

THE OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 2012

PROJECT INTEGRA AND RECYCLING INFORMAL SCRUTINY GROUP -  
RECOMMENDATIONS

REPORT OF ASSISTANT DIRECTOR (HIGH QUALITY ENVIRONMENT)

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RECENT REFERENCES:

OS18 – Scrutiny Work Programme 2012/13 - 16 September 2011

EXECUTIVE SUMMARY:

The Overview and Scrutiny Committee decided at its meeting in September 2011 to establish an Informal Scrutiny Group (ISG) to review the Project Integra Partnership and increase in Recycling levels.

At the ISG's first meeting it was decided that the review should limit its focus on the role of Project Integra partnership insofar as it affected the City Council's recycling rate performance and look at other ways in which this rate could be improved. The reason for this was that a detailed review of the Partnership had already been completed by a separate panel, the recommendations of which were in the process of being implemented.

This report describes the process of the review and the ISG's consequent recommendations.

### RECOMMENDATIONS:

That The Overview and Scrutiny Committee consider the recommendations of the ISG and recommend to Cabinet the following:

- a) In partnership with East Hampshire District Council the City Council should develop a behavioural change campaign aimed at:
  - (i) increasing recycling capture rates e capture,
  - (ii) exploit any new opportunities for collecting recyclables,
  - (iii) reduce contamination of recyclables
- b) The campaign should inform and support the work of the shared Partner Implementation Plan with East Hampshire District Council
- c) Any initiatives within the campaign should be subject to consideration of business cases and only introduced where it is cost effective to do so. Priority should be given to those materials with the greatest income potential.
- d) The campaign should be a combination of district wide publicity and specific campaigns to targeted areas where capture or contamination issues are known to exist
- e) In order to support recommendation c) the partnership should make the best use of the Materials Analysis facility in order to identify the priority areas
- f) The campaign should include reminders about the previous materials that could be recycled as well as clear information about new materials such as aerosol cans and metal bottle tops/jar lids

That The Overview and Scrutiny Committee consider the following additional recommendations of the ISG:

- g) TO RECOMMEND TO COUNCIL that a permanent Joint Project Integra Scrutiny Panel (JPISP) be established with East Hampshire District Council as described in section 2 of this report and nominate 3 Members to sit on that panel.
- h) Consider whether they wish to identify any specific issues for the JPISP to consider either during the current or future municipal year or as ongoing agenda items.

## THE OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 2012

### PROJECT INTEGRA AND RECYCLING INFORMAL SCRUTINY GROUP - RECOMMENDATIONS

#### REPORT OF ASSISTANT DIRECTOR (HIGH QUALITY ENVIRONMENT)

##### DETAIL:

##### 1 Introduction

1.1 At its meeting on 16 September 2011, The Overview and Scrutiny Committee (OSC) appointed an Informal Scrutiny Group (ISG) with the remit to review the Project Integra (PI) Partnership and recycling levels.

1.2 The four Members of the ISG were Councillors Thompson (Chair), Collin, Mather and Witt. At the ISG's first meeting on 26 January 2012, it was decided that the review should focus on the role of the PI partnership insofar as it affected the City Council's recycling performance and to also look at other ways in which this could be improved. The reason for this decision was that a detailed review of the Partnership had already been completed by a separate panel, the recommendations of which were in the process of being implemented.

1.3 For these reasons the ISG adopted the following term's of reference terms of reference:

*'To examine ways in which the City Council can increase current recycling levels to meet future government targets and reduce contamination of materials taking into account the following factors:*

- a) The need to work in partnership with East Hampshire District Council within the joint environmental services contract*
- b) The outcome of the recent Project Integra review and proposals to address these issues as well as considering future infrastructure developments*
- c) To ensure that any proposals are cost effective and practical*
- d) Potential campaigns to educate householders regarding existing arrangements and achieve behavioural change linking in with the work of Recycle for Hampshire'*

1.4 The programme of meetings, including details of the broad themes for each one is included within the ISG's final report at Appendix 1. The report summarises the main findings of the ISG, and sets out its recommendations for further consideration by The Overview and Scrutiny Committee.

