

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

**09 December 2016**

**REPORT OF:** Tony Alder, Project Director, South Tyne and Wear Waste Management Partnership

**SUBJECT:** Contracts Update

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**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 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 of its subsidiary companies would change their names to SUEZ. In December 2015, STWWMP 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 procurement exercise awarded three separate Green Waste Composting contracts for each partner authority to three different providers. Although separate contracts to different providers were awarded, 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, 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

2.8 The 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**

3.1 Proposals for both 2014/15 and 2015/16 reconciliation exercises with STWER are still to be agreed. Various iterations have been submitted and assessed by the joint partnership team and work continues with STWER and SUEZ towards agreement of the final proposals.

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-October 2016) can be found at Appendix A. Recycling and recovery performance both continue to exceed contractual targets.

3.4 Actions to discharge the two minor conditions associated with the approval of the planning application to enable bulk haulage vehicles to use the site's emergency road at Campground WTS have been progressed.

3.5 The first condition involved undertaking noise monitoring assessments within three months of the planning meeting, and was completed on 8 November 2016. The results from two noise-sensitive receptors placed in neighbouring properties confirmed that the pass-by levels were below the existing background levels, and therefore considered as low impact. The report was submitted to Sunderland City Council on 24 November 2016 for their consideration.

3.6 The second condition required the number of vehicles using the emergency road to be monitored on an ongoing basis. This information continues to be recorded in the site diary.

- 3.7 The turbine at the EfW facility is currently not operational due to maintenance issues experienced on 7 September 2016, and has been sent to Austria for repair. It is scheduled to be returned and reinstalled by March 2017. STWER is managing service and contractual requirements, with the impact on the average turbine availability now 74% (see Appendix A). However, the facility was designed to still be able to operate without the turbine and all of the Partnership's material continues to be accepted and processed as required.
- 3.8 Since the previous JEC, some minor outages have been experienced caused by 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.
- 3.9 The planned shutdown periods for the EfW took place between 26 September to 3 October 2016 (Line 4) and 3 to 29 October 2016 (Line 5).
- 3.10 The staggered shutdowns, along with the redirection of third party waste, resulted in no impact on the Partnership's waste, so contingency arrangements were not required to be implemented. This also enabled both lines to be brought back online earlier than planned.
- 3.11 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.
- 3.12 Following a recent recruitment exercise undertaken by SUEZ, employee levels continue to remain stable. 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 Gateshead, South Tyneside, or Sunderland.
- 3.13 STWWMP remains committed to an ongoing programme of community education and engagement, delivered in both the Visitor and Education Centre and through activities held in local schools and community settings.
- 3.14 Groundwork North East and Cumbria (GNEC) continue to enhance the delivery of the programme. Between the beginning of April and the end of October 2016, 2,117 children and young people have participated in events at the Visitor and Education Centre or at their school, college, or university. This also includes two schools - 32 pupils from Birtley East Primary School in Gateshead and a total of 74 pupils from Barmston Village Primary School, Sunderland - that visited the EfW facility. At Westoe Crown Primary School, South Tyneside, all 120 pupils took part in a waste awareness assembly.
- 3.15 During the same period, 476 members of local community groups and organisations participated in events at either the Centre itself or within their local community. This included a Halloween-themed waste awareness event at Lobley Hill Community Centre that was attended by 60 people.

- 3.16 The plastic bottle greenhouse located within the Visitor and Education Centre's outdoor classroom was completed on 11 October 2016. A local chainsaw artist, Tommy Craggs from Kiln Pitt Hill, has been commissioned to develop the seats for the teaching area and the brief for the seating area is being progressed with key schools in the partnership area. The planting of herbs, vegetables, and flowers in the onsite beds is ongoing with local school children and community groups. Plans to hold an opening event for the Joint Executive Committee will be finalised when the site is fully completed.
- 3.17 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 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.
- 3.18 Community activities began in May and the latest results show that the project has delivered:
- 52 roadshows
  - 31 school events
  - 5 amnesty events
  - 7 Brownies/Beaver group events
  - 507 door knocking engagement discussions
  - 2,184 household information drops
- 3.19 This includes roadshows at Roker Pods, Trinity Square, Sage Gateshead and Gateshead Civic Centre that engaged with almost 300 people.
- 3.20 The Campground Community Liaison Group scheduled for 29 November 2016 has been deferred until January 2017.
- 3.21 The Jack Crawford House Community Liaison Group met at the Old Hendon Library on 22 September 2016. SUEZ provided the group with an update regarding operations, noting that waste continues to be received as forecast and that there have been no significant accidents or incidents to report. The group expressed an interest in a site visit to SUEZ's new EfW plant at Wilton to see the rail link, although it was noted that the Partnership's transport of waste is via road haulage and reviewed every five years.

#### 4. **MATERIALS RECOVERY FACILITY CONTRACTS**

- 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 day-to-day discussions, and health and safety site inspections at various contractor facilities.
- 4.2 As a result of feedback from health and safety advisors, operational procedures have recently been amended at Riverdale (the transfer station used by

Gateshead and South Tyneside vehicles) to enhance the safety of site users and staff.

