

**HAMPSHIRE AND ISLE OF WIGHT LOCAL GOVERNMENT ASSOCIATION**

**27 January 2006**

**MANAGING HAMPSHIRE'S RECOVERED RESOURCES – THE CASE FOR CHANGE  
AND A PROPOSED MODEL FOR THE FUTURE**

**Report by the Chief Executive of Basingstoke and Deane and  
the Chief Executives' Group**

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**RECOMMENDATIONS**

- (1) That the proposal in this paper be endorsed as the outline model for the future;
  - (2) That the Chief Executives of Southampton City Council and Basingstone and Deane Borough Council lead the planning and implementation of the revised model assisted by a group of officers from Hampshire County Council, Portsmouth City Council and other Waste Collection Authorities;
  - (3) That the Project Integra Board should continue in its current capacity for the time being and act as advisor when the proposal is debated more widely;
  - (4) That joint working already being explored (for example, Test Valley/New Forest and in North and North East Hampshire) should continue and feed into this process where appropriate;
  - (5) That the Terms of Reference for the Group referred to in recommendation (2) should be to:
    - inform the HIOW Association of all developments via the Chief Executives' Group
    - develop detailed proposals for the practical implementation of the model, including definitions of roles, legal and financial implications
    - oversee the development of a draft constitution for the model
    - conduct workshops with Project Integra Members and Officers and others as required
    - brief, inform and consult individual authorities' members as necessary;
  - (6) That the timescale should include a report to the HIOW Association by the end of September 2006, having passed proposals by the Project Integra Board for comment/endorsement on 6 July 2006.
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## SUMMARY

This paper sets out the case for change and outlines the preferred model of strategic clusters proposed by the Project Integra Strategic Officers' Group. It proposes that the detailed planning and implementation of this model should be led by Chief Executives from both a waste collection and waste disposal authority, assisted by a joint officers' group.

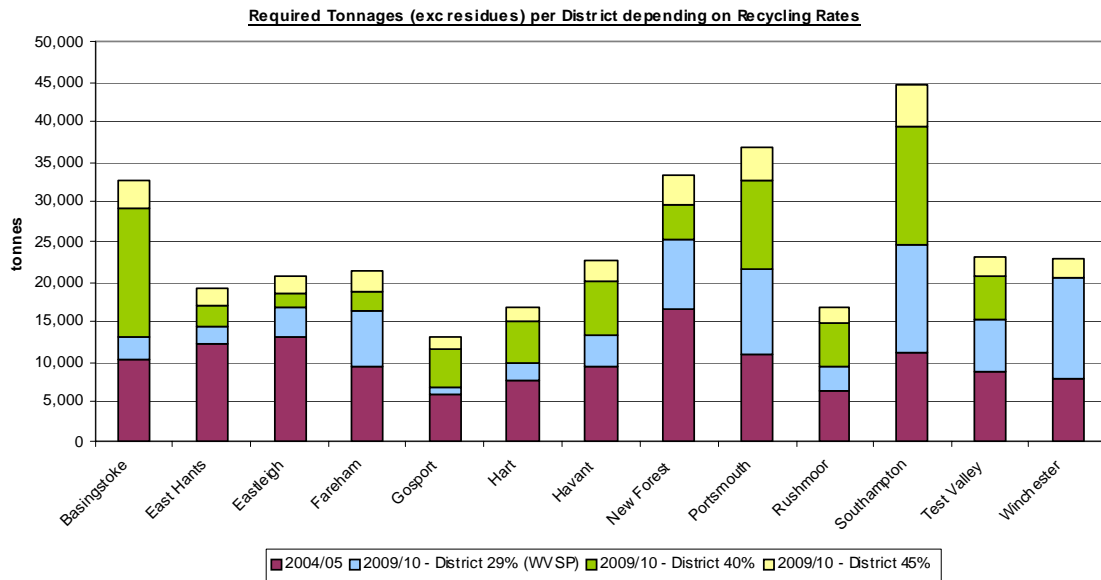
## BACKGROUND

1. The Association has previously approved Project Integra's overall objectives and endorsed the Hampshire Material Resources Strategy. This year it is part of the Association's Action Plan to "renew member authorities' engagement in the waste agenda: collection, disposal, procurement, efficiency and joint working".
2. To this end Chief Executives of Member authorities held a workshop with strategic officers dealing with waste on 10 October in Basingstoke. They focussed on:
  - implementing the Material Resources Strategy
  - improving operational and financial performance
  - the need to develop new markets for recycled material and public education/behavioural change.
3. The Project Integra Strategic Officers' Group has taken the consensus from the 10 October workshop and developed a model for joint working to take forward if Members approve.

