HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	14 November 2017
Title:	Waste Strategy
Report From:	Director of Economy, Transport and Environment

Contact name: James Potter

Tel: 01962 846771 **Email:** james.potter@hants.gov.uk

1. Executive Summary

1.1 The purpose of this paper is to seek approval for the revised overall strategic direction for waste management in Hampshire. In addition it sets out specific recommendations with regards to developing a detailed business case for the development of additional infrastructure for recyclable waste.

1.2 This paper seeks to:

- Set out the current context and legislative landscape in terms of waste management in Hampshire;
- Consider the current key performance measures and pressures facing waste services; and
- Outline the proposed strategic direction and the key work streams to be undertaken to tackle the identified issues and pressures.

2. Existing Structural Arrangements

2.1 Hampshire County Council, as a waste disposal authority, has a statutory duty for the disposal of municipal waste arisings in Hampshire. In order to fulfil this function, it has, in conjunction with its waste disposal partners, the unitary authorities of Portsmouth City Council (PCC) and Southampton City Council (SCC), entered into a waste disposal service contract (now extended to 2030) and a contract for the management of 26 Household Waste Recycling Centres (HWRC) (to 2030) both of which have been awarded to Veolia UK.

2.2 In addition to this, all 14 waste authorities of Hampshire (Disposal and Collection) are partners, along with Veolia, in Project Integra, the partnership established in the mid-1990s to deliver an integrated waste management service.

2.3 As a result of this approach, investment was made into a suite of infrastructure, which consists of:

- 3 Energy Recovery Facilities (ERFs)
- 2 Material Recovery Facilities (MRFs)

- 2 Composting Facilities
- 10 Transfer Stations
- 26 Household Waste Recycling Centres (including the Unitaries)

2.4 In addition to these responsibilities the County Council also holds historic liability for 14 closed landfill sites.

3. Financial Position

3.1 Household waste related services in Hampshire cost approximately £106m per year with these costs split approximately 1/3rd spent on waste collection and 2/3rds spent on waste disposal. This includes repaying the capital investment made by Veolia in delivering the aforementioned infrastructure.

3.2 As part of ongoing Transformation programmes, the County Council has, to date, achieved savings of £8.033 million (2012 - 2017). This has been delivered through the following initiatives:

- Disposal contract
  - Landfill diversion
  - Contract extension
  - Improved performance and innovations
- HWRC
  - Re-tendering the management contract
  - Operating hours changes
  - Charges for non-household wastes
  - Maximising performance

3.3 On top of the delivered savings a further £4.875 million is now required as part of the Transformation to 2019 programme, split between the disposal contract (£3.675m) and the HWRCs (£1.2m). These savings are intended to be achieved through performance improvement actions such as waste prevention, behavioural insights led communications, expanding the range of recyclable materials able to be collected from the kerbside, further landfill diversion, and from further service changes at the HWRCs, including the potential to close some of the current 24 site network.

4. Legislative context

4.1 Waste is a heavily regulated activity with the predominance of the UK legislation covering waste activities being a transposition of that emanating from Europe such as the Waste Framework Directive; the WEEE Directive and the soon to be adopted Circular Economy Framework. Whilst the UK is now planning to leave the European Union, it is expected that the broad policy direction will continue after Brexit.

4.2 In the UK, responsibility for waste issues has been passed to the Devolved Administrations which has lead to a growing gap in ambition and aspiration with regards to issues such recycling performance. In England, the last waste Strategy was published in 2007; it was reviewed in 2011, with a Waste

Management Plan for England published in 2013 in fulfilment of the requirements of the Waste Framework Directive. Since that time there has been limited Strategic Policy interventions in England other than on some waste specific issues such as the Waste prevention Strategy (2013) or the more recent litter Strategy (2017). Whereas, in Wales and Scotland, there has been a much more progressive approach setting stretching recycling targets with their respective "Towards Zero Waste" and "Zero Waste Plan".

4.3 There is currently a significant waste related directive known as the Circular Economy Package being negotiated via the EU's Trilogue[1] process due to differences of opinion between the Parliament and the Commission on certain elements of the proposals. These proposals include:

- Increased recycling targets by 2030 to 60-70% (subject to agreement via trilogue) – *it is understood that the UK Government is seeking a rate at the lower end of the range*.
- Limitation of landfill including potential bans on certain material types and even compulsory food waste collection.
- A revised definition of municipal waste and a single method of calculating recycling performance.
- Extend Producer Responsibility – extending the producer pays principle from areas such as packaging and WEEE in to other waste types.

4.4 The current EU Presidency, Estonia, has expressed the wish to conclude negotiations on the Circular Economy Package by the end of their term i.e. December 2017. At this time it is uncertain as to whether, in light of Brexit, the UK will be required to meet this target. It is currently anticipated that the transposition deadline will fall outside of the window in which the UK will leave the EU. However, should there be a transition period after leaving the EU then this requirement may come into play. DEFRA are currently expecting that this will be the case.[2]

4.5 In recent weeks there has been more activity in the legislative arena with some links to waste management in documents as well as indications of more specific publications to come;

- Published:
  - The Clean Growth Strategy which states that a new "waste and resources strategy" will be published next year
  - A Defra "call for evidence" on drinks bottles deposit return schemes
  - A WRAP consultation on standardisation of bin colours (part of the wider "consistency" agenda)

---

[1] Trilogues are a set of informal negotiations between the European Parliament, the Council of the European Union and the European Commission used with a view to reaching early agreements on legislation.

