

PROJECT INTEGRA BUSINESS PLAN 2004/05

1. INTRODUCTION

- 1.1. The purpose of the report is to obtain the Council's endorsement of the Project Integra Annual Business Plan (ABP) for 2004/05. New Forest District Council, along with all other local authorities in Hampshire, are members of Project Integra. Project Integra is a partnership which seeks to achieve an integrated approach to waste management in Hampshire.
- 1.2. Project Integra was established in 1995 as a partnership between Hampshire County Council, Southampton City Council, Portsmouth City Council, District Councils in Hampshire and contractor Hampshire Waste Services. Project Integra seeks to achieve a fully integrated waste management scheme for Hampshire and is recognised as being one of the leading waste management partnerships in the UK.
- 1.3. Project Integra was reorganised in 2001 as a formal Joint Committee with Member representatives from each authority (see ABP Page 31). The purpose of the Joint Committee is to allow more rapid and effective decision making within Project Integra. In order that Councils retain control over Project Integra's activities, the nominated Members were only given authority to act on behalf of the Council within the terms of the ABP. This plan must be agreed annually by each Council. A copy of the ABP has been placed in the Members' Room for reference.

2. PROJECT INTEGRA

- 2.1. In April 2001 a formal management structure was set up for Project Integra. At Member level there is a Management Board and a Policy Review & Scrutiny Committee. Both groups meet four times per year. Councillor Thierry represents New Forest District Council on the Project Integra Management Board and Councillor Shepherd is the Council's representative on the Policy Review and Scrutiny Committee. There is a Strategy Group which is a county wide Officer Forum plus Topic Groups to discuss particular issues. The Project Integra Executive Officer is currently a full-time post, supported by three part time Administrative Officers (see ABP Page 31).
- 2.2. Project Integra does not manage operational waste management in Hampshire. The District and Unitary Authorities are responsible for refuse collection and recycling and they make their own arrangements for these services that are outside of the remit of Project Integra. Similarly, the waste disposal contract for Hampshire is a contractual relationship between Hampshire County Council, the Unitary Authorities and Hampshire Waste Services. Project Integra is not involved in the management of this long term contract.

- 2.3 The main objectives of Project Integra are as follows:
- 2.3.1 To support and co-ordinate the activities of the project Integra partners.
 - 2.3.2 To promote projects and research on Waste Minimisation, recycling and waste management.
 - 2.3.3 To co-ordinate promotion of recycling and waste minimisation.
 - 2.3.4 Marketing of recycled materials.
 - 2.3.5 Waste Policy Issues.
 - 2.3.6 Communication between the Project Integra Partners.

3. PROJECT INTEGRA ANNUAL BUSINESS PLAN – 2004/05

- 3.1 The ABP has been prepared by the Project Integra Executive Officer. The ABP is a key document which details the goals and activities agreed by the Partnership for 2004/05 and sets out longer term objectives for Project Integra.
- 3.2 The ABP has two important objectives for 2004/05, these are capture and quality. Analysis of collected recyclables in Hampshire carried out in July 2003 has shown that material collected from all Authorities contains about 15% of contrary material. Also the quantities of recyclables collected suggests that there is a significant amount of recyclable material in the household waste that could be separated out for recycling. It is therefore essential for Project Integra to concentrate on capture and quality. Capture means trying to recover more paper, cans etc. from the waste stream into recycling schemes. Quality means trying to reduce the amount of contrary materials (such as non-recyclable plastics) that is put into the recycling. Addressing these factors is largely a communications and publicity issue which can be co-ordinated and promoted by Project Integra (see ABP Page 17).

4. FINANCIAL IMPLICATIONS

- 4.1 The Project Integra Executive costs (which include the salary of the Executive Officer, travel and administration expenses) are funded by a direct contribution from each of the Partner Authorities. For 2004/05 the cost of the Project Integra Executive is expected to amount to £157,796. The subscription expected from New Forest District Council for the Project Integra Executive is £12,916. The New Forest District Council's contribution is based on a formula agreed by the Project Integra Management Board of 7.62 pence per annum per head of population. (See ABP Page 28). The subscription to Project Integra for 2004/05 to support the Executive has been included in this Council's 2004/05 Expenditure Plan.

4.2 In addition to the subscription to support the Executive, the Project Integra Management Board has agreed to raise a further £150,000 to support projects in 2004/05. This money is required to:

- Deal with emergency circumstances or other contingencies.
- Provide support for other projects which are approved during the course of the financial year. (See ABP Page 29)

The cost to this Council of the additional £150,000 funding agreed by the Project Integra Management Board will be a further contribution of £15,452 in 2004/05. (See ABP Page 28) It is anticipated that this sum will be offset by additional income.

4.3 To balance the contributions to Project Integra, each Authority receives a share of income from the sale of materials recovered at the Materials Reclamation Facility (MRF). This agreement was negotiated in 1995. The exact sum owing to each Authority for each financial year depends upon the market price of the materials (paper, card, metals etc) recovered at the MRF. For 2004/05 the income share is expected to be about £4 per tonne of recyclables sent to the MRF. Provision has been made in 2004/05 budgets for income of £35,000 from the sale of the recyclables from the MRF.

5. ENVIRONMENTAL IMPLICATIONS

5.1 There are no direct environmental implications.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications.

7. PORTFOLIO HOLDER COMMENTS

7.1 The Portfolio Holder for the Environment supports the ABP and recommends Cabinet Approval.

8. CONCLUSION

8.1 The ABP sets out the goals and objectives agreed for Project Integra for 2003/04. The Project Integra partnership has an important role in co-ordinating waste management in Hampshire communication, research, marketing and waste minimisation. Project Integra has two principle objectives for 2004/05, to improve the capture and quality of collected dry recyclables.

8.2 The Council is committed to pay a subscription of £12,916 to Project Integra in 2004/05. The Council has a budgeted income of about £35,000 from Hampshire county Council in 2004/05 from the sale of materials recovered at the MRF. In addition to this a further £15,452 is required to support projects which it is anticipated will be offset by increased income.

9. RECOMMENDATION

- 9.1 It is recommended that the Council endorse the Project Integra Annual Business Plan 2004/05.

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Background Papers:

Project Integra Annual
Business Plan 2004/05
Cabinet – 6 August 2003
Report H – Project Integra Business
Plan 2003/04

*RY/Word/Tech/Reports/Corp-PI
12.02.04*

“Capture and Quality”

Project Integra

Annual Business Plan

2004/05

Consultation Draft Approved by the
Project Integra Management Board
January 2004



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Foreword

When it was first conceived, Project Integra set out to bring about a fundamental change in thinking from waste disposal to Integrated Waste Management. The collaborative approach embodied by the partnership was as much a leap forward as the new facilities and systems that now underpin all we do.

By the end of 2004/5, the infrastructure proposed following the original consultation exercise will be in place. We can all take some pride in being able to demonstrate Integrated Waste Management in action. Our long-term strategy will start to repay the up front investment made, particularly as landfill tax rises more steeply and the Landfill Allowance Trading Scheme begins to take effect.

More immediately, for the first time in several years we will no longer be constrained by a lack of processing capacity in the county. This places the emphasis back on more effective collection. Most households in the county are now served by kerbside collection of mixed dry recyclables and therefore there is limited scope to improve performance through rolling out of collection systems. Our primary aim is therefore to improve the capture rate and quality of the material we take in from our existing systems. This means that communication takes on renewed importance.

This Annual Business Plan sets out our strategic objectives and how our activities should contribute to their achievement. The details are set out but the plan is flexible within those constraints.

The Material Resources Strategy is an ambitious project that seeks to take a fresh look at the way that we treat waste as an “end of the pipe” problem. There are difficult questions that must be asked and answered in relation to future systems, processes and sites. Moving to materials resource management represents another fundamental shift in thinking. It is easy to forget that actually Integra was born out of a crisis when the community rejected an unpopular waste disposal solution. Ten years on, the challenges are now more complex than ever. One objective of the MRS is to find solutions in an inclusive way before another crisis hits.

.....
Cllr Roland Dibbs
Chairman, Management Board

.....
Cllr Keith Estlin
Vice Chairman, Management Board

.....
Cllr Alan Marsh
Chairman, Policy Review & Scrutiny
Committee

.....
Cllr Judy Onslow
Vice Chairman, Policy Review & Scrutiny
Committee

January 2004

1. Executive Summary

1.1 Key Objectives for 2004/5 – “Capture and Quality”

Integra has set itself three key operational targets for 2004/5:

- Position the partnership to achieve the overall 40% BVPI target by March 2006
- Double the capture of kerbside collected recyclables from 30% to 60% through new and existing schemes by March 2006
- Reduce MRF contamination output from 15% to 10% by March 2005.

