

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

10 SEPTEMBER 2021

REPORT OF: Colin Huntington, Project Director, South Tyne and Wear Waste
Management Partnership

SUBJECT: Contracts Update 2021/22

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 arrangements, household waste levels remain high as many residents continue to work from home. However, all partner authorities have continued to maintain normal residual waste collections from households across STWWMP without interruption.

EfW Service Update

3.2 Appendix A highlights the 2021/22 contract performance for the period April-July. During this period, the planned EfW annual maintenance shutdown took place which resulted in an overall plant availability of 82.91% and 92.92% turbine availability.

3.3 Both contractual recycling and recovery performance continue to operate above target.

3.4 Throughout the April-July period, no emissions breaches were reported and all Incinerator Bottom Ash samples returned compliant results.

3.5 A blockage on Line 4 (see below) impacted the waste flows immediately prior to the annual maintenance shutdown (originally scheduled for 20 June) and the shutdown commenced 28-hours earlier than planned on 18 June. Therefore, the 2021 shutdown took place:

- Line 4: 18 June-12 July 2021
- Line 5: 4 July-22 July 2021

3.6 Routine maintenance activities were carried out and no other significant issues were identified on either Line 4 or Line 5 during the shutdown.

3.7 However, the premature start to the shutdown impacted on the plans to sufficiently reduce the waste levels to enable all partner authority waste to continue to be accepted during the shutdown. Coupled with the increased waste levels still being collected by the partner authorities, this meant that it was not possible to fully clear the waste pit prior to the shutdown and other contingency arrangements for alternative disposal outlets were invoked.

3.8 Unfortunately, this resulted in 1,310.94 tonnes of contract waste requiring disposal by landfill, although, due to the EfW coming back online ahead of schedule, this was lower than had been initially anticipated.

Line 4 Update

3.9 Line 4 lost 4.92 hours of availability on 2 April due to a blockage on the second pass boiler ash conveyor caused by dislodged refractory. A further 0.33 hours were lost on the 7 April during annual statutory boiler level and relief valve testing.

3.10 As highlighted above, a bottom ash chute blockage on 18 June resulted in an earlier-than-planned start to the Line 4 annual maintenance shutdown, as there was not enough time to let the furnace cool down to enable the blockage to be removed and then heat up again to treat waste prior to the planned shutdown date.

3.11 Following the recommencement of Line 4 operations after the maintenance shutdown, no further issues or losses of availability were encountered in July.

Line 5 Update

3.12 Line 5 also lost 0.33 hours on the 7 April as a result of the annual statutory boiler level and relief valve testing.

3.13 On 9 May, 0.17 hours of availability were lost due to an electric fault on one of the waste cranes, which prevented waste from being fed into the furnace.

3.14 Line 5 recommenced operations following the shutdown 48-hours ahead of schedule on 22 July and no further issues or losses of availability were encountered.

Turbine availability

3.15 Turbine performance has been stable and consistent during the period and no significant issues or problems reported. However, turbine export was at part load for 4.92 hours on the 2 April due to the boiler ash conveyor blockage issue on Line 4

3.16 The turbine was offline between the 4-13 July for the common annual maintenance outage and minor maintenance and inspection activities were carried out.

3.17 Following a successful restart, the turbine subsequently tripped on the 16 July and a further 6.17 hours of operations were lost as a consequence.

Joint Insurance Cost Review (JICR)

3.18 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.

3.19 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

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

Waste Transfer Stations (WTS)

3.21 As previously reported, the Campground WTS suffered a serious fire within the transfer hall on 28 February 2021. However, the WTS continued to accept all non-refuse collection vehicle waste from both Gateshead and Sunderland throughout April and up to 7 May.

3.22 Since then, the use of a 'restricted area' has enabled the site to also accept refuse collection vehicle material.

3.23 SUEZ awarded the Campground WTS construction contract to Meldrum Engineering Civil and Structural Engineering Ltd and works commenced on 1

June. Fairhurst Engineering Consultants have been instructed by SUEZ to act on their behalf as project manager and take responsibility for Health and Safety under the Construction Design and Management Regulations. This includes carrying out inspections and sign-off for the construction works at key stages of completion.

3.24 Works to repair Campground WTS throughout the period included:

- Removal of fire damaged protection plate on push walls.
- Removal of fire damaged roller/fast action doors and installation of replacements.
- Re-wiring of electrical items damaged by the fire.
- Test and repair of the deluge system.
- Servicing of interceptor alarms.
- Installation of odour suppression units.
- Core-testing of fire damaged push walls.
- Installation of stop and go lights (to aid traffic management in the restricted area).

