

ENVIRONMENTAL SCRUTINY PANEL – 14 MARCH 2011

CABINET – 13 APRIL 2011

PROJECT INTEGRA 2011 - 2016 ACTION PLAN AND REVIEW

REPORT OF HEAD OF ENVIRONMENT

Contact Officer: David Boardman Tel No: 01962 848477

RECENT REFERENCES

[CAB1561](#) – Review of Alternate Bin Collection Scheme and Future Proposals, 12 December 2007.

EXECUTIVE SUMMARY:

This reports requests approval of two key waste management plans namely;

- (i) the Project Integra Annual Action Plan (AAP) 2011 - 2016 in accordance with the Project Integra Constitution;
- (ii) the City Council's Partner Implementation Plan (PIP) for inclusion in the Annual Action Plan.

Cabinet is also requested to comment on key questions arising from the Project Integra (PI) Review completed earlier this year.

RECOMMENDATIONS:

That Environment Scrutiny Panel:

- 1) Consider the Draft Action Plan, Partner Implementation Plan and Outcomes of the PI Review and refer any comments for consideration by Cabinet.

That Cabinet:

- 1) Consider any comments received from the Environment Scrutiny Panel in relation to the draft PI Action Plan, Partner Implementation Plan and the PI Review and amends the plans if required based on these comments.

- 2) Approves the draft Project Integra Action Plan (AP) for 2011 – 2016 as amended if required.
- 3) Approves the joint Partner Implementation Plan as detailed in Appendix 2 of this report for inclusion in the 2011 - 2016 AP as amended if required.
- 4) Considers the outcome of the Project Integra 'Fit For Purpose' Review and endorses the answers to the specific questions raised in Appendix 4 for feedback into the process.

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DETAIL:

1 Introduction

1.1 This report seeks the Council's endorsement of the following documents relating to waste and recycling namely:

- (i) Project Integra Annual Action Plan (AAP) 2011 -2016;
- (ii) WCC/EHDC joint Partner Implementation Plan (PIP) details the Council's work programme for 2011-2016 as shown at Appendix 2.
- (iii) the Project Integra Strategic 'Fit for Purpose' Review.

1.2 The Annual Action Plan (AAP) is the mechanism by which the Board receives its mandate to work on behalf of the Partnership. It also sets out the costs of running the Board and associated joint activities of the partnership. The Project Integra Policy Review and Scrutiny Committee have been consulted during the preparation of the Action Plan.

1.3 Authorities may approve the Draft Action Plan (Appendix 1) unreservedly or may approve it subject to a reservation in respect of any particular matter with which it has concerns. Where approval is given subject to such reservation, the Partner Authority's voting Member is not entitled to vote on the matter in question when it is subsequently considered by the Board. Any resolution of the Board on the matter in question does not bind that Partner Authority.

2 Contents of the Plan

2.1 The Action Plan outlines the key strategic outcomes for the Partnership which are:

- Sustainable and Ethical recycling
- Elimination of Landfill
- Commercial materials management
- Efficiencies and Value for money
- Leadership and Influence

2.2 Each work stream has been allocated a lead officer to coordinate activity across the partnership and sit on the PI Core Group, along with

the Executive Director. The Action Plan identifies the specific actions planned under each of the key strategic outcomes.

3.0 Partner Implementation Plan (PIP)

3.1 As a supplement to the Action Plan, each authority is required to produce a Partner Implementation Plan (PIP) in an agreed format setting out what they are intending to do locally. The City Council and EHDC have recently combined services and are jointly procuring waste and recycling services for the next 16 years.

3.2 A draft Joint PIP has therefore been prepared for consideration by both authorities and Cabinet is invited to consider and endorse its contents prior to its submission for inclusion in the 2011 -2016 Action Plan.

3.3 The main challenge currently facing both Councils will be to implement the joint waste contract to maximise efficiencies and maintain high levels of customer service under the new working arrangements. The PIP therefore focuses on successfully delivering these outcomes over the next 12 months.

4. Project Integra Review

4.1 A 'Fit for Purpose' review has been undertaken on Project Integra as this was one of the key actions set out in the 2010 AAP. The review examined the future role of the Partnership, its structure and resourcing. A summary of the outcome is shown in Appendix 3. The Review Team's report provides high level suggestions for the role of Project Integra and changes to the structure of the partnership.

4.2 Project Integra Partners are asked to consider the report of the Review Team and produce a formal response. The key elements are picked up in the set of questions which partners are being asked to use to frame their responses to the report. Additional responses to the findings and proposals in the report are also welcome.

4.3 These responses will provide a steer for the partnership but ultimately Members will need specific proposals on which to make decisions. A process to draw the formal responses together and determine resulting actions will be arranged in the future.

4.4 Appendix 4 contains the specific questions arising from the review with suggested responses for consideration by Cabinet. These responses, and any other that Cabinet feel are appropriate, will need to be fed back as a formal response to the review.

5. Risk Assessment

5.1 The Council's reputation within Project Integra and its ability to achieve increased recycling and waste minimisation (in line with the current

Business Plan objectives) would be adversely affected if the Council does not sign up to the Action Plan.

- 5.2 Project Integra has based its marketing of recyclate on producing quality materials, having regard to ethical and sustainability issues and looking for long term supply contracts. Whilst the market is more stable than it was this time last year, it is still recommended that a conservative approach is adopted when predicting income from the sale of recyclables.

OTHER CONSIDERATIONS:

6.0 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE CHANGE PLANS

- 6.1 All of the plans have a key role to play in terms of delivering the waste minimisation outcome within the High Quality Environment element of the Sustainable Community Strategy for 2011 onwards.

7. RESOURCE IMPLICATIONS:

- 7.1 The costs associated with the funding of Project Integra are divided into three areas as follows:

Subscriptions	£9,502
Project Fees	£9,782
<u>Material Analysis Contributions</u>	<u>£5,249</u>
<u>Total Costs</u>	<u>£25,643</u>
<u>Expenditure Budget</u>	<u>£28,000</u>

- 7.2 Markets for recyclables have stabilised and income for 2010/11 is forecast as £280,000 (Budget £241,850).

8.0 BACKGROUND DOCUMENTS:

As listed in Appendices below.

APPENDICES:

1. **Project Integra Consultation Draft Annual Action Plan 2011- 2016**
2. **EHDC/WCC draft PIP** for inclusion in Annual Action Plan for 2011 -2016
- 3 **Project Integra Review Summary Report**
4. **Project Integra Review:** List of Key Questions and draft responses.

Project Integra

Action Plan

2011 - 2016

DRAFT VERSION

***Endorsed for approval by PI partners by
Project Integra Strategic Board 13 January 2011***



Abbreviation	Definition or Explanation
BVPIs	Best Value Performance Indicators
CAA	Comprehensive Area Assessment
CASH	Common Approach to Safety & Health (PI meeting)
CPA	Comprehensive Performance Assessment
CSR10	The Government's Comprehensive Spending Review 2010
EfW	Energy from Waste
HIOW	Hampshire and Isle of Wight Local Government Association
HWRC	Household Waste Recycling Centre
JMWMS	Hampshire Joint Municipal Waste Management Strategy http://www.integra.org.uk/board/index.html
LAA	Local Area Agreement
MAF	Materials Analysis Facility
MWDF	Hampshire Minerals & Waste Development Framework
MFP	Material Flow Planning
MRF	Materials Recycling Facility
NIs	National Indicators
PUSH	Partnership for Urban South Hampshire
RPI	Retail Price Index
VfM	Value for Money
WCAs	Waste Collection Authorities
WDAs	Waste Disposal Authorities
WEEE	Waste Electrical and Electronic Equipment
WRAP	Waste and Resources Action Programme

Project Integra Partner Authorities:-

BDBC	Basingstoke & Deane Borough Council
EHDC	East Hampshire District Council
EBC	Eastleigh Borough Council
FBC	Fareham Borough Council
GBC	Gosport Borough Council
HCC	Hampshire County Council
HWS (VES)	Hampshire Waste Services (Veolia Environmental Services)
HDC	Hart District Council
HBC	Havant Borough Council
NFDC	New Forest District Council
PCC	Portsmouth City Council
RBC	Rushmoor Borough Council
SCC	Southampton City Council
TVBC	Test Valley Borough Council
WCC	Winchester City Council

Executive Summary

Project Integra has delivered a world-class waste management infrastructure allied to effective collection services to 730,000 households – resulting in the highest landfill diversion rate for any county in the UK.

The partnership has to continue to adapt and move forward in order to deliver services to the public more sustainably as well as improving performance, efficiency and effectiveness under increasing financial pressures.

There are a large number of external factors and strategic drivers that impact on and affect the work of the partnership. A comprehensive list of these and the implications they may have for Project Integra are appended to the Action Plan.

The Project Integra Action Plan sets out the strategic outcomes which the partnership aims to deliver over the next 5 years in order to meet its long term objectives within this wider context. Each strategic outcome contains a number of specific actions which the partnership will deliver over the next 12 months.

It should be noted that these are largely initiatives carried on from 20010/11. This is in anticipation of revisions to the Action Plan as a result of the current (2010) ‘fit for purpose’ review of Project Integra’s future role, structure and resourcing.. Necessary revisions will be incorporated into the Action Plan once partners have agreed their collective response to the report of the Review Team.

Although RPI (the normal basis for increases in contributions to the partnership’s budget) has increased by 4.5% the proposal is for contributions to be maintained at the same level as for 2010/11.

Strategic Outcome	Key Actions
<p>Sustainable & Ethical Recycling Project Integra aims to deliver high level performance at an acceptable level of cost and environmental impact whilst maintaining public support and participation</p>	<ul style="list-style-type: none"> • Measuring and addressing Performance • Review market opportunities • Recycling in Flats, HMOs & student properties • Assessment of Incentives
<p>Eliminating Landfill Project Integra is committed to the eventual elimination of landfill in the context of the sustainable resource management agenda, scarce local capacity and steeply rising costs</p>	<ul style="list-style-type: none"> • Reuse & recycling from Bulky Waste collections • Waste prevention strategy • Healthcare waste

Strategic Outcome	Key Actions
<p>Commercial Materials Management</p> <p>Project Integra is seeking to provide or facilitate capacity to capture commercial recyclables in line with the national waste strategy and resource management agenda.</p>	<ul style="list-style-type: none"> • Addressing proposed changes to the Controlled Waste Regulations (CWR) (e.g. 'Schedule 2') • Working group of authorities with trade waste collections
<p>Efficiencies/Value for Money</p> <p>There is scope for joint working particularly in waste collection to achieve economies of scale such as optimising rounds and pooling resources</p>	<ul style="list-style-type: none"> • PI officer training scheme • Opportunities for joint working
<p>Leadership and Influence</p> <p>Project Integra has been successful in influencing the national agenda, securing external funding and delivering behavioural change locally. The partnership must continue to invest time and resources in this key strategic outcome in support of the other elements of the Action Plan</p>	<ul style="list-style-type: none"> • Targeted communications on themes chosen by groups of authorities • Recycle week • Joint lobbying & responses to consultations • Maintaining Project Integra's profile

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1 Introduction

Over the last 15 years, the Project Integra partnership has delivered an internationally recognised waste collection and processing infrastructure to ensure a more sustainable approach to the management of waste in Hampshire could be achieved. The 2009/10 Annual Report for the partnership demonstrates the success of this – diverting 89% of waste from landfill (38% to reuse recycling and composting and 51% to energy recovery facilities).