The strategic priorities are the completion of the 2020 Vision Best Value Review and a Material Resources Strategy for Hampshire.

1.2 Mission Statement

Project Integra’s current mission is to manage waste generated by households in Hampshire, gaining benefits from integration, scale, synergy and influence.

1.3 Background

Project Integra is a mature partnership of the 14 Councils in Hampshire plus Hampshire Waste Services. In the mid 90s the partnership set about to achieve an integrated approach to municipal waste management. This has been achieved and the project is a flagship example of local authority collaboration. Activities can be categorised into three groups, the first and second are usually provided by individual partners, the third is the joint responsibility of the partnership.

The Public Interface - includes kerbside collections of multiple material streams (dry mixed recyclables, garden waste, bulky waste etc), bring banks and household waste recovery centres. It also includes direct engagement, education and dissemination of advice and dealing with the media.

Processing, Valorisation and Final Disposal. This is the transport, handling, processing, high level segregation and transfer of materials to reprocessors, energy recovery or final disposal.

Strategic Development and Co-ordination - Includes policy direction, market development, research and development, interface with government and other agencies at the strategic level. Also internal communication within the partnership, strategic communication with the public and other stakeholders, promotion of the Hampshire model in the UK and elsewhere and member training.

The partnership is serviced by an Executive Officer supported by a small secretariat and service level agreements. Much work is progressed through a number of officer working groups looking at particular aspects including Materials Marketing, Waste Minimisation, Research, Communications, and Biowaste. There are also three regional operations groups. These are chaired and supported by

officers from within the partnership and this time represents a valuable contribution and resource by the partners concerned.

The partnership has received a number of accolades and has remained robust in the face of ever increasing challenges. During 2003, the partnership recognised the need to think through how it would need to respond to the challenges of the next two decades. The need for a “2020 vision” coincided with the proposal of the Hampshire Natural Resources Trust to undertake a fundamental review of how Hampshire deals with material resources and the statutory requirement of the Waste Disposal Authorities to develop a Minerals and Waste Development Strategy. The ambitious response was the agreement of Hampshire County Council, Portsmouth City Council, Southampton City Council, together with Project Integra, to develop a Material Resources Strategy for the county. It is anticipated that this will be substantially completed by the autumn of 2004, although the document itself will be constantly updated.

1.4 Key Objectives 2004/5

The key objectives for 2004/5 “Capture and Quality” (see paragraph 1.1) are driven by the availability of processing capacity, community demands for recycling a wider range of materials, especially plastics, the need to ensure value for money and Government Best Value Performance Indicator (BVPI) targets. With major facilities coming on-stream in 2004, for the first time in several years lack of infrastructure capacity (MRF and Composting Sites) within the county will not be the main limiting factor.

Waste Volume Service Plan projections provided by all partners in the summer of 1993 indicate that only four partners expect to be able to meet their 2005/6 BVPIs. A principle aim of this Annual Business Plan is to assist authorities to improve their own performance, boosting that of Integra as a whole. This will be approached through increasing the tonnage of material captured and taken out of the disposal stream and increasing the overall quality of diverted material by reducing contamination at all stages in the collection and processing chain.

1.5 Key Projects for 2004/5

1.5.1 Operational

- Support roll out of collections systems for dry mixed recyclate and green garden material
- Evaluate results of the kerbside glass trial
- Facilities for a continuing waste and resource analysis programme

1.5.2 Communications Strategy

- Research, including market research
- Direct Communications i.e. face to face contact with the public, to support new and mature schemes, disseminate general and targeted messages about waste management issues including recycling and waste minimisation

- Indirect communications, e.g. publicity through advertising, leaflets, council newsletters etc.
- Crew training
- Monitoring and evaluation
- Working with local community groups.

1.5.3 *Waste Minimisation*

To help offset the growing waste problem and its accompanying budget and infrastructure implications. The aim is to increase understanding of how consumer behaviour and choice affects the use of resources and to apply this information to the process chain and to encourage reuse and refurbishment.

1.5.4 *Market Development of plastics*

In response to the public demand for recycling more plastics, the objective is to explore the potential for establishing a local processing facility and stimulating local markets to use more recycled plastics.

1.5.5 *Organisational*

- Implement action points arising from the best value review option appraisal
- Review Executive Officer post and make permanent appointment.

1.5.6 *Other Projects*

- Textiles
- On street facilities for segregating litter
- Biofuels
- Facilitate schools recycling

1.6 **Finance**

Relevant services provided by the Project Integra partners cost an aggregate of £76m per annum - around £46m of this for disposal. The cost of collection and disposal is growing above the rate of inflation.

In 2003/4 a total of £5.1m was awarded by Defra for new infrastructure and collection schemes. A further £5m has been secured for 2004/5. A Project Board will be set up with Defra to prioritise and monitor.

The Executive has set a budget of £157K for the year. The partnership has also agreed to raise £150K through subscription for joint projects. We will also pursue opportunities to realise savings arising out of the best value review option appraisal and opportunities for external funding.

1.7 Summary

The immediate operational priority is to improve capture and quality of kerbside collected resources.

The strategic priority is to develop a Material Resources Strategy. The short strategic priority is to complete the best value review during the first part of the financial year.

2. Project Integra – The Business

2.1 Description

Project Integra is the partnership of the 14 waste collection and disposal authorities in Hampshire along with the disposal contractor, Hampshire Waste Services.

The Project Integra Management Board is a joint committee constituted by the Partner Authorities under Section 101(5) and 102(1) of the Local Government Act 1972. Meetings of the Board are subject to the provisions of the Local Government Act 1972, including provisions on access to information and meetings being held in public. The role of the Policy Review and Scrutiny Committee is to discharge the functions conferred by Section 21 of the Local Government Act 2000 in relation to the activities of the Board.

The Constitution (integra.org.uk/board/index.html) requires the Board to produce a Draft Annual Business Plan which will set out the strategy for the achievement of the partnership's objectives over the next full twelve-month period commencing on the 1st April.

The Draft Annual Business Plan must be considered by each of the Partner Authorities with a view to giving it their approval. On being approved by all of the Partner Authorities, the Draft Annual Business Plan shall become the Approved Annual Business Plan.

2.2 Recognition

Project Integra is internationally recognised as a successful collaborative partnership of local authorities. In the UK the partnership has been acknowledged through the following awards and references:

- In December 1999, The Project Integra partners were awarded Beacon Status for 2000/01 under the – “Sustainable Development - Dealing with Waste” category
- The partnership was case studied in *Waste Strategy 2000*, which remains the Government's central policy document on waste
- A total of £5.1m awarded from the Defra National Recycling and Waste Minimisation Fund 2003/4, including £2.4m for the partnership bid for additional composting capacity
- Project Integra was highlighted in the Government's Strategy Unit's Report “Waste Not Want Not” December 2002 as an example of how added value can be achieved through partnership working
- National Recycling Awards 2003 Winner “Best Partnership Project for Recycling” 2003 for collaboration with Midland Glass
- A further £5m of funding for the partnership was announced by Defra in December 2003.

2.3 *Brief History*

The concept of an integrated waste management system for household waste in Hampshire was born in the early 1990s out of an urgent need to provide new solutions to the medium term problem of landfill shortage and replacement of obsolete incinerators. The first attempt at a solution failed as, against a background of local objection, a planning application for a large mass burn energy from waste incinerator at Portsmouth was rejected. This led to the recognition that a new approach was needed based on more recycling and smaller scale waste facilities.

A wide scale public consultation exercise was undertaken by Hampshire County Council (HCC) in 1993. The process and issues were set out in a consultation paper "*The Way Forward*" which was subject to detailed community debate and scrutiny. The County Council was then the Waste Disposal Authority (WDA) with responsibility for disposing of all Hampshire's household Waste. The City, District and Borough Councils were designated Waste Collection Authorities (WCAs). In 1997, Portsmouth and Southampton became unitary authorities and thus also WDAs in their own right. It was realised early on that waste collection, processing and disposal should be regarded as an overall system. This led to the WDA and WCAs working together to build the consensus approach set out in a second document "*Dealing with Hampshire's Waste - the proposed Solution* (1995).

The document set out a number of principles that needed to be embedded in the approach. These included:

- Integrated Waste Management – using a variety of waste management options
- The Proximity Principle – where possible, Hampshire's waste should be dealt with within the County Boundary
- The Waste Hierarchy, with waste minimisation at the top. The strategy aimed to hold waste at 1995 levels
- For the remaining waste the goal was to achieve a recycling rate of 25% by 2000 with a longer-term target to recycle 40%
- Energy would be recovered from the remainder, with landfill as the last resort
- The document set out the idea of three Hampshire regions, each with its own infrastructure.