2. Future arrangements for the Scrutiny of Project Integra
- 2.1 Members will note that the ISG were advised that following the detailed review of the PI partnership that the future scrutiny arrangements for the partnership would lay with individual local authorities rather than with the previously established PI scrutiny board which has now been disbanded (paragraph 3.5 of the ISG report refers).
- 2.2 This development was considered by the WCC/EHDC Joint Environmental Services Committee which oversees the delivery of the contracted services on the 23 May 2012. They resolved that a Joint Project Integra Scrutiny Panel between EHDC and WCC be established consisting of 6 Members; 3 from each authority. The panel would provide ongoing scrutiny of the partnership in order to ensure that it is still meeting its aims and objectives and representing value for money.
- 2.3 This proposal was agreed by the EHDC Council on 21 June 2012 and the proposed names of the representatives will be considered by their Council on 13 September.
- 2.4 The Overview & Scrutiny Committee has the powers to establish the Scrutiny Panel and to nominate the 3 members from the City Council for subsequent endorsement at full Council.
- 2.5 The exact terms of reference, meeting frequency and role of the panel have not yet been agreed as these will be considered once it has been established. However, The Overview & Scrutiny Committee may wish to provide some guidance on the issues they wish the panel to consider over the next year or though a regular programme of reviews. Such issues could include
- a) Perceived value for money from membership of the partnership including income from the sales of recyclables.
  - b) Performance of PI against its annual work programme.
  - c) The support offered by PI in terms of helping the City Council and EHDC achieve its own partnership implementation plan.

#### OTHER CONSIDERATIONS:

#### 3 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 3.1 The subject of the ISG is directly relevant to delivery of the High Quality Environment outcome of the Sustainable Community Strategy, and the Change Plan waste minimisation aims. The income streams that arise from the sale of recyclables will also support the effective and efficiency outcome.

#### 4. RESOURCE IMPLICATIONS:

- 4.1 There are no direct budget implications from the conclusions of the review but future developments can impact upon the potential income from the sale of recyclables if capture rates can be increased and contamination levels reduced.

4.2 The funding of projects to address these issues will be shared with EHDC and subject to individual business cases considered by the Joint Environmental Services Committee. Implementation costs will be met from existing budgets within the joint client team so no additional resources will be required for this work.

## 5. RISK MANAGEMENT ISSUES

5.1 The main risk associated with the recycling levels is the variation in income levels that occur due to market fluctuations from the sale of recyclable materials. The City Council and EHDC have submitted comments to the PI Partnership in response to their annual action plan asking for better and more reliable predictions for this income. It is hoped that this will allow more accurate inclusion of this income within the budget setting process in future years.

## 6. EQUALITIES

6.1 There are no immediate equality issues associated with the conclusions of the ISG. Any proposed future changes to the refuse or recycling collection methods will always be subject to an Equality Impact Assessment to make sure that they do not adversely affect any particular client group.

### BACKGROUND DOCUMENTS:

Minutes of the ISG, held by the Democratic Services Team

### APPENDICES:

Appendix 1: Final report of the Project Integra & Recycling ISG

**Appendix 1**

**FINAL REPORT**  
**OF**  
**PROJECT INTEGRA AND RECYCLING INFORMAL SCRUTINY GROUP**



## Introduction

1.1 This report describes the conclusions of the City Council's Informal Scrutiny Group on Project Integra which met during the 2011/12 municipal year to consider this issue. The ISG was established by The Overview and Scrutiny Committee at its meeting on 16 September 2011 and held its first meeting on the 26 January 2012.

1.2 At its first meeting the group considered its remit which had deliberately been left quite open ended. They took into account a number of recent developments in deciding upon its final terms of reference:

- A major review of the Project Integra partnership had recently been undertaken. Therefore it was agreed that that the main focus of the ISG's work should be on increasing the Council's recycling rates and to reduce contamination of recyclable materials.
- WCC's new partnership working with EHDC on waste management contract and the further work planned to develop a shared vision for the future of these services.
- The opportunity for the work of the ISG to feed into the Joint Environmental Services Committee (JESC) with EHDC to maximise what could be done collectively including harmonising of systems and setting of new joint recycling targets, etc.
- WCC's existing recycling target of 50% by 2020.
- That the 'reduce' concept of waste management (i.e. to use less packaging, reduce junk mail, change of lifestyles etc) was probably a separate matter and beyond the remit of this ISG.

