

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

8 DECEMBER 2023

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

SUBJECT: Contracts Update Report

1. PURPOSE OF REPORT

- 1.1. To advise the Joint Executive Committee of the latest position regarding the Residual Waste Treatment Contract, all 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 (STWERL). STWERL is therefore the Special Purpose Vehicle (SPV) with SUEZ being our Operations and Maintenance (O&M) Contractor.
- 2.3. There is a pass-through contract linked to the RWTC to cater for any periods the EfW or any of the contingency processing facilities cannot cater for our waste. This is the Untreatable Residues Contract, which was tendered in 2013 and has been extended until 31 March 2024.
- 2.4. 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
- 2.5. The MRF contracts are for a period of 36 months (therefore due to expire March 2025) with an option to extend for two, 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.

- 2.6. 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.
- 2.7. 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.
- 2.8. The two HWRC contracts for all three authorities are therefore co-terminus with the same potential extension periods in place. All partner authorities have agreed with SUEZ to make use of the full extension periods available meaning both contracts are now due to expire in March 2026.
- 2.9. The latest Green Waste contracts also commenced on 1 April 2022. These were awarded as follows:
 - Remondis Ltd – Gateshead and Sunderland
 - SUEZ Recycling and Recover UK Ltd – South Tyneside
- 2.10. These are for a period of 48 months (therefore due to expire end of March 2026) with the option to extend for a further two 12-month periods. The partner authority contracts have been implemented by Gateshead Council as Lead Authority in the same way as the MRF contracts.
- 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)

2023/24 Service Update

- 3.1. Performance information relating to the current year to date can be found in Table A at Appendix A. Operational service continues well as we progress through 2023/24. Contract waste tonnages shown in the table are as expected and in line with tonnages seen in previous years. Lines 4 and 5 and the Turbine have all been available for over 98% of the period April to October. Both recycling and recovery performance are currently above target. Unprocessed landfill diversion rate for the current contract year is at 100%.
- 3.2. The Environment Agency have communicated back in respect of all environmental breaches reported to the end of September. These were given a CCS (Compliance Classification Scheme) score of 0.1, giving a total year to date score of 0.2.

- 3.3. Incinerator bottom ash continues to be sampled, all of which returned compliant results for the period.

Revisions to Waste incineration BREF

- 3.4. The permit covering Lines 4 and 5 has recently been amended to accommodate new environmental BREF emissions limits which will come into play in December 2023. The plant has been running to the new emission limits from 1 October 2023 to make sure there were no issues. This has been successful.
- 3.5. STWER have raised this as a possible Qualifying Change in Law (QCiL) but in order to be able to progress discussions in relation to this, more information and data is required to further understand the impact of the new limits on operations. SUEZ are therefore conducting a year-long trial finishing on 30 September 2024 to gather this data. Discussions can then be progressed after the trial period.

Waste Transfer Stations (WTS)

- 3.6. All three of the WTS have been fully operational with all sites accepting STWWMP contract waste as expected. Recycling activities are ongoing at each site, which includes the segregation of materials, such as street sweepings, wood, and scrap metals.
- 3.7. Routine maintenance of buildings, plant, and control systems continue to be delivered as planned and no significant issues have been identified.
- 3.8. Regular training with staff continues to be carried out, including accident reporting & investigation, weighbridge procedures and drugs & alcohol toolbox talks.
- 3.9. One complaint was received at Campground WTS on 29 September, from a resident of Springwell village regarding a white RCV going through the village. No other details were provided.

Reconciliation 2022/23

- 3.10. SUEZ submitted the 2022/23 year end accounting position in June. This includes financial transactions linked to all tonnages in and out of the facilities, ad hoc tonnages and performance deductions. The partnership reviewed the initial data, cross-checking against our own records and working with finance colleagues and raised queries which are still being investigated by SUEZ.

STWER Commercial Advisor Retirement

- 3.11. Ian Sexton the STWER Commercial Advisor retired on 30 June 2022 however Ian has been working with James Dowell the new Commercial Advisor and Contractors Representative until mid-2023 to finalise some outstanding contract issues. This handover is ongoing and Ian's retention period has been extended.

Joint Insurance Cost Review (JICR)

- 3.12. 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.

- 3.13. The fourth JICR was submitted at the end of 2021. This has highlighted a nil sharing due to the change in the insurance market.
- 3.14. Both reports are now held up due to a lack of response on the third submission.