In 1996, following a competitive tendering process, a long-term contract (to run for 25 years after the commissioning of the major infrastructure) was signed with Hampshire Waste Services to deliver the infrastructure and supporting waste management services for all of Hampshire's household and municipal waste.

The name given to the proposal submitted by Hampshire Waste Services was "Project Integra". This name was adopted by the partnership of all Hampshire local authorities who signed a memorandum of understanding setting out the principles under which they would work.

In 2000, the partnership agreed to set the arrangement on a more formal basis through the formation of the Management Board, supported by a Policy Review and Scrutiny Committee. The Board held its inaugural meeting in July 2001.

2.4 Services Provided

2.4.1 Overview

The services provided by the partnership are the collection, processing and valorisation* or final disposal of material resources which have been discarded by householders.

* Valorisation refers to the concept of optimising or increasing the value of waste by treating it or regarding it in some other fashion to give it added value. This could include treating it as an economic development resource and/or secondary raw material for industry.

The services provided have direct and indirect benefits to the consumer. The direct benefits are the safe and reliable removal of the unwanted material from their hands. The indirect benefits are that this is done in the most sustainable way possible to minimise environmental impact and optimise economic and social benefits. Sometimes the two are perceived to be in conflict, for example some householders would prefer not to have to segregate recyclable material for collection. There is, however, a net environmental benefit for the community as a whole if householders do segregate their discarded material.

In order to optimise environmental, economic and social benefits, different solutions and processes are required for different parts of the waste stream. The management of the household waste stream in this way is known as integrated waste management (IWM).

IWM is facilitated through a complex set of relationships, underpinned by various statutory obligations and contractual arrangements between the Integra partners themselves and third parties.

There are many ways that these relationships could be categorised, but the following provides a simple three circle model of responsibilities and who fulfils them. Inevitably there are overlaps between the circles, notably the issue of communication.

2.4.2 Frontline Services

These are the services that directly interface with the public. This category includes kerbside collections of multiple material streams (dry mixed recyclables, garden waste, bulky waste etc), bring banks and household waste recovery centres. It also includes direct engagement, education and dissemination of advice and dealing with the media.

The “hard” services are provided by the waste collection authorities and, in the case of HWRCs, the WDAs. In some authorities these are provided through a Direct Service Organisation (DSO). In others, the service is contracted out to a

private sector operator. Communication is a responsibility of all partners, often co-ordinated through the Executive.

2.4.3 Processing, Valorisation and Final Disposal

This is the transport, handling, processing, high level segregation and transfer of materials to reprocessors, energy recovery or final disposal.

These services are not provided directly by the local authority partners but under contracts with private sector operators. The principal instrument is the long term contract with Hampshire Waste Services but the partners also have contracts with others such as the Midland Glass Processing Company. In turn, HWS and other primary partners enter into contracts with reprocessors to supply material on behalf of the Integra partnership.

2.4.4 Strategic Development and Co-ordination.

Strategic development is the responsibility of the whole partnership, facilitated through the Executive and the Management Board, so that all involved have a voice in all service areas. Strategic development includes policy direction, market development, research and development, interface with government and other agencies at the strategic level. The Executive also facilitates and co-ordinates communication within the partnership, strategic communication with the public and other stakeholders, promotion of the Hampshire model in the UK and elsewhere and member training.

The Executive maintains an overview of activity and critical issues which affect the partnership, and thereby seeks to be proactive in the management of risk. Partners have become increasingly aware that integrated resource management requires a broad understanding of the whole process chain by each actor within it. Changes made in one part of the chain, for example kerbside collection, can have implications upstream (communication with householders) and downstream (segregation and marketing of material). A major role of the Executive is to ensure that policies and activities join up.

The Executive consists of an Executive Officer supported by a small secretariat but also includes a network of officer and member working groups. The way it works is described in more detail in Section 4.

2.5 Key Issues and Challenges

2.5.1 European Union Agenda

The European Union Agenda, expressed through its Sixth Environmental Action Plan (europa.eu.int/comm/environment/newprg/index.htm) reflects a change in thinking away from waste management towards integrated resources management.

Traditionally EU policy has sought to mitigate the externalities of waste disposal (the costs that fall on society as a whole rather than the operators of waste

management services). For instance there are, within Hampshire as elsewhere, examples of where environmental problems associated with closed landfill sites have been largely left with the local community to deal with rather than resolved by the previous operator of the site. Landfill site emissions also have a global impact through contributions to the greenhouse effect.

EU legislation over the last three decades has tried to mitigate the effects of externalities by tighter environmental controls reflecting the *Polluter Pays Principle* and *Producer Responsibility*.

This has meant waste management has become vastly more effective (and also much more complex and expensive) over the last two decades, but there is still a tendency to concentrate on “end of the pipe” solutions. This emphasis on dealing with products at the end of their life fails to look at how resources can be used more effectively and efficiently throughout product life cycles.

The resource management approach is more holistic, looking at environmental impacts throughout the process chain from mineral/raw material extraction, manufacture of goods, distribution, consumption and disposal. The long term aim of the EU is to “decouple” the environmental impacts of resource and energy use from economic growth.

2.5.2 UK Agenda

The UK agenda is currently dominated by the EU Landfill Directive. (europa.eu.int/comm/environment/waste/landfill_index.htm). The UK has historically relied heavily on landfill for final disposal, partly a reflection of geology and the legacy of previous industrial activity. This has meant that landfill has on the whole been plentiful and therefore relatively cheap as externalities have not been passed on to the operators and users. The UK has for a number of years used an economic instrument (the landfill tax) to try and rebalance the situation but many, including within Project Integra, take the view that the rate has been too low. Throughout the 1990s, UK governments relied on local authorities making progress on reducing municipal waste through recycling/composting schemes without the benefit of direct financial support or channelling cash raised from producer responsibility legislation (income from Packaging Recovery Notes (PRNs)) and with limited access to landfill tax credits.

The Landfill Directive requires Member states to progressively reduce the amount of biodegradable municipal waste going to landfill, with key milestones in 2010, 2013 and 2020. The UK potentially faces fines of up to £500,000 a day for failing to comply.

Since 2000, the UK Government has set up the following initiatives:

- Statutory performance standards for all local authorities (BVPIs)
- Formation of WRAP (wrap.org.uk)
- Formation of the Waste Implementation Programme to assist local authorities to deliver their targets

- Creation of the Waste Minimisation and Recycling Fund with 2004/5 funding targeted at partnerships
- Requirement for Joint Municipal Waste Strategies.

2.5.3 Hampshire's Strategic Agenda

Integra identified the issues of limited landfill capacity and waste growth in the mid 1990s and put in place a strategy to deal with them. Hampshire's move away from reliance on landfill and the delivery of infrastructure to achieve this has put it well ahead of most comparator groupings and make it well placed to comply with the Landfill Directive.

The strategic debate within Hampshire now much more closely mirrors the EU agenda. This has led to the proposal for a *Material Resources Strategy*.

The 2003/4 Project Integra Annual Business Plan set out the idea of reaching a "2020 Vision" for Hampshire. It was clear from the outset that the vision would need to be founded on the concept of resource management. Through dialogue with the Hampshire Natural Resources Initiative team (hnri.co.uk) the idea of a the Material Resources Strategy (MRS) for Hampshire emerged.

The MRS (mrs-hampshire.org.uk) is a partnership between Hampshire County Council, Southampton City Council, Portsmouth City Council, Project Integra and the wider community – including commerce and industry, community groups, Central Government and other public sector organisations.

A key principle of the MRS is that to be successful in moving from waste to resource management, we will have to stop looking at household and commercial waste separately. The MRS will therefore facilitate an integrated approach to waste collection, processing, and the marketing of recycled materials over all sectors.

There are three main elements to the strategy:

- **Engaging the Process Chain** – Working with industry "upstream" to avoid, reduce or recycle material or energy at all stages of extraction, production, transport, retail, consumption and disposal.
- **Establishing Material Recovery Systems** – To set up collection and other systems that are designed around the various *materials* in the resource stream. The *source* of the material will be much less important. This means changing attitudes and behaviour toward these materials in industry and in the home.
- **Facilitating the delivery of the new infrastructure required** – Through consultation with many stakeholders and the community, setting up a strategic and local land use planning framework to try and speed up delivery.