A 'fit for purpose' review of Project Integra's future role, structure and resourcing was carried out in 2010. The review report reaffirms the value of the partnership and suggests that it should make some significant amendments to its priorities and ways of working in order to reflect key priorities for the partners over the next five to ten years. The report of the Review Team will be considered by partners over the same period as this Action Plan before partners come together to agree any resulting changes (anticipated to take place through an EGM in early June 2011). It is expected that this will result in additional actions or more comprehensive changes for the partnership and that these will be incorporated into the Action Plan. This Draft Action Plan anticipates this and focuses mainly on continuation of existing activities – anticipating a revision by PISB during the year.

This Action Plan sits alongside the Project Integra Constitution and the Hampshire Joint Municipal Waste Management Strategy (JMWMS), which are the three core documents that underpin the Project Integra partnership.

The purpose of this Action Plan is to:

- Set out the strategic context in which Project Integra is working, at local, regional, national and international levels – and identify the links to the partnership's own strategic objectives;
- Provide a framework to assist in the delivery of Project Integra's key strategic objectives over the next 5 years, to March 2016; and
- Set out the key work streams to be delivered by the partnership over the 12 months to March 2012.

2 Strategic Overview

The Project Integra partnership operates within a complex political, economic, social and environmental context. The objectives of the partnership are governed both by a multitude of external factors and local priorities. These strategic drivers are summarised below and described in more detail in Appendix 2, together with a summary of their implications for Project Integra.

The **Comprehensive Spending Review 2010** sets out significant reductions in public expenditure in order to address the UK's fiscal deficit, including expectations of reductions in the order of 25% in the Government's support for local authorities over the period. CSR 10 puts a strong focus on achieving cost reductions through efficiencies, economies of scale and joint working in the local government sector. A key recommendation of the Project In Integra Review is to focus activities on the achievement of efficiencies within waste management in the Project Integra Partnership.

The Government is currently reviewing waste policies for England; the results are expected in June 2011. The European **Waste Framework Directive** provides the overall strategic context with increased emphasis on waste prevention and reuse and targets for member states to recycle 50% of municipal waste by 2020. The Directive's wider definition of municipal waste is being adopted in the UK and strengthens the expectation that management of waste in accordance with the waste hierarchy should extend across businesses as well as households.

Project Integra's **Joint Municipal Waste Management Strategy** is underpinned by a Materials Resource approach for Hampshire. The strategy set ambitious targets and are helping to inform the revised Hampshire **Minerals and Waste Plan** which will set the planning context for the delivery of new infrastructure across waste sectors in the county.

The need for urgent action to mitigate the effects of **climate change** and to increase resource efficiency is an increasingly important context for our work - requiring reductions in the carbon footprint of waste management.

These drivers establish the following strategic issues for Project Integra:

- To reduce the overall costs of waste management in Hampshire;
- To meet recycling & waste prevention goals, public expectations and future demand through optimising performance of existing services and infrastructure as well as further development;
- To establish the extent to which commercial waste management can be supported by the partnership; and
- To take into account impacts on climate change and resource efficiency when making decisions.

3 The Role of Project Integra

The role of Project Integra is to provide a formal partnership approach and framework to deliver sustainable waste management in the context of a Material Resources approach in Hampshire.

In 2001 the partner authorities set up a Joint Committee (the Project Integra Management Board) in order to increase clarity, accountability and respond in a more effective and co-ordinated way to new challenges. In 2005/6, in parallel with the development of the Joint Municipal Waste Management Strategy (JMWMS), the Board became the Project Integra Strategic Board (PISB) to underline its strategic, rather than operational, role.

The objective of the Board mirrors that in the JMWMS:

“to provide a long-term solution for dealing with Hampshire's household waste in an environmentally sound, cost effective and reliable way. Success in achieving this depends on joint working between all the parties in the best interests of the community at large”.

The key to Project Integra and its successes to date is the mutual support and co-operation that exists between all the partners - the delivery of sustainable management of municipal waste in Hampshire is dependent on the continuation of this close working.

The Review of Project Integra acknowledges the achievements of the partnership in the first part of the objective but highlights the relative lack of success with the ‘cost effective’ and ‘joint working’ aspects. It is expected that these will form a more significant focus of actions when this Action Plan is reviewed in light of Partners’ responses to the Review Report.

3.1 Core Values

Project Integra has agreed the following core values:

- We are a partnership founded on the principle of collaboration. This approach has served Hampshire residents well for over 10 years and continues to be essential in a complex and fast-changing environment.
- We are a partnership that encourages two-way communication and where everyone has a say in what we do and how we do it.
- We explain to people why we do things, particularly when difficult or counter-intuitive decisions are made.
- We strive to be consistent in the messages we give to each other and to the wider community.
- We want to be seen as a leading example and therefore actively seek out and promote best practice.
- We aim to make objective decisions based on high quality, up to date data and we support our own research programme to assist with this.
- We see, and encourage everyone else to see, the matter we deal with as material and energy resources, not rubbish, refuse or waste.
- We encourage the view that dealing with these resources effectively is an issue for the whole community not just for particular organisations or individuals.

- We recognise the waste hierarchy and the proximity principle. Above all, however, we seek to achieve the *optimal* use of material and energy resources through a balance of the appropriate environmental, social and economic factors.
- To this end, we strive to produce and supply high quality materials for ethical and sustainable markets, where possible, in the UK.
- As a partnership, we accept that these core values can be challenged and changed, but only after significant and inclusive debate. They should be seen as a framework for moving forward in a consensual manner, not a barrier to progress.

4 Strategic Outcomes

Project Integra has identified five strategic outcomes which guide and focus the partnership's activities. These are:

- Sustainable and Ethical Recycling
- Eliminating Landfill
- Commercial Materials Management
- Efficiencies/Value for Money
- Leadership and Influence.

These strategic outcomes have been developed to take into account the strategic context in which Project Integra is working and specifically to:

- Ensure progress towards increased recycling in a sustainable and ethical way;
- Eliminate the landfilling of waste. This reflects the scarcity of municipal landfill sites in Hampshire and the need to control steeply rising costs resulting from the Landfill Tax escalator;
- Focus more on dealing with commercial material alongside existing household waste;
- Deliver better value for money through greater efficiencies and partnership working in the context of the challenging 2010 Comprehensive Spending Review;
- Focus effort on influencing behaviour in Hampshire through communication and education and at a national level through engagement with Government and industry.

Achievement of these outcomes will also contribute to the broader strategic goals of waste prevention and the mitigation of greenhouse gas emissions from waste management activities in Hampshire.

Key Actions

Table 1 summarises the main actions proposed for 2011/12, the resources required for implementing them and the anticipated timetable. Actions are grouped under the appropriate strategic outcome. Significant actions for future years are also identified.

As highlighted in the introduction, once agreed by all partners, additional actions to implement the outcome of the Review of Project Integra will be added.

Table 1: Main Actions for Project Integra 2011/12 – 2015/16

		Resources		Timetable								
		PI Resources	Additional Resources	2010/11	2011/12				2012/13	2013/14	2014/15	2015/16
Theme	Action			Q4	Q1	Q2	Q3	Q4				
Fit for Purpose Review												
	Review	Chief Executive Link, Executive Director	External rep	Report to PISB & HIOW Consideration by partners	EGM - agree actions							
	Actions following Review	TBC	TBC		TBC	TBC	TBC	TBC				
Sustainable & Ethical Recycling												
	PI Glass Processing Contract (extg)	PI Glass Contract Monitoring Officer, MMG		Monitor & contract end	Final payments							
	PI Glass Processing Contract (New)	PI Glass Contract Managing Authority, MMG	TBC	Mobilisation & Contract start	Monitoring & payments	Monitoring & payments	Monitoring & payments	Monitoring & payments	Monitoring & payments	Monitoring & payments	Monitoring & payments	Monitoring & payments
	Contamination monitoring	MAF, MMG		Agree programme for 2011/12	Final figures 2010/11	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
	Materials markets	MMG			DMR income payments 2010/11	DMR update	DMR update	DMR update		End of news & pams contract		
	Flats & HMOs	Flats Working Group, Recycling Officers		Landlords' event								
	Performance	Strategy Officers			Consider new measures							
	Incentives	Incentives Task & Finish group				Feedback						
Eliminating Landfill												
	Waste prevention	Waste prevention project board & Advisory Group		Waste prevention workshop			Add into Action Plan		Implement ation			
	Bulky Collections		Task & Finish group	Results from Task & Finish group	TBC	TBC	TBC	TBC				
	Healthcare waste	ED, task & finish group		Review impact of protocol								

PI Action Plan 2011-2016

		Resources		Timetable								
		PI Resources	Additional Resources	2010/11	2011/12				2012/13	2013/14	2014/15	2015/16
Theme	Action			Q4	Q1	Q2	Q3	Q4				
Commercial Materials Management												
	Trade waste authorities work together	Working group		Response to CWR consultation								
Efficiencies & Value for Money												
	PI Projects Fund	ED, SO Core Group			PISB considers applicat'ns							
	Officer Training Scheme	Training Working Group		Ongoing	Ongoing	Ongoing	Ongoing & evaluation	Ongoing	Ongoing			
	Health & Safety	CASH										
	Abandoned Vehicles County Contract	AVCC steering group		Ongoing	Ongoing	Ongoing	Ongoing	Contract extn / tender				
	Joint working					Feedback from joint contract authorities						
Leadership & Influence												
	Themed projects	RfH, Communications Group, Authorities		Development of detailed plans	TBC	TBC	TBC	TBC				
	Mosaic communications	RfH, Customer Insight group	DCLG funds (secured)	Target initiatives	Review results	TBC	TBC	TBC				
	Recycle Week Event	RfH, Communications Group, Authorities		Agree outline	Event (June)							
	Schools Recycling Programme	RfH Education Outreach Workers		Ongoing	Ongoing	Ongoing	Ongoing	Ongoing				
	Consultation responses & Lobbying	ED, Strategy Officers		DEFRA - Sch2	As required	As required	As required	As required				
	PI profile raising	ED, Communications Group		Ongoing	Ongoing	Ongoing	Ongoing	Ongoing				

5 Resources

Figure 1 shows the membership of Project Integra and the resources available to the partnership. Figure 2 indicates the different groups that meet as part of Project Integra and Figure 3 demonstrates the way that these combine in the delivery of this Action Plan.

Project Integra is funded by contributions from the partner authorities. Contributions are based on population and are divided into amounts for:

- the costs of the Executive function;
- Recycle for Hampshire; and
- the PI Projects Fund.

The 2011/12 budget for these is shown in Table 2. The budget increase from 2010/11 is normally based on the Retail Prices Index (RPI) for October; this was 4.5%. In view of the budget reductions being faced by all partners it has been agreed that budget contributions should be kept at the same level as the previous year (which in turn was a small reduction from 2009/10).

The budget for the year shows an anticipated deficit which will be met from balances carried forward from previous years.

The contributions for 2010/11 are shown in Table 3. For convenience the table also identifies partners' contributions to the operational costs of the Materials Analysis Facility (MAF). Operation of the MAF is carried out by VES under contract to the WDAs, this element is also tied to RPI but have been kept at the same level as last year in the same way as the PI contributions.

The income received by partners from the sale of dry mixed recyclables in 2009/10 is shown in Table 4. Figures for 2010/11 are expected in May 2011.