1.3 Based on these considerations the ISG agreed the following terms of reference:

*'To examine ways in which the City Council can increase current recycling levels to meet future government targets and reduce contamination of materials taking into account the following factors:*

- a) *The need to work in partnership with East Hampshire District Council within the joint environmental services contract*
- b) *The outcome of the recent Project Integra review and proposals to address these issues as well as considering future infrastructure developments*
- c) *To ensure that any proposals are cost effective and practical*
- d) *Potential campaigns to educate householders regarding existing arrangements and achieve behavioural change linking in with the work of Recycle for Hampshire'*

1.4 The review included input from the City Council's waste contract partner, East Hampshire District Council through interviews with the Joint Client Team Manager, portfolio holder and senior management representative regarding possible joint initiatives in the future. The views of Cllr Weston as the current City Council Portfolio Holder for Environment were also taken into account.

1.5 The ISG met on 5 occasions as follows

**Meeting 1 – Thursday 26 January**

**Topic** – To agree Terms of Reference and receive background information on the Project Integra Partnership and current recycling levels.

**Meeting 2 – Tuesday 7 February**

**Topic** – Project Integra Review and future developments

- Steve Tilbury (Review Chair)
- John Redmayne (Executive Officer)

**Meeting 3 – Tuesday 21 February**

**Topic** – Materials Recycling facilities

- Visit to materials recycling facility at Alton
- Veolia Ltd – recycling materials market

**Meeting 4 – Thursday 7 March**

**Topic** – Agree options for future development and report content

**Meeting 5 – Thursday 15 March 2012**

**Topic** – Partners

- Brian Turner (Joint Client Team Manager)
- Jackie Bachelor (Executive Head for Neighbourhood Management)
- Cllr Victoria Weston (Portfolio Holder, WCC)
- Cllr Hillary Ayer (Portfolio Holder, EHDC)

2. Existing approach to Recycling

2.1 The ISG considered current information on recycling levels and were advised that what can be recycled was largely dictated by the Project Integra partnership. Occasionally new items were added to the list where these could be sold on to markets and a recent example was the addition of aerosols and metal jar lids/bottle tops.



- 2.2 Project Integra operated a Materials Analysis Facility (MAF) to sample loads delivered to the recycling facility with the content analysed to clarify capture rates (i.e. what has been correctly placed in the recycling bin.)
- 2.3 Contamination rates (i.e. incorrect materials put in the recycling bin) were also measured and these had increased across all the Integra authorities during the previous 12 months. The Integra partnership was aware of this development and was striving to understand why this was the case.
- 2.4 A key factor was the potentially additional monetary value to Project Integra from increasing capture rates. An additional 10% of capture would add the following amounts of income:

Paper/card -	£1.8m
Glass -	£260k
Cans -	£543k
Plastic bottles -	£204k

### 3. PI review and future developments

- 3.1 As part of its review the ISG considered the recent developments within PI following a detailed review of its working. The PI Management Board was inclusive of representatives from all the collection and disposal authorities in Hampshire.
- 3.2 The recent PI review was undertaken by a group of officers from Southampton, New Forest, Hart, and Portsmouth Councils and had been led by Steve Tilbury for WCC. It looked at how PI could be driven forward after its undoubted success for the first 10 – 15 years of its existence. The review recognised that PI was at a turning point, whereby some of the benefits and financial return from recycling was outweighed by the increasingly large costs of the process. PI should therefore ideally have a greater emphasis on increasing recycling, and reducing costs.
- 3.3 The review concluded that the recycling and disposal infrastructure throughout Hampshire was fit for purpose as it provided the necessary options for the collection authorities to minimise waste to landfill thereby reducing landfill tax costs. PI was also being asked to consider future recycling initiatives, including food waste collections and the need for better integration of services across the authorities to reduce costs.
- 3.4 The ISG considered some of the performance information on both recycling capture rates and contamination. Trend data showed that there had been a gradual step change in the way that waste was being dealt with, with a gradual increase since the early 2000s of waste diverted from landfill.
- 3.5 The conclusions of the recent review were considered by the ISG so that these could be taken into account as part of the final recommendations as follows:
- Scrutiny of PI would now be undertaken by the individual Councils rather than a separate scrutiny panel – this was seen as a positive

move by helping to generate exposure of the work of the partnership for elected Members.

