

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

8 MARCH 2024

REPORT OF: Colin Swinney, 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 recently been extended again until 31 March 2025.
- 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 near the end of 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 2023 to January 2024. 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.
- 3.4. The latest EfW shutdowns are currently taking place; the dates for each line are as follows:
 - Line 4 - 31 January (10pm) to 25 February
 - Line 5 – 13 February to 12 March.
- 3.5. Line 5 experienced an outage after Line 4 was shut down from 2 February. It came back on-line on 5 February; this impacted the waste flows for the shutdown period but to date nothing has been diverted to landfill.

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. The 'out' weighbridge at Campground WTS has recently been replaced due to wear and tear. Installation took place 4-7 December. The 'in' weighbridge was used for weighing in and out during this period; on-site traffic was well managed with no significant delays caused.
- 3.8. Repairs to the roundabout at the entrance to the WTS at Campground are currently taking place. Work started on 26 February and is due to be completed on 3 March 2024. Wear and tear was identified during routine inspections. The situation was monitored until the works were deemed necessary to ensure vehicles could continue to access the site. The roundabout is also used by members of the public when exiting the HWRC.
- 3.9. Other routine maintenance of buildings, plant, and control systems continue to be delivered as planned with no other major issues identified.
- 3.10. Regular training with staff continues to be carried out, including management and use of mobile plant, manual handling refresher training and Health & Safety related training.

Reconciliation 2022/23

- 3.11. 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, working with finance colleagues and SUEZ throughout the process. The final version is now awaiting to be agreed by STWER.

10-year Anniversary of the RWTC

- 3.12. 2024 marks the 10-year anniversary of the RWTC. To celebrate, a public open event is being organised for Saturday 22 June 2024 with an array of activities being planned for members of the public to get involved in. An official event is being arranged for the following Monday, 24 June to be attended by Councillors and Officers from the Local Authorities, SUEZ and STWER representatives who have been involved in the contract over the last 10 years. Prior to the events the

W&RVEC Coordinator is running a poem/song competition with schools and will be incorporating bunting making workshops to use as decorations for the events, reusing old material. The winner of the poem/song competition will be invited to attend the official event on 24 June.

Revisions to Waste incineration BREF

- 3.13. The permit covering Lines 4 and 5 has recently been amended to accommodate new environmental BREF emissions limits which came into play in December 2023. The plant made the relevant adjustments to start running to the new emission limits from 1 October 2023 to make sure there were no issues. This was successful.
- 3.14. As previously reported, 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. The trial is being monitored closely and monthly data is being provided. Discussions regarding the impact upon the RWTC and if the QCiL clause is relevant can then be progressed after the trial period.

STWER Commercial Advisor Retirement

- 3.15. 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 on an open-ended extension to finalise some outstanding contract issues.

Joint Insurance Cost Review (JICR)

- 3.16. 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.
- 3.17. The fourth JICR was submitted at the end of 2021. This has highlighted a nil sharing due to the change in the insurance market.
- 3.18. A fifth report was submitted on 6 December 2023. This was formally rejected due to there being numerous queries and some linked to the outstanding issues with the other reports.
- 3.19. All reports are now held up due to a lack of response on the four submissions.
- 3.20. It should be noted insurance is currently a challenge for the waste sector generally with broadly similar issues affecting most of the PFI contracts. Defra are providing support in this area, and we are awaiting outcomes in other more challenging cases where high financial values are involved to direct a resolution in our own situation.

Targeted Recruitment and Training (TR&T)

- 3.21. 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.

3.22. The three apprentices employed by Gateshead Council in a year-long waste and recycling education programme have spent time with each of the contractors STWWMP are engaged with. This includes SUEZ, Riverdale Plc and Remondis. This is a Gateshead Council initiative but due to the positive relationships STWWMP has with its contractors, these apprentices have been able to benefit from an enhanced learning programme.

Community Education and Engagement

3.23. 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.

3.24. The year-to-date number of individual engagements for 2023/24 is 8,464. Recent events and activities have included:

- Waste Awareness Assemblies to pupils in Primary Schools,
- Christmas themed workshops in Primary schools across Gateshead, South Tyneside and Sunderland,
- Bespoke events including making bird feeders and
- Site tours of Waste Transfer Stations.

3.25. Monthly open days have been programmed as part of 10-year anniversary celebrations. After a tour of Campground's WTS (and neighbouring HWRC), attendees can take part in an activity within the W&RVEC. Visits are offered free of charge and can be booked using the Eventbrite booking platform. Details of these can be found at Appendix D.

3.26. 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.

3.27. STWWMP and SUEZ are progressing signage for the outside of the Waste and Recycling Visitor Education Centre.

Community Liaison Groups

3.28. 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.