Figure 1: Project Integra - Partners & Partnership Resources

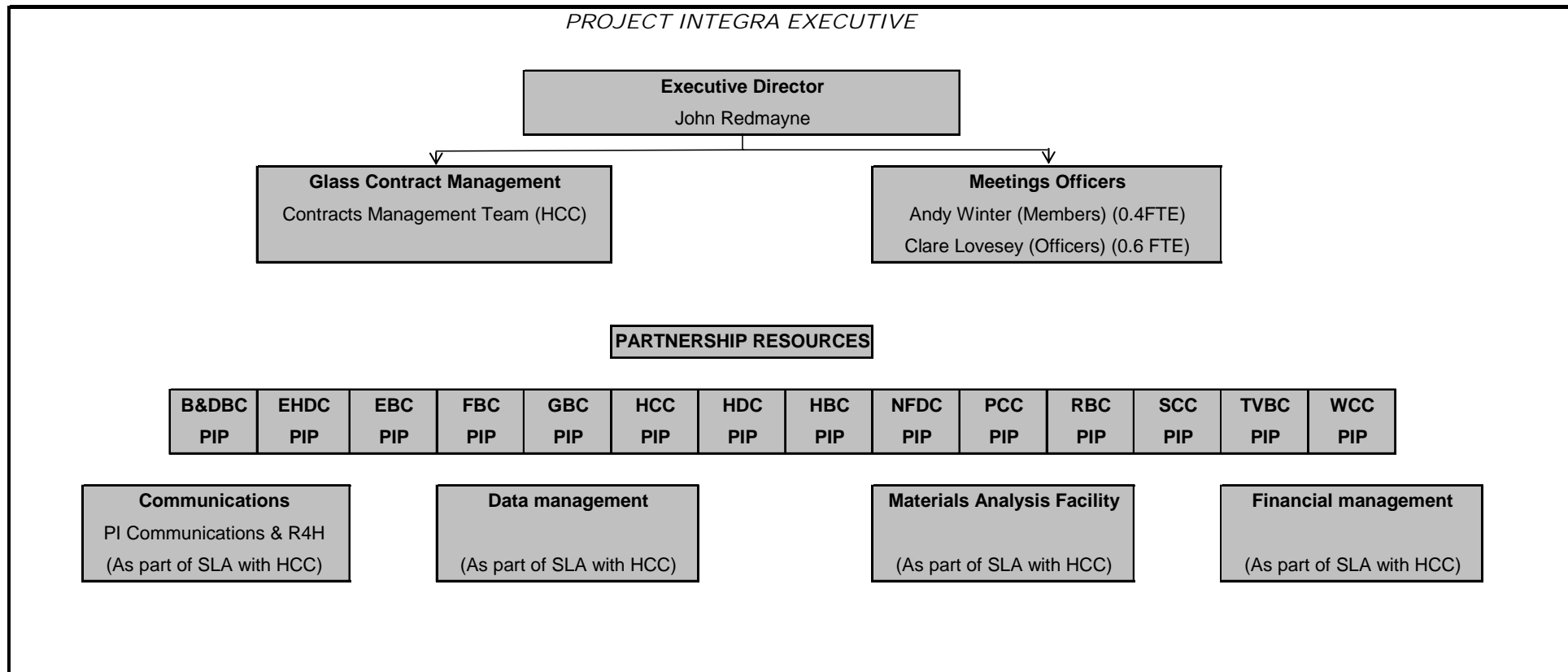
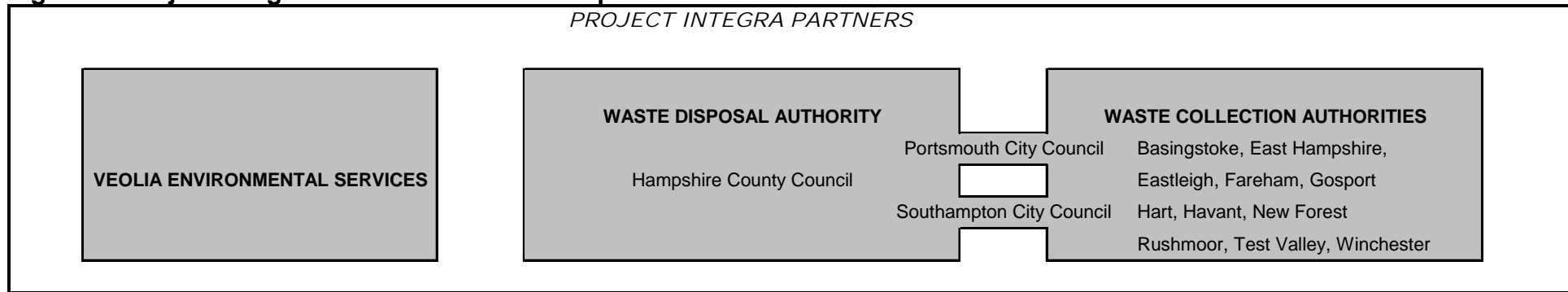


Figure 2: Project Integra - Meetings

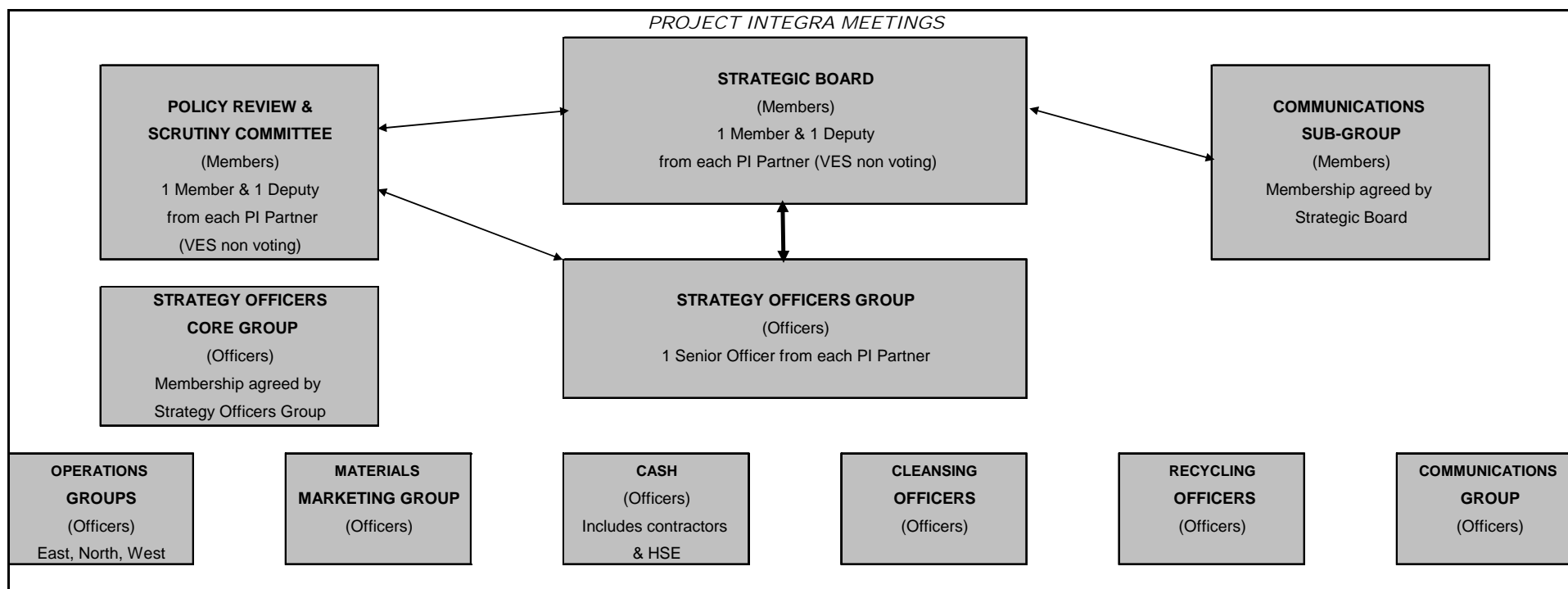


Figure 3: Project Integra – Delivery of Action Plan

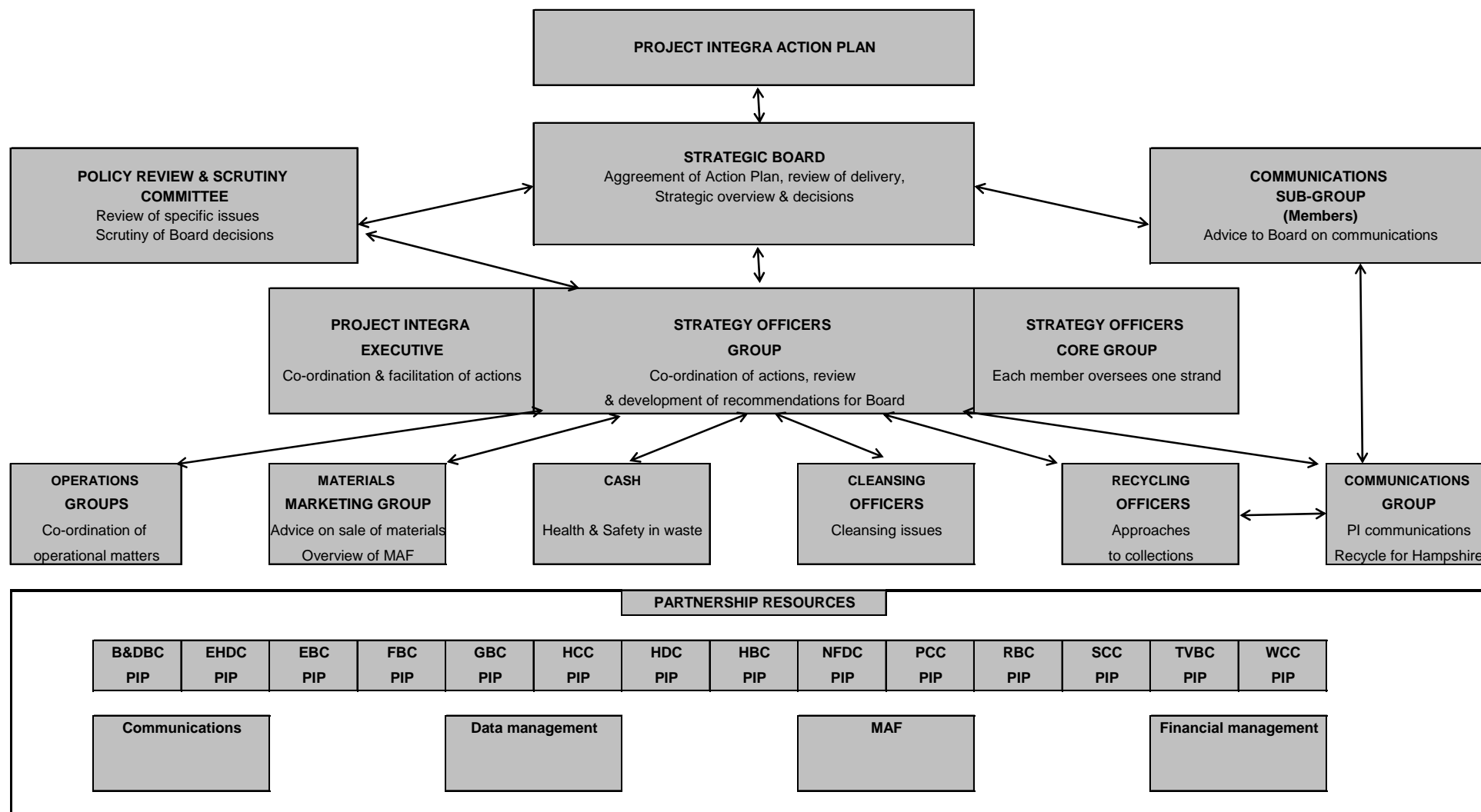


Table 2: PI Budgets 2010/11 and 2011/12

	Original Budget 2010/11	Estimated Outturn 2010/11	Budget 2011/12
PI Executive			
Staff Costs	125,600	127,200	130,100
Events & Activities	6,000	5,800	5,900
Communications & Research SLA	60,000	54,400	55,500
Other	11,800	8,800	9,000
Gross Expenditure	203,400	196,200	200,500
Total Income	185,100	186,100	185,600
Net Expenditure	-18,300	-10,100	- 14,900
Recycle for Hampshire			
Staff costs	105,500	97,298	110,000
Communications resources	84,000	90,000	88,600
Website	7,500	12,650	0
Other	3,000	8,750	1,400
Gross Expenditure	200,000	208,698	200,000
Total Income	200,000	200,000	200,000
Net Expenditure	0	-8,698	0
PI Projects Fund			
PI Projects 2009/10	15,600	15,600	15,600
Gross Expenditure	15,600	10,600	15,600
Total Income	15,600	15,600	15,600
Net Expenditure	0	5,000	0