[2] https://www.letsrecycle.com/news/latest-news/circular-economy-package-expected-to-be-implemented/

- National Infrastructure Commission's Congestion, Capacity, Carbon consultation

- Expected:
  - Industrial Strategy
  - Defra's 25 year Environment Plan

5. Performance

5.1 In the late 1990s and early 2000s Hampshire was a leader in terms of recycling performance and landfill diversion, with state of the art infrastructure. Over time, however, other authorities, without the benefit of a similar range of infrastructure (especially the ERFs), have invested in a broader recycling offer which includes materials that Hampshire's current MRFs cannot process. This has led to a gradual decline in the County Council, and other Hampshire authorities' national ranking as shown in Tables 1 & 2.

Table 1 – A Comparison of Recycling Performance and Waste Collected (kg/household) for Hampshire, Southampton and Portsmouth Against Neighbouring and Regional Authorities 2015-16

Neighbouring Disposal Authority	Recycling %	National Ranking
Dorset Waste Partnership	59%	15
Surrey County Council	55%	36
Isle of Wight Council	45%	147
Wiltshire	44%	157
Kent County Council	44%	162
Medway Borough Council	43%	181
West Sussex County Council	42%	188
East Sussex County Council	42%	195
Hampshire County Council	39%	230
Southampton City Council	27%	325
Brighton and Hove Council	25%	337
Portsmouth City Council	23%	338

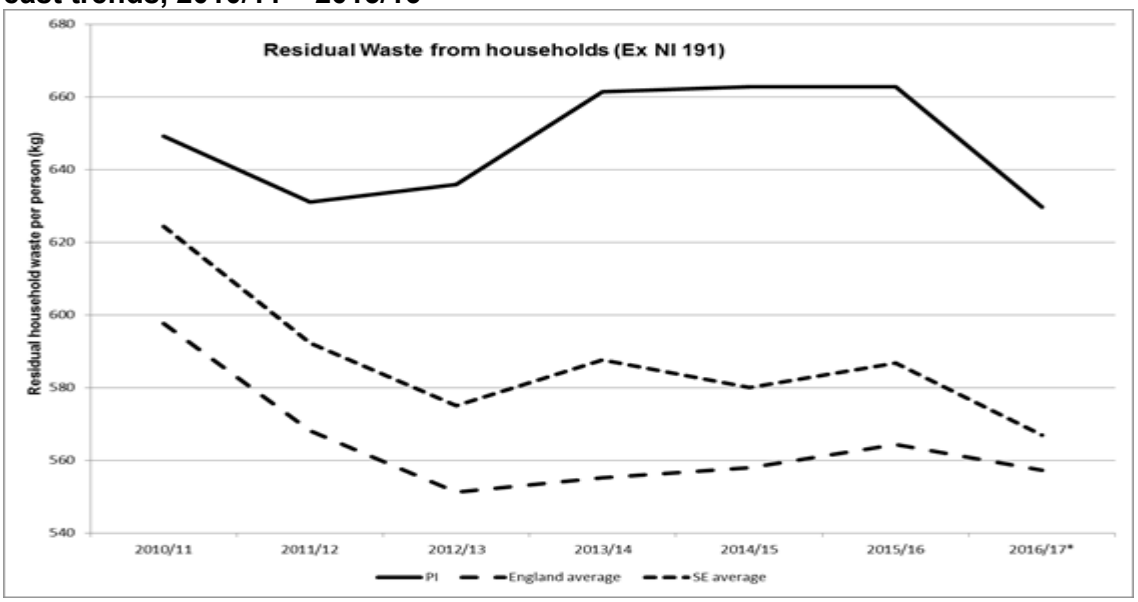
5.2 The top performing collection authority in Hampshire achieves a 40% recycling rate and offers a wide range of kerbside collection services including the standard dry mixed recyclables, green garden waste (chargeable), glass, batteries and food waste. Despite this wide range of materials it should be noted that they only rank 214 out of 351 English Authorities and are still almost 10% below the 50% recycling rate required by 2020. The worst performing Hampshire authority is the eighth worst authority nationally.