The MRS principles, process and timetable are explained in more detail at mrs-hampshire.org.uk. The process aims to be inclusive and to develop a public document by the autumn of 2004.

The MRS will be the principal strategic driver for Integra in 2004/05 and for many years to come. In the meantime the best value review will look at Integra's role within the overall MRS strategy and how the partnership can continue to develop and continuously improve in a way that challenges but does not alienate partner authorities.

2.5.4 Hampshire Operational Challenges

While Project Integra has made good progress with its strategic agenda, there are still many issues that require resolution:

- Meeting the 2005/6 targets collectively
- Assisting individual partners to meet their individual BVPs
- Containing waste growth and engaging with the community
- Containing costs and resource efficiency
- Developing other performance indicators – for example CO₂ based indicators.

2.6 Integra's Current Performance

Table 2.1 shows waste volumes and fate of collected material in the first half of 2003/4. Performance is reported to the Board in this way on a quarterly basis. The data confirms the recycling rate for Integra at just below 25%.

The tonnage of material landfilled is predicted to decline dramatically during 2004/5, with the commissioning of the two further EFW plants and increases in kerbside recycling and green waste collection schemes by WCAs .

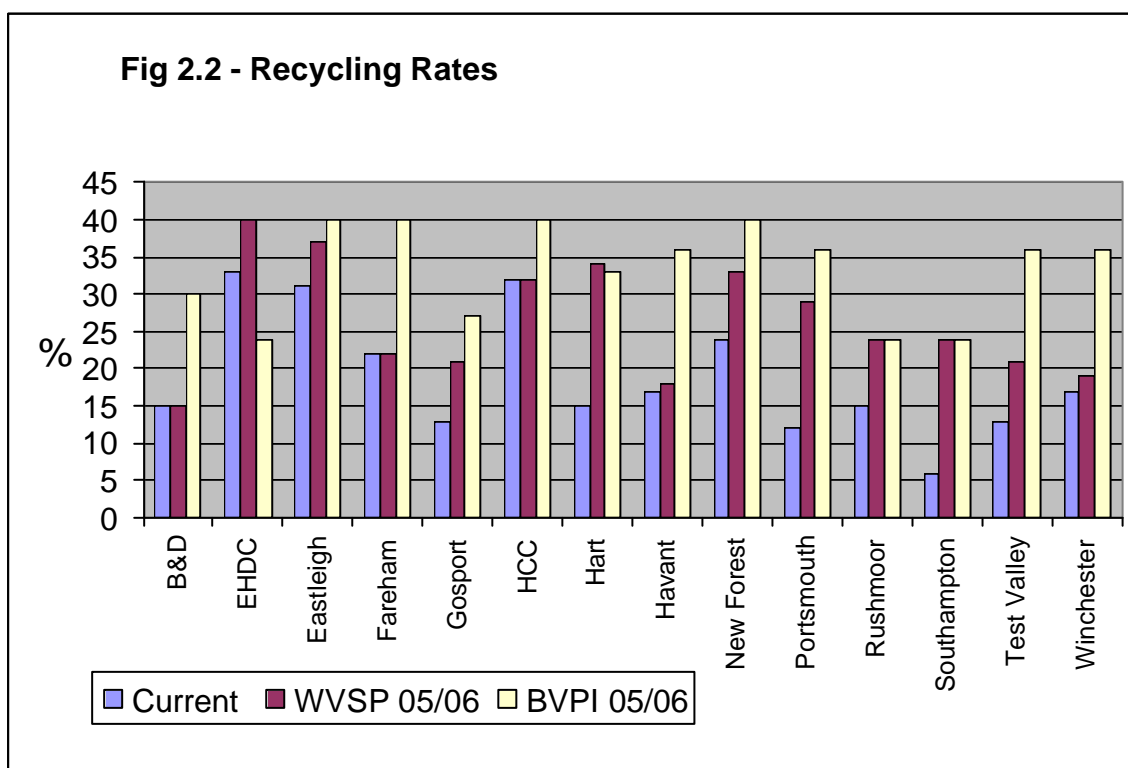
Table 2.1 Waste Volumes & Performance April-Oct 2003/04		
	Tonnes	%
Total Waste (Material) Handled	539,365.48	
Less: Soil & Rubble/Bric-a-Brac	22,952.80	
Less: Commercial Waste	6,792.64	
Total Household Waste	509,620.04	
Recycled:		
MRF	41,632.11	
Green (Compost)	44,566.06	
HWRC Recycled	19,299.50	
Recycling Banks:		
Glass	11,541.43	
Paper	5,565.79	
Textiles/Other	1,296.23	
Cans	6.54	
3rd Party	1,096.33	
Fridges/Other	976.16	
Total Recycled	125,980.15	24.72%
(continued over)		

Recovered:		
Energy Recovery	53,808.49	10.56%
Disposed		
Direct to Landfill	323,179.33	
Residues MRF	4,028.33	
Residues Compost	2,623.74	
Total Landfilled	329,831.40	64.72%

Incinerator Residues	
Bottom Ash	13,092
Fly Ash	2,107
Ferrous	1,054

Figure 2.2 (below) shows recycling rates for all the partners, comparing best value performance indicators* to actual performance in 2002/3 and predicted performance as expressed in the Waste Volume Service Plan (WVSP).

*defra.gov.uk/environment/waste/management/guidance/mwms/10.htm



2.7 Customers and Markets

2.7.1 Stakeholders

Project Integra has broadly three identified stakeholder groups:

- *The Public* - as consumers of the services and as persons with a direct or indirect interest in effective resource management
- *External Partners* - These include collection contractors, government agencies, processing companies, academic institutions and community groups
- *Internal Partners* - the 15 members of the Integra partnership.

2.7.2 Marketing Activities

Marketing activities also broadly fall into three categories. Different marketing and promotional approaches are taken in relation to different stakeholder groups.

2.7.3 The Promotion of Project Integra with Peers and Decision Makers.

This is done by all partners at officer and member level and through the Executive. Integra has a good track record in this area, resulting in a high profile in the UK and Europe. This is beneficial when, for example, making bids for Defra funding. It is also an important motivational factor for members and officers.

2.7.4 Materials Marketing

Integra also has a very strong track record in this area, with a long established Materials Marketing Group (MMG). The group works with HWS to achieve “best consideration” in relation to each particular material type. The main factors are:

- Stability of the market place
- Security of take-off in the long term
- Sustainability in terms of economic, environmental and social factors. This includes looking for or developing local facilities where practicable
- Ethical issues
- Share of Packaging Recovery Note (PRN) revenue.

2.7.5 Promotion of Messages to the Community

As the primary source of segregated materials, Hampshire’s householders are vital and active stakeholders. The continued success of the Integra strategy lies with convincing householders to segregate more material to a higher quality and to consider lifestyle issues which affect the volume of waste generated. Within the community there is a wide range of predisposition and motivation for doing this.

Integra has a good track record of communications, campaigns and producing supporting material but there appears to be a limit to how far this encourages all sectors of the community to participate. Many collection partners have had kerbside schemes for dry mixed recyclate in place for a number of years and participation has levelled out. Waste analysis shows that between a half and two

thirds of potentially recyclable material is still not being captured in many areas. Recent experience by some partners suggests that more direct *engagement* with communities and individuals can improve both capture and quality of materials.

All partners have a key role in this aspect of marketing. A new communications strategy, supported by significant levels of external funding, will be devised in the spring of 2004 and implemented during this financial year.

2.8 Goals and Objectives

2.8.1 Capture & Quality

Project Integra has set itself the following key targets by improving the capture and quality of material:

- Achieve the overall 40% target (March 2006)
- Double the capture of kerbside collected recyclables from 30% to 60% (March 2006)
- Reduce MRF contamination output from 15% to 10% (March 2005)

Capture rates can be improved through:

- (i) Giving people access to facilities and services to enable them to participate. This will continue to be achieved through the roll out of kerbside collection schemes and through improving the HWRC network.
- (ii) Persuading householders to increase segregation and thereby make best use of the facilities provided. This is the focus of the revised communication strategy.

Quality improvement is a business objective. The cost of collecting and processing non-compliant material is significant (see 3.2.7). Improvements in quality will be achieved through:

- (i) Making systems understandable
- (ii) Communicating in a consistent way
- (iii) Cracking down on abuse
- (iv) More efficient processing through the two MRFs.

2.8.2 Waste Minimisation

A fresh and objective approach to Waste Minimisation is required to help offset the growing waste problem and its accompanying budgetary and infrastructure implications.

It is not proposed to set a target at this stage. It may be appropriate to do so once the “knowledge” component is completed.