Table 3: Contributions from Project Integra Partners 2011/12

		Project Integra						MAF	Combined
		Project Integra Executive			Project Fund	Recycle For Hampshire	PI Funding	Material Analysis Facility	Project Integra & MAF
Population		Collection	Disposal	Total			Total	Total	
Contribution per 1,000 population		£ 89.49	£ 20.54						
Basingstoke	152,600	13,656.00	0.00	13,656.00	1,447.00	13,912.00	29,015.00	5,242.90	34,257.90
East Hampshire	109,400	9,790.00	0.00	9,790.00	1,037.00	9,973.00	20,800.00	5,242.90	26,042.90
Eastleigh	116,300	10,408.00	0.00	10,408.00	1,103.00	10,602.00	22,113.00	5,242.90	27,355.90
Fareham	108,100	9,674.00	0.00	9,674.00	1,025.00	9,855.00	20,554.00	5,242.90	25,796.90
Gosport	76,400	6,837.00	0.00	6,837.00	724.00	6,965.00	14,526.00	5,242.90	19,768.90
Hart	83,600	7,481.00	0.00	7,481.00	793.00	7,621.00	15,895.00	5,242.90	21,137.90
Havant	116,900	10,461.00	0.00	10,461.00	1,108.00	10,657.00	22,226.00	5,242.90	27,468.90
New Forest	169,500	15,169.00	0.00	15,169.00	1,607.00	15,452.00	32,228.00	5,242.90	37,470.90
Portsmouth	186,900	16,726.00	3,839.00	20,565.00	1,772.00	17,038.00	39,375.00	12,986.97	52,361.97
Rushmoor	90,900	8,135.00	0.00	8,135.00	862.00	8,287.00	17,284.00	5,242.90	22,526.90
Southampton	217,600	19,473.00	4,470.00	23,943.00	2,063.00	19,837.00	45,843.00	14,316.64	60,159.64
Test Valley	109,900	9,835.00	0.00	9,835.00	1,042.00	10,019.00	20,896.00	5,242.90	26,138.90
Winchester	107,300	9,602.00	0.00	9,602.00	1,017.00	9,782.00	20,401.00	5,242.90	25,643.90
Hampshire	1,240,800	0.00	25,486.00	25,486.00	-	50,000.00	75,486.00	51,339.88	126,825.88
Veolia				4,036.00	-	-	4,036.00	68,157.69	72,193.69
		147,247.00	33,795.00	185,078.00	15,600.00	200,000.00	400,678.00	204,473.08	605,151.08

Table 4: Income from Sale of Dry Mixed Recyclables 2009/10¹

	<u>Total Tonnes</u>	<u>Residue Rate</u>	<u>Residue Tonnes</u>	<u>Recycled Tonnes</u>	<u>Final Income</u>
Basingstoke	10,017	12.31%	1,233	8,784	£254,380
East Hants	8,595	9.04%	777	7,818	£226,423
Eastleigh	8,649	14.87%	1,286	7,363	£213,232
Fareham	8,267	11.64%	962	7,305	£211,539
Gosport	5,178	17.33%	897	4,281	£123,977
Hart	6,645	14.93%	992	5,653	£163,705
Havant	9,079	17.53%	1,592	7,488	£216,843
New Forest	11,929	14.28%	1,703	10,225	£296,125
Rushmoor	5,410	13.35%	722	4,688	£135,756
Test Valley	8,660	13.12%	1,136	7,524	£217,898
Winchester	8,472	10.91%	924	7,548	£218,582
Portsmouth	10,424	8.28%	863	9,561	£276,880
Southampton	12,939	19.54%	2,528	10,411	£301,490
Total Tonnes	114,264		15,617	98,648	£ 2,856,830

¹ Total income for 2010/11 will not be known until after the end of the financial year.

6 Reporting

The Board is kept updated on progress with the activities outlined in the Action Plan through updates on ongoing projects and final reports presented for information or decision as appropriate.

Financial reports are presented to the Board on a quarterly basis and at the end of the year. An Annual Return is made to the Audit Commission.

Waste management performance data and performance measures are reported to the Board on a quarterly basis and at the end of the year. Performance is measured mainly in terms of National Indicators – these are also reported to Government through Waste DataFlow.

An Annual Report for the Partnership for 2009/10 was presented to the Board in October 2010 and summarised in a presentation at the Annual Conference. A similar report will be produced for 2010/11.

7 Conclusions

Project Integra has been recognised as a model for partnership working to deliver more sustainable waste management. However, the partnership is working in an increasingly complex strategic context and must continue to adapt and move forward in order to deliver sustainable resource management and improve its performance, efficiency and effectiveness at a time when financial pressures are significant.

The key drivers include financial pressures from CSR 2010, the revised Waste Framework Directive, Waste Strategy 2007 and the Hampshire Materials Resources Strategy, the last three of which all set out ambitions for enhanced waste reduction, recycling and landfill avoidance and a broadening of action beyond Project Integra's initial focus on household waste.

By setting out the strategic context in which Project Integra is working and outlining five resultant strategic outcomes:

- Sustainable and ethical recycling;
- Eliminating landfill;
- Commercial materials management;
- Efficiencies/value for money; and
- Leadership and influence,

this Action Plan helps focus and direct the work of the Partnership over the next five years.

Each strategic outcome forms a work stream comprising a series of activities which the partnership will deliver during 2011-2012.

Delivery of these work streams will enable the partnership to further improve performance and efficiency; plan and develop services and infrastructure to meet the long-term objective of eliminating landfill and delivering sustainable resource management; and providing an effective approach to communications to deliver further behavioural change in Hampshire and influence wider policy making.

The report from the 'fit for purpose' review of Project Integra contains a number of recommendations that will have implications for the Project Integra Action Plan. This could result in the commissioning of additional actions for the partnership or a comprehensive review of the Action Plan during the year.

Further information is available from:

John Redmayne
Executive Director
Project Integra
c/o The Old College
College Street
Petersfield GU31 4AG
Tel 01730 235806, mobile 07833 046509
E-mail: john.redmayne@hants.gov.uk

Appendix 1

Summary of Waste Collection Arrangements 2009/10

	Residual waste	Dry mixed recyclables	Glass	Garden waste	Food waste	Trade waste	Trade recycling	Contractual arrangements	Demographics
Basingstoke & Deane	W	F		F		D		Veolia 2011	
East Hampshire	F	F	M	F				Veolia 2011	
Eastleigh	F	F	M	W	W			In-house	
Fareham	F	F		F*				In-house	
Gosport	F	F		F				Verdant 2011	
Hart	F	F	M	F				In-house	
Havant	F	F		F				In-house	
New Forest	W	W		F		D	D	In-house	
Portsmouth	W	F		W**				Veolia 2011	
Rushmoor	W	F	F	F				Veolia 2016	
Southampton	W	F		F				In-house	
Test Valley	F	F		F				In-house	
Winchester	F	F		F*				Serco 2011	

	Included in council tax – bins or boxes	W – weekly
	Included in council tax – sacks	F - fortnightly
	Chargeable service - sacks	M - monthly
	Chargeable commercial service	T – on trial
	Bring banks only	D – with domestic

	Mixed	
	Majority rural	
	Majority urban	

* One sack is free – additional sacks charged

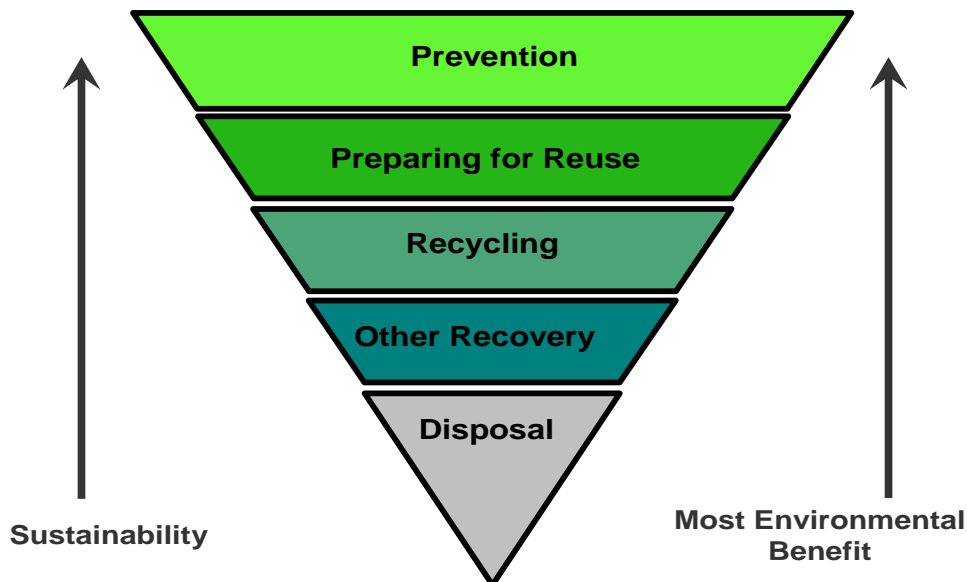
** Collected with residual waste

Strategic Context

The Waste Hierarchy

The waste hierarchy is a well established approach which sets out a hierarchy of preference for approaches to the management of waste. The hierarchy is illustrated in Figure 4.

Figure 4: The Waste Hierarchy



The Waste Framework Directive

The European Council of Ministers adopted a revised version of the 1975 Waste Framework Directive in October 2008. The aim is to encourage the prevention, reuse and recycling of waste as well as simplifying existing legislation.

Key points include:

- A slightly revised five-step hierarchy of waste management options, (see Figure 4). Energy recovery facilities may be either 'other recovery' or 'disposal' depending on the efficiency of the plants;
- 50% target for recycling waste from households by 2020;
- A requirement for the separate collection of at least paper, metal, plastic and glass;
- A 70% target for recycling and reuse of non-hazardous construction and demolition (C&D) waste by 2020;
- Member States must design and implement waste prevention programmes, and the Commission is set to report periodically on progress concerning waste prevention.