3.25 The repairs to the push walls were completed by 4 July and Meldrum began removing the cladding from the building week commencing 5 July. However, this revealed that there was some damage to the steel purlins that had been hidden by the deflector plates within the transfer hall.

3.26 Therefore, hot rolled steel was ordered to replace the damaged purlins but this was not expected to arrive on site until August. Once this work is completed, the nets will be installed over the roof area which will then allow the cladding work to begin.

3.27 Whilst Campground WTS is continuing to accept all partner authority waste, SUEZ has committed to provide advance notice if waste diversions will be required during the construction of the roof.

3.28 Both Middlefields and Jack Crawford House WTS have remained fully operational during this period. As part of the business continuity plans that were enacted following the Campground fire, both sites continued to accept and manage material from Gateshead and Sunderland waste collection vehicles as required until all three WTS became available again from the beginning of May (see above).

3.29 Recycling outputs from both 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.

3.30 During the period, any remaining waste that would normally be accepted at Campground was diverted to Byker MBT.

3.31 Working with communications colleagues in each partner authority, a joint communications plan has been developed to support the prevention of any further fires within STWWMP facilities and/or vehicles.

Targeted Recruitment and Training (TR&T)

- 3.32 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.
- 3.33 There are no further TR&T updates available at the current time.

Community Education and Engagement

- 3.34 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.
- 3.35 The physical delivery of both onsite and outreach activities remained suspended because of the COVID-19 pandemic restrictions.
- 3.36 A series of quarterly newsletters have been introduced to highlight and promote forthcoming programme activities and opportunities to local schools, community organisations and both existing and potential future service users. The newsletters are also circulated to Joint Executive Committee members.
- 3.37 Work continues to develop a new structure for hosting activity days at the visitor and education centre, which can enable specific groups to be targeted within any remaining COVID-19 arrangements. As part of the review, the centre will also be renamed the '*Waste and Recycling Visitor Education Centre*'. To increase the facility's onsite presence and exposure, SUEZ are progressing new signage for the outside of the building.
- 3.38 The raised planting beds in the centre's garden area have now been refurbished and will be available as part of programme activities once onsite sessions are able to resume.

Community Liaison Groups

- 3.39 The ongoing COVID-19 coronavirus pandemic arrangements have meant that no further Community Liaison Group meetings have been able to be held.

4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS

- 4.1 Table A at Appendix B provides the latest 2021/22 performance for blue bin recycling (April-July). All partner authorities have continued to maintain the kerbside recycling collection service to households throughout the COVID-19 pandemic without interruption to service.
- 4.2 As with residual waste levels, the impact of the pandemic continues to see higher levels of comingled recycling presented across the partner authorities as many residents continue to work from home when compared to pre-pandemic levels. However, analysis highlights that comingled recycling tonnages have

fallen when compared to the same period last year during the initial stages of the pandemic.

- 4.3 Furthermore, separately collected paper tonnages continue to drop significantly month-on-month and have now reached the lowest levels since the current twin-stream model was introduced in 2014. Whilst newspaper consumption has declined rapidly in recent years, changing consumer habits as a result of the pandemic have likely further compounded the issue.
- 4.4 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since Quarter 1 2020/21. The Gateshead and South Tyneside sampling results are now provided by the new MRF contractor, Re-Gen Waste.
- 4.5 The initial sampling results suggest that there has been an increase in contamination in the first few months of the contract with Re-Gen and this is currently being investigated. However, STWWMP continues to work with both MRF contractors to identify how performance can be improved, how contamination issues can be assessed, and ensure that material sampling methodologies are robust.
- 4.6 A full STWWMP procurement exercise leading to the award of the next long-term MRF contract(s) from 1 April 2022 is in progress with the tender documents scheduled for publication during August. The evaluation of tenders will take place during October and new contract(s) will be awarded later this year.

5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

- 5.1 Table A at Appendix C highlights the latest HWRC recycling performance for 2021/21 (April-July). 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 HWRC incentivised recycling contract delivered in South Tyneside but the results for Sunderland are provided for comparison only as the contract is, technically, calculated differently.
- 5.2 Whilst performance is currently significantly exceeding annual targets, it should be noted that recycling performance is subject to seasonality and reduces during the winter months.
- 5.3 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. This includes the management of traffic through the odd and even number plate system (Gateshead and South Tyneside) and advance booking system in Sunderland.
- 5.4 However, following further guidance from government, in July Gateshead also increased the number of vehicles that are now allowed on site which has helped ease queues at peak times. Site signage remains in place requesting service users to maintain social distancing guidelines. South Tyneside and Sunderland

continue to restrict the number of vehicles allowed on their sites at any one time.