Targeted Recruitment and Training (TR&T)

- 3.15. The RWTC affords provision for SUEZ to help 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. While not a SUEZ led initiative, Gateshead Council have employed three apprentices into a year-long waste and recycling education programme. SUEZ, along with Cumbria Waste Group, Riverdale and Remondis, who all handle Gateshead's waste and recycling material in some capacity, have agreed to accommodate these employees for short periods as part of their learning programme.

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) on our behalf at the Waste and Recycling Visitor Education Centre (W&RVEC), the Energy-from-Waste facility, and through outreach activities held in local schools and community settings.
- 3.18. The year-to-date number of individual engagements for 2023/24 is 6,427. Recent events and activities have included:
- Waste Awareness Assemblies to pupils at Primary Schools across Gateshead, South Tyneside and Sunderland,
 - Bespoke events including Recycling Olympics, Heritage Open Days, Marble maze, Halloween themed decorations and autumn craft workshops,
 - Information stalls at NHS Roadshows in South Tyneside and Sunderland and at the Reed in Partnership Health and Wellbeing event in Gateshead,
 - Site tours of Waste Transfer Stations and
 - Litter pick events.
- 3.19. More information on all of the above are included in the Waste and Recycling Visitor Education Centre newsletter circulated to many organisations including local community groups, schools, third sector organisations and JEC committee members.
- 3.20. STWWMP and SUEZ are progressing signage for the outside of the Waste and Recycling Visitor Education Centre.

Community Liaison Groups

- 3.21. The Community Liaison Group meetings for Campground and Jack Crawford House WTS have gone well and as a result SUEZ continue to support the community through volunteering works in the vicinity of the WTS's. Middlefields WTS does not have Community Liaison Meetings as the facility is not immediately in the vicinity of a residential area.

- 3.22. Gateshead and Sunderland will receive a Performance Management Framework (PMF) payment as part of the reconciliation exercise for the meetings that were missed following COVID.

4. MATERIALS RECOVERY FACILITY (MRF) CONTRACTS

- 4.1. Appendix B provides the blue bin recycling tonnages for 2023/24 year-to-date (Table A). Comingled tonnages continue to slowly come down from the peak of the pandemic, however, currently remain slightly higher than pre-pandemic levels. Separately collected paper tonnages have also declined in all three partner authorities when comparing to the same period last year. This follows a year-on-year trend with separately collected paper tonnages now being minimal. This has been reported in more detail in previous reports.
- 4.2. With such low paper tonnages, this means the current kerbside dry recycling collection system is not sustainable. Therefore, STWWMP are currently considering alternative collection models available, to identify the most appropriate method of maximising the quality of household recycling collected at the kerbside in preparation for the next MRF processing contract procurement. To assist with this exercise, we will be receiving some further support from the Waste Resources Action Programme (WRAP). Work was initially carried out in 2019, but WRAP will update the data and provide an updated options appraisal, as there has been a significant change in composition of dry recycling since the COVID-19 pandemic as well as impact on commodity prices. It will also consider the proposals under Simpler Recycling.
- 4.3. The current MRF contracts (as outlined in paragraphs 2.4 and 2.5 of this report) are 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).
- 4.4. Appendix B also contains Table Bi, 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. Table Bii shows the latest MRF recycling and recovery rates for April to October 2023.
- 4.5. Contamination levels in each partner authority have generally remained at consistent levels in the last 7 months although there can be fluctuations based on seasonality etc. For example, during prolonged wet weather this can impact the quality of the fibre. Any wet or damp material is rejected by the MRF operators. STWWMP are liaising with the partner authorities and contractors to ensure any variances are investigated and discuss how contamination can be reduced within the dry mixed recycling material.
- 4.6. Given that each partner authority is now paying for every tonne of contamination in the blue recycling bins, minimising contamination has therefore been highlighted as a priority and is being approached from three angles:

- Communications to raise awareness with residents,
- Ensuring collection crews are rejecting any bins that visibly contain contamination and
- Removing contamination where possible (usually large items and black bags) from the transfer stations by council and contractor operatives during an inspection process which also includes assessing the quality of each load.

4.7. STWWMP also carry out monthly audits on the input sampling at the MRFs to ensure methodologies are robust and recycling is being maximised. The Partnership are satisfied this process is being carried out in line with the MRF code of practice on sampling.

