

PROJECT INTEGRA REVIEW

1. Background

- 1.1 Members of Project Integra Board agreed a review of Project Integra as part of the Action Plan for 2010 – 2015. Regular updates have been provided to Board meetings on the approach and progress and several of the presentations at the Annual Conference related to the Review.
- 1.2 The Review was carried out by a review team comprising senior officers from several partners and an external advisor. The work was overseen by a review board comprising elected members and chief executive representatives.

2. Findings of the Review Team

- #2.1 The review team completed a report (appendix 1) which was presented to the Project Integra Policy and Review Committee, the Project Integra Management Board and HIOW for their consideration. The report gave options for the future running and direction of Project Integra. Appendix 2 of this report identifies the feedback from the Project Integra Policy and Review Committee, the Project Integra Management Board and HIOW.
- 2.2

At the meeting a number of points were raised during the discussion. These points have been transferred into questions for authorities to consider. Set out below are the questions followed by the response to these questions which were considered by the Environmental Review Panel on 27th January 2011;

2.2.1 Question. *Do you agree with the Review Team's view that the Joint Municipal Waste Management Strategy should be revised to set new ambitions for waste management in Hampshire and to provide the environmental and infrastructure delivery "baseline" through to 2020?*

The Review Panel agree that; the Strategy should be reviewed, taking a more strategic and visionary approach, which should include a wider perspective of other sectors, including an element focussing on trade and commercial waste. The Strategy should include targets which take account of cost but also customer satisfaction, and the effect at the point of delivery of the service. The targets should also address recycling.

2.2.2 Question. *Will your authority undertake to work energetically together with other partners to reduce the annual whole system costs to the council tax payer of reaching the targets set in the new Joint Municipal Waste Management Strategy?*

The Review Panel support; continuing full participation in a reinvigorated Project Integra.

2.2.3 Question. *Are there any "red line" areas for your authority in this – and if so what are they?*

The Review Panel supported; the continuation of the weekly collection of both household waste and recyclable materials using the current sack collection system which has proven both cost effective compared to other Districts and is well liked by residents of New Forest.

2.2.4 Question. *Do you agree with the structural and cultural changes proposed to enable Project Integra to achieve its objectives, in terms of;*

2.2.4.1 Question *That transparency and openness in sharing information and responsibility for problem solving at the strategic level are essentials to achieve Project Integra's objectives – that these should be the norm in the partnership and that Members should expect officers to work together on this basis?*

The Review Panel consider that, subject to rare occasions where commercial sensitivity is an issue, transparency and openness should characterise the normal method of working in the partnership.

2.2.4.2 Question *Should Veolia remain a key partner but no longer sit on the Project Integra Strategic Board?*

The Review Panel are mindful that; Veolia are currently non-voting members of the Board and there have historically been no problems associated with asking them to leave meetings when commercially sensitive matters were to be discussed. The presence of the main contractor at Board meetings seems essential to allow a proper evaluation of ideas and to prevent unnecessary delays while the practical perspectives that they can supply are obtained. **The Panel would not therefore support this change.**

2.2.4.3 Question *That the role of the Policy Review and Scrutiny Committee be limited to the statutory minimum function?*

The Review Panel can see a strong case for transferring the role of scrutiny largely back to the partners' own scrutiny arrangements to avoid duplication and delay. The Panel recognises the need to maintain the statutory minimum scrutiny activity with 1 timetabled meeting annually, together with arrangements for the call-in of decisions, but consider that robust mechanisms within the partner authorities, supplemented by regular meetings of the scrutiny chairmen of all the partners, should provide a more cost effective process.

2.2.4.4 Question *That the Strategic Board should be supported by corporate directors or equivalent officers with strategy officers continuing with their current role but also taking on project implementation and cost reduction monitoring work?*

The Review Panel consider; that the Strategic Board should be refocused onto more strategic, visionary thinking and should be supported by appropriately senior officers to allow that role to develop. Those officers should also sit with their Member representatives and have the right to take part in the debate. This will allow timely access to factual information, instead of delays to ask for reports with the necessary information, and also allow more effective support for the Members. The officers attending should be tailored to the type of business to be conducted at the meeting, with more operationally experienced officers present as necessary. The role of officers at the Scrutiny Committee should also be strengthened to allow greater factual input into the meeting.

2.2.5 Question. Should the future role of Project Integra be purely a practical co-ordinating body, or whether it should once again be a visionary body, seeking ground breaking solutions to the problems of waste collection and disposal.

The Review Panel noted that; the ground breaking work undertaken by Project Integra in the past had led to efficiencies and infrastructure that now secured significant savings for all the local authorities involved. Developing an innovative and strategic approach was not incompatible with achieving costs savings and maximising efficiency. The Panel therefore considered that the Partnership should refocus on its role in innovation and seeking new solutions, while always seeking efficiencies and cost reductions. Customer satisfaction and the requirement to meet recycling targets should also be kept firmly in mind.