2.8.3 *Market Development - Plastics*

In response to the public demand for recycling more plastics, Integra will explore the potential for establishing a local processing facility and, where practicable, stimulate local markets to use more recycled plastics.

2.8.4 *Resource Efficiency*

The shift from waste management to resource management means looking at the services provided by Integra in the context of the wider waste industry and beyond, to consider issues of energy use and the wider impacts on soil and water.

Through the MRS and the Best Value Review, the partnership will continue to consider the impact of its own activities and how these could provide better value through economies of scale and adoption of good practice. The MRS will also explore how we can move towards a *materials* based approach to collection and processing, rather than the split household/commercial waste stream approach which prevails at present.

2.9 **2004/5 Major Projects**

2.9.1 *Material Resources Strategy / 2020 Vision Best Value Review*

The MRS will be the principal driver for local action over the next 20 years. Integra will continue to support the project through the Executive Officer as a member of the Steering Group and through participation of members and officers at workshops.

The 2020 Vision Best Value Review is following a process and timetable approved by the Board at the October 2003 meeting (see integra.org.uk/board/index.html). £20,000 of subscription funding has been approved to support the MRS process. In addition, an estimated 60 hours of officer time will be invested.

2.9.2 *Kerbside Collection Systems for Dry Mixed Recyclate and Green Waste*

WCAs will be rolling out a number of kerbside collection schemes, supported by Defra funding. These will be prioritised and monitored by a joint Board formed with Defra and its agencies. Progress will also be reported to the PI Management Board on a quarterly basis. These schemes are funded by Defra and the host authority.

2.9.3 *Evaluate Kerbside Glass Collection Trial*

The kerbside glass collection trial, which commenced in January 2004, will be evaluated at 5 months and at 12 months into the project. The Project Plan was approved by the Board (follow link to Glass Collection Proposal under Management Board Agenda 4 July 2003 (integra.org.uk/board/index.html)).

Once evaluated, recommendations will be made to the partnership regarding roll out. It is also likely that this project, if proved viable, will be the subject of a further bid for government funding.

2.9.4 *Continuing Waste Analysis Programme*

This project is to establish a continuing waste analysis programme within our own resources and control. The objectives are:

- (i) To update the major waste composition study undertaken in 1999 on a continuous basis and plot trends
- (ii) Provide ongoing support to other projects such as the kerbside glass trial
- (iii) Track whether the communications strategy is having an impact on quality
- (iv) Track whether the waste minimisation strategy or other factors (e.g. economic cycle) are having an impact on quantity of particular elements of the waste stream
- (v) To further investigate whether social - economic factors or collection methodology impinge on quality.

The details, including detailed costing, for the project will be worked up early in 2004 with a view to establishing the programme in the third quarter of 2004. In the meantime it is recommended that £50,000 is earmarked to support this project.

2.9.5 *Communications Strategy*

The development and execution of a Communications Strategy is key to, and complements, operational schemes in meeting the objectives of Capture and Quality.

The Strategy will be developed during January 2004 and submitted for approval by the Board in March 2004. The strategy is likely to contain the following elements:

- Research, including market research
- Direct Communications i.e. face to face contact with the public, to support new and mature schemes, disseminate general and targeted messages about waste management issues including recycling and waste minimisation
- Indirect communications, e.g. publicity through advertising, leaflets, council newsletters etc.
- Crew training
- Monitoring and evaluation
- Working with local community groups.

2.9.6 *Waste Minimisation*

To help offset the growing waste problem and its accompanying budget and infrastructure implications. There are two components: *Knowledge* and *Action*. The "knowledge" element will include:-

- Investigating reasons for previous waste growth
- A new waste composition analysis

- Research and model future consumption trends and their impact on waste
- Engaging with product designers, manufacturers and retailers
- Prioritising key areas for action from the above work.

Subject to the knowledge gained from the first element, the “action” is likely to comprise:

- Earlier intervention in the process chain to affect waste arisings
- Aim to prevent waste through the process chain
- Encourage re-use, refurbishment, etc.
- Taking other actions as determined - not just recycling and composting.

At the time the 2003/4 Annual Business Plan was approved, members agreed to earmark £15K per year for three years for waste minimisation. It was intended that this money be used to gear up external funding bids.

2.9.7 Market Development of Plastics

A technical assessment and trial will investigate impact on collection systems and also whether material introduces further contamination at the MRF. If feasible, collection of hard plastics would contribute to the overall objectives by increasing recycling rates (although this would be modest due to the low weight to volume ratios of the materials involved). Currently, however, this material forms a relatively high proportion of non-compliant material at the MRF and, subject to the outcome of evaluation, its acceptance could have the effect of reducing contamination levels.

If the first project proves that collection of hard plastics is viable, a second objective is to work with one or more external partners to explore the development of a viable and local facility for handling/processing the material. These projects will be overseen by the Materials Marketing Group who will bring detailed proposals to Members. The outline of the project was included within the original Defra bid and it is hoped to be able to work with WRAP to explore this further.

2.9.8 Organisational

There are a number of organisational issues that will need to be resolved during 2004/5. These include:

- Implementing action points arising from the best value review option appraisal
- Reviewing and appointing an Executive Officer. This will be handled by the Appointments Group who will reconvene in the Spring of 2004 to review the EO post, determine the job specification and advertise the job with a view to making a permanent appointment
- Review Officer Working Group Arrangements. The overarching principle is to adopt a process chain approach to ensure that initiatives and developments are considered holistically.

The second and third issues above will be in response to the Best Value Review Action Plan.

2.9.9 Other Projects

- Kerbside collection of textiles in conjunction with a community sector partner
- Trial, develop and promote on-street facilities for segregating litter
- Investigate the use of biofuels for vehicles
- Facilitate a programme of collecting recyclate from state schools
- Minor Projects Fund – introduced in 2003/4, this fund is available to resource any initiatives and opportunities which crop up during the course of the year. £40,000 is earmarked for this purpose.

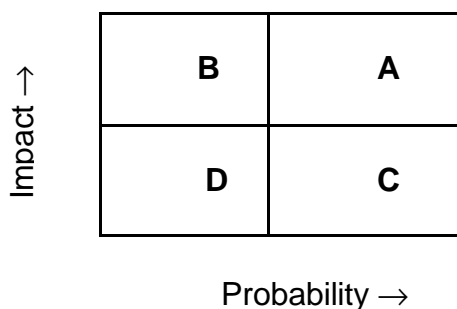
2.9.10 Summary

The above projects are summarised in tabular form in Appendix 1.

2.10 Risk Management

This is a basic overview of risk to the partnership and its management. It is not intended to be a highly detailed or exhaustive risk assessment. This is an emerging area and further work on this will be undertaken during the year.

A basic four box model can be used for quantifying risk and determining how it should be managed, based on a combination of the probability of an event occurring and the impact should it do so. A crude rating from 1-5 for Probability (P) and Impact (I) is given in relation to any risk identified. (1 is low and 5 is high). How the risk should be managed and prioritised is determined in relation to the quadrant it falls within.



Box A – High probability, high impact. Mitigation and/or contingency measures should be considered as an urgent priority if not already in place

Box B – Low probability, high impact. Business continuity measures should be considered and contingencies planned.

Box C – High probability, low impact. Should be mitigated by effective day to day management controls.

Box D – low probability, low impact. Should not be dealt with as a priority but reassessed periodically in case probability or impact increases over time.

Risk	P	I	Effect	Mitigation / contingency plan
Failure to reach 2005/6 BVPIs. (strategic risk)	5	3	This is a political judgement for each authority, public image, Image among peers	<ul style="list-style-type: none"> • Defra bid to maximise impact • Innovative communications approach
Unable to process all material (operational and financial risk)	1	4	Damage to public image and loss of confidence in partnership	<ul style="list-style-type: none"> • MRF and composting capacity under construction for mid 2004 • In meantime contracts in place with external providers. These are likely to have surplus capacity for the short-medium term • Monthly monitoring of recycle captured.
Loss of key infrastructure (operational risk)	1	5	Loss of processing capacity	<ul style="list-style-type: none"> • Maintain relationships with other processors e.g. Rainham / Beanham MRFs who have surplus capacity in short to medium term • Interim short term disposal arrangements • Communications strategy • Maintain some cash in reserves to cover transport costs
Supermarkets offer incentives for packaging recovery (strategic risk)	1-3	4	1 in short term, 3 in longer term. Could lead to duplication in systems and reduced recovery via local authority systems	<ul style="list-style-type: none"> • Work with retail sector to provide integrated systems
Loss of Executive Officer prior to September 2004. (operational risk)	2	3	Will place additional duties on Strategy Officers pending replacement / review. Support to Board and to projects may be reduced.	<ul style="list-style-type: none"> • Review of EO post scheduled for spring 2004. It is recommended this is not expedited until future strategic direction is confirmed. • <i>Either</i> short term secondment of another officer from within the partnership, • <i>or</i> division of work to Strategy Officers to work with Meetings Officers/ Legal (continued over)

				advisor to cover Members Meetings and other obligations until new appointment made or superseded by other arrangements.
One or more partners dropping out (strategic risk)	1	3	Adverse publicity, financial implications for remaining authorities	<ul style="list-style-type: none"> • Work in consensual way • Ensure transparency in all dealings • Listen to concerns and respond to them • Continue to demonstrate benefits of partnership working e.g. Defra bid • Work to agreed ABP objectives and involve all partners in developing projects at early stage
Failure of partnership to evolve and move forward if always moving at speed of most cautious. (strategic risk)	2	5	May not achieve vision or objectives	<ul style="list-style-type: none"> • Work to agreed ABP objectives and involve all partners in developing projects at early stage • Partners to ensure link from Management Board and Strategic Officer Group to the strategic decision making unit of the authority.

