

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

17 March 2017

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 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 Both the 2014/15 and 2015/16 reconciliation exercises with STWER have now been completed. All information has been sent to partner authority finance teams for review, and the final actions between authorities will be processed before the closure of 2016/17 final accounts.
- 3.2 The joint partnership team continues to review and audit SUEZ monthly reports, which detail materials processed and service issues. Once approved, invoices are processed and apportioned to the partner authorities within contractual timescales.
- 3.3 The latest performance for the 2016/17 contract year (April 2016 – January 2017) can be found at Appendix A. Recycling and recovery performance both continue to exceed contractual targets.
- 3.4 A response is still awaited from Sunderland City Council regarding the action previously undertaken to discharge the two minor conditions associated with the planning application which has enabled bulk haulage vehicles to use the emergency road at Campground WTS. Following the completion of noise monitoring assessments in November 2016, vehicles using the emergency road continue to be monitored and recorded.
- 3.5 The turbine at the EfW facility is still not operational due to the maintenance issues experienced in September 2016, and was sent to Austria for repair. It is scheduled to be returned the EfW on 10 March for reinstallation and commissioning, and expected to be operational again by 17 March. STWER continues to manage service and contractual requirements, and the impact on

the average turbine availability is now calculated as 52% (see Appendix A). However, as reported previously, the EfW was designed to be able to operate without the turbine, and all of the Partnership's material continues to be accepted and processed as required.

3.6 Appendix A also highlights RWTC cumulative health and safety statistics for this contract year. Comprehensive policies and procedures for accident reporting and investigation are in place to prevent non-injury incidents becoming events with more serious consequences. All incidents are investigated as soon as is practicable to determine underlying deficiencies or other factors that may be causing or contributing to the occurrence of incidents. Remedial and preventative actions to prevent reoccurrence are identified, along with opportunities for continuous improvement. All relevant information is recorded and risk assessed. Responsibility for implementing actions is assigned, along with a timeframe for completion, agreed with the joint partnership team, and their implementation monitored on an ongoing basis.

3.7 Health and safety statistics are shown against five different categories:

- **RIDDOR:** an incident or accident reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. This includes the death of a person, injuries to workers which result in their incapacitation for more than seven days, and injuries to non-workers which result in them being taken directly to hospital for treatment. The one RIDDOR reported during this contract year related to a fractured thumb sustained by a technician whilst maintaining the EfW shredder.
- **Injuries and accidents:** an event that results in injury or ill-health from minor incidents such as slips, trips, and falls. Since April 2016, nine injuries and accidents have been reported, including a driver that slipped when approaching the weighbridge access door at Campground; an EfW operative that twisted their ankle whilst exiting a parked JCB; and a site operative at Jack Crawford House that was manually moving a wooden door in the transfer hall when the glass centrepiece fell out and cut their leg.
- **Near misses:** unplanned events that did not cause injury, ill-health, or damage, but had the potential to do so. Recent near misses reported during this contract year include: the activation of the EfW fire alarm due to smoke emitting from the seals and exhaust of the domestic boiler; a member of the public who entered the Campground site by driving through the exit gate; a possible hot load that arrived at Middlefields without prior notification; and the removal of a large gas bottle from the bulky waste prior to shredding at the EfW.
- **Property damage:** incidents where the delivery of routine operations has caused damage to property, equipment, vehicles, or the environment, but has not resulted in personal injury. During this contract year, incidents of property damage at Campground, for example, include: a hooklift truck that moved off the weighbridge whilst the barrier was still down, causing the barrier to bend and split; an external contractor's articulated vehicle that turned sharply to exit the tipping hall,

resulting in the trailer to slip out and collide with and damage another vehicle; and a loading shovel bucket that clipped and popped a rivet on the trailer an articulated vehicle during a loading operation.

- **Fires:** small scale fires may occur in a number of situations, for example if waste in vehicle is too hot and ignites, or when materials are being loaded into another vehicle. It is therefore important to ensure that clear procedures are in place to ensure that all incidents can be isolated, addressed, and disposed of as quickly as possible. During this contract year, incidents of two fires have been reported. On one occasion, a small fire occurred in Shed B at Middlefields but there was no damage to site or personal injury. At Jack Crawford House, a fire was detected inside the trailer of an external contractor's articulated vehicle whilst loading cardboard. There was no damage to site or personal injury, but slight damage to the vehicle trailer. Following investigation, no root cause could be identified for either incident, but fire risk assessments and contingency procedures were reviewed and reissued.