- 4.3 Gateshead and South Tyneside Councils have also deployed extra resources at Riverdale to help improve the quality of the recyclable material before it is transported for processing at the MRF.
- 4.4 Furthermore, the joint partnership team regularly visit the MRF facilities to carry out audits of material processing and sampling exercises to ensure that recycling performance is maximised.
- 4.5 Officers from Gateshead and South Tyneside Councils continue to work closely with senior representatives of Palm Recycling to resolve some contractual issues. Regular meetings are held between the directors to work through the issues and a resolution is anticipated by the end of the year.
- 4.6 The latest 2016/17 blue bin tonnage data (April-October 2016) can be found at Appendix B. In addition, statistics analysing MRF recycling and recovery performance rates within each contract since Quarter 1 2015/16 are also provided.

## **5. HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS**

- 5.1 The joint partnership team also closely monitor all aspects of contract management in relation to the Gateshead and Sunderland HWRC contracts. This includes processing payments, regular contract meetings and health and safety site inspections at the HWRC's. The South Tyneside contract is managed directly by officers from South Tyneside Council.
- 5.2 The latest performance information (April-October 2016) can be found at Appendix C. However, it should be noted that because the South Tyneside HWRC contract is delivered in a different way to the Gateshead and Sunderland contract, when performance for each HWRC contract is calculated in the same way, the South Tyneside results will be slightly lower.
- 5.3 SUEZ continues to explore methods of increasing recycling destinations for materials collected on-site. Recently, STWWMP officers and SUEZ colleagues met with a local community group from Gateshead to explore how items such as furniture could be re-used.
- 5.4 All of the existing HWRC contracts are scheduled to expire on 31 March 2017. From 1 April 2017, Gateshead and Sunderland will extend their contracts with SUEZ for a further 36 months and officers are currently finalising the terms of the extension with a view to achieving some efficiencies. 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 provide all aspects of contract management for the Gateshead and Sunderland contracts, with officers from South Tyneside Council directly managing their contract. This includes processing payments,

regular contract meetings, health and safety site inspections and site audits at the various facilities.

- 6.2 A Gateshead contract meeting and site inspection was recently held at A. Willey's facility in Chopwell, operating as Greentech Recycling. The main purpose was to discuss a recent fire at the site in one of the open windrows (where garden waste is composted). It was reported that site management procedures enabled the fire to be identified and promptly controlled. The Environment Agency attended site and were comfortable with the action taken, and Greentech Recycling has since issued the Agency with a fire prevention plan for approval. The site is now operating as normal.

## 7. **RECOMMENDATION**

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

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## RESIDUAL WASTE TREATMENT CONTRACT

2016/17 latest performance: April-October 2016

Total contract waste	115,626 tonnes
Contract waste delivered to WTS: - Campground  - Middlefields - Jack Crawford House	Gateshead 34,071 tonnes Sunderland 10,149 tonnes South Tyneside 72 tonnes South Tyneside 28,215 tonnes Sunderland 43,119 tonnes
Total contract waste delivered to EfW	110,999 tonnes
Overall EfW availability	95.5%
Average turbine availability	74%
Electricity generation	90,487 MWh
Recycling performance	Target 2.1% Performance 3.7%
Recovery performance	Target 95.5% Performance 96.3%
Unprocessed landfill diversion rate	100%
Health and safety: - Personal injury - Property - Near misses - RIDDOR	7 18 46 1

## MATERIAL RECOVERY FACILITY CONTRACTS

2016/17 latest blue bin tonnage data: April-October 2016

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	7,224	5,751	8,728
Paper tonnage	1,729	1,074	1,965
<b>Total tonnage</b>	<b>8,953</b>	<b>6,826</b>	<b>10,694</b>
<i>Comparison to April-Oct. 2015 - all materials</i>	<i>4.6% decrease</i>	<i>2.4% decrease</i>	<i>4.0% decrease</i>
<i>Comparison to April-Oct. 2015 - paper</i>	<i>7.1% decrease</i>	<i>23.9% increase</i>	<i>15.2% decrease</i>
<i>Comparison to April-Oct. 2015 - comingled</i>	<i>4.0% decrease</i>	<i>6.2% decrease</i>	<i>1.0% decrease</i>

MRF recycling and recovery performance

Period	Gateshead		South Tyneside		Sunderland	
	Recycling	Recovery	Recycling	Recovery	Recycling	Recovery
Q1 2015/16	76.0%	24.0%	76.10%	23.9%	87.0%	13.0%
Q2 2015/16	71.9%	28.1%	74.0%	26.0%	85.8%	14.2%
Q3 2015/16	78.4%	21.6%	74.3%	25.7%	83.2%	16.8%
Q4 2015/16	82.4%	17.6%	81.2%	18.8%	81.0%	19.0%
<b>Q1 2016/17</b>	<b>89.1%</b>	<b>10.9%</b>	<b>87.0%</b>	<b>13.0%</b>	<b>85.4%</b>	<b>14.6%</b>
<b>Q2 2016/17</b>	<b>87.8%</b>	<b>12.2%</b>	<b>86.0%</b>	<b>14.0%</b>	<b>82.5%</b>	<b>17.5%</b>

**HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS**

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

<b>HWRC</b>	<b>April-October 2016</b>
Campground	67.8%
Cowen Road	65.2%
Beach Street	68.8%
Middlefields (Recycling Village)	53.6%