

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

10 JUNE 2022

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 latest Materials Recovery Facility (MRF) contracts commenced on 1 April 2022. The contracts were awarded as follows:
- Cumbria Waste Group Ltd– Gateshead and South Tyneside
 - J & B Recycling Ltd – Sunderland
- 2.4 The MRF contracts are for a period of 36 months with an option to extend for 2 x 12-month periods. The contracts have been implemented by Gateshead Council as Lead Authority under the Contract for and on behalf of itself and the Partner Authorities. Gateshead Council have entered into back-to-back

contractual arrangements with its Partner Authorities to pass down the relevant provisions of the Contracts.

- 2.5 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.
- 2.6 The contract for the management of the new Sunderland HWRC, located at Pallion, was also awarded to SUEZ. The contract commenced on 1 February 2022 when the site opened and is for a period of 14 months with an option to extend for a further three 12-month periods.
- 2.7 The two HWRC contracts are therefore co-terminus with both due to expire in March 2023 with the same potential extension periods in place.
- 2.8 The latest Green Waste contracts also commenced on 1 April 2022. These contracts were awarded as follows:
- Remondis Ltd – Gateshead and Sunderland
 - Suez Recycling and Recovery UK Ltd – South Tyneside
- 2.9 These contracts are for a period of 48 months with the option to extend for a further 2 x 12-month periods. The Partner Authority contracts have been implemented by Gateshead Council as Lead Authority in the same way as the MRF contract.
- 2.10 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.
- 2.11 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)

Veolia takeover

- 3.1 The Competition and Markets Authority (CMA) announced their provisional findings on 19 May 2022 following a detailed two-phase investigation over the last year and have stated that, for a number of specified reasons it finds that the merger of the two businesses in the UK may be expected to result in a substantial lessening of competition. It is therefore now considering possible remedies including a divestment of the SUEZ recycling and recovery UK business. In the meantime, SUEZ will continue to operate as normal in the UK.

STWER Commercial Advisor Retirement

- 3.2 Ian Sexton the Commercial Advisor STWER has provided notification he will be retiring from STWER on 30 June 2022. He will be available on a retainer following that date in order to close out many of the outstanding matters.

COVID-19 update

- 3.3 As the COVID-19 coronavirus pandemic continues, household waste levels have come down slightly from the peak of the pandemic in 2020 but remain higher than pre-pandemic levels. Despite this, all partner authorities continue to maintain normal residual waste collections from households across STWWMP and have done so without interruption and all facilities are operating normally and processing the material. COVID-19 contingency measures have been relaxed on sites in line with current Government guidance.

2021/22 EfW Service Update

- 3.4 The year-end performance information for the 2021/22 contract year can be found at Appendix A. RWTC contractual recycling and recovery targets were once again exceeded.
- 3.5 During the latter stages of the contract year, no notable service issues or loss of availability were encountered. No environmental breaches were experienced and no further compliance classification scheme (CCS) scores applied. All incinerator bottom ash samples returned compliant results.

Waste Transfer Stations (WTS)

- 3.6 As previously reported, the Campground WTS suffered a serious fire within the transfer hall on 28 February 2021. All works are now completed and have been inspected and signed off by an engineer from Sunderland City Council.
- 3.7 The joint communications campaign developed to support the prevention of any further fires within STWWMP facilities and/or vehicles is ongoing. All partner authorities agreed to sticker both Recycling and Residual bins to act as a reminder to residents to NEVER put batteries or small electrical appliances in ANY of their bins. Each partner authority has completed the stickering of both residual and recycling bins.
- 3.8 Further to the GB News interview previously reported, which aired on 23 December 2021, ITV News have now also visited Campground on 31 March 2022 to record a piece highlighting the dangers of incorrectly disposing of batteries and small WEEE. Interviewees were Martin Cracknell (SUEZ), Steve Bewick (Tyne and Wear Fire and Rescue) and Marc Morley (Gateshead Council). It aired on ITV local news on the evening of the same day. The article can be found online at <https://www.itv.com/news/tyne-tees/2022-04-13/how-to-safely-dispose-of-batteries>.
- 3.9 The campaign was put forward to the Let's Recycle Awards for Excellence in both the 'Best Local Authority Recycling Initiative' and the 'Health and Safety Initiative of the Year' categories. It was shortlisted as a finalist in the Health and Safety category recognising its efforts to reduce fire and near miss incidents throughout the collection and processing route for such materials. The Awards Ceremony was held at the Landmark Hotel in London on 18 May 2022, attended by Fiona Swinburne and Anna Harrison from STWWMP however, unfortunately it was not selected as the winning bid on this occasion.
- 3.10 Recycling outputs from all sites include segregated street sweepings, wood, and scrap metals. Routine maintenance of buildings, plant and control systems continue to be undertaken as scheduled, across all sites.