The new Directive must be implemented through UK law; following consultations in 2009 and 2010, the Department for Environment, Food and Rural Affairs (DEFRA) will introduce legislation to implement the Directive 2011.

Implications for Project Integra

- *The transposition of the Waste Framework Directive into UK law sets a 50% recycling rate for the country as a whole. Apart from the overall 50% target the Government's philosophy is to move away from setting specific targets for waste and recycling. The detailed implications of this for local authorities and the wider waste sector are yet to be determined;*
- *The separate collection requirement is already met through the recycling services provided in Hampshire;*
- *The waste hierarchy is the same as that used in England's Waste Strategy; however, the Directive includes a definition of recovery such that only energy recovery facilities operating above a defined threshold can be classed as recovery facilities. Analysis by Veolia indicates that all three ERF plants in Hampshire normally operate above the threshold;*
- *There is likely to be an increased focus on waste prevention nationally. This is an identified priority in the JMWMS and a waste prevention plan for the partnership is under development.*

Waste Strategy for England 2007

The Government's strategic approach to waste management continues to be driven by European policy and directives. The new Government is undertaking a review of waste policies; an evidence gathering process took place in 2010 and announcements are expected in June 2011.

Household Waste Recycling Act

This Act requires English waste collection authorities to provide a collection service for at least two types of recyclable waste to all households by 31 December 2010 unless the cost of doing this would be unreasonably high or comparable alternative arrangements are available.

Implications for Project Integra

- *The BVPI results for 2007/08 include performance against BV 91b (% of households with doorstep collections of two or more materials). All but one of the Project Integra authorities report performance of 95% or more and four report 100%;*
- *Although the gap from these to 100% may be small, achieving this requires concentrated work to provide services – or alternatives to 'difficult' properties such as flats and households in multiple occupation.*

Landfill

Landfill Tax

The landfill tax is charged on each tonne of material sent to landfill, a lower rate applies to inert material (e.g. rubble). The current (2010/11) rate of tax is £48 per tonne and is set to rise to £56 per tonne in April 2011. These increases will continue until the tax reaches a rate of £80 per tonne (2014 if the current escalator continues) and will continue at this level until at least 2020.

Landfill Allowances Trading Scheme

The Landfill Allowance Trading Scheme (LATS) is intended as a tool to enable the UK to meet targets set by the **EU Landfill Directive** for the amounts of biodegradable waste sent to landfill. Each local Waste Disposal Authority (WDA) in England has been given an allowance which allows an authority to landfill one tonne of biodegradable waste. Under the **Waste and Emissions Trading (WET) Act**, each WDA can trade allowances (by buying, selling or, in certain years, banking them or borrowing from future years) in order to stay within their allocation. Those failing to stay within their allocation face the possibility of incurring large fines.

Implications for Project Integra

- *The WDAs in Project Integra have one of the lowest rates of landfill for municipal waste in the UK as a result of the investments made in recycling and energy recovery facilities and services*
- *HCC, PCC and SCC, as WDAs, have a surplus of landfill allowances and expect this position to continue;*
- *The continued tax increases reinforce Project Integra's strategic priority of further reducing landfill;*
- *The landfill tax increases make waste disposal increasingly expensive for businesses – making implementation of waste reductions and recycling schemes more financially attractive.*

Climate Change

A requirement to deliver significant reductions in carbon emissions is at the heart of the Government's Waste Strategy for England 2007. Reductions in the use of resource use through better management of waste can also have significant cost benefits.

The Intergovernmental Panel on Climate Change identified a number of key mitigation practices and technologies currently commercially available, including:

- Landfill methane recovery;
- Incineration with energy recovery;
- Composting/digestion of organic waste; and
- Recycling and waste minimisation.

The Climate Change Act 2008, sets UK targets to reduce greenhouse gas emissions through domestic and international action by at least 80 percent by 2050 and reduce carbon dioxide emissions 26 percent by 2020 (both against a 1990 baseline).

The public sector organisations in Hampshire have developed a partnership to tackle climate change in Hampshire with overarching collaborative actions which would enable Hampshire to achieve a step change in its efforts to reduce its Carbon footprint and to become more resilient to climate change.

Implications for Project Integra

- *We increasingly need to consider our activities and future options in waste management with reference to their impact on climate change and resource efficiency.*
- *There is a clear relationship between reducing the Hampshire's Carbon footprint and seeking further efficiencies in the delivery of waste and resource management in Hampshire.*
- *Reducing carbon emissions will result on significant financial savings to counteract rises in fuel and other commodity prices and the impacts of energy security.*

Economic Development

There is a recognition that strategies for economic growth need to be environmentally sustainable and ensure that the principles of sustainability inform and determine the nature of key development proposals. These principles include, amongst others:

- stabilisation and reduction in the use of resources
- net self-sufficiency in resource recycling and waste handling
- joint decision making on targets for resource usage and planning for resource management infrastructure
- planning that takes into account necessary mitigation and adaptation measures with regard to climate change and the continues security of resources.

Implications for Project Integra

- *The work of the Project Integra partnership supports the objectives of sustainable economic growth by ensuring the effective management of waste.*

A Materials Resources Approach

At the beginning of 2005 Hampshire County Council, Portsmouth City Council, Southampton City Council and Project Integra jointly facilitated the development of a Hampshire Materials Resources approach, which through seventeen months of stakeholder dialogue resulted in the publication of 'More from Less', which articulates aspirations on issues related to natural resources, minerals and wastes. This material resources approach has influenced a number of strategic outcomes which stakeholders wished to see delivered and has an agreed set of strategic principles to guide and integrate key work areas:

- Production of the statutory Joint Minerals and Waste Development Framework (revised Minerals and Waste Plan);
- Development of plans for managing municipal waste under Project Integra.

The principles of More from Less represent an additional element to the Community Strategies in Hampshire with a focus on natural resources which complement other relevant key themes

Dealing with construction waste more effectively and ensuring much higher levels of recycling and minimisation of waste in the commercial sector is also a key priority.

Implications for Project Integra

- *More from Less identifies that a key issue for Project Integra is to optimise recycling performance across the Project Integra partnership, and maximising cost efficiencies through economies of scale and joint working across waste sectors.*

Hampshire Joint Municipal Waste Management Strategy (JMWMS)

The JMWMS has been produced by Project Integra with the vision that, by 2020, Hampshire will have a world class and sustainable material resources system that maximises efficient re-use and recycling and minimises the need for disposal. It has been developed in the context of the 'More from Less'. It is also closely linked to the Minerals and Waste Plan (see below), as both have been developed in parallel, using 'More from Less' as a reference point and using similar sustainability objectives and appraisal techniques.

The aims of the JMWMS include:

- To deliver municipal waste management using a Material Resources approach;
- Win the support and understanding of the wider public;
- Make access to recycling and related facilities a positive experience for residents and businesses;
- Improve the understanding of, and contain the year on year growth in material resources generated by household consumption;
- Maximise value for money by considering the system as a whole;
- To provide suitable and sufficient processing facilities for existing and new material streams;
- Secure stable, sustainable and ethical markets for recovered materials and products;
- Ensure each partner clearly understands its roles and responsibility for delivery; and
- Meet statutory obligations and maintain Hampshire at the forefront of the waste to resources agenda.

JMWMS will deliver these aims using the following preferred approach:

Collection – Kerbside collection of dry mixed recyclables, glass and textiles; promote home composting and the use of food digesters; introduce chargeable kerbside green waste collections and facilitate the provision of enhanced waste electrical and electronic equipment (WEEE) 'bring' facilities at household waste recycling centres (HWRCs).

Commercial Recycling – Provide / facilitate collection and processing capacity to optimise the capture of recyclables from the commercial sector (recyclables that are similar in nature to those arising from the municipal waste stream).

Appendix 2

Waste Growth – MRS and Regional Waste Strategy targets – reduce growth to 1% per annum by 2010 and 0.5% pa by 2020.

Treatment of Residual – Thermal treatment (EfW) of at least 420,000 tonnes per annum with excess residual waste being sent to landfill in the short term and further treatment in the long term.

Landfill – Pre-process all household waste with residues only to landfill (and minimum organics to landfill).

Implications for Project Integra

- *The JMWMS states that the Project Integra partners will seek to positively contribute to the achievement of the following recycling and composting targets for all waste as set out in 'More from Less':*
 - *50% by 2010*
 - *55% by 2015*
 - *60% by 2020.*
- *The JMWMS was adopted in April 2006 with an original commitment for a review after five years;*
- *The Project Integra review of Collection and Processing has provided a clear steer for partner authorities on potential levels of recycling achievable over the next 5 years and the actions required to achieve further increases over that time.*

Minerals and Waste Plan

The revised Hampshire Minerals and Waste Plan sets out a long-term spatial vision for minerals and waste planning in Hampshire and will contain the primary policies and proposals to deliver that vision:

“By 2020, Hampshire will have a world class and sustainable material resources system that maximizes both the efficient use of primary materials and the reuse and recycling of wastes, and minimises the need for disposal.”

The overall approach is based on the 'More from Less' principles of improving resource efficiency by improving the sustainable design of new building, progressively slowing the pace of waste growth and maximising the recovery of value from wastes prior to landfill.

As far as possible, waste will be managed near to where it is produced and in accordance with the waste hierarchy. Value will be recovered through technically advanced re-use, recycling and composting processes, or failing that, through the recovery of energy and / or materials from the waste. The amount of waste going to landfill will be very limited in quantity and biodegradable content.

Implications for Project Integra

- *Both the MWDF (see above) and the JMWMS are significantly based on data and principles established in More from Less (see above), this ensures consistency between these two strategic approaches.*

Recycling Markets

There remains continued pressure from the public in Hampshire to increase the range of materials that can be recovered for recycling. Tetrapak recycling is a good example of the difficulties that this presents in terms of ensuring that both the financial and sustainability issues are well understood by the public.

Project Integra partners benefit financially from the sale of recyclables, the value of which is dependent on changing market conditions both nationally and internationally. Although markets have recovered since the 'crash' in prices seen in 2008 it is prudent to expect further future fluctuations in materials prices..