- 5.5 Furthermore, South Tyneside are scheduled to introduce their own HWRC advance booking process (i.e. similar to that currently operated in Sunderland) in September, and Gateshead are now also considering the replacement of the odd/even number plate system with an advance booking system later this year.
- 5.6 Following a full procurement exercise, the contract for the management of the new Sunderland HWRC, located at Pallion, was recently awarded to SUEZ. The contract length of up to 54 months will commence when the site is fully completed.
- 5.7 This will ensure that the HWRC management contracts for all of the partner authorities are co-terminus and, therefore, enable future joint procurement exercises to be delivered. Sunderland City Council and the joint partnership team continue to work closely with SUEZ to ensure that there is a smooth transition for both the operation of the Beach Street and Pallion sites and the management contract.

6. GREEN WASTE COMPOSTING CONTRACTS

- 6.1 For service subscribers, the household garden waste kerbside collection services commenced in late March/early April.
- 6.2 As 2021 is the final year of the previously agreed extension period to the current contracts, new replacement contracts will be required from 1 April 2022. Therefore, a full joint procurement exercise has already commenced, and the joint partnership team are currently finalising tender documentation which will be issued in September.

7. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

- 7.1 Whilst the WEEE Reduce and Reuse project delivery team returned from furlough full-time on 12 April 2021, the electrician left the team for employment elsewhere on 7 July 2021. Therefore, the funding for the post has been reallocated to extend the length of the contract for the remaining team member and electrician services will be procured as necessary.
- 7.2 It is anticipated that the project will now be extended until the end of September and continue to concentrate on methods of engagement and amnesty collections to maximise communications and results.
- 7.3 However, the budget will be closely monitored to identify if any opportunities to further extend the project extension will be possible.
- 7.4 Following the long-term sickness absence of the Kerbside WEEE project behavioural change officer, the post was able to be backfilled by the Lead Authority in May and enable the valuable kerbside work to continue.

8. ANNUAL RECYCLING PERFORMANCE

8.1 In response to an audit undertaken by the Lead Authority 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 show very slight increases in each partner authority, with the 2020/21 results showing:

- Gateshead 32.3%
- South Tyneside 30.8%
- Sunderland 28.1%

9. RECOMMENDATION

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

Contacts:

Chris Wilson, Contract Manager (Policy), STWWMP Tel: 433 7478

Fiona Swinburne, Contract Manager (PFI), STWWMP Tel: 433 7428

Gary Smith, Contract Manager (Recycling), STWWMP Tel: 433 7480

RESIDUAL WASTE TREATMENT CONTRACT

2021/22 latest performance: April-July

Total contract waste	72,917 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 21,069 tonnes Sunderland 4,641 tonnes South Tyneside 18,648 tonnes Gateshead 2,045 tonnes Sunderland 26,545 tonnes
Total contract waste delivered to EfW	68,267 tonnes
Line 4 availability Line 5 availability Overall EfW availability	80.67 % 85.14 % 82.91 %
Average turbine availability	92.92 %
Electricity generated Electricity exported Electricity imported	56,461 MWh 49,852 MWh 253 MWh
Recycling performance	Target 2.4% Performance 3.2%
Recovery performance	Target 95.4% Performance 96.9%
Unprocessed landfill diversion rate	95.2%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	0 4 39 8 0

MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2021/22 latest blue bin tonnage data: April-July

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	5,122	4,087	7,587
Paper tonnage	412	194	356
Total tonnage	5,534	4,281	7,943
<i>Comparison to April-July 2020 - comingled</i>	11.2% decrease	5.9% decrease	7.2% decrease
<i>Comparison to April-July 2020 - paper</i>	15.3 % decrease	36.8% decrease	16.9% decrease
<i>Comparison to April-July 2020 - all materials</i>	11.5% decrease	7.9% decrease	7.6% decrease

Table B: MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
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	82.0%	18.0%	82.0%	18.0%	84.7%	15.3%
Q1 2021/22	78.9%	21.1%	79.3%	20.7%	85.3%	14.7%

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2021/22 latest recycling performance (excluding inert materials, such as rubble, WEEE, low grade wood and dry mixed recycling/textiles):

HWRC	Annual Target	April-July 2021
Campground	48%	55.7%*
Cowen Road	48%	54.2%*
Beach Street	N/A	53.7%*
Middlefields (Recycling Village)	50%	58.2 %*

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