3.29. Gateshead and Sunderland received a backdated Performance Management Framework (PMF) payment as part of the 2022/2023 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 come down from the peak of the

pandemic and are now returning to 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 which will also assist preparations for the next MRF processing contract procurement. To help with this exercise, we have been working with and received some further support from the Waste Resources Action Programme (WRAP). Work was initially carried out in 2019, but WRAP have been reviewing the appraisal of options based on updated tonnage data, in case there has been a change in composition of dry recycling since the COVID-19 pandemic as well as impact on commodity prices. WRAP's final report, which referenced forthcoming proposals under Simpler Recycling, has recently been shared with Officers within STWWMP and the Partner Authorities. An update will be provided to JEC once the contents of this report have been fully reviewed.
- 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 commingled 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 January 2024.
- 4.5. Contamination levels have generally remained at consistent levels in the last 10 months in Sunderland, however there have been some fluctuations experienced in Gateshead and South Tyneside. These fluctuations especially the higher contamination levels seen in November could be due to seasonality issues. 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. STWWMP met with representatives of Cumbria including the CEO recently to discuss sampling procedures and how to reduce contamination levels as a joint initiative. The Partner authorities are actively investigating how to ensure that the recycling material can be kept drier during the collection process.
- 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. More audits are being carried out by Gateshead officers to help understand the contamination issues.
- 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.
- 4.9. The MRF contracts are for a period of 36 months from April 2022 and are therefore due to expire in March 2025 with an option to extend for two, 12-month periods. Therefore, STWWMP will be discussing the feasibility to extend these contracts in the next few months.

5. HOUSEHOLD WASTE AND RECYCLING CENTRE (HWRC) CONTRACTS

- 5.1. Table A at Appendix C highlights the first three 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. 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.

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 have concluded for 2023/24. The 2024/25 kerbside collections will commence in late March/early April however, the Household Waste and Recycling Centres continue to accept garden waste for any residents who may have the need during the winter months.

7. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) CONTRACT

- 7.1. 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. Options for the next procurement are being investigated with NEPO currently.
- 7.2. As previously reported, 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.
- 7.3. Committee members will be aware, from previous update reports and coverage in the media, of the representations Industry have been making to Government to amend the regulations, including the letter we ourselves sent to our local MPs to help expediate this issue. The news of Government's intention to ban single use vapes as part of its plans to create a Smokefree Generation was therefore welcoming.
- 7.4. Further to this, Defra are currently consulting on reforms to current Producer Responsibility for WEEE. Included within this consultation is a proposal to create a new discrete category for vapes, in order to ensure producers are paying the full cost of separate collection and recycling of waste vapes. STWWMP have submitted a joint response to this consultation and have agreed with this proposal.

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

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

Total contract waste	162,682 tonnes
Contract waste delivered to WTS:	
- Campground	Gateshead – 52,229 tonnes Sunderland – 15,754 tonnes
- Middlefields	South Tyneside – 40,579 tonnes
- Jack Crawford House	Sunderland – 54,120 tonnes
Total contract waste delivered to EfW	158,275 tonnes
Line 4 availability	98.1%
Line 5 availability	99.5%
Overall EfW availability	98.8%
Average turbine availability	100%
Electricity generated	173,081 MWh
Electricity exported	154,052 MWh
Electricity imported	0 MWh
Recycling performance	Target 2.2% Performance 2.5%
Recovery performance	Target 95.4% Performance 97.5%
Unprocessed landfill diversion rate	100%
Health and safety:	
RIDDOR	1
Injuries and accidents	8
Near misses	92
Property damage	42
Fires	17

MATERIALS RECOVERY FACILITY CONTRACTS

Table A: 2023/24 latest blue bin tonnage data: April 2023 - January 2024

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	11,507	7,862	17,264
Paper tonnage	721	308	453
Fibre tonnage	78	77	N/A
Total tonnage	12,306	8,247	17,716
<i>Comparison to April - Jan - comingled</i>	<i>3.4% decrease</i>	<i>14.6% decrease</i>	<i>0.5% decrease</i>
<i>Comparison to April - Jan - paper</i>	<i>16.4% decrease</i>	<i>2.7% Decrease</i>	<i>25.8% decrease</i>
<i>Comparison to April - Jan - all materials</i>	<i>4.3% decrease</i>	<i>14.0% decrease</i>	<i>1.3% 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 2023 - January 2024

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	71.5%	28.5%	72.9%	27.1%	86.0%	14.0%
December	79.2%	20.8%	75.8%	24.2%	85.5%	14.5%
January	83.3%	16.7%	81.0%	19.0%	86.3%	13.7%
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%	54.6%	46.9%	
Cowen Road	48%	57.5%	57.4%	51.3%	
Pallion	48%	56.3%	54.9%	44.2%	
Middlefields (Recycling Village)	50%	57.7%	58.2%	44.6%	

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

Reduce, Reuse, Recycle Site Tours 2024



10am to 12pm
 26th January
 23rd February
 28th March
 26th April
 31st May
 28th June
 26th July
 29th August
 27th September
 25th October
 29th November



Waste and Recycling Centre,
 Springwell Road, Wrekenton,
 Gateshead NE9 7XW



15 tickets available each month.
 Reserve your free place via the
 Eventbrite link



The visit is relevant to residents of Gateshead, Sunderland, and South Tyneside ONLY.