- A review of the Joint Municipal Waste Management Strategy was to be completed to set out the new direction for the partnership.
- Greater emphasis would be placed on strategic and financial objectives and the need to reduce costs,
- More integration of communications and analysis, e.g. how to use infrastructure more effectively.

- 3.6 The ISG were advised that a PI promotional campaign designed to increase metal recycling (aluminium cans etc) had had a positive impact and that the costs of campaign had been more than offset by increased income levels. This business model could also be applied to other materials in the future.
- 3.7 The need for PI to provide consistent messages to the public was identified as an important factor that would impact on their 'behaviour' with regard to waste management. Key messages were what can, and cannot be recycled, in addition to demonstrating the costs of recycling and the impact of contaminated loads. It was far more cost effective (and the impact far greater) for these campaigns to be 'run' by PI as opposed to by each authority.
- 3.8 The ISG were advised that the costs associated with food waste recycling were high compared with the environmental benefit. Eastleigh Borough Council currently transported its food waste to a plant in Dorset, and therefore there was only marginal benefit due to the associated costs. Removing food waste from the general waste also reduced the heat output of the energy from waste incinerator.
- 3.9 Residents benefited from weekly food waste collections by reducing the amount of general waste that was collected fortnightly and with fewer potential problems of smells and flies. However, poorly managed food recycling plants can generate problems for residents in the vicinity from smells and also from disturbance due to deliveries. Whilst the current processing infrastructure in Hampshire was poor there was the potential for building of recycling plants by private companies using government incentives which could be used in the future.
- 3.10 PI was also monitoring trials by companies to reduce the amount of packaging which, whilst offering environmental benefits this did result in fewer quantities of recyclables available and therefore income.
- 3.11 The ISG explored the possibility of PI potentially entering into the commercial market for recycling – i.e. waste from shops, hospital, prisons etc and from other waste streams. They were advised that although there was potential for PI to negotiate with the Business Improvement Districts to establish such arrangements it did not have the capacity to compete with large scale commercial enterprises.

#### 4. The role of recycling facilities

- 4.1 As part of its review the ISG visited the Veolia Environmental Services Alton Materials Recycling Facility during which they heard about the operation of the Hampshire wide recycling contract, and on the operation of the Alton facility.
- 4.2 At the Alton facility recyclables are sorted and stored ready for transport for sale to materials markets. The facility also benefits from a Materials Analysis Facility (MAF) which can be used to assess waste composition which can then be used to tackle contamination and recycling capture rates. Alton forms part of a network of facilities across Hampshire which includes transfer stations, energy recovery facilities and materials recovery facilities.
- 4.3 Hampshire has a 91 – 92% landfill diversion rate and 98.8% of residents have access to kerbside collection of dry recyclables. In 2001, 750 tonnes of waste was sent to landfill but by 2012, this had reduced to 70 tonnes.
- 4.4 The contract specification with Veolia was drawn up and commenced in 1996 so the technology within the Alton plant to deliver this specification was put in place at this time. Consequently, the materials recycled today remain broadly similar to that time, as do their markets. The ISG were advised that new recycling technology would be able to deal with different types of plastic in the future, i.e. yoghurt pots etc.
- 4.5 The visit confirmed the ISG's initial view that the recycling logos on packaging were confusing to the public and some logos meant that the item had originated from recycled materials rather than it being recyclable. Added to this was the fact that packaging was often complex in terms of what can or cannot be recycled.
- 4.6 The ISG considered the technology used within the Alton MRF to target and separate materials. Previously non targeted recyclables had been added after the commencement of the contract including now included yellow pages, certain types of bottles, aerosol cans and metal bottle tops/jar lids.
- 4.7 During the Alton MRF visit it was made clear that that glass had to be kept separate to avoid contamination at the paper mills. At any glass recycling plant the glass was ground up and metal rings, plastic stoppers etc then easily removed. An optical sorter then separated the different coloured glass granules into different fractions. Those authorities using Bottle Bank skip facilities that segregated different coloured glass gained a slightly higher price for the material as the glass having already been sorted.
- 4.8 Contractors were currently investigating the possibility for the recycling and disposal of larger objects that are sent to landfill including the use of giant shredding machines to process beds and sofas etc. The investment required would be offset by the reduced landfill tax payable.

