

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

23 September 2016

REPORT OF: Tony Alder, 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 current position regarding the Residual Waste Treatment Contract and other ancillary waste treatment joint contracts and activities managed by 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 of its subsidiary companies would change their names to SUEZ. In December 2015, the Partnership received formal notification that SITA South Tyne and Wear Ltd had also changed its name, and would now be known as South Tyne and Wear Energy Recovery Ltd (STWER).
- 2.3 Gateshead and South Tyneside Councils' 48-month Materials Recovery Facility (MRF) contract for dry recyclables commenced service with Palm Recycling Ltd on 1 April 2014.
- 2.4 Sunderland Council awarded a separate MRF contract to J&B Recycling, which commenced service on 1 April 2015 for a period of 36 months.
- 2.5 Gateshead and Sunderland Councils jointly procured separate contracts for the management of their Household Waste and Recycling Centres (HWRC) with SUEZ. Both incentive-based contracts are two years and seven months in length, and commenced service at the beginning of September 2014.

2.6 South Tyneside Council entered into a different contract for HWRC management with SUEZ, which commenced on 1 April 2013. The contract allows the council to manage the end outlets for the waste streams and includes regular market-testing to ensure value for money is being received.

2.7 A joint partnership team continues to undertake strategic waste management functions on behalf of the partner authorities. 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 - UPDATE**

3.1 Updated reconciliation proposals for both 2014/15 and 2015/16 have been received from South Tyne and Wear Energy Recovery Ltd, and are currently being reviewed by the joint partnership team.

3.2 SUEZ monthly reports detailing materials processed and service issues also continue to be reviewed and audited by the joint partnership team. Once approved, invoices are processed and apportioned to the partner authorities within contractual timescales.

3.3 The latest performance of the 2016/17 contract year (April-July 2016) can be found at Appendix A.

3.4 An amendment to the Campground WTS planning application to enable bulk haulage vehicles to use the site's emergency road was considered by the Sunderland City Council Planning Committee on 6 September 2016. Only one advance objection was submitted and nobody registered to speak at the meeting. Consent was granted with two minor conditions: that noise monitoring is undertaken within three months; and that the number of vehicles using the route is recorded. The revised route will be introduced on site once formal notification is received from Sunderland City Council and SUEZ has confirmed that they will ensure that the planning committee's conditions will be met.

3.5 The construction works for the Visitor and Education Centre's outdoor classroom were completed on 19 August 2016. Infrastructure works are ongoing, including the commissioning of an artist to develop the seated teaching area, and the construction of a greenhouse constructed from plastic bottles discarded during the Great North Run. Onsite beds and planters will incorporate herbs, vegetables, and flowers, and will be an ongoing planting exercise involving local school children and community groups. Plans to hold an opening event for the Joint Executive Committee continue to progress.

3.6 The EfW facility is operating well, with only a small number of outages during this contract year due to maintenance issues with the crane and large metal items causing blockages in the bottom ash chute. Contingency procedures and communications between the joint partnership team, SUEZ, and partner authorities worked well during each incident and proved to be effective, resulting in no time being lost to the contract.

- 3.7 The planned shutdown periods for the EfW will take place between:
- 26 September to 3 October 2016 (Line 4)
 - 23 to 29 October 2016 (Line 5)
- 3.8 By staggering the shutdowns for each line, there should be no need to implement contingency arrangements as the remaining operational line will be available to process material delivered from each STWWMP WTS. Furthermore, during these periods, any third party waste will be redirected to other facilities to ensure that the facility can accommodate the Partnership's material.
- 3.9 The RWTC also affords a provision for SUEZ to help to improve local prosperity across the Partnership area by promoting vacant posts within their facilities. The Economic and Housing Growth Service at Gateshead Council continues to receive information on local vacancies, which are then cascaded to partner authorities for circulation to their client base.
- 3.10 Following the recent recruitment exercise undertaken by SUEZ, recruitment levels remain stable. This means that 40% of the posts available at the EfW facility, and 70% of the post holders employed at the three WTS or in the management and administration of the RWTC are residents from across the Partnership area.
- 3.11 The Partnership remains committed to an ongoing programme of stakeholder education and engagement, delivered in both the Visitor and Education Centre and through activities held in local community settings.
- 3.12 Groundwork North East and Cumbria (GNEC) continue to enhance the community engagement programme, although, the summer holiday period means that fewer activities can be undertaken during July and August. However, between the beginning of April and the end of August 2016, 1,648 children and young people have participated in events at the Visitor and Education Centre or at their school, college, or university. In August this included 128 young people on the National Citizens Service programme at Sunderland University who participated in waste awareness sessions as part of their social interaction course. 35 young people also participated in a sports day at Lobley Hill Community Centre in Gateshead which incorporated recycling-themed games.
- 3.13 During the same period, 284 members of local community groups and organisations participated in events at either the Centre itself or within their local community. 12 members of the Seaham and District University of the Third Age toured the EfW in August, and service users from Sunderland ESPA (educational services for people with autism) took part in an introductory waste awareness sessions at the Visitor and Education Centre. Furthermore, a community engagement 'door knocking' exercise to talk to residents about waste awareness and recycling was undertaken in West Harton, South Tyneside.