3. Project Integra – Finance

3.1 Introduction

This section is divided into two sections:

- How Integra is financed, and the overall cost of the services provided by the partners to Hampshire residents
- The budget for the Executive and supported projects.

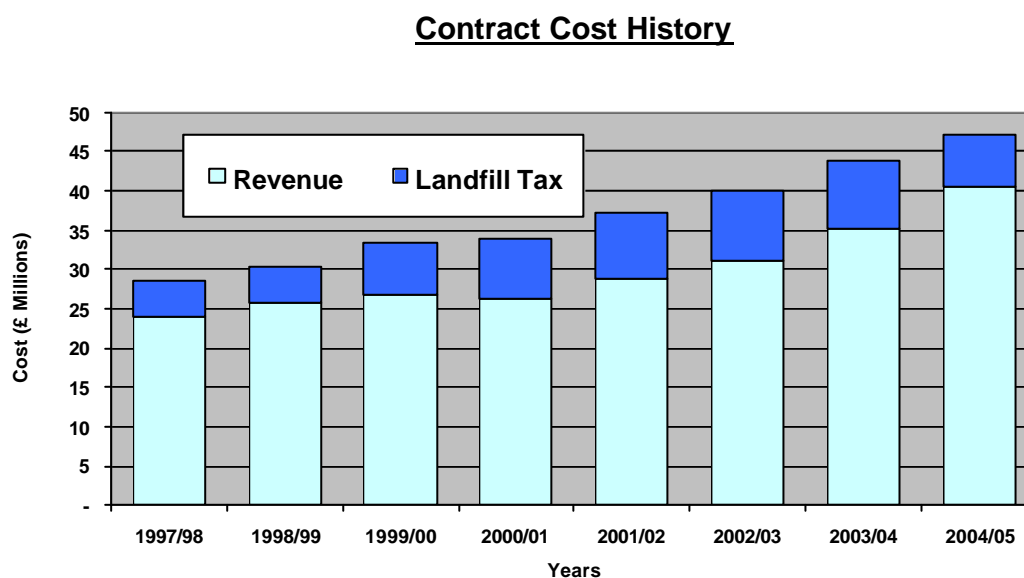
3.2 How Integra is Financed – Cost of Services provided

3.2.1 Waste Disposal and Material Resource Processing

Waste disposal costs are met through a combination of Standard Spending Assessment central government grant and Council Tax revenue. The Government PFI scheme was not available at the time Integra was set up and therefore capital costs of developing the infrastructure are funded through the long term contract with HWS. HWS receive a fixed sum for operating each site, regardless of throughput and a gate fee for each tonne of material processed. The gate fee varies according to a number of factors and the contract sets these out in detail.

Southampton and Portsmouth contribute to the overall disposal costs pro-rata according to the volume of waste derived from the cities.

Fig 3.1 – Contract Cost History (data includes unitary authorities)



3.2.2 Sale of Recyclable Materials

Income from the sale of materials is split 50:50 between HWS and the WCAs according to the tonnage of material delivered for processing. Table 3.1 shows estimated income accruing to each WCA for 2003/4 and 2004/5.

**Table 3.1 WCA MRF Derived
Recyclables Income Forecast**

	2003/4	2004/5
Basingstoke	£28,006	£29,291
East Hants	£30,719	£32,136
Eastleigh	£32,632	£32,783
Fareham	£27,224	£27,185
Gosport	£6,397	£18,283
Hart	£13,313	£14,758
Havant	£20,857	£21,292
New Forest	£35,311	£44,905
Portsmouth	£23,676	£34,915
Rushmoor	£15,143	£17,988
Southampton	£3,901	£34,896
Test Valley	£16,674	£17,909
Winchester	£21,007	£21,345
Total	£274,860	£347,685

Notes for Table 3.1

Based on estimated average income of £3.82 per tonne.

Assumes that all material will be processed in county by October 2004.

Average income per tonne should increase in the second half of 2004/5 as all material will be processed in county and a new long term contract for the supply of News and PAMS is put in place.

3.2.3 External Funding

In 2003/4 Defra awarded the partnership a total of £5.1m from the National Waste Minimisation and Recycling Fund* for new composting infrastructure and seven WCA schemes designed to boost the supply of dry mixed recycle and garden waste for composting.

In December 2003 Defra announced that the partnership had been awarded a further £5m from the 2004/5 round of the same fund*. As part of this award, a Board has been set up with Defra to consider and approve detailed work, recommend the commitment of resources and monitor and evaluate the project. It is hoped that further resources from WRAP may be available to support the infrastructure elements of the bid. Opportunities for further external funding will be explored.

*defra.gov.uk/environment/waste/localauth/wastefund/index.htm

3.2.4 Recycling Credits

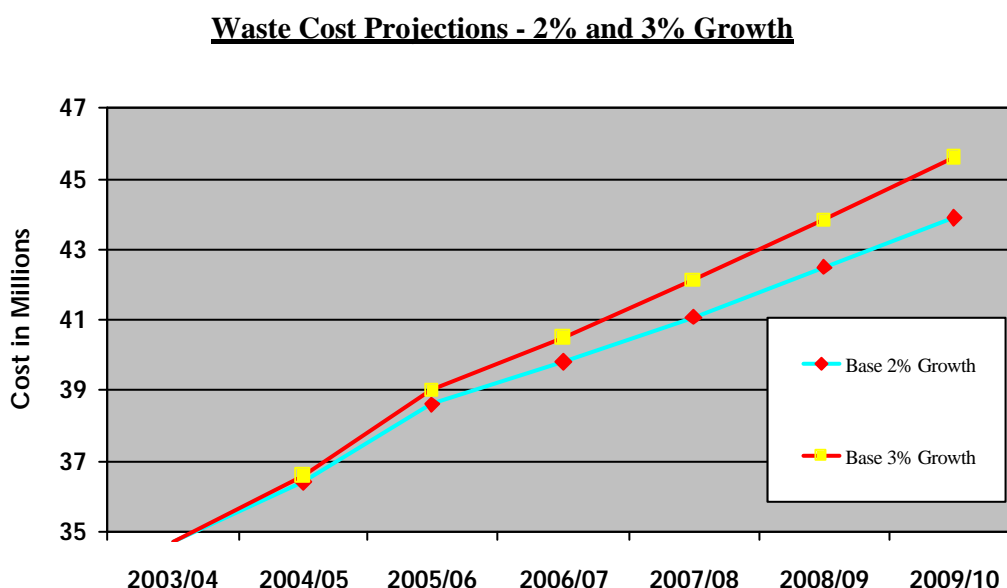
Recycling Credits are payments made by the WDA to help offset the costs of collecting recyclables. The sum involved reflects the cost avoided by the WDA by not having to landfill or otherwise dispose of the material. As part of the original Memorandum of Understanding, the WCAs agreed not to claim recycling credits for material processed through the MRF and composting sites. In effect this is an “off balance sheet” contribution to the overall project costs. Recycling Credits are paid by HCC in relation to material, such as glass and textiles, which is not processed through the contract with HWS. Recycling Credits are also paid to third parties, such as charitable organisations for material diverted from the waste stream.

3.2.6 Waste Avoidance

Waste avoidance is the highest level of the waste hierarchy and Integra has conspicuously failed to meet its original target of holding waste at 1995 levels.