## THE CASE FOR CHANGE

### **Recycling Performance**

4. The graph below shows the current performance levels of each authority, expected performance at the end of this year, and the gap to be filled to meet the 2010 targets to which each authority is aspiring. It shows that there is a considerable gap between aspiration and signalled firm intent. This has knock-on effects on both the efficiency of the existing infrastructure and the ability to make timely and sensible decisions to plan and deliver new facilities.



- The 14 authorities in Hampshire have contracts let for service delivery ranging from 5-20 years. With the available expertise spread so diffusely, there are clearly opportunities for joint working to be achieved.

### Costs

- Joined-up working in resource management using best practice could avoid additional costs of £8-10m annually for Hampshire taxpayers. There is scope to avoid future costs to the Waste Disposal Authorities by increasing the amount of recycling from its current level. By 2009/10 some £4.7m of avoided costs could accrue in waste disposal by reaching an optimal recycling level of more than 40% at kerbside. In addition to this, recent work by Jacobs Babbie has suggested that some £800,000 of savings a year (around 10% of current budget) could be accrued to Basingstoke and Deane, Hart and Rushmoor through joined up working to optimal systems. Extrapolated on a county-wide basis this could amount to between £3.3-5m depending on the collection methodology.

### Summary of Estimated Savings

|  |                 |
|--|-----------------|
| Estimated avoided additional costs to Waste Disposal Authorities through optimal recycling                               | £4m-5m          |
| Estimated aggregate savings/avoided additional costs to Waste Collection Authorities through alternate weekly collection | £1.65m-2.5m     |
| Optimal working  | £1.65-2.5m      |
| <b>Total</b>   | <b>£7.3-10m</b> |

All costs are annual from 2009/10

## OPTIONS FOR CHANGE

7. The key issue is to develop more responsive client decision making units capable of arranging service provision in a competitive manner and comparing performance and good practice between service delivery agents. With an appropriate culture of challenge, innovation and competition, the partnership will be able to demonstrate positive trends in improvement of service delivery to achieve best value across the board.

The four broad strategic options outlined by the 10 October seminar are:

- Status quo
- Strategic clusters – existing partners make strategic alliances for service delivery with neighbouring authorities.
- Federal – a central support unit provides common functions to the partnership members and operational clusters
- Quasi-Unitary Authority – municipal waste/resource management becomes a utility and all functions are placed under the control of a central partnership.

## RECOMMENDED OPTION

8. The Strategic Officers' Group suggests a new structure for Project Integra based on combination of the second and third options above. In the proposal, there are a number of strategic clusters with an operational remit. The clusters, overseen by both local officer and member groupings, would focus primarily on issues of collection performance and efficiency within the cluster. The clusters would also be supported with specialist expertise and projects via a Central Support Unit. A strategic overview would be maintained by the Strategic Officers' Group accountable to a Member Management Board, also supported by the Central Support Unit.
9. The basic structure is shown in the annex. This model would give Waste Collection Authorities a platform to deliver closer working and procurement at the local level while retaining an overall strategic direction Countywide. The inter-relationships would be defined by a revised constitution. One option may be to set up a Joint Committee for each cluster with service level agreements with the Central Support Unit. An option within this proposal is that the Management Board could be streamlined by representation from the clusters, rather than each individual partner. However, this paper is only requesting that this model is agreed in principle and that the appointed group of officers, in conjunction with all Project Integra partners, prepare more detailed proposals for consideration to clarify:

- Composition and Role of Management Board
- Composition and Role of the Officer Board
- Composition and number of strategic clusters
- Role of Waste Disposal Authorities
- Central Support Unit Role

**GORDON HOLDCROFT**

**Chief Executive, Basingstoke and Deane**

based on the work of Bob Lisney (Hampshire County Council), Steve Read (Project Integra) and the Project Integra Strategic Officers' Group – particularly David Burton (Eastleigh), Andrew Trayer (Southampton) and Emma Broom (Basingstoke and Deane)

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Annex: 1

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Waste report/Word