2022/23 EfW Service Update

3.11 There were two breaches reported to the Environment Agency (EA) in relation to Lines 4 and 5 during April 2022. These were as follows:

- 4 April; Line 5 – A Volatile Organic Compound (VOC) breach reported to the EA following a gas bottle explosion in the furnace.
- 15 April; Line 4 – Dust breach reported to the EA which occurred as a consequence of several concurrent filter bag failures in the bag filter system.

SUEZ are awaiting a response from the EA in relation to both of these incidents.

3.12 Both of the above led to brief losses of availability on each Line; one hour was lost on 4 April due to the gas explosion on Line 5 and four hours were lost on 15 April due to the filter bag failures on Line 4. There were no other significant unplanned losses of availability during April. The Turbine was stable and consistent for the month, with no issues or problems reported and was available 100% of the period.

3.13 All Incinerator Bottom Ash samples returned compliant results.

Joint Insurance Cost Review (JICR)

3.14 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.

3.15 The fourth JICR was submitted during the period, and it has highlighted a nil sharing due to the impact of the COVID 19 pandemic. This is being reviewed currently and a response drafted.

2020/21 & 2021/22 Insurance Premiums

3.16 The waiver requests were reviewed by STWWMP legal advisors working with colleagues from Defra and a response was submitted to close this matter for this period of insurance.

Targeted Recruitment and Training (TR&T)

3.17 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.

3.18 Following the appointment of the new Site Manager at Middlefields WTS, Suez have now backfilled the vacant post of Business Assistant whose role is to provide direct support to our RWTC. They are currently being trained to get up to speed with our requirements.

Community Education and Engagement

3.19 STWWMP remains committed to an ongoing programme of community education and engagement, managed by Groundwork North East & Cumbria (GNEC) on our behalf at the waste and recycling visitor and education centre,

the energy-from-waste facility, and through outreach activities held in local schools and community settings.

3.20 Both physical activity and outreach work have resumed within COVID-19 guidance and on-site procedures with 2,467 local residents, children and young people having taken part in waste awareness events and activities during 2021/22. In the first month of 2022/23 14 events and activities have taken place with a total of 442 people taking part. Recent events have included:

- Reuse art session with pupils from St Josephs RC Primary School, South Tyneside
- Developing a Food Waste project with the School Council from St Mary's RC Primary School, Sunderland
- Zero Waste Lunchbox session with year 4 & 5 pupils from Fellside Primary School in Gateshead
- Gardening session with pupils from Hilltop School, Gateshead
- Two Food Waste sessions with pupils from St Anthony's Academy for Girls, Sunderland and
- Three litter pick sessions with pupils from Toner Avenue Primary, South Tyneside

3.21 The following promotions have been circulated to the database of contacts to support outreach activities and promote the booking of engagement sessions:

- January 2022 – Sustainable Resolutions
- 21 January – National Pie Day – Promoting using leftovers as fillings
- 11 February – International Day of Girls in Science
- 14 February – Valentine's Day – Promoting sustainable gifts
- 11 March – British Science Week
- 18 March – Global Recycling Day
- 22 March – World Water Day
- 27 March – Mothering Sunday
- April 2022 – Easter Activities

3.22 Newsletters are still being used to highlight and promote forthcoming programme activities and opportunities to local schools, community organisations, Joint Executive Committee members and both existing and potential future service users. The next newsletter is currently being drafted.

3.23 Following the renaming of the centre which is now the '*Waste and Recycling Visitor Education Centre*', SUEZ are progressing new signage for the outside of the building.

Community Liaison Groups

3.24 The ongoing COVID-19 coronavirus pandemic arrangements have meant that no further Community Liaison Group meetings have been able to be held. This situation is currently being reviewed and dates of meetings confirmed with local residents.