It was noted that Project Integra had the capacity to be self funding through the efficiencies that it could achieve for its constituent partners.

3. Next Steps

- 3.1 New Forest District Council has been asked to consider the outcomes of the Review and report back to the partnership. It is proposed that an EGM for the Board be scheduled at a date when it is realistically expected that all authorities will have achieved this. With local elections in May this is likely to be June. On 27th January the Environmental Review Panel considered this report the points discussed have been summarised in the answers to the questions in section 2.

4. Timetable

Identified below is the proposed timetable for the consideration of the Project Integra Review

Date	Meeting	Expectation
6 January	PRSC	<ul style="list-style-type: none"> • Consideration of report • Comments from PRSC to be passed to PISB
13 January	PISB	<ul style="list-style-type: none"> • Consideration of report • Discussion • Development of formal response of the Board to the report • Clarification of next steps: <ul style="list-style-type: none"> ○ planned dates for consideration by partners ○ plans for EGM?
14 January	HIOW	<ul style="list-style-type: none"> • Consideration of report • Discussion • Development of formal response of HIOW to the report
January, February, March, April	Partner Authorities	<ul style="list-style-type: none"> • Formal consideration of report and responses from HIOW and PISB via cabinet/scrutiny system • Development of formal response from each partner
June (TBC)	PISB (EGM)	<ul style="list-style-type: none"> • Consideration of formal responses from all Partners • Agreement of actions

5. Portfolio Holders Comments

The Environment Portfolio Holder supports the recommended responses suggested by the Environment Review Panel in answer to the questions posed by the outcome of the Project Integra Review. In addition, in answer to question 2.2.3 he would like to see increased emphasis on resident satisfaction.

6. Conclusions

- 6.1 Following the findings of the Project Integra review report which has been well received at the Project Integra Policy and Scrutiny Committee, the Project Integra Board, HIOW and our own Environment Review Panel each of the partners have been asked to consider some key questions. Identified in section two are those questions together with the response received from the Environment Review Panel.

7. Recommendations

- 7.1 That the responses as suggested by the Environment Review Panel as set out in this report and supported by the Environment Portfolio Holder, with the addition of a comment relating to increased emphasis on resident satisfaction, be submitted to Project Integra as this Council's response to their consultation.

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Background Papers:

Integra Partnership Survey 2010

Summary of Recommendations

Project Integra Partners should:

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

And more specifically:

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

Introduction

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

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

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

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

The Review Team consisted of

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

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

Background

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

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

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

Project Integra is currently structured as follows:

Strategic Board

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

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

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

Policy Review & Scrutiny Committee

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

Strategy Officers Group

Lead officers to support Project Integra and provide professional delivery

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Context for Waste Management from 2010

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

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

Options and Impacts

The original objective of Project Integra was:

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

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

¹ Project Integra Constitution

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

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

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

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

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

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

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

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

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

‘Whole system’ includes:

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

Reviewing the JMWMS

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

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

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

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

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

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

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

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

Sovereignty Issues

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

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

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

Structural Issues

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

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

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

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

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

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

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

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

Focus/Culture

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

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

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

Constitution

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

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

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

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

Conclusion

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

Project Integra Review Team
2nd December 2010

Background Documents

Partnership Survey 2010

JMWMS

Project I Integra Constitution

HCC Enquiry 2005

Best Value Review 2005

Recycle for Hampshire Review 2008

Report for	Project Integra Partners
Title of Report	Review of Project Integra – Feedback

1 Purpose

- 1.1 To provide feedback to partners on the discussion of the report of the Project Integra (PI) Review Team at:
- Project Integra Policy Review & Scrutiny Committee (PRSC);
 - Project Integra Strategic Board (PISB); and
 - Hampshire & Isle of White Local Government Association (HLOW).
- 1.2 To seek feedback on the report from partners following consideration at Cabinet level (a set of questions is attached).

2 Background

- 2.1 The Review of the Partnership was part of the PI Action Plan for 2010/11. The Review was carried out by a Review Team comprising senior officers and overseen by a Review Board comprising elected members and chief executive level officers.
- 2.2 Following sign off by the Review Board the report has been presented for consideration (as opposed to endorsement / approval) to:
- PRSC (6 January);
 - PISB (13 January); and
 - HLOW (14 January)
- 2.3 The partnership is constituted as a Joint Committee of the 14 authorities so significant matters such as this require formal consideration and response from partners individually before the Board can propose a way forward.
- 2.4 Once responses have been received PISB will arrange a process to draw these together and propose resulting actions in the form of a revised Action Plan. The revised Action Plan will, in turn, come back to the partners for approval.