4.8. The nature of the current risk share contract means the costs to Partner Authorities will vary monthly. 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 (HWRC) CONTRACTS

5.1. Table A at Appendix C highlights the first two quarters HWRC contractual recycling performance for 2023/24. This excludes inert materials (such as rubble), electrical waste (WEEE), low grade wood, dry mixed recyclables and textiles. By excluding these items from the contractual performance, the contractor is encouraged to maximise other recycling on site including green waste, scrap metal and higher-grade wood. The results highlight the performance of the incentivised recycling contracts for all three partner authorities.

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. All three partner authorities still have the advanced booking systems in place. These are continuing to work well, receiving positive feedback from residents. The booking systems have helped to prevent queues at peak times including during school summer holidays. They have also helped recently during periods when essential site maintenance is required at a HWRC site. Bookings can be blocked out during the times maintenance is required meaning minimal disruption to residents.

5.4. The Reuse Shops at Pallion HWRC and Middlefields Recycling Village continue to be very popular with residents. These shops sell items donated by residents which would have otherwise gone to waste, giving them a new lease of life, and offering quality pre-loved items at a time when many residents are conscious of what they are spending. Gateshead do not have any Reuse Shops on their HWRC sites however on Saturday 25 November, the Waste and Recycling Visitor Education Centre, in Wrekenton, Gateshead, hosted its first pop-up Reuse Shop, giving local residents the chance to browse and buy from a vast range of pre-loved and vintage items, including furniture, toys, collectables, and much more, at very affordable

prices. The event which was organised by SUEZ in conjunction with Groundwork and the Council, was a huge success and over £500 was raised for a local charity.

6. GREEN WASTE COMPOSTING CONTRACTS

- 6.1. The latest Green Waste contracts which commenced on 1 April 2022 with Remondis and SUEZ are working well.
- 6.2. The green waste is transferred to composting facilities in Hexham and Ellington in Northumberland and Wingate, County Durham where it is turned into soil improver/compost and used on farmland or sold to other commercial outlets.
- 6.3. For service subscribers, the household garden waste kerbside collection services commenced in late March/early April. Kerbside collections in all three partner authorities have now finished for the winter period and will resume next Spring. The Household Waste and Recycling Centres will still be accepting garden waste during this period including any real Christmas trees that need disposing of after the festive period.

7. SOCIAL VALUE

- 7.1. Social value is important to the partner authorities and is the way we identify relevant and measurable social, economic and environmental benefits for the people and communities across Gateshead, South Tyneside and Sunderland.
- 7.2. Therefore, Contractors on the MRF, HWRC and Green Waste Composting contracts (excluding the HWRC contract in Gateshead and South Tyneside) were asked to work with the councils to achieve benefits that improve the social, economic and environmental wellbeing within the boroughs, during the delivery and term of the contracts.
- 7.3. The following is an update on Social Value on each of the Contracts with the various Contractors.

MRF Contracts

- 7.4. J & B have now completed all social value committed within their contract for Sunderland City Council. This has included:
 - Employing local people on the contract,
 - Hosted a tour of the MRF for schoolchildren and also attended school assemblies,
 - Attended Careers fairs,
 - Provided bins for recycling and
 - Donations to charities.
- 7.5. Cumbria Waste have completed some of their social value commitments for Gateshead and South Tyneside Councils and have committed to others including:
 - Employing local people on the contract,
 - Mental Health campaigns,
 - Dedicating staff hours on local school/college visits to deliver careers talks and offer site visits,
 - Support South Tyneside Employment and Skills team to deliver an effective job search and interview prep sessions for South Tyneside Works learners,

- Volunteering on local Community Projects and
- Committing to donations through Gateshead exchange.

HWRC Contract

7.6. SUEZ have completed most of their social value commitments for Sunderland City Council. This has included:

- Employing local people on the contract,
- Making Savings in CO2 emissions through reducing transport movements and
- Volunteering on local clean ups and litter picks.

7.7. SUEZ have also carried out various social value initiatives in Gateshead and South Tyneside, although not obliged to do so. This has included:

- Volunteering on local clean ups and litter picks and
- Organising a Reuse Pop up shop in Gateshead

Green Waste Composting Contracts

7.8. Remondis have completed most of their social value commitments for Gateshead Council and Sunderland City Council. This has included:

- Employing local people on the contracts,
- Supporting young people into work through meeting with School Careers leads in each borough and
- Volunteering on local Community Projects

7.9. SUEZ have committed to various social value elements for South Tyneside including:

- Employing local people on the contracts,
- Volunteering on local Community Projects,
- Dedicating support to get young people into work and
- Dedicating staff hours on local school and college visits.