#### 5. Options for the future

- 5.1 Data was examined on capture rates across both collection authorities within an environment where recyclables markets remained relatively unstable.

There was agreement that there was a need for fresh initiatives including a public campaign for behavioural change aimed at improving capture rates and reducing contamination rates, where this was efficient and cost effective to do so. Any initiative would need to be introduced in partnership with EHDC so that residents received consistent messages in the area.

- 5.2 At the time of the ISG review the City Council had submitted an expression of interest for possible funding of these schemes from the Government's weekly collection fund for possible Introduction of kerbside glass and/or food waste collections. If introduced these would increase Winchester's recycling rates to over 50% but both were expensive to implement so could only be progressed if this was financially viable. However, following receipt of the final options appraisal it was decided not to progress to submission of a full bid because of the ongoing revenue costs from years 4 & 5 onwards and the adverse environmental impact from the additional vehicles required for collections. The following recommendations therefore focus on opportunities to increase capture rates and reduce contamination of recyclable within the existing collection system.
- 5.3 In considering the content of any behavioural change campaign it was recognised that this would need to be firstly researched in order to establish what would work best. Officers would identify methods undertaken by other Councils outside of the area, as appropriate. Particular areas of the district could be targeted using analysis data from MAFs. The ISG discussed whether there should be a targeted approach to those poorer performing areas, or whether it would be more cost effective for a blanket approach to a generalised campaign across the whole district.
- 5.4 The ISG recognised that the potential benefits of a behavioural change campaign due to increased capture rates and therefore income could be used to offset or fully fund projects. Evidence was provided to show how this approach worked for materials such as beverage cans and paper and card.
- 5.5 Once agreed, the recommendations would inform the joint Partner Implementation Plan with EHDC which considered business cases for each project to increase capture rates.
- 5.6 The ISG also felt that there was a need for some 'carrots' to entice people to improve their recycling rates – such as purchasing food cones for their gardens. Evidence from other Councils could be used to inform any such initiatives.
6. Final recommendations
- 6.1 In drawing up its final recommendations the ISG agreed that it should focus on the following matters:
- (i) Reduction in contamination and increase capture rates of recyclables,
  - (ii) Investigation of any new opportunities to increase recycling rates,
  - (iii) How to move forward with regard to the government 'challenge' funding.

- 6.2 With the decision by the Portfolio Holder not to pursue the challenge funding option for the reasons explained above and the expiry of the deadline for submission of detailed bids this issue is no longer appropriate.
- 6.3 The final recommendations of the ISG are therefore as follows:
- a) In partnership with East Hampshire District Council the City Council should develop a behavioural change campaign aimed at:
    - 1. increasing recycling capture rates,
    - 2. reduce contamination of recyclables
    - 3. exploit any new opportunities for collecting recyclables,
  - b) The campaign should inform and support the work of the shared Partner Implementation Plan with East Hampshire District Council
  - c) Any initiatives within the campaign should be subject to business case consideration and only introduced where it is cost effective to do so. Priority should be given to those materials with the greatest income potential.
  - d) The campaign should be a combination of district wide publicity and specific campaigns to targeted areas where capture or contamination issues are known to exist
  - e) In order to support recommendation c) the partnership should make the best use of the Materials Analysis facility in order to identify the priority areas
  - f) The campaign should include reminders about the previous materials that could be recycled as well as clear information about new materials such as aerosol cans and metal bottle tops/jar lids