3.8 The planned EfW maintenance shutdown is taking place during February and March 2017 (Line 4: 17 February to 5 March, Line 5: 27 February to 22 March).

3.9 Staggering the shutdowns and redirecting third party waste is aimed at ensuring that there is no impact on the Partnership's waste, and contingency arrangements have not required to be implemented.

3.10 However, one of the RWTC contingency sites, Path Head Landfill near Ryton, closed on 31 January 2017. SUEZ has, therefore, confirmed the new contingency arrangements for the management of the Partnership's material should the EfW be unable to operate. These new arrangements (see table below) can be considered as more sustainable, because two 'recovery' options are included as preferences to the third (landfill) option:

Contract facility: Tees Valley EfW, Lines 4 & 5	
First contingency option	Tees Valley EfW, Lines 1, 2 & 3
Second contingency option	Alternative EfW treatment facilities, Kirlees; Wilton
Third contingency option	Ellington Road landfill, Ashington, Northumberland

3.11 Chris Noble, Head of Project Integra (the waste management partnership for Hampshire councils), has provided an update regarding their lobbying activities regarding the inclusion of Incinerator Bottom Ash (IBA) within recycling performance figures, and thanked the Partnership for their support in engaging with MPs and Ministers. Following a conference call with the Department for Education, Food & Rural Affairs (Defra) and the Environment Agency (EA), Project Integra hosted a delegation of Defra officials at a Hampshire EfW and also an ash processing facility. The visit was aimed at providing officials with a greater appreciation of the processes involved and the nature of the end products.

- 3.12 Through the Basingstoke MP Maria Miller, Project Integra also secured a meeting with Thérèse Coffey MP, Parliamentary Under Secretary of State at Defra. At the meeting, it was confirmed that the UK is pushing for IBA (including metals from IBA and material used as an aggregate) to be included within the standard definition of what can be counted against a Member State's recycling rate. This feedback can be considered as a success, and the Partnership will continue to work with Project Integra and maintain a watching brief on the ongoing negotiations.
- 3.13 The RWTC also affords 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.
- 3.14 Over recent months, there have been some changes in the percentage of staff employed at the EfW that live within the partnership area. This includes some plant managers and shift supervisors that have moved on within the sector and taken up new opportunities outside of SUEZ. These posts have all been filled internally, and SUEZ will begin a recruitment exercise to backfill the promoted posts over the next month. Furthermore, on further inspection of HR records, SUEZ has identified that a number of other staff have subsequently moved house to neighbouring local authority areas outside of the Partnership. Consequently, this has impacted on the percentage figure for staff employed at the EfW from within the partnership area, which now stands at 7% of the operational posts available. However, the level of Partnership residents employed at the three WTS or in the management and administration of the RWTC continues to remain stable, with 70% of the post holders residents of Gateshead, South Tyneside, or Sunderland.
- 3.15 SUEZ specialises in securing and recovering resources, and as part of a global brand, this includes a number of other resource management solutions. Within the North East, in addition to its waste activities, SUEZ also has a significant presence in optimisation services for water networks. For example, the industrial water team is based in offices at Low Fell, Gateshead, and there are also laboratories located in County Durham. Consequently, work continues with the joint partnership team to consider how other local recruitment opportunities across the SUEZ brand can be provided to residents from the partnership area.
- 3.16 STWWMP remains committed to an ongoing programme of community education and engagement, delivered by Groundwork North East and Cumbria (GNEC) in both the Visitor and Education Centre and through activities held in local schools and community settings.
- 3.17 Between the beginning of April 2016 and the end of February 2017, 4,014 children and young people have now participated in events, including:
- A waste awareness session delivered to 180 Year 10 students at Mortimer College in South Shields
 - A bottle top art project with all 68 pupils from Hill Top School, Gateshead
 - A waste assembly to all 98 pupils at St. John's CE Primary School, which also included the announcement of the winner of the 'Recycle for Ryhope' competition

- The commencement of a long-term recycling auction project with Keelman's Way School in Hebburn, South Tyneside

3.18 As part of the community education and engagement programme, a number of ongoing working relationships have been established with schools across the partnership area. This includes St. Mary's RC Primary School in Sunderland who recognised that they were producing more waste than was acceptable. Two years ago, a school waste audit identified that they were throwing away 75kg of waste each week from the classrooms and 260kg per week of food waste. To address this they participated in a number of waste-related activities, events, and projects with GNEC and recent audit results have shown that classroom waste has now reduced by more than half to 33kg, and food waste cut to 155kg.