Table 2 Hampshire Districts compared to National Performance (2015/16)

Rank	Authority	Performance
1	South Oxfordshire DC	66.6%
2	East Riding of Yorkshire	66.1%
3	Rochford DC	66%
4	Vale of the White Horse DC	64.8%
5	Surry Heath BC	62.1%
214	Top performing Hampshire Authority	40.2%
343	Lowest performing Hampshire Authority	21.8%
351	Newham LB	14.7%

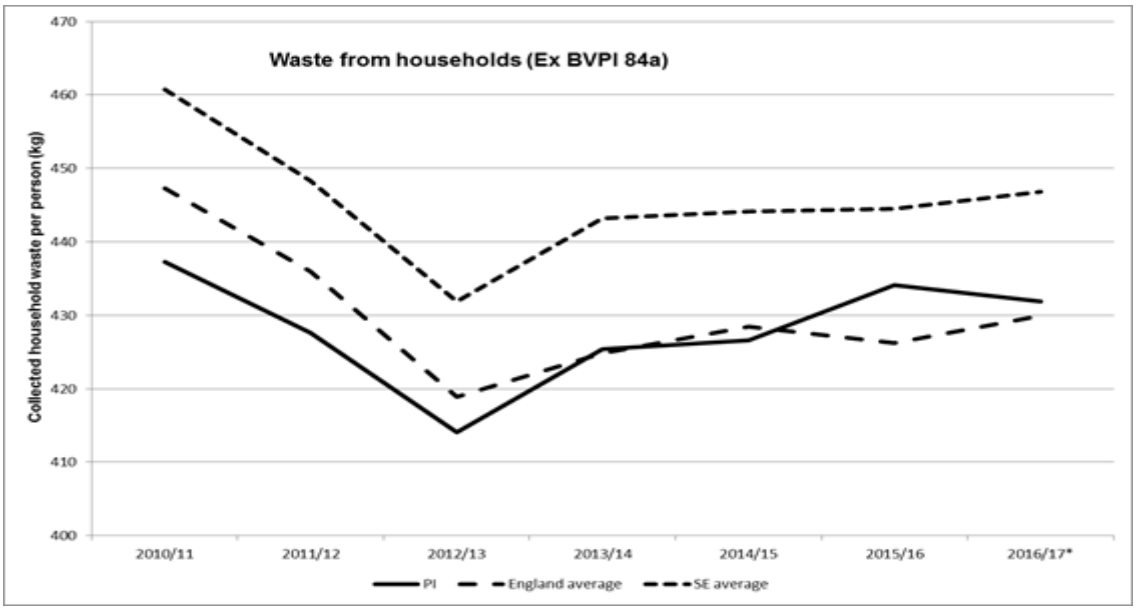
5.3 Fig 1 shows the amount of residual waste per household in KG compared with both the national average and the South East, and illustrates that whilst Hampshire has always been greater, the difference between them has increased significantly over time. Whilst Hampshire has seen a reduction in the last year this data tallies with the fact that other authorities have invested significantly in waste prevention campaigns targeting waste volumes.

Fig 1 - PI residual waste arisings (kg per household) compared to national and south east trends, 2010/11 – 2015/16



5.4 However, it is not just that Hampshire produces more waste overall. Fig 2 below shows the total waste per person and illustrates that Hampshire actually performs well per person in terms of total waste. When combined with the fact that the recycling rate is low this indicates that there is a significant amount of recyclable material still within the residual waste stream that could be captured. Diversion into the correct material stream is key.

Fig 2 - PI household waste arisings (kg per head) compared to national and south east trends, 2010/11 – 2015/16



5.5 The County Council's recycling rate in 2015/16 was 39.08%. This figure is made up of a combination of the recycling undertaken by the county council, mainly via the HWRC network (see section 7) and that of the Districts and Boroughs, or Waste Collection Authorities, operating within the County Council's area.

5.6 With the National recycling target of 50% as set by the Waste Framework Directive looming in 2020, Therese Coffey, the Parliamentary Undersecretary of State for DEFRA wrote to all 36 English authorities at 30% or under recycling performance (2015/16) in July to enquire about the action that they will be taking to improve their performance (7 of the Project Integra's 13 collection authorities received this letter):

- New Forest DC – 30%
- Havant DC – 28.6%
- Southampton CC – 27.2%
- Basingstoke & Deane BC – 26.3%
- Rushmoor DC – 25.9%
- Portsmouth CC – 23.4%
- Gosport BC – 21.8%

5.7 Therefore, there is a need to explore the opportunities to significantly improve recycling performance across all Project Integra partners. Work is underway to consider increasing the range of materials acceptable as part of the kerbside recycling service (Section 8.5) and to improve residents behaviour in terms of increasing capture, and reducing contamination, of kerbside recyclables. However, as discussed in Section 7, the Transformation to 2019 savings target from the HWRCs service potentially threatens the best performing part of the whole household waste service.

6. Pressures on the Waste Services

6.1 The pressures on waste services come in a number of forms which inter-relate with factors such as the economy and population growth, key influences in the service demand. A healthy economy tends to lead to a population with more disposable income and this in turn leads to waste growth, whilst an increasing population leads to an increase in housing numbers which in turns leads to increased waste production, as each new house is estimated to be equivalent of an additional 1 tonne a year of demand. These demands lead to budgetary and capacity pressures. An additional pressure also arises from the structure of local government waste services in two tier areas, where separate budget management and local politics can be barriers to optimising the efficiency of the service.