3 Project Integra Policy Review & Scrutiny Committee (PRSC) 06.01.11

- 3.1 The report was introduced by Steve Tilbury. Following discussion the Committee asked for a number of comments to be passed to the PISB:
- Waste management in Hampshire is a business and needs to be professionally managed and lead. Politics need to be kept out.
 - Integra has little profile in authorities – and there is confusion about ‘who owns PI’.
 - Members should act more as Trustees/Non-Executive Directors of the organisation rather than representing / defending individual authority

positions.

- Scrutiny likely to be reduced in authorities (as a result of the need to reduce costs) – will PI be adequately scrutinised if there is no PRSC? Final decision on future of PRSC is with PISB.
- VES make a valuable contribution of expertise to the Committee. Most indicated they felt that VES should remain on PISB.

4 Project Integra Strategic Board (PISB) 13.01.11

4.1 The report was introduced by Steve Tilbury. A lively but positive discussion followed, with contributions from most partners. Comments included:

- The JMWMS was agreed in 2006 with a commitment to review after 5 years – so we need to do this anyway. Consensus that JMWMS needs to be reviewed.
- Future agenda from Government may be challenging - results of review of waste policies expected in May.
- Report provides an occasion for strategic thinking and action.
- Goes to heart of issue – what people want, are willing to pay for and environmental issues. PI provides a place for concerns to be addressed and for cost effectively co-operating with other authorities.
- PI is essential to deliver world class, more efficient, cheaper service. Taxpayers expect that of us.
- Sovereignty – difficult politically. Why is waste a political issue? Leave politics at the door. Sovereignty – all have different local restraints. Doesn't stop us doing joint working.
- Could tackle commercial waste – huge market. Put more into infrastructure and how we could capture commercial waste and at what cost. Encouraged by coalition view that we can produce energy – but need volumes and move towards a common waste system.
- Costs. All have been talking to contractors/in house about reducing costs. All departments are joining up to provide services – not just waste. Happy to do partnership working but don't want to go at pace of lowest common denominator.
- Potential for a 2 speed partnership? PI useful but authorities should not be afraid of doing their own thing. Not locked into one model. Should be set up so that some cannot hold others up.
- Directors (or equivalent) attending meetings alongside Members – similar to PUSH. Radical suggestion to operate at much higher level. If serious about being a strategic body then needs to happen at top level, not operational level. This would be a regressive step. All will send who they wish.
- PR&SC - need to tie in with authorities' scrutiny functions. Authorities' own scrutiny panels have limited knowledge of what PI does. Problem is with scrutiny, not with PR&SC. Scrutiny in PI has always been weak, wait for how ambitious we decide to be.
- Never found presence of VES inhibiting. Will be loss if VES not on Board, they should just leave the room if necessary.

RESOLVED

1. That the comments of the Board on the Report be noted.
2. That all partners be asked to consider the Report and develop a formal

response.

3. That the Executive Director organise an Extraordinary General Meeting at a suitable time to draw the formal responses together and determine resulting actions.

5 Hampshire & Isle of White Local Government Association (HIOW) 14.01.11

5.1 The report was introduced by Steve Tilbury. Many of those present commented favourably on the report. Comments included:

- East Hampshire in particular commented on the pride felt in the achievements of recycling and energy from waste and emphasised that joint working can save significant amounts of money.
- The importance of taking a whole system approach.
- That VES are a contractor not a strategic decision maker.
- PUSH scrutiny meets rarely rather than paralleling the board.
- Joint working was strongly supported.

RESOLVED

That member authorities be advised to consider the Project Integra report at Cabinet level.

6 Background Papers

Report of the Review Team
Partnership Survey 2010 - results

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

Project Integra Partners are asked to consider the report of the PI Review Team and produce a formal response. To assist this process the Partners are invited to respond to the following questions. Additional responses to the findings and proposals in the report are also welcome.

A process to draw the formal responses together and determine resulting actions will be arranged.

1	Do you agree with the Review Team’s view that the JMWMS should be revised to set new ambitions for waste management in Hampshire and provide the environmental and infrastructure delivery ‘baseline’ through to 2020?
2	<p>Will your authority undertake to work energetically together with other Partners to reduce the annual whole system costs to the council tax payer of reaching the targets set in the new JMWMS?</p> <ul style="list-style-type: none"> • Are there any ‘red line’ areas for your authority in this – and if so what are they.
3	<p>Do you agree with the structural and cultural changes proposed to enable Project Integra to achieve its objectives:</p> <ol style="list-style-type: none"> a) That transparency and openness in sharing information and responsibility for problem solving at the strategic level are essentials to achieve Project Integra’s objectives – that these should be the norm in the partnership and that Members should expect officers to work together on this basis? b) That Veolia should remain a key partner but no longer sit on the Project Integra Strategic Board? c) That the role of the Policy Review and Scrutiny Committee be limited to the statutory minimum function? d) That the Strategic Board should be supported by corporate directors or equivalent officers with strategy officers continuing with their current role but also taking on project implementation and cost reduction monitoring work?
4	If you do not agree with these – what modified variant or alternative future do you propose for the Partnership?