3.19 556 members of local community groups and organisations have also participated in events at either the Centre itself or within their local community since April 2016. Recently, this included recycled crafts sessions with Sunderland ESPA (Education and Services for People with Autism).

3.20 The seats for the teaching area in the Visitor and Education Centre's outdoor classroom are expected to be completed by local chainsaw artist, Tommy Craggs, by the end of April 2017. The classroom's opening event has been scheduled for the afternoon of 11 May 2017.

3.21 The year-long Waste Electric and Electronic Equipment (WEEE) project, funded through the WEEE Improvement Fund has now concluded. The project complemented the general education and engagement programme and aimed to increase WEEE reuse and recycling rates across the partnership area.

3.22 Since community activities began in May 2016, a total of 10,931 engagements were achieved across the partnership area through the delivery of the following activities:

- 96 roadshows
- 81 school events (including Brownie and Beaver events etc.)
- 6 amnesty events
- 1,305 door knocking engagement discussions
- 5,888 household information drops

3.23 The project targeted a 3% overall increase in WEEE recycling, but a number of WEEE streams saw significant increases during the period of the project:

WEEE material stream	Tonnage 2015	Tonnage 2016	% difference
Large domestic appliances	516.37	559.34	+8%
Cooling equipment	743.92	930.43	+25%
Visual display equipment	483.40	546.17	+13%
Lamps	5.65	4.01	-29%
Small WEEE	649.88	733.04	+13%
Batteries	18.74	23.60	+26%

- 3.24 The date for the deferred Campground Community Liaison Group meeting is still to be confirmed with SUEZ.
- 3.25 The Jack Crawford House Community Liaison Group met at the Carnegie Community Centre, Villette Road, on 16 February 2017. SUEZ provided the group with an update regarding operations, noting that the waste transfer station (WTS) continues operate and receive waste as forecast, and no significant accidents or incidents have been reported. It was also highlighted that all contract waste received to date has been recovered or recycled. The group were advised by Sunderland City Council that household residual waste collections will move to an alternate weekly collection service from 1 April 2017, but that this is not expected to have a significant impact on the operations of the WTS.
- 3.26 Although the EA were not able to attend, they provided an update for the meeting which confirmed that no complaints or compliance issues had been received about Jack Crawford House, and that site regulation will continue on an ongoing basis at the WTS and other permitted sites within the local area.
- 3.27 The next meeting was scheduled for 8 June 2017.

4. **MATERIALS RECOVERY FACILITY CONTRACTS**

- 4.1 The MRF contracts continue to be monitored closely by the joint partnership team. This includes processing payments, regular contract meetings, performance reviews, and health and safety site inspections at the various contractor facilities to ensure that recycling performance is maximised.
- 4.2 The latest 2016/17 blue bin information can be found at Appendix B.
- 4.3 Table A highlights the total amount of material collected by each authority between April 2016 and January 2017, broken down between the paper collected separately in the inner box and the comingled materials collected in the main section of the bin. It demonstrates that the total amount of material collected has reduced slightly in each of the three partner authorities, when compared to the same period last year. This is a national issue and could be attributed to several factors, including:
- A reduction in traditional newspaper readership/distribution
 - The development of lightweight recyclable materials
 - An increase in rejected recycling collections due to the inclusion of contaminated/non-target materials
- 4.4 Table B highlights MRF recycling and recovery rates for comingled materials only, since the first quarter 2015/16. However, MRF recycling performance can fluctuate - largely due to the material batch sampling exercises that are used to calculate recycling performance, which are based on small sample sizes (20-30 tonnes). Furthermore, the most recent results for Sunderland demonstrate a recycling figure of 79.9%. However, the sample that was selected included an

unusually high amount of moisture, which impacted on the results because some of the cardboard material was graded as not of sufficient quality for recycling by end processors.

