the contractors to identify how performance can be improved, including ensuring material sampling methodologies are robust.
- 4.6 Preparations for a full STWWMP tendering exercise leading to the award of longer-term MRF contract(s) from 1 April 2022 are ongoing and regular meetings are being held between the partner authorities and Lead Authority procurement officers to finalise requirements and timelines.

5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

- 5.1 Table A at Appendix C highlights the 2020/21 year-end HWRC recycling performance for each site. The new requirements for calculating HWRC recycling performance now excludes not only inert materials (such as rubble), but also electrical waste, 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.
- 5.2 The easing of some of the previous site restrictions, which were aimed at returning HWRC services to as near as normal as is possible, have remained in place throughout the current period. However, STWWMP continues to monitor the ongoing COVID-19 situation very closely to ensure the strict two-metre social distancing rules continue to be followed.
- 5.3 To help manage traffic flows and reduce queuing, the Gateshead and South Tyneside odd and even number plate system and advance booking system Sunderland, also remain in place.

5.4 The short-term extraordinary extension to the Sunderland City Council HWRC contract with SUEZ is set to expire at the end of September 2021. This coincides with the development and opening of the new HWRC located at Pallion. The joint partnership team is continuing to support Sunderland City Council in the procurement of a new contract for the management of the new site with contract award to the successful contractor expected in the near future.

6. GREEN WASTE COMPOSTING CONTRACTS

6.1 The 2021 garden waste kerbside collection services commenced for households that have subscribed to the service in late March/early April.

6.2 The 2021 collection season is the final year of the previously agreed extension period to the current contracts. Therefore, new contracts are required from 1 April 2022 and the joint partnership team will lead in the delivery of a full procurement exercise in the coming months.

7. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

7.1 The WEEE Reduce and Reuse project delivery team remained on furlough on a part-time basis during March, scheduled to return full-time on 12 April 2021. The team continue to review methods of engagement and collections to maximise available material for redistribution to vulnerable residents through established mechanisms.

7.2 The kerbside WEEE project Behavioural Change Officer began long-term sickness absence in March 2021. Options to continue the project are being reviewed.

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

APPENDIX A

2020/21 year-end performance

Total contract waste	210,521 tonnes
Contract waste delivered to WTS:	
– Campground	Gateshead 63,050 tonnes South Tyneside 43 tonnes Sunderland 18,818 tonnes
– Middlefields	South Tyneside 53,978 tonnes Gateshead 2,084 tonnes Sunderland 71,688
– Jack Crawford House	Gateshead 880 tonnes Gateshead 2,791 tonnes
– Byker MBT	
Total contract waste delivered to EfW	203,300 tonnes
Line 4 availability	98.00%
Line 5 availability	98.22%
Overall EfW availability	98.11%
Average turbine availability	89.80%
Electricity generated	201,885 MWh
Electricity exported	178,949 MWh
Electricity imported	2,288 MWh
Recycling performance	Target 2.1% Performance 2.3%
Recovery performance	Target 95.5% Performance 97.6%
Unprocessed landfill diversion rate	99.998%
Health and safety:	
- RIDDOR	0
- Injuries and accidents	14
- Near misses	93
- Property damage	38
- Fires	1

MATERIALS RECOVERY FACILITY CONTRACTS

Table A(i): Gateshead year-end blue tonnage data 2014/15 – 2020/21

Year	Total recycling (tonnes)	Comingled materials (tonnes)	Comingled materials (percentage)	Separate paper (tonnes)	Separate paper (percentage)
2014/15	15,765	12,314	78.1%	3,451	21.9%
2015/16	16,260	13,101	80.6%	3,159	19.4%
2016/17	15,737	12,808	81.4%	2,929	18.6%
2017/18	15,299	12,757	83.4%	2,542	16.6%
2018/19	15,286	13,080	85.6%	2,206	14.4%
2019/20	15,403	13,416	87.1%	1,987	12.9%
2020/21	17,865	16,388	91.7%	1,477	8.3%

Table A(ii): South Tyneside year-end blue tonnage data 2014/15 – 2020/21

Year	Total recycling	Comingled materials	Comingled percentage	Separate paper	Paper percentage
2014/15	11,838	10,066	85.0%	1,772	15.0%
2015/16	12,220	10,749	87.9%	1,471	12.0%
2016/17	11,978	10,114	84.4%	1,863	15.6%
2017/18	11,216	9,516	84.8%	1,700	15.2%
2018/19	10,952	9,481	86.6%	1,471	13.4%
2019/20	11,154	9,768	87.6%	1,386	12.4%
2020/21	13,120	12,243	93.3%	877	6.7%

Table A(iii): Sunderland year-end blue tonnage data 2014/15 – 2020/21

Year	Total recycling	Comingled materials	Comingled percentage	Separate paper	Paper percentage
2014/15	19,026	14,798	77.8%	4,228	22.2%
2015/16	19,349	15,448	79.8%	3,902	20.2%
2016/17	18,798	15,552	82.7%	3,246	17.3%
2017/18	20,314	18,137	89.3%	2,177	10.7%
2018/19	21,080	19,054	90.4%	2,026	9.6%
2019/20	20,472	18,757	91.6%	1,715	8.4%
2020/21	24,478	23,288	95.1%	1,190	4.9%

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	88.5%	11.6%	89.7%	10.3%	79.8%	20.2%
Q4 2019/20	88.6%	11.4%	89.0%	11.0%	82.7%	17.3%
Q1 2020/21	87.0%	13.0%	87.0%	13.0%	82.9%	17.1%
Q2 2020/21	81.1%	18.9%	81.1%	18.9%	83.1%	16.9%
Q3 2020/21	86.6%	13.4%	86.6%	13.4%	84.3%	15.7%
Q4 2020/21	81.4%	18.6%	79.3%	20.7%	84.7%	15.3%

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2020/21 year-end recycling performance rates

HWRC	Annual Target	Quarter 1 2020/21	Quarter 2 2020/21	Quarter 3 2020/21	Quarter 4 2020/21
Campground	48%	53.2%	51.3%	47.3%	49.6%
Cowen Road	48%	59.4%	55.6%	50.3%	48.2%
Beach Street	N/A	52.1%	53.3%	45.4%	46.0%
Middlefields (Recycling Village)	50%	53.2%	50.6%	49.5%	54.4%