7.10. Further updates will be provided to Joint Executive Committee in due course, as the contracts progress.

8. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

8.1. Our WEEE Compliance Scheme Valpak continue to support us in ongoing actions for the collection and processing of all categories of WEEE. NEPO have now extended this contract for 12 months and is therefore now due to expire in December 2024.

8.2. STWWMP have had discussions with NEPO and Valpak about placing more vapes containers within the Community but due to issues with the legislation they can only provide containers at Designated Collection Facilities (DCF's) which are our Household Waste Recycling Centres and Waste Transfer Stations. Industry are making representations to Government to amend the regulations to allow for a separate category for this problematic material.

8.3. Committee members will be aware of the letter we ourselves have written to our local MP's to help expediate this issue.

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

Table A – 2023/24 latest performance (April – October)

Total contract waste	113,934 tonnes
Contract waste delivered to WTS:	
- Campground	Gateshead – 36,127 tonnes Sunderland – 10,837 tonnes
- Middlefields	South Tyneside – 29,113 tonnes
- Jack Crawford House	Sunderland – 37,858 tonnes
Total contract waste delivered to EfW	111,612 tonnes
Line 4 availability	98.9%
Line 5 availability	99.97%
Overall EfW availability	99.5%
Average turbine availability	100%
Electricity generated	122,346 MWh
Electricity exported	108,771 MWh
Electricity imported	0 MWh
Recycling performance	Target 2.2% Performance 2.3%
Recovery performance	Target 95.4% Performance 96.9%
Unprocessed landfill diversion rate	100%
Health and safety:	
RIDDOR	1
Injuries and accidents	6
Near misses	61
Property damage	30
Fires	13

MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2023/24 latest blue bin tonnage data: April - October 2023

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	7,869	5,853	11,690
Paper tonnage	520	241	321
Fibre tonnage	55	30	N/A
Total tonnage	8,443	6,124	12,011
<i>Comparison to April-Oct - comingled</i>	<i>3.1% decrease</i>	<i>6.4% decrease</i>	<i>0.4% decrease</i>
<i>Comparison to April-Oct - paper</i>	<i>17.0% decrease</i>	<i>2.4% Decrease</i>	<i>26.5% decrease</i>
<i>Comparison to April-Oct - all materials</i>	<i>4.1% decrease</i>	<i>6.4% decrease</i>	<i>1.4% decrease</i>

Table Bi: Quarterly 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%
Q1 2022/23	84.7%	15.3%	81.6%	18.4%	87.9%	12.1%
Q2 2022/23	84.9%	15.1%	81.1%	18.9%	88.1%	11.9%
Q3 2022/23	82.6%	17.4%	81.0%	19.0%	87.0%	13.0%
Q4 2022/23	80.9%	19.1%	79.7%	20.3%	86.2%	13.8%
Q1 2023/24	80.8%	19.2%	78.7%	21.3%	87.2%	12.8%
Q2 2023/24	78.9%	21.1%	79.2%	20.8%	86.5%	13.5%

Table Bii: Latest MRF recycling and recovery performance: April - October 2023

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
April	81.8%	18.2%	77.3%	22.7%	87.0%	13.0%
May	81.0%	19.0%	80.9%	19.1%	87.3%	12.7%
June	79.5%	20.5%	78.0%	22.0%	87.3%	12.7%
July	77.8%	22.2%	80.7%	19.3%	87.0%	13.0%
August	78.7%	21.3%	77.9%	22.1%	85.6%	14.4%
September	80.1%	19.9%	79.0%	21.0%	86.8%	13.2%
October	77.2%	22.8%	77.3%	22.7%	85.2%	14.8%
November						
December						
January						
February						
March						

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

Table A: 2023/24 latest recycling performance (excluding inert materials, such as rubble, WEEE, low grade wood and dry mixed recycling/textiles):

HWRC	Annual Contractual Target	Quarter 1 2023/24	Quarter 2* 2023/24	Quarter 3 2023/24	Quarter 4 2023/24
Campground	48%	57.6%	55.5%		
Cowen Road	48%	57.5%	58.2%		
Pallion	48%	56.3%	55.8%		
Middlefields (Recycling Village)	50%	57.7%	58.5%		

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