Implications for Project Integra

- *The partnership is committed to supplying high quality secondary materials to sustainable markets. This strategy has ensured both environmental outcomes and reasonably reliable income – but partners should ensure that they are not overly reliant on income from material sales to deliver services;*
- *The partnership will continue to monitor market activity and seek opportunities for recycling additional materials that meet its commitment to high quality recycling .*

Project Integra Household Waste Recycling, Recovery and Disposal Infrastructure

Household Waste Recycling Centres (HWRCs)

1. Aldershot
2. Alresford
3. Alton
4. Andover
5. Basingstoke
6. Bishops Waltham
7. Bordon
8. Casbrook
9. Eastleigh
10. Efford
11. Fair Oak
12. Farnborough
13. Gosport
14. Hartley Wintney
15. Havant
16. Hayling Island
17. Hedge End
18. Marchwood
19. Netley
20. Paulsgrove
21. Petersfield
22. Segensworth
23. Somerley
24. Southampton
25. Waterlooville
26. Winchester

Composting Sites

27. Chilbolton
28. Down End
29. Little Bushy Warren

Materials Recovery Facilities (MRFs)

30. Portsmouth
31. Alton

Energy Recovery Facilities (ERFs)

32. Chineham
33. Marchwood
34. Portsmouth

Transfer Stations

35. Andover
36. Basingstoke
37. Farnborough
38. Lymington
39. Marchwood
40. Netley
41. Otterbourne
42. Portsmouth

Landfill Site

43. Blue Haze

Incinerator Bottom Ash (IBA) Processing*

44. Blue Haze

Abandoned Vehicle Recycling Facility*

45. Silverlake Garages Ltd

Glass Recycling Facility*

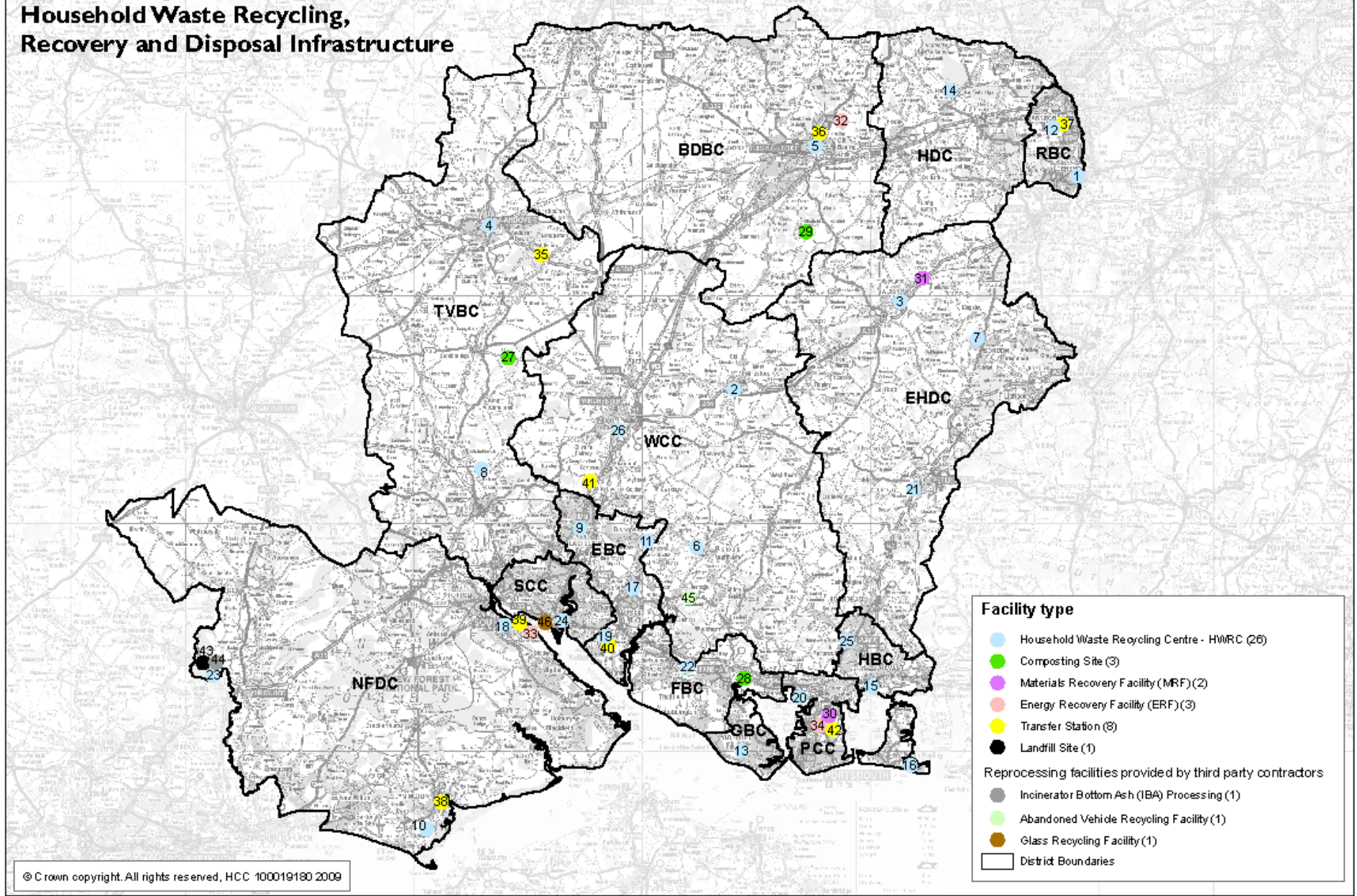
46. Recresco Ltd

Numbers refer to map of facilities

* Reprocessing facilities provided by third party contractors

December 2009

**Project Integra
Household Waste Recycling,
Recovery and Disposal Infrastructure**



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East Hampshire District Council & Winchester City Council

Joint Partner Implementation Plan

Supporting

Project Integra Action Plan

2011-2016



Highlights 2010/11KEY ACTIONS TAKEN

- Joint Project Board has been planning and managing work on the Joint Waste Working Project between EHDC and WCC
- Creation and approval of an Inter-Authority Agreement (IAA) between the authorities
- Creation of a Joint Environmental Services Committee
- Procurement of a Joint Environmental Services Contract for both authorities in progress
- Creation of a Joint Client Team to manage the new Joint ES Contract

PROJECTED PERFORMANCE FOR 2010/11

EHDC recycling rate estimated out-turn for 2010/11 = 37.5%

WCC recycling rate estimated out-turn for 2010/11 = 37.5%

Planned Actions for 2011/12STRATEGIC REVIEW

Both authorities will carry out implementation of the Project Integra Review at a local level, and as participating partners in wider review-based initiatives.

SUSTAINABLE & ETHICAL RECYCLING

Joint working between East Hampshire District Council and Winchester City Council and the resultant rationalisation of operations and services should deliver reduced carbon emissions.

The following policies will be implemented and actions taken:

- **Restrictive Policies:** 2 policies are to be employed to control the increase in residual waste. **The larger families policy** will take a common approach across both authorities and will restrict increased capacity to approved households of 6 (or 5 with extenuating circumstances) to an additional 140 ltr bin only. A **no side waste policy** will be operated by both authorities with very specific exceptions for student accommodation areas in Winchester.
- **Waste reduction campaigns and initiatives:** participation in and support for PI, local and national campaigns will continue in particular 'Love Food Hate Waste' and associated projects and trials to encourage residents to deal with bio-waste at source.

- **Behavioural Change:** significant support for the real and perceived changes resulting from the joint waste working arrangement will be needed, particularly during initiation of the new contract. This will require the implementation of a detailed, and area specific, Communications Plan to ensure that there is no short term impact on capture rates.
- **Promoting home composting:** continued participation in the countywide promotion scheme and by means of educational initiatives.
- **Kerbside glass collections:** Winchester City Council will give further consideration to it's introduction when affordable and subject to a Council decision.

ELIMINATING LANDFILL

All of the above initiatives in this plan will contribute to the elimination of landfill.

Participate in Project Integra waste management initiatives – it is likely that this will lead to an action plan being developed later in the year.

COMMERCIAL MATERIALS MANAGEMENT

Both Councils can signpost advice and information to SME's regarding recycling options.

WCC has arrangements to recycle cardboard from Winchester market and battery collections take place in Council offices.

EHDC has undertaken a small scale collection trial for the same materials as those collected on the domestic recycling rounds at one industrial estate.

The new Joint Environmental Services Contract contains an encouragement for the new waste collection contractor to promote trade recycling as an option to all of the existing and new commercial customers on the WCC Trade Waste Service.

Further work with SME's should include collating more localised options for recycling and re-use and ensuring this information is widely circulated. The larger geographical area encompassed by joint working may increase opportunities and facilitate this.

EFFICIENCY & VALUE FOR MONEY

Partnership working between WCC and EHDC has been agreed and the joint services contract will start in October 2011. Service harmonisation will deliver efficiencies in both operational services and support functions. This will be achieved as follows:

- **Round re-organisation:** cross boundary working and rounds rescheduling will result in significant savings.
- **Depots:** new depots in both Petersfield and Winchester will provide centralised locations for efficient working and vehicle movements.

- **Alignment of bin colours:** this will involve swapping over the EHDC bins so that both authorities have black refuse and green recycling bins. This has a one-off cost implication which will be shared by both authorities, but this will be more than offset by the savings resulting from the joint contract.
- **Unifying charging policies:** this will apply to bin prices and the cost to residents of bulky waste collections. It is difficult to estimate the cost implications of this harmonisation to each authority but there will be no impact on the contractor.
- **Review of bin exceptions:** thorough examination of the information held regarding those residents receiving sack collections and assisted collections, and of those properties currently viewed as having restricted access, will result in removal of a number of these from the exceptions list and thereby assist in streamlining the new service.
- **Bank Holiday working:** a common policy is essential and, with the exception of Good Friday and bank holidays following a weekend Christmas Day and Boxing Day, the joint contract will not include bank holiday working. This will result in a contract saving for EHDC.
- **Back office processes:** streamlining of administrative processes including the garden waste system and ensuring that all rounds are mapped, and give detailed information, on GIS will assist the efficient working of the Service Support Officer at each authority.
- **CSC and CRM/Lagan:** efficiencies will be achieved by directing customer calls to one location (Winchester) and therefore using one contact system for the new contractor.

LEADERSHIP & INFLUENCE

- **Communications Plan:** this will encompass information required by residents in relation to area specific changes such as bin colour swaps, and generally across both authorities. It will take the form of articles in both authorities' magazines and the press, use of stickers and flyers and a presence at public events and will run from spring 2011.
- **Promotional activities:** joint attendance at events across both authorities in support of informing residents about changes in respect of the new joint working and in respect of other local and national campaigns.
- **Schools and community groups:** work with these groups to increase awareness and reduce risk of contamination, particularly in relation to bin colour changes in EHDC area. Continued support of PII Education Outreach programme.
- **New resident information:** re-write the new resident information packs to incorporate service changes.

- **Expand the Champions scheme:** an 'EnviroChamps' group exists in EHDC and this should be expanded to encompass WCC.
- **Participation in PI Strategies:** both authorities will continue to take an active role in progressing PI strategies, working groups and activities.

OTHER ACTIONS

- **Materials Analysis Facility Data:** use to identify areas of higher contamination and where recycling performance is poor. Use to assess and address any impacts resulting directly from the move to joint working.
- **Contamination:** both authorities are involved with the Recycle for Hampshire contamination working group and will be developing actions to take forward in 2011.
- **Hard to reach properties:** examine the potential for changing to communal bins and collection points.
- **Recycling bring sites:** consideration has been given to changes to receptacle types at both authorities' glass bring sites. Based upon new optional contract rates tendered, at present there is not a compelling business case to change the current receptacles.

Summary of Recommendations

Project Integra Partners should:

1. Agree, as a matter of urgency, a replacement Joint Municipal Waste Management Strategy (JMWMS) which sets new ambitions for waste management in Hampshire to which all of the partner authorities are committed at political level;
2. Undertake to work energetically together to reduce the annual whole system costs to the council tax payer of reaching the targets set in the new JMWMS;
3. Agree the proposed changes to the structure and culture of Project Integra to enable its objectives to be achieved.