With continuing waste growth of around 3% per annum, arresting or “decoupling” waste growth could result in significant savings. Figure 3.2 below shows the potential savings accruing from just a one percent decrease in waste growth. If absolute decoupling could be achieved, then the savings are higher still.

Fig 3.2



3.2.7 Cost of Contamination

Waste analysis carried out in 2003 showed that typically 10-12% and, on occasions, up to 15% of material being delivered to the Portsmouth MRF is outside the input specification and cannot be recycled. Around half of the contaminants were non compliant, but potentially recyclable, materials such as hard plastics. The remainder was black bag type waste.

The net cost of collecting and processing material through the MRF is around £45 per tonne. Assuming 90,000 tonnes of material are delivered with a 10% contamination rate the cost of processing material would be around £400,000 per year. A one percent improvement will yield £40,000 in savings.

Higher quality material also attracts better market prices.

There is therefore a significant *opportunity cost* of continuing to accept this level of contamination.

3.3 ***Budget for the Executive and Supported Projects***

3.3.1 *Summary of 2002/3 Full year Accounts*

The accounting year for Project Integra runs from 1 April – 31 March. The full year accounts for 2002/3 were reported to the Board meeting on 4 July 2003 integra.org.uk/board/index.html. The cash flow is summarised below:

Table 3.2 Cash Flow	Budget	Out-turn	Variance
Balance b/f from 2001/2	165,000	109,631	-55,368
Total income	95,000	66,938	-28,062
Total expenditure	156,300	127,838	-28,462
Balance c/f to 2003/4	103,700	48,731	-54,968

The large variance is principally due to the change in the methodology for funding the Executive agreed by the Board in April 2003 and applied to the 2002/3 accounts.

Table 3.3 Budget Forecast to 2006/7

Description	2002/03 Actual	2003/04 Budget	2004/05 Budget	2005/06 Budget	2006/07 Budget
Expenditure					
Executive Officer Salary and On costs	58,363	71,700	73,851	76,067	78,349
Executive Officer Expenses	4,867	4,000	4,120	4,244	4,371
Recruitment & Selection		16,000			
Executive Officer	63,230	91,700	77,971	80,310	82,719
Legal Costs	3,000	3,000	3,075	3,152	3,231
Financial Costs					
Other Support Staff	3,000	3,000	3,075	3,152	3,231
Communication & Research					
SLA	16,000	30,000	30,750	31,519	32,307
PI Liaison Officer	7,383	12,000	12,360	12,731	13,113
Clerical & Committee	12,523	22,000	22,660	23,340	24,040
Room Hire	4,596	4,000	4,100	4,203	4,308
Stationery	-	2,000	2,050	2,101	2,154
Secretariat	40,502	70,000	71,920	73,893	75,921
Assure Membership Fee	700	700	718	735	754
Project Support	17,600				
IT	1,015	2,000	2,050	2,101	2,154
Training Visits	1,791	2,500	2,563	2,627	2,692
Other	21,106	5,200	5,330	5,463	5,600
Gross Expenditure	127,838	169,900	158,296	162,818	167,471
Income					
Annual Membership Fees	-53,438	-153,200	-157,796	-162,530	-67,406
Secretarial Support Costs	-13,500				
Total Income	-66,938	-153,200	-157,796	-162,530	-167,406
Net Expenditure	60,900	16,700	500	88	65
Balance Brought Forward	-109,631	- 48,731	-32,031	-31,531	-31,242
Balance Carried Forward	-48,731	-32,031	-31,531	-31,242	-31,177

Notes to Table 3.3

Figures are based on the current executive/secretariat model which will be reviewed during 2004. Inflation is assumed to be 3% for staff related costs and 2% for other costs.

3.3.2 Subscription System

Prior to 2003/4, the executive was funded by a modest subscription from each partner, which raised around £50,000 per year. The balance of costs and a project fund was financed from MRF income share which was pooled. From 2003/4, the Board agreed to move to a subscription based formula for funding both the Executive and joint projects. Table 3.4 shows the agreed subscription levels for 2004/5.

Table 3.4
Subscription levels for the Executive and Projects 2004/5 (£)

	Population	Executive Subscription	Project Subscription	Total
Basingstoke	152,600	11,627	13,912	25,539
East Hants	109,400	8,337	9,973	18,310
Eastleigh	116,300	8,862	10,602	19,464
Fareham	108,100	8,237	9,855	18,092
Gosport	76,400	5,823	6,965	12,788
Hart	83,600	6,371	7,621	13,992
Havant	116,900	8,909	10,657	19,566
New Forest	169,500	12,916	15,452	28,368
Portsmouth	186,900	17,515	17,038	34,553
Rushmoor	90,900	6,927	8,287	15,214
Southampton	217,600	20,392	19,837	40,229
Test Valley	109,900	8,375	10,019	18,394
Winchester	107,300	8,177	9,782	17,959
HCC	1,240,800	21,723	-	21,723
HWS		3,605	-	3,605
Total		157,796	150,000	307,796
Pence per head WCA		7.62p	9.1p	
Pence per head WDA		1.75p	-	

Notes to Table 3.4.

Contributions towards the Executive are based on 2003/4 contributions inflated by 3%. Unitary authorities contribute as both WCAs and WDAs.

Project funding contributions are made by the WCAs only. The project fund was originally composed of income that would have been due to the WCAs. Most WCAs are net beneficiaries of MRF income after subs have been deducted. A bank arrangement is in place for other authorities.

3.3.3 Use of Project Funding

Project funding raised by subscription has been allocated against the priorities identified in Appendix 1. However Defra / WRAP funding may be available to assist with these. The Board have agreed that £150,000 is raised and added to any under-spend on 2003/4 projects in order to :

- deal with emergency circumstances or other contingencies
- provide match funding for “invest to save” opportunities
- provide support to other projects which “turn up” in the course of the financial year.

3.3.4 Other Funding Held

Project Integra holds a reserve of money for a number of reasons. The current “account” is summarised in table 3.5 below:

Table 3.5
Project Integra Bank Account (see 3.3.5)

Opening Balance	£	25,000.00
Rushmoor PI Contribution	£	1,761.64
Southampton PI Contribution	£	19,625.27
Current Bank Balance	£	3,613.09

Short Term MRF Additional Capacity (see 3.3.6)

Opening Balance	£	150,000.00
Estimated Costs for 2003/04	£	75,000.00
Projected Closing Balance	£	75,000.00

Buffer Against Contractual Risk (see 3.3.7)

Opening Balance	£	140,000.00
Overall Balance	£	218,613.09

3.3.5 Income Share Bank

In 2003 when the arrangements for funding Integra were changed to a fully subscription scheme, a bank account was created for those authorities whose net subscription contribution exceeded their income from the sale of materials. This enabled the authority to defer payment of their subscription pending the development of an income stream. Two authorities opted to take advantage of this arrangement.

3.3.6 *Short Term MRF Capacity*

In April 2003, the Board agreed to use accumulated income share to fund the delivery and treatment of recyclables out of county pending the Alton MRF. £150,000 was set aside for this purpose against an estimated predicted maximum cost of £113,000. The volume of material processed out of county so far is at the lower end of the predicted range, although funding will need to continue until the Alton MRF is on line. It is not therefore considered necessary to add further resources to this account. Should there be a net balance after Alton is on line, a report will be brought to the Board seeking direction on how the balance be used.

3.3.7 *Buffer Against Contractual Risk*

In the early days of Integra, it was agreed that income share would be retained on a rolling 18 months basis to provide a buffer against contractual risk. In 2003 it was agreed that this arrangement would be replaced with a fixed sum of £140,000 so that WCAs could have earlier access to income share as the amounts available became more significant.

The eventual aim of the partnership is to reduce risk by entering into stable contracts with established reproprocessors who themselves have good products and markets but for the time being this fund provides a significant contingency.

4. Management

4.1 Overview

The partnership is serviced by an Executive Officer assisted by a small administration support team and service level agreements. Much work is progressed through a number of officer working groups looking at particular aspects including Materials Marketing, Waste Minimisation, Research, Communications, and Biowaste. There are also three regional operations groups. These are chaired and supported by officers from within the partnership and this time represents a valuable contribution by the partners concerned.

4.2 The Executive Officer

The Constitution (integra.org.uk/board/index.html) requires that the Board shall designate a named person to fulfil the function of Executive Officer. The responsibilities of the Executive Officer, in respect of the business of the Board, its sub-committees, working groups, and the Policy Review and Scrutiny Committee are as follows:

- (i) To make all necessary arrangements for the convening of meetings
- (ii) To provide, or, where necessary, procure the provision of, all necessary advice on the technical, legal and financial implications of matters under consideration
- (iii) To bring attention to relevant matters which merit consideration
- (iv) To take and maintain minutes of meetings, and ensure that business at meetings is conducted in accordance with legal requirements
- (v) To be responsible for communications with other agencies, including the media
- (vi) To manage and co-ordinate the day-to-day affairs of the Board and its administrative support.

