

PITA AGM / Meet North 2022 Report



PITA Meet North and the PITA AGM for 2022 were held jointly at the premises of Waterhouse Mill in Beetham, operated by **Pelta Medical Papers Ltd**. Pelta Medical Papers is a newest name in the pantheon of UK Paper Manufacturers, formed in early 2021 after the previous mill owner, BillerudKorsnäs, divested the mill. It was purchased by venture capitalists Inspirit, and the company was renamed – Pelta being a roman shield, hence the new name of Pelta Medical doubles down on the protective nature of their products.

The site is an old one; paper has been made here since 1833, although the papermakers that converted it from corn making had themselves started paper production back in 1788 at Eggleston Abbey Mill – so the site has a long and distinguished pedigree, and for those of a certain age, may be better known under the name of Henry Cooke, Bibby Paper or Barlow Paper. (Egglestone Abbey was captured in a painting by JMW Turner, showing the wife of the then owner washing felts in the river; also in the foreground is millstone, and in the main office building at Beetham they have this exact millstone on display in the foyer.)



Beetham is a very small village and the mill constitutes its single largest employer. It is situated off J35 M6 then up the A6 (if coming from the south), or from J36 M6 and a more cross-country route via the bustling town of Milnthorpe (which itself also housed a paper mill long since gone). Next door to the mill, across the river, is the historic Heron Corn Mill, an 18th century grade II listed property which now operates as a visitor centre and community engagement complex. Between the two mills is a 100kW Kaplan hydropower turbine which provides power to the Heron site, with excess electricity being sold to the paper mill.

Before completing the formal AGM (minutes of which are appended below) the assembled group listened to a

presentation given by Ying Sou, who outlined the history of the site before describing the current operation.

The Mill operates two MG machines, running side-by-side in the machine house, making food packaging grades (for quick service restaurants, bakery and dairy / fat packaging applications, average grammage 40gsm) on PM1 and medical (average grammage 65gsm) on PM2. The truly extensive range of products requires numerous grade changes (almost 900 during the last year) making this one of the most complicated mills in the UK! Also, around 65% of their production is exported, with the largest customer segment being in the EU.



The business plan is for the current owners, Inspirit Capital, to build up the business so that it can be sold. To this end it is pleasing to note that the mill has been at the forefront of suppliers during the pandemic, producing papers that allow medical supplies to be sterilised by use of ethylene oxide (a paper grade for which they were awarded a Queen's Award in 1973). Also, with the shift away from single use plastics to paper packaging, they are well-placed to benefit from ongoing changes in food packaging that we have seen over the last couple of years.

Then, after completing the formal AGM, a group photo taken to commemorate the visit before we split into three groups and toured this attractive site, during which we saw evidence of some of the investment Inspirit has made over the last year – a new cleaning system on PM2 supplied by Valmet. (Elsewhere they have invested in other pilot plant but this was not on show during our extensive tour.)



Thanks are due to Ying Sou (Chief Operating Officer) and Amanda Morgan (Human Resources Director) for agreeing to host our meeting, and Mary, Richard and the other guides for being so accommodating with the accompanying tour – and for making us so welcome.



PITA

Paper Industry Technical Association

PO Box 721, Bury, BL8 9UZ, United Kingdom

Dear Member,

Notice is hereby given that the:

20th Annual General Meeting of the **Paper Industry Technical Association (PITA)**,
(a Company Limited by Guarantee (*Company Number: 04300838*)
& a Registered Charity (*Charity Number: 1093335*))
will be held at Pelta Medical Papers Ltd, Beetham Mill, Milnthorpe, Cumbria, LA7 7AR
on
Thursday, 8th December 2022 commencing at 13:00 hours

ANNUAL GENERAL MEETING

AGENDA

- 1) Apologies for Absence
- 2) Approval of Minutes of the 19th Annual General Meeting
- 3) Chairman's Report
- 4) Adoption of Chairman's Report and presentation of Accounts to 31st December 2021
- 5) Election of Directors
 - a) Election of National Chairman
 - b) Election of Deputy Chairman
 - c) Re-Election of Financial Director
- 6) Appointment of Accountants
- 7) Any Other Business

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2022 ANNUAL GENERAL MEETING

Held at Pelta Medical Papers Ltd, Thursday, 8th December 2022 13.30 hrs

MINUTES

1. **Apologies for Absence**

Mr Tim Klemz tendered his apologies via email.

2. **Approval of Minutes from the delayed 2021 Annual General Meeting**

The minutes of the last Annual General Meeting held on the 17th February 2022 (online) were available to Members prior to the meeting.

Voting for Approval of Minutes:

Proposed: Stephen Hutt

Seconded: Helen Dolan

No objections were raised

3. **Adoption of Chairman's Report for 2021**

Mr Stephen Hutt, the National Chairman, paraphrased his report to the meeting, a full copy of which will be printed in the 2022/2023 PITA Annual Review.

Voting for Adoption of Report:

Proposed: Daven Chamberlain

Seconded: Stuart Gregory

No objections were raised

4. **Adoption of Accounts for 2021**

Mr Hutt and Mr Read then commented upon the Accounts for 2021.

Voting for Adoption of Report:

Proposed: Stephen Hutt

Seconded: Martin Wroe

No objections were raised

5. **Election of Directors**

5.1 Election of National Chairman

Mr Stephen Hutt expressed his willingness to stand for a second term as National Chairman.

Voting for Approval:

Proposed: Barry Read

Seconded: Daven Chamberlain

No objections were raised

5.2 Election of Financial Director

Mr Barry Read informed the meeting that Mr Hutt is happy to continue as Financial Director alongside his role as National Chairman.

No separate vote was taken.