And more specifically:

- Local authorities in Hampshire should continue to support Project Integra as the mechanism to manage their responsibilities for waste collection and disposal;
- Project Integra's objectives remain valid – it is the focus and ambition of partners in achieving them that require reaffirming;
- the existing Joint Municipal Waste Management Strategy should be reviewed as a matter of urgency and new targets and objectives for waste management agreed. These provide the environmental and infrastructure delivery 'baseline'.
- Project Integra should focus on achieving reductions in the annual whole system costs to the council tax payer of reaching the targets set in the new JMWMS whatever they are agreed to be;
- clear efficiency targets should be set and monitored at Board level, with all members taking a management responsibility for achieving whole system cost reductions;
- Project Integra should develop and monitor further initiatives to tackle the impact of waste management operations on climate change;
- reducing waste management costs borne by other public sector organisations should be seen as a public good which Project Integra should explore the potential of;
- transparency and openness in sharing information and responsibility for problem solving should be the norm and Members should expect officers to work on this basis;
- the role of the Executive Director should incorporate programme management and leading projects to deliver Project Integra objectives;
- Veolia are a key partner but they should not sit on the Project Integra Strategic Board;
- the Board should be supported by corporate directors or equivalent officers;
- strategy officers should continue with their current role but also take on project implementation and cost reduction monitoring work;
- the role of the Policy Review and Scrutiny Committee should be limited to the statutory minimum function.

Introduction

This report has been produced by the Review Team established in June 2010 to make recommendations to HIOW regarding the future of Project Integra. The initiative for the review came from Project Integra's Strategic Board which recognised the importance of reappraising the function and structure of the partnership in the light of recent changes in local government finance and objectives.

The terms of reference of the Review Team asked it to address two questions regarding the 2010 – 2015 period:

- 1. What is the role and purpose of Project Integra for this period?**
- 2. Are the structures, procedures and resources of Project Integra fit for this purpose?**

The Review Team was able to provide what it believes is a well reasoned answer to both these questions.

The Review Team consisted of

Emma Broom	Hart District Council
Steve Tilbury	Winchester City Council
John Mascall	New Forest District Council
Andrew Traylor	Southampton City Council
David Greenfield	Improvement and Efficient South East - Waste Director

The Team was assisted by John Redmayne the Executive Director of Project Integra. The Review Team worked to a Review Board consisting of elected Members and a Chief Executive representative. The conclusions of the Review Team are based upon background evidence from the Joint Waste Management Strategy (JWMS), the Project Integra constitution, the Best Value Review and the Hampshire County Council Select Committee Inquiry that took place in 2005, and the Recycle of Hampshire Review from 2008. In addition, the Review Team received presentations from Hampshire County Council and Veolia, the waste disposal contractor and considered some limited evidence from other areas. The options appraisal also utilises evidence from a perceptions survey that was carried out in September/October 2010 and submissions of evidence from partners – contained in the accompanying report 'Partnership Survey 2010'.

Background

Project Integra was established as a waste management partnership by the then district councils and County Council in 1995 and in 2001 was constituted as a formal Joint Committee. It now has a membership of the County Council as waste disposal authority, the 11 district councils which are solely waste collection authorities and the two unitary authorities which have both responsibilities. The waste disposal contractor, Veolia, is a non-voting member of the partnership in recognition of its long term contractual relationship.

In 2005 Project Integra endorsed a JMWMS for Hampshire which forms the basis of its current decision making framework. The long term vision of the strategy is that:

“By 2020, Hampshire will have a world class and sustainable material resources system that maximises efficient re-use and recycling and minimises the need for disposal”

Project Integra is currently structured as follows:

Strategic Board

An Elected Member (with Deputy) from each Partner Authority (Member to be a Cabinet/Executive Member)

Representative co-opted from Veolia Environmental Services (VES) (non-voting)

- meets quarterly
- simple majority voting
- 5 Year Action Plan – approved by all partners annually.

Policy Review & Scrutiny Committee

- discharges overview and scrutiny functions in relation to the Board’s activities
- 14 Members and deputies (non-executive within their authority), one per Partner Authority
- up to 3 co-opted representatives including VES.

Strategy Officers Group

Lead officers to support Project Integra and provide professional delivery

- officer from each authority (and deputy)
- meets quarterly

Supported by other officer groups in specialist areas e.g. recycling officer group.

The total direct cost of Project Integra in 2010/11 is £605,000. The major cost elements are:

Materials Analysis Facility	£204,000
Recycle for Hampshire	£200,000
Executive (including Executive Director)	£185,000
Projects	£15,000

The £605,000 is met by the 14 authorities and VES. Costs amongst the authorities are apportioned pro rata on a population basis.

The whole Hampshire waste system for Districts, the two unitary Councils and the County Council costs approximately £104 million per annum. The Project Integra Memorandum of Understanding (MoU) sets out the financial agreement between the collection and disposal authorities in relation to the processing of the dry mixed recyclable (DMR) materials:

- the collection authorities do not pay a “gate fee” to use the Materials Recovery Facilities (MRFs);
- the County Council does not pay recycling credits for these materials;
- the disposal contract requires income from the sale of recyclables to be split 50:50 between VES and the waste disposal authorities. Hampshire County Council’s share is passed to the collection authorities;
- the sharing of income between the authorities is on the basis of the amounts delivered and the levels of contamination (as determined by the Materials Analysis Facility (MAF)).

This provides the funding mechanism by which the cost of the DMR processing infrastructure is met and an incentive provided to the collection authorities to recycle.

The Audit Commission criticised Project Integra in its 2005 review for failing to provide explicit evidence value for money. It was not part of the Review Team’s terms of reference to investigate these arrangements, but the Team suggests that they should be reviewed to ensure that they properly reward and incentivise the contribution of each collection authority towards the targets in the JMWMS and the reduction of overall cost in waste management.

The establishment of Project Integra was an innovative and forward thinking response to the challenges faced in providing a coherent infrastructure for managing waste. The formal arrangements for working together enabled Hampshire County Council to secure capital investment in a waste disposal infrastructure that is now proving its worth in both environmental and financial terms. Hampshire residents benefit from a waste disposal infrastructure which sends very little waste to landfill (which would be extremely expensive) and which encourages and supports recycling initiatives.

However, there has been concern within the membership of Project Integra that, after initial success, its performance as a partnership has reached a plateau. There are views that momentum has been lost and that Project Integra is no longer ‘cutting edge’. Packed inside these general expressions of concern are two alternative schools of thought which can be characterised, very generally, as follows:

That Project Integra is a “fundamental” partnership but could achieve more and is failing to drive forward improvements

This school of thought views the pursuit of improved outcomes (whatever they are) in waste management as a ‘given’ of local authority activity and Project Integra as the mechanism for doing this. The problem is Project Integra’s lack of ambition and/or the lack commitment of partners to further progress

That Project Integra has been a success; has achieved as much as it is likely to achieve, and could be replaced by less expensive partnership working arrangements

This school of thought agrees that a very satisfactory position has been achieved in waste management and queries whether there is any further need for significant

further activity through Project Integra in the next few years, perhaps favouring cheaper and less formal collaboration across Hampshire..

These worries have been at large for some time. In 2005 similar questions sparked a review of Project Integra by a Hampshire County Council Select Committee. Interestingly that review sought to emphasise that Project Integra should be described as ‘a concept, club, network or co-operative but not a business in itself’. Whilst recognising that it is the individual partners in Project Integra who let and manage contracts, the Review Team would question whether this conclusion recognises the reality of the waste management process as seen by the Hampshire taxpayer. The current Review Team does agree with the suggestion in the 2005 review that there is scope for a Project Integra to encompass a wider range of waste management activities, in particular other elements of the public sector waste stream, within its structure.

The Context for Waste Management from 2010

Planning and decision making in waste management over the last 15 years in particular have been driven by two imperatives. First, to divert waste away from landfill as a disposal mechanism. Second, to increase the amount of waste that is collected and recycled. A third strand of waste minimisation (i.e. working to reduce the amount of ‘stuff’ that becomes waste in the first place) has gained prominence more recently but still does not feature strongly in many plans. Various financial and legal mechanisms have and do exist to ensure that local authorities take active steps to deliver lower landfill and higher recycling rates. This has produced a crude but effective relationship between environmental performance and financial cost (‘greener is cheaper’). The Government has indicated it intends to reinforce this approach in its new waste policy document to be published early in the new year (2011).

Joint working between the councils in the two tier area (and later with the two city unitaries) was recognised early on as a pre-condition for achieving successful outcomes in the waste management process. This remains the case. In particular it would be foolish to regard collection and disposal as discrete elements each to be seen as ‘someone else’s cost’ and to be run without regard for each other. This is the ‘whole system approach’ which is the recognised goal in most parts of the country. The review team is strongly of the view that the public expect waste management to be run effectively and efficiently across tiers and boundaries of local government. Project Integra has provided an excellent mechanism to achieve the vertical integration necessary to achieve this; the question is how to exploit it.

Options and Impacts

The original objective of Project Integra was:

“to provide a long-term solution for dealing with Hampshire’s household waste in an environmentally sound, cost effective and reliable way. Success in achieving this depends on joint working between all the parties in the best interests of the community at large.”¹

When the individual components of this objective are analysed, the evidence suggests that Project Integra has been successful in providing a long term basis for dealing with Hampshire’s waste in an environmentally sound and reliable way. Use of landfill as a disposal mechanism (the worst environmental outcome for waste) is low. All current EU and UK requirements to

¹ Project Integra Constitution

provide recycling opportunities to households are met and, with further efforts, achievement of the 50% recycling rate² by the 2020 target date are considered achievable. However, there is little evidence of purposeful Project Integra work around cost reduction and Project Integra has played little direct part in the implementation of current joint working projects between partners. The October 2010 Comprehensive Spending Review demands significant savings in the operating costs of local government (either by efficiency gains or reductions in services). The Review Team suggests that a greater emphasis on the efficient use of resources (not just financial) should be the new focus of Project Integra.

Joint working is also the subject of the Hampshire-wide Climate Change Vision and Strategy that is currently being developed. The purpose of the strategy is to bring together all public sector bodies to tackle climate change and achieve results. The intention is that, by working together, partners will be able to add value and scale up their responses to climate change.

The Review Team considers that this objective remains valid. The Team's response to the question, 'What should Project Integra be asked to achieve?' is that it should help its members, individually and collectively, to deliver significant cost savings for Hampshire from the waste management process through **real joint working** on budgets, responsibilities, performance and services. The key issue must be to deliver best value for Hampshire tax payers. Project Integra should also look to compliment the Hampshire-wide Climate Change Strategy to deliver responses to climate change relating both directly and indirectly to waste management in a joined up way.

The message of the County Council's 2005 scrutiny review should also be encompassed within this idea. The cost of waste management to the taxpayer includes a wider public sector (education, NHS, military and other public services) which are, at present, operating essentially as private businesses purchasing waste disposal from the market.

The Review Team believes that a powerful focus on the whole cost of the waste management process and a target to drive that down will not work against but most likely support further measures to improve environmental performance. Examples include:

- joint working – this will reduce costs of both service delivery and administration. There is no reason for environmental performance to reduce – indeed savings achieved could be used to introduce additional services;
- waste prevention – the most environmentally beneficial approach to waste (and so the top tier of the waste management hierarchy) - may require investment in behavioural change but, if effective, will reduce costs of waste collection, processing and disposal;
- recycling (third tier of the hierarchy) eg addressing areas of low performance – or increasing capture of target materials - will achieve the environmental benefits of recycling whilst reducing the costs of disposal through the energy from waste facilities and associated infrastructure;
- landfill - the least desirable approach in environmental terms, is an increasingly costly option (likely to reach £100 per tonne in 2014) and so efforts to further reduce the amounts land filled are increasingly financially attractive.