The Executive Officer is currently Steve Read, seconded from East Hampshire District Council, where he was formerly Head of Environment. The current arrangement expires at the end of September 2004. The Board will therefore be considering a future job description and specification and performance management arrangements with a view to making a permanent appointment following the outcome of the best value review.

4.3 Executive Administration Support Team

The Executive Officer is supported by a Meetings Officer and a part time Liaison Officer. The Meetings Officer job is split and shared - Mrs Clare Lovesey is employed for the equivalent of three days per week to support the officer meetings network. Mrs Andy Winter is employed for the equivalent of 2 days per week to assist the Executive Officer, particularly in support of functions (i), (iv) and (vi) in paragraph 4.2.

As Liaison Officer, Mrs Louise Edwards assists with arranging members' training and other visits, liaises with the Executive Officer, HWS and others on requests from other local authorities for visits or information. Louise also handles queries received via telephone and the website (integra.org.uk) and assists with general maintenance of the website. This post is managed by the HCC Communications Team on behalf of the Project, although the Executive Administration Support Team meets formally as a unit on a monthly basis.

4.4 The Strategy Officer Group

The Strategy Officer Group is chaired by the Executive Officer and consists of a senior officer from each of the partners. The role of the Group is to act as a corporate management team for the Executive and maintain an overview of activity and policy throughout Integra. The Group meets bi-monthly or more frequently if required.

4.5 Working Groups

Detailed policy issues and projects are overseen by a number of Working Groups. These are classified into Standing Groups which have a continuing mandate, and "task and finish" groups which have a finite life span. The Groups are chaired by an officer from the partnership and typically consist of around 6-7 officers representing WCAs, WDAs and Unitaries. In most cases there are also co-opted external partners. The Standing Groups are:

- Materials Marketing
- Waste Minimisation
- Research
- Communications
- Biowaste
- Process Chain

Task and Finish Groups include:

- Best Value Review Team
- Kerbside Glass Trial Project Team

The number of groups has increased over the last two years, mainly a reflection of new issues arising. The number and focus of groups will be reviewed during 2004.

4.6 Regional Officer Groups

Regional Operations Groups provided an important link in the early years of Integra and continue to provide a forum where day-to-day operational issues can be raised and discussed by operational officers from the WCAs and HCC/HWS.

4.7 Service Level Agreements

The Constitution requires that the Board shall engage the services of a Legal Adviser and Financial Adviser. These are provided under a service level agreement, currently with Hampshire County Council.

Service Level Agreements also exist with HCC to provide communications and research support to the partnership. The funding for this is identified within the Executive Budget. The officers concerned produce a work plan which is agreed and monitored by the Executive Officer on behalf of the Board. In 2003/4 these were included in the Annual Business Plan. For the current financial year, the work plans will be submitted to the Board to approve at their March meeting.

4.8 Project Approval

Projects which are approved in outline in the ABP or which crop up in the course of the year are summarised using a standard proforma and submitted to the Board after consideration by the Strategy Officers Group. The plan outlines the basis for the project, the timetable, the resources required and the arrangements for performance management.

4.9 Performance Management

Information on the overall performance of the partnership and individual authorities is collated by HCC on a monthly basis and submitted to Executive Officer for distribution. The headline figures are reported to the Board monthly in a similar format to table 2.1

4.10 Member Support

A programme of Member Training is arranged and publicised annually. This includes a standing conference in October designed to involve elected members who have an interest in Integra but are not members of the Board or the Policy Review and Scrutiny Committee.

An introductory training programme known as “Integra Essentials” is repeated three times a year, subject to demand, aimed at new members or members who are not currently involved. Infrastructure visits are also arranged to complement this.

Member “away days” are also arranged for Board and Policy Review and Scrutiny Committee members, typically twice a year, to look at policy issues in more depth.

Summary of Key Projects

Project	Outline	Project Lead	Estimated Cost	Source
Waste Minimisation	Research into lifestyles and waste generation. The principle of using £15K per year over three years as a lever for match funding was set out in 2003/4 ABP.	Waste Minimisation Group	£15K	From subscriptions, match funded e.g. WM&RF / WRAP
Material Resources Strategy	To contribute to the continuation and completion of the Material Resources Strategy.	Steering Group	£20K	Subscriptions
Waste Analysis	To set up "in house" permanent facilities for waste analysis and a year round waste analysis programme. Proposals being developed by Research Group. Cost is indicative only. Included within Defra bid.	Research Group	£50K	Initial estimate only. Could generate income
EO Appointment	To complete review of EO post and advertise/ recruit as necessary. Budget already earmarked in 2003/4 ABP, would be carried forward.	EO appointment Group	£16K	Carry forward from 2003/4
Minor Projects Fund	A fund earmarked for taking advantage of four or more projects which emerge during the year. This was instigated in the 2003/4 ABP and has been used for projects such as the INTECH proposal. Normally potential projects will be notified to Members for approval but the Officer Strategy Group has delegated authority to use the fund to move quickly if required.	Officer Strategy Group to oversee.	£40K	Subscriptions
Pilot AD	Pilot AD for household and commercial biowaste, capital and collection costs. As per previous bid to carbon trust – applying for match funding from WM&RF.	Biowaste Group	Substantial	Defra new technologies funding
Schools Recycling	To investigate the provision of a service and/or subsidy to enable schools to recycle without increasing direct costs to schools	-	TBA	

Communications Strategy	<ul style="list-style-type: none"> • Research, including market research, • Direct Communications i.e. face to face contact with the public, to support new schemes, disseminate general and targeted messages about waste management issues including recycling and waste minimisation, • Indirect communications, e.g. publicity through advertising, leaflets, council newsletters etc. • Crew training, • Monitoring and evaluation <p>£20K for this project was identified in 2003/4 and it is proposed to carry forward this funding as contributory funding towards the communications strategy which will benefit all partners.</p>	Exec Officer, Strategy Group, Communications Group Research Group	£20K	<p>carry forward from 2003/4.</p> <p>Included within Defra WM&RF award.</p>
Plastics	Developing a market for other plastic types will be key priority in the next year.	MMG	TBA	£250K – possible WRAP funding
Best Value	To implement action points arising from best value review	Exec Officer	£20K	Subscriptions
Kerbside Glass	To evaluate the trial collection systems in Hart and Rushmoor and, if successful, make recommendations to the partnership for developing the service throughout Hampshire. Future large scale project could be the subject of a bid to the <i>Waste Performance Reward Grant</i> announced by Defra and available in 2005/6.	Project Team, Executive Officer	<p>Evaluation £minimal</p> <p>Roll out TBA</p>	<p>Evaluation - project team.</p> <p>Roll out – External bid.</p>

Other Projects	The following projects are also proposed for investigation and or development within the partnership. This could lead to more developed proposals for funding in the future.	Project Lead	Estimated Cost	Source
Mobile Shredder	Trial mobile green waste shredding service – bring your garden waste to a central point e.g. council car park, get mulch back. Several partners have some experience which would be drawn on initially. Possible trial using contractor in one geographical area backed by publicity. One drawback is that material dealt with in this way would not qualify toward recycling targets. There are Health & Safety and neighbour implications	Biowaste Group and/or volunteer WCA	TBA	Minor Projects Fund?
Litter bins	Trial on-street recycling bins for cans, plastic bottles and newspaper – trial in (for example) city centre, suburban neighbourhood shopping centre, market town, transport node.	Project Team and/or volunteer WCA	TBA	Minor Projects Fund?
Pilot WEEE Kerbside	Pilot collection schemes (kerbside and HWRC) Eastleigh, Fareham & NFDC interested in piloting. Costs would be covered by HNRI landfill tax award.	HNRI	-	Landfill tax award
Alternative fuels	Investigate and trial alternative fuels (e.g. biodiesel from waste vegetable oil or methane from landfill) for HWS / RCV fleet – investigate feasibility and work up business case.	EO/HWS	TBA	Subscriptions/ HWS
Textile Recycling	Develop a kerbside collection scheme in partnership with the voluntary sector.	Research Group	TBA	
Waste by Water and Rail	Following Midland Glass success, investigating and implementing trial movement of further resources by water or rail to reduce vehicle movements by road. At present this is not looking promising due to operational limitations; the situation will be kept under review.	HCC	TBA	WM&RF bid