- 4.5 Recycling performance for Gateshead and South Tyneside has generally improved following extensive contract discussions with the contractor, Palm Recycling, and the deployment of extra resources by both councils at the material delivery point at the Team Valley, Gateshead. This has helped to improve the quality of the recyclable material following tipping by council vehicles and prior to its transportation for processing at the MRF.
- 4.6 All councils continue to raise awareness to try to reduce recycling contamination through editorials in council publications, improved website content, and social media messages, and 'toolbox talks' with collection crews.
- 4.7 The joint partnership team, working with colleagues at Sunderland City Council, are currently working closely with the contractor, J&B Recycling, to resolve some key contractual issues, including how material quality can be improved.
- 4.8 Health and safety is also an important issue within the MRF contracts and is discussed at all contract management meetings, with site inspections of contractor delivery points regularly taking place. As with the RWTC, all incidents are investigated as soon as is practicable to determine underlying deficiencies or other factors that may be causing or contributing to the occurrence of incidents. Remedial and preventative actions to prevent reoccurrence are identified, along with opportunities for continuous improvement, and all relevant information is recorded and risk assessed.
- 4.9 The current MRF contracts for all partner authorities are scheduled to end at 31 March 2018. The joint partnership team recently developed a report for discussion by the Officer Project Board which considered potential future MRF contract options for further evaluation, aimed at ensuring that the most economical and sustainable solution for the partnership can be identified. The Partnership continues to investigate deliverable options and further information will be provided as conclusions are drawn.

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 HWRCs. The South Tyneside contract is managed directly by officers from South Tyneside Council.
- 5.2 The latest performance information (April 2016 – January 2017) 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 All of the current HWRC contracts are scheduled to expire on 31 March 2017. Gateshead and Sunderland have now agreed extend their contracts with SUEZ from 1 April 2017 for a further 36 months.
- 5.4 South Tyneside is negotiating a short-term extension with SUEZ, and will let a new contract from 1 August 2017 with an end date that is co-terminus with the Gateshead and Sunderland contract extensions. This will enable a joint approach between all three partner authorities at the expiry of the new arrangements.
- 5.5 The joint partnership team and colleagues from the partner authorities continue to consider how efficiencies and/or savings can be delivered through HWRC service provision. This includes reviewing: the permit system for vans and trailers; opening times; and the potential introduction of charges for construction and demolition-type materials brought to sites.

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, and health and safety site inspections at the various facilities.
- 6.2 The Sunderland contract was awarded to JBT in September 2016, and the company has recently announced that it was completely taken over in November by Remondis (part of the German Rethman Group), which has its main office at Bedlington, Northumberland. The change in ownership is not expected to impact on day-to-day operations at the site at Birtley.

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 2016 - January 2017

Total contract waste	163,791 tonnes
Contract waste delivered to WTS: - Campground - Middlefields - Jack Crawford House	Gateshead 48,394 tonnes Sunderland 14,417 tonnes South Tyneside 72 tonnes South Tyneside 40,067 tonnes Sunderland 60,841 tonnes
Total contract waste delivered to EfW	157,523 tonnes
Overall EfW availability	80.2%
Average turbine availability	52%
Electricity generation	90,487 MWh
Recycling performance	Target 2.1% Performance 4.1%
Recovery performance	Target 95.9% Performance 95.9%
Unprocessed landfill diversion rate	100%
Health and safety: - RIDDOR - Injuries and accidents - Near misses - Property damage - Fires	1 9 59 27 2

MATERIAL RECOVERY FACILITY CONTRACTS

Table A: 2016/17 latest blue bin tonnage data: April 2016 – January 2017

	Gateshead	South Tyneside	Sunderland
Comingled tonnage	10,696	8,473	12,972
Paper tonnage	2,464	1,560	2,741
Total tonnage	13,159	10,034	15,663
<i>Comparison to April 2016 - January 2017 - all materials</i>	<i>3.9% decrease</i>	<i>2.2% decrease</i>	<i>3.7% decrease</i>
<i>Comparison to April 2016 - January 2017- paper</i>	<i>6.8% decrease</i>	<i>26.6% increase</i>	<i>16.7% decrease</i>
<i>Comparison to April 2016 - January 2017 - comingled</i>	<i>3.2% decrease</i>	<i>6.2% decrease</i>	<i>0.4% decrease</i>

Table B: MRF recycling and recovery performance - December 2016

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%
Q1 2016/17	89.1%	10.9%	87.0%	13.0%	85.4%	14.6%
Q2 2016/17	87.8%	12.2%	86.0%	14.0%	82.5%	17.5%
Q3 2016/17	88.1%	11.9%	85.1%	14.9%	79.9%	20.1%

HOUSEHOLD WASTE AND RECYCLING CENTRE CONTRACTS

April 2016 - January 2017 recycling (excluding inert materials, such as rubble):

HWRC	April 2016 - January 2017
Campground	65.85%
Cowen Road	63.65%
Beach Street	66.33%
Middlefields (Recycling Village)	56.10%