² The European target of 50% recycling rate is set in the Waste Framework Directive. The Waste Strategy for England (Defra 2007) contains the same target for the country. It is not yet clear whether this target will be 'passed down' to local authorities. Government is currently undertaking a review of Waste Policies; results are expected in June 2011.

Taking all of this into account, the Review Team suggests that the new challenge for Project Integra should be to:

Reduce the annual whole system costs of reaching the targets set out in the Joint Municipal Waste Management Strategy by 15%

‘Whole system’ includes:

- waste prevention, collection, recycling, processing and sale/disposal
- the whole of the public sector

Reviewing the JMWMS

The role of the JMWMS in this new challenge is highly significant because it represents the baseline against which financial performance is measured. The Review Team suggests that Project Integra should update its performance and environmental targets and should clearly set out the requirements of these – for instance the provision of new infrastructure. It is for Members to reach a judgement on behalf of the people they represent as to what policies to pursue and it was not part of the Review Team’s remit to suggest what they should be. Agreeing a new JMWMS is vital but it is a one off task – which should be completed quickly. **Once the new JMWMS is agreed Project Integra’s ongoing role should be to initiate and coordinate work to ensure it is delivered at the least possible cost.** The suggested target of a 15% reduction is offered since it accords with the level of cost saving many authorities are pursuing individually in the light of the Government’s deficit reduction plan. A higher or lower figure might ultimately be chosen.

This approach is fully consistent with what is believed likely to emerge from the Government’s review of waste management and in particular its endorsement of the accepted waste hierarchy. The Secretary of State in announcing the review in July 2010 said:

“There is an economic and environmental urgency to developing the right waste strategy”

This and other statements make clear the Government’s interlinking of environmental and economic objectives which can reasonably be expected to reinforce the financial benefits of environmentally sustainable waste management.

Although individual and smaller groupings of authorities are looking seriously at cost reduction there is scope and opportunity for Project Integra to commission and assist with larger projects, projects across different sectors and projects that require mutual support and expertise.

If Project Integra is to address this new challenge the Review Team anticipates that it will need to:

- recognise that whole system costs currently include WDAs, WCAs and both service delivery and service management;
- identify the waste needs of the wider public sector, currently outside of the PI network and determine whether the infrastructure and expertise of the PI network could deliver benefits to them;
- ensure transparency in all financial agreements so that the inter-relationship between them is fully recognised and acted upon;

- change its structure to ensure that strategic level decision making involves ‘director level’ officers and senior Members across the whole public sector in Hampshire;
- agree that the Project Integra partners are the appropriate unit of ‘local’ in terms of ‘localism’ in waste management;
- develop and monitor initiatives to tackle the effects of climate change through issues associated with waste management e.g. procurement of consumables, vehicle acquisition, routing and collection mechanisms.

Sovereignty Issues

Although it is not necessarily obvious why waste collection services are a matter of such intense local political sensitivity, it is a fact that they are. The Review Team recognises that individual members of Project Integra do not wish to accept that major decisions considered to be politically sensitive are taken out of their hands (at least not without their specific agreement). Nothing in the Review Team’s report should be taken as suggesting that this should happen, **Working together to reduce costs in the waste management system does not compel individual authorities to change the way they work.** The Review Team accepts that the limit to what can be achieved is what Members will accept. That is not a reason for Project Integra to discuss, propose or test what Members will accept – and to go with what they will and to back off from what they will not.

It should be recognised that only in the two unitary authorities is there vertical integration of the collection and disposal process – and even they do best when there is mutual aid between them and others. This means that part of the impact of decisions made by one authority may be felt by all the others. If resources were unlimited or there were no public concern about environmental standards then this would be insignificant. But that is not the case, and it is surely in the public interest to spend no more than is necessary to achieve what each authority wants to achieve and to ensure that costs are properly allocated within the system.

The Government has incorporated new provisions in the Localism Bill to enable it to pass the cost of UK failure to meet statutory EU targets onto those public authorities which are responsible for that failure – which may represent a further test of the sovereignty issues in years to come.

Structural Issues

If it is accepted that, with the a new JMWMS in place, Project Integra should focus on cost reduction in the whole system context, the question is then to establish an improved structural and financial model to deliver this objective.

The Review Team has concluded that Project Integra should continue at the level and in the form that has been established. To revert to informal relationships or relationships based simply on contractual obligations would be to travel in completely the opposite direction to recognised best practice.

Were Project Integra not to exist the collection and disposal authorities would still need to liaise through a professional officers group, similar to planning or environmental health as opposed to a formal partnership, with a paid executive and support staff. Recycle for Hampshire would be disbanded, with communications undertaken locally. The MAF plays a key role in the allocation of income and performance from the MRFs amongst the partners and so would be likely to

continue. The direct savings of this option would be the executive costs of £186,000. Local authorities could fund the recycle for Hampshire campaign, or utilise this funding as they see fit in their own authorities.

Other financial impacts would arise from fundamental restructuring of the financial relationship between the collection and disposal authorities. This was outside of the scope of the review and is not, in any case, directly related to Project Integra.

The Review Team is clear that ceasing to operate Project Integra would be a regressive move in the light of the continuing challenges in waste management and this view appears strongly supported by the majority of officers and Members who responded to the survey.

In addition, dissolving Project Integra would hamper the delivery of joined up programmes such as collaborative procurement and the promotion of a low carbon public sector fleet essential to cost savings and carbon reduction across Hampshire.

If the objectives of reducing whole system costs by 15% by 2015 and implementing initiatives to complement the Hampshire-wide climate change strategy are to be achieved then a number of changes do need to take place in the structure of Project Integra to assist its better operation. The changes can be grouped into two main themes; focus/culture and constitution.

Focus/Culture

The most fundamental change is that Project Integra must once again provide the leadership to reduce waste costs across Hampshire and all members must work together and share this new ethos. Project Integra is not a 'club' because it does not exist for the convenience or enjoyment of its Members but to facilitate the delivery of essential and statutory services to the public. Existing Project Integra members must be prepared to operate within this framework if savings are to be made. Joint working must be fully embraced and there must be some measure of recognition that pursuing a whole system approach (for whatever ends) will raise uncomfortable issues of sovereignty to ensure that those ends are delivered. Project Integra should have a clear cost reduction agenda with tangible targets. It does not need to prescribe the means by which these are achieved but it should not shy away from the fact that some mechanisms work towards it and some do not. All members must be equally responsible for the cost reduction agenda across the whole locale, regardless of where initiatives are actually taking place. This collaborative work will achieve carbon emissions reduction alongside cost reductions.

The role of Executive Officer should change to more of a "programme manager" role, taking the agreed efficiency and carbon reduction targets and working with colleagues around the county on projects to achieve these. The Executive Officer would also be tasked with identifying and understanding costs from the wider public sector, currently outside of the Project Integra network, looking for business opportunities and partners to ascertain if the Hampshire infrastructure could assist their waste needs.

Recycle for Hampshire does seem to be valued by partners, even though they themselves continue with individually funded activities. A central recycling education and promotion team should continue as part of Project Integra. There may cost savings to be made across Hampshire by consolidating funding for such activities and enabling Recycle for Hampshire to play a wider role in partnership with the voluntary sector, parish councils and others.

Constitution

It is proposed that the Project Integra Strategic Board should continue to consist of Portfolio Holders from participating authorities. Given the new cost reduction agenda and the increasing role of Veolia in securing waste collection contracts, it seems inappropriate for the waste disposal contractor to sit on the board. They are a key partner but they should not be party to Board level discussions unless invited. Disposal and any collection contractors should instead be invited to address the board as and when required. It is also suggested that if the work to identify other public sector organisations, not currently in the Project Integra network, reached a sufficiently advanced stage and a major scale then they might also play some role in the Board.

The delivery of significant cost savings will require decisions to be taken at a corporate level within participating authorities and this will require a significant amount of corporate judgement and influence at officer level. It is therefore proposed that the Board is supported by Directors, who operate at this level whilst the Strategy Officers (suitably renamed) should continue to bring forward projects, and coordinate programmes. In essence the Strategy Officers group should continue to function exactly as it does now – but it should have a truly strategic board providing it with direction. The Review Team has not looked further than the Strategy Officer level groups, for example, recycling officers, but Strategy Officers may wish to consider if further value savings can be added from merging/reducing the officer groups with are under the Project Integra umbrella.

It is suggested that the role of the Review and Scrutiny Committee should be reconsidered. Whilst recognising that there is a statutory requirement for a Joint Committee to have an overview and scrutiny process, the Review Team believes this should be kept to the absolute minimum level necessary to fulfil this requirement. .

The Project Integra constitution should be amended as required to reflect these new arrangements.

Conclusion

The Review Team has concluded that the task of managing Hampshire's waste is an activity of such complexity and importance that it merits the Project Integra structure if the member authorities are willing to embrace the challenge of working together on the reduction of cost in achieving the targets of a new JMWMS.

Project Integra Review Team
2nd December 2010

Background Documents

Partnership Survey 2010

JMWMS

Project I Integra Constitution

HCC Enquiry 2005

Best Value Review 2005

Recycle for Hampshire Review 2008

**Review of Project Integra:
Questions for Project Integra Partners:**

Appendix 4

1	<p>Do you agree with the Review Team's view that the JMWMS should be revised to set new ambitions for waste management in Hampshire and provide the environmental and infrastructure delivery 'baseline' through to 2020?</p> <p>Answer: yes the City Council fully endorses this approach. However future proposal should not be constrained by the existing disposal infrastructure nor restricted to the constraints of the current waste disposal contract</p>
2	<p>Will your authority undertake to work energetically together with other Partners to reduce the annual whole system costs to the council tax payer of reaching the targets set in the new JMWMS?</p> <ul style="list-style-type: none"> • Are there any 'red line' areas for your authority in this – and if so what are they. <p>Answer: yes the City Council will work energetically with other Partners to reduce the annual whole system costs to the Council Tax Payer. However any such proposals should ensure that the allocation of the costs and saving are distributed in a fair, open and transparent way.</p>
3	<p>Do you agree with the structural and cultural changes proposed to enable Project Integra to achieve its objectives:</p> <p>a) That transparency and openness in sharing information and responsibility for problem solving at the strategic level are essentials to achieve Project Integra's objectives – that these should be the norm in the partnership and that Members should expect officers to work together on this basis?</p> <p>Yes – openness is the key to PI achieving its strategic objectives.</p> <p>b) That Veolia should remain a key partner but no longer sit on the Project Integra Strategic Board?</p> <p>No – Veolia should remain a key partner and their input is essential to the partnership particularly if there are to be any significant changes to the collection and disposal infrastructure within the period of the existing disposal contract.</p> <p>c) That the role of the Policy Review and Scrutiny Committee be limited to the statutory minimum function?</p> <p>Yes – simplification of scrutiny arrangements is a means to reduce bureaucracy and duplication. Each authority within the partnership already has scrutiny arrangements which can raise and examine the decisions that Integra takes.</p> <p>d) That the Strategic Board should be supported by corporate directors or equivalent officers with strategy officers continuing with their current role but also taking on project implementation and cost reduction monitoring work?</p> <p>Yes – the involvement of Corporate Directors at a Strategic Level would enhance the status of the Board and assist in driving through future initiatives on reducing the whole systems cost of waste collection and disposal to the Council Tax Payer.</p>
4	<p>If you do not agree with these – what modified variant or alternative future do you propose for the Partnership?</p>