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5.3 En Masse Re-Election of Directors

Mr Barry Read proposed block re-election of the remaining Directors of the Association namely:

Mr Tim Klemz, Dr Graham Moore and Mr Martin Wroe

Voting for Approval:

Proposed: Barry Read

Seconded: Daven Chamberlain

No objections were raised

5.4 Election of New Directors:

Mr Read introduced two proposals for Directors, named Mr Anders Åström and Mr Stuart Thomas.

Voting for Approval of Mr Åström:

Proposed: Barry Read

Seconded: Stephen Hutt

No objections were raised

Voting for Approval Mr Thomas:

Proposed: Barry Read

Seconded: Helen Dolan

No objections were raised

6. Re-Appointment of Auditors

Mr Barry Read recommended Horsfield and Smith continue as Auditors for the Association.

Voting for Approval:

Proposed: Barry Read

Seconded: Stephen Hutt

No objections were raised

7. Any Other Business

Mr Michael Mason asked about plans for 2023. Mr Read replied that there are plans for a conference and exhibition mid-year, probably to be held at Lancaster University.

There being no other business to report or discuss the meeting closed at 14.03hrs.

Helen Dolan
12th December 2022



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The first and most important thing to say to members today is how pleasing it is to be meeting members face-to-face again after nearly three years of Covid related restrictions. A key role for PITA is to facilitate and encourage discussion and dissemination of Technical Information between our members, both mills and suppliers, and physical meetings play a vital role in fulfilling that commitment, so it is heartwarming to see so many attendees here today.

The lifting of travel restrictions has opened up foreign travel and it is great to see UK-based suppliers 'flying the flag' across Europe and their counterparts joining us in the UK.

I am confident that no one will challenge me when I say that the past three years have been 'difficult' on several fronts, but most sectors of our industry have risen to numerous trials and tribulations and many mills achieved new levels of output during the worst of the Covid Crisis (despite operating with a reduced workforce and, in some cases, management being virtually excluded from production areas). We are already seeing many areas of inward investment, upgrades and new paper and tissue machines (WEPA and Eren Paper's Shotton Mill). Our hosts for today, Pelta Medical Papers, have invested over £400,000 in new Stock Cleaning Equipment as part of a long series of capability enhancements and it is forward thinking like this that will underpin the future success of paper making in the UK.

Although your Association has not been able to organise our usual portfolio of meetings and activities, that does not mean that the PITA office has been quiet. In 2019, PITA's activities broadened into supporting and facilitating technical research with potential benefits across the Paper Industry. The first of those projects, based at Smurfit Kappa's Snodland Mill, brought 'Digital Twinning' into the paper mill to improve the energy efficiency of the Drying Section. The project started in February 2020 (just before the Covid Lockdowns started), but went on to produce a genuine reduction in steam usage of over 7%. Although the project concluded in May of this year, the system continues to operate in Snodland and has contributed to significant cost savings. This technology is now being offered to mills across Europe, with PITA initially focussing on UK and Benelux markets. PITA now acts as an agent for this technology and we hope to see this generating income very soon.

During the lockdowns, PITA was instrumental in developing and successfully applying for funding for 'The HiFib Project'. This initiative seeks to develop a viable source of 'Microfibrillated Cellulose' from indigenous sources of fibre available within the UK, primarily Recovered Paper, with the potential to enhance the strength characteristics of paper products. Working with DS Smith and Axchem, this project started in December 2021 and has already yielded some interesting results.

Another potential challenge facing the paper industry has been the explosion in the use of novel barrier-coating products to enable paper-based products to provide a sustainable alternative to single-use plastics. Whilst many of these products allow fibre-based packaging to be dispersed (and hence claim recyclability) there is growing evidence and concern that some of these materials have the potential to interfere with the complex chemistry at the wet end of a paper machine. PITA is currently working with Brunel University on a pre-study to gather evidence in this area and, if this is found to be a serious concern, will generate a more detailed, longer-term study. This project is already attracting interest and offers of support from companies and our sister associations around Europe.

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Unfortunately, there have been casualties over the past year and our thoughts are very much with our colleagues at Chartham Mill, Stoneywood Mill and Overton Mill who have faced closure this year. These mills, whilst relatively small, employed a significant number of highly skilled staff running very specialised paper-making operations and it is sad to see that expertise disappearing from the UK's skill set. We wish everybody affected by these closures the very best of luck in finding new employment.

Looking to the immediate future, 2024 is likely to be another challenging year. There does not appear to be any immediate solution to the energy price situation and energy markets are likely to remain volatile for some time. The immediate challenge will be the Winter months, but we should expect to see uncertainty whilst the energy market restructures to ease the dependence on Russian Gas and Oil. Inevitably, this will lead to price uncertainty for both Business and Domestic users. We work in an industry that has already demonstrated incredible resilience and we can rely on that same resilience to help us through the coming year. Now, more than ever, there is a need for the camaraderie amongst mills that lies at the core of PITA activities and your association will work tirelessly to support our industry.

The PITA Office is already exploring the options for a Conference Event during the Summer of 2023 and, aside from the obvious topic of energy, there is an abundance of emerging technology to be shared within our industry.

Finally, I would like to take a few moments to thank certain people.

In the first instance, I would like to thank John Kirby for his input to PITA during his tenure as my predecessor. John's background in papermaking and expertise in leadership was transformational within PITA and led to many changes in the way PITA operates.

Secondly, I would like to thank the PITA Office staff for continuing to provide exemplary levels of support, service and innovation and have continued to provide as near as normal operations during some very difficult times.

Finally, it is only proper that I thank our members for their continued support and for joining us at events like today's visit.

Stephen Hutt (PITA National Chairman)

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