- 3.14 The Partnership is currently delivering a year-long Waste Electric and Electronic Equipment (WEEE) project following a successful application for funding to the WEEE Improvement Fund. The project aims to increase WEEE reuse and recycling rates across the Partnership area and complements the general stakeholder education and engagement programme by raising awareness of the 'waste hierarchy' to change behaviours of residents, schools, and other organisations. Managed by GNEC, a dedicated WEEE project officer delivers WEEE-specific activities at the Visitor and Education Centre and in local community settings, including school assemblies; community roadshows, events and amnesties; and doorstep discussions with residents.
- 3.15 Community activities began in May and at the end of August 2016, the project has delivered:
- 41 roadshows
 - 20 school events
 - 4 amnesty events
 - 167 door knocking engagement discussions
- 3.16 The Campground Community Liaison Group last met at the Visitor and Education Centre on 12 July 2016. The group received an update on the WEEE project activity across the partnership area (as highlighted above). Operationally, it was noted that the site is fully compliant and operating well. An explanatory note and plan had been circulated prior to the meeting detailing the amendment to the planning application submitted to Sunderland City Council (see paragraph 3.4). The committee also took part in an on-site wildlife tour at the end of the meeting. The next meeting is scheduled for 29 November 2016.
- 3.17 The Jack Crawford House Community Liaison Group has not met since the last Joint Executive Committee meeting, with the next meeting scheduled for 22 September 2016.

4. MATERIALS RECOVERY FACILITIES - CONTRACTS UPDATE

- 4.1 The performance of both MRF contracts continues to be monitored closely by the joint partnership team. This includes processing payments, regular contract meetings, and site inspections at various contractor facilities.
- 4.2 The team is currently dealing with several key issues which involve day-to-day contact and liaison with both contractors and a range of officers across the partner authorities. This is to ensure the position of the partner authorities are not in any way unnecessarily disadvantaged.
- 4.3 The team, supported by senior officers at Gateshead and South Tyneside Councils, continues to work closely with senior representatives of Palm Recycling to resolve some key contractual issues. Regular meetings are held between directors of all parties to work through any issues with a view to a timely resolution.
- 4.4 The latest performance information across the Partnership area for 2016/17 (April-July 2016) can be found at Appendix B.

5. HOUSEHOLD WASTE AND RECYCLING CENTRES - CONTRACTS UPDATE

- 5.1 The joint partnership team also closely monitor all aspects of contract management in relation to the Gateshead and Sunderland HWRC contracts. The South Tyneside contract is managed directly by officers from South Tyneside Council.
- 5.2 The latest performance information (April-July 2016) for the Gateshead and Sunderland contracts can be found at Appendix B. The figures stated are currently provisional results, as further verification checks regarding reprocessing destinations for some materials are confirmed with SUEZ.
- 5.3 SUEZ continues to explore methods of increasing recycling destinations for materials collected on-site. Currently, consideration is being given to an initiative working in conjunction with the third sector for the reuse of furniture and other items. It is anticipated that further progress updates will be able to be provided at future Joint Executive Committee meetings.
- 5.4 All of the existing HWRC contracts are scheduled to expire within the same timescale, i.e. on 31 March 2017. The joint partnership team has recently completed a pre-procurement exercise to compare different contract delivery models to inform a business case to help determine the short-term future of the HWRC service. It has now been agreed that from 1 April 2017, Gateshead and Sunderland will extend their contracts with SUEZ for up to 36 months, and a meeting is to be arranged with SUEZ to commence formal negotiations of the terms of the extension. South Tyneside will let a new contract from 1 April 2017, also for a period of up to 36 months. This will ensure that a joint approach between all three partner authorities can be considered at the expiry of the new arrangements.

6. GREEN WASTE COMPOSTING CONTRACTS

- 6.1 The joint partnership team recently led a joint procurement exercise supported by the Partnership's lead procurement team and officers from partner authorities to award new contracts for the provision and operation of green waste composting facilities.
- 6.2 The joint partnership team will provide all aspects of contract management for the Gateshead and Sunderland contracts, with officers from South Tyneside Council directly managing their contract. Although three separate contracts with different providers were awarded, the timing of the contract lengths have been structured to enable a joint partnership contract to be considered at the end of the current arrangements.
- 6.3 The successful contract arrangements are:
- Gateshead, with A.Willey for 36 months from 01 April 2016
 - South Tyneside, with SUEZ for 36 months from 01 April 2016
 - Sunderland, with JBT for 31 months from 01 September 2016

7. RECOMMENDATION

7.1 The Joint Executive Committee is requested to note the progress of the project.

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RESIDUAL WASTE TREATMENT CONTRACT

2016/17 latest performance: April-July 2016

Total contract waste	67,290 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 19,959 tonnes Sunderland 5,946 tonnes South Tyneside 72 tonnes South Tyneside 16,359 tonnes Sunderland 24,954 tonnes
Total contract waste delivered to EfW	64,048 tonnes
Overall EfW availability	97.4%
Average turbine availability	100%
Electricity generation	69,083 MWh
Recycling performance	Target 2.1% Performance 4.2%
Recovery performance	Target 95.5% Performance 95.9%
Unprocessed landfill diversion rate	100%
Health and safety: - Personal injury - Property - Near misses - RIDDOR	6 7 38 1

MATERIAL RECOVERY FACILITY CONTRACTS

2016/17 latest performance: April-July 2016

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	4,156	3,348	5,064
Paper tonnage	983	592	1,122
Total tonnage	5,139	3,940	6,186
<i>Comparison to April-July. 2015 - all materials</i>	<i>5.3% decrease</i>	<i>3.7% decrease</i>	<i>1.3% decrease</i>
<i>Comparison to April- July 2015 - paper</i>	<i>7.1% decrease</i>	<i>20.9% increase</i>	<i>10.8% decrease</i>
<i>Comparison to April-July 2015 - comingled</i>	<i>4.9% decrease</i>	<i>7.1% decrease</i>	<i>1.1% increase</i>

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

April- July 2016 (excluding inert materials, such as rubble):

HWRC	April 2016
Campground	67.3%
Cowen Road	64.3%
Beach Street	68.3%