4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS

- 4.1 Table A(i) at Appendix B provides the year end 2021/22 blue bin recycling tonnages. Comingled tonnages came down slightly from the highs of 2020/21, during the peak of the pandemic but have remained slightly higher than pre-pandemic levels. This reflects national trends and is considered to be a consequence of more people now working from home.
- 4.2 Separately collected paper tonnages have also declined in each partner authority. Newspaper consumption was already on the decline, however, the recent pandemic has likely further compounded the issue.
- 4.3 Table A(ii) at Appendix B provides the performance for blue bin recycling for the month of April 2022 only. Again, both comingled and paper tonnages are showing a decline when compared to April 2021 across all three Partner Authorities, but separately collected paper tonnages are now well below previous levels and are in fact now at their lowest levels since 2014.
- 4.4 Appendix B also contains Table B, which highlights MRF recycling and recovery rates (for comingled materials only) since quarter 1 2020/21 up to the latest quarter. The figure in the recovery column is effectively the level of residual waste or contamination within the recycling which cannot be recycled and has to be sent for energy recovery. This does not include the performance from the MRFs during the latest contracts from 1 April.
- 4.5 Sunderland's contamination levels improved throughout 2021/22 to 12.8% in quarter 4 of 2021/22. However, contamination levels for Gateshead and South Tyneside averaged higher in 2021/22 compared to the previous year 2020/21.
- 4.6 The MRF contracts are now based on a risk share mechanism, meaning councils share, with the contractor, any income from the sale of the recycled material and pay a pass-through cost on all contamination, as well as fixed costs for the remaining elements of the service (delivery point handling fee, transport and processing of the comingled materials etc). It was agreed to enter into risk share based contracts following feedback from extensive market engagement, undertaken prior to the tender exercise, which clearly demonstrated contractors are now offering much higher fixed gate fees due to fluctuations on commodity prices in the recycling market.
- 4.7 Each Partner Authority is now paying for every tonne of contamination in the blue recycling bins. STWWMP has therefore been carrying out audits on the input sampling at the MRFs to ensure methodologies are robust and recycling is being maximised. STWWMP are also working with Communications Officers within each Partner Authority on messages to residents to encourage correct use of the blue recycling bins and the Partner Authorities are ensuring collection crews are rejecting any bins that visibly contain contamination. Contamination is also removed at the transfer stations by council and contractor operatives during an inspection process which also includes assessing the quality of each load.
- 4.8 The nature of the current risk share contract means the costs to Partner Authorities will vary on a monthly basis however. The joint partnership team will continue to review and verify the monthly contract reports including the payment mechanisms, amounts payable to the contractor and service issues. Once approved, invoices are processed and paid by the relevant Authority (based on

agreements between the partner authorities). The relevant partner authorities are then recharged for the amounts payable each month under that contract.

5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

5.1 Table A at Appendix C highlights the year-end HWRC recycling performance for 2021/22. 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 incentivised recycling contracts for Gateshead and South Tyneside but the results for Sunderland are provided for comparison only as the contract is, technically, calculated differently.

5.2 Recycling performance exceeded annual targets in 2021/22. As this is an incentivised contract, the Contractor will receive an annual incentive payment which will be calculated once final verification has been carried out on quarter 4 tonnages.

5.3 As previously reported, all three partner authorities now have an advanced booking system in place. Nationally, a number of Local Authorities are retaining their booking systems in the long term. STWMMP partner authorities will also look to maintain these booking systems in the longer term but will regularly review how they are operating, including how effective they are and may make changes accordingly if any improvements can be identified. However, the Leader of Gateshead Council did receive a letter from DEFRA (Department for Environment Food & Rural Affairs) dated 4 March 2022, asking the Council to carefully consider whether we continue with the booking system. The Council replied to this letter stating that they would be looking to retain the system permanently although they agreed they would review overall effectiveness after a period of six months.

5.4 Furthermore, DEFRA have released a call for evidence on booking systems at HWRCs in April 2022 as part of a technical consultation on preventing charges to householders for the disposal of DIY waste at HWRCs. They have stated they will review the number of booking systems that remain in place later in the year. The Partnership will respond to this Consultation and Call for Evidence by the deadline of 4 July.

6. GREEN WASTE COMPOSTING CONTRACTS

6.1 The latest Green Waste contracts commenced on 1 April 2022. There have been no issues to date.

6.2 For service subscribers, the household kerbside collections in all three partner authorities commenced in Spring 2022. The Household Waste and Recycling Centres accept garden waste all year round and are coping well.

7. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

7.1 The EA instructed all contractors and Local Authorities in February 2022 that microwave ovens should now be placed in the Small Domestic Appliance (SDA) WEEE skips rather than the Large Domestic Appliances (LDA) WEEE skips as was the previous guidance. This is due to POPs (Persistent Organic Pollutants) in Microwaves and the EA not wanting them treating with the other, generally POP free LDA stream. As such, if the microwaves are placed in SDA, they then go to the correct WEEE Treatment facilities that can properly treat this material, along with the other SDA stream which also generally contains POPs.

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

2021/22 year-end performance

Total contract waste	206,070 tonnes
Contract waste delivered to WTS: <ul style="list-style-type: none"> - Campground - Middlefields - Jack Crawford House - Byker MBT 	Gateshead 60,413 tonnes Sunderland 15,657 tonnes South Tyneside 52,699 tonnes Gateshead 2,017 tonnes Sunderland 72,505 tonnes Gateshead 0.24 tonnes Gateshead 2,778 tonnes
Total contract waste delivered to EfW	198,172 tonnes
Line 4 availability Line 5 availability Overall EfW availability	93.3 % 94.4 % 93.8 %
Average turbine availability	97.2 %
Electricity generated Electricity exported Electricity imported	196,809 MWh 174,286 MWh 282 MWh
Recycling performance	Target 2.1% Performance 2.6%
Recovery performance	Target 95.4% Performance 96.8%
Unprocessed landfill diversion rate	99.4%
Health and safety: <ul style="list-style-type: none"> - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires 	0 8 108 35 0

2022/23 latest performance: April 2022 only

Total contract waste	27,182.46 tonnes
Contract waste delivered to WTS:	
- Campground	Gateshead 5,238.11 tonnes
- Middlefields	Sunderland 1,486.44 tonnes
- Jack Crawford House	South Tyneside 4,120.27 tonnes
	Sunderland 5,454.30 tonnes
Total contract waste delivered to EfW	16,299.12 tonnes
Line 4 availability	99.3 %
Line 5 availability	99.86 %
Overall EfW availability	99.58 %
Average turbine availability	100 %
Electricity generated	17,540 MWh
Electricity exported	15,525 MWh
Electricity imported	0 MWh
Recycling performance	Target 2.2 % Performance 1.8%
Recovery performance	Target 95.4% Performance 98.2%
Unprocessed landfill diversion rate	100%
Health and safety:	
- RIDDOR	0
- Injuries and accidents	2
- Near misses	6
- Property damage	0
- Fires	0

MATERIALS RECOVERY FACILITY CONTRACTS

Table A(i): 2021/22 year-end blue bin tonnage data

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	14,990	11,816	21,648
Paper tonnage	1,301	656	922
Total tonnage	16,291	12,472	22,569
<i>Comparison to 2020/21 - comingled</i>	<i>10.4% decrease</i>	<i>3.5% decrease</i>	<i>7.0% decrease</i>
<i>Comparison to 2020/21 - paper</i>	<i>13.4% decrease</i>	<i>25.2% decrease</i>	<i>22.4% decrease</i>
<i>Comparison to 2020/21 - all materials</i>	<i>10.6% decrease</i>	<i>4.9% decrease</i>	<i>7.8% decrease</i>

Table A(ii): 2022/23 latest blue bin tonnage data: April 2022 only

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	1183.20	856.44	1705.85
Paper tonnage	104.04	46.12	59.26
Total tonnage	1284.86	902.56	1765.11
<i>Comparison to April 2021 - comingled</i>	<i>9.4% decrease</i>	<i>19.4% decrease</i>	<i>15.9% decrease</i>
<i>Comparison to April 2021 - paper</i>	<i>6.8% decrease</i>	<i>17.5% decrease</i>	<i>40.4% decrease</i>
<i>Comparison to April 2021 - all materials</i>	<i>9.4% decrease</i>	<i>19.3% decrease</i>	<i>17.1% decrease</i>

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%
Q2 2021/22	79.1%	20.9%	78.4%	21.6%	85.4%	14.6%
Q3 2021/22	78.1%	21.9%	79.0%	21.0%	86.1%	13.9%
Q4 2021/22	79.0%	21.0%	80.3%	19.7%	87.2%	12.8%

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

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

HWRC	Annual Target	Quarter 1 2021/22	Quarter 2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22
Campground	48%	55.9%	55.9%	48.9%	50.7%*
Cowen Road	48%	53.1%	55.4%	49.4%	49.0%*
Beach Street	N/A	53.6%	52.2%	46.2%	Beach St 43.5%* Pallion 57.4%*
Middlefields (Recycling Village)	50%	58.5%	56.6%	51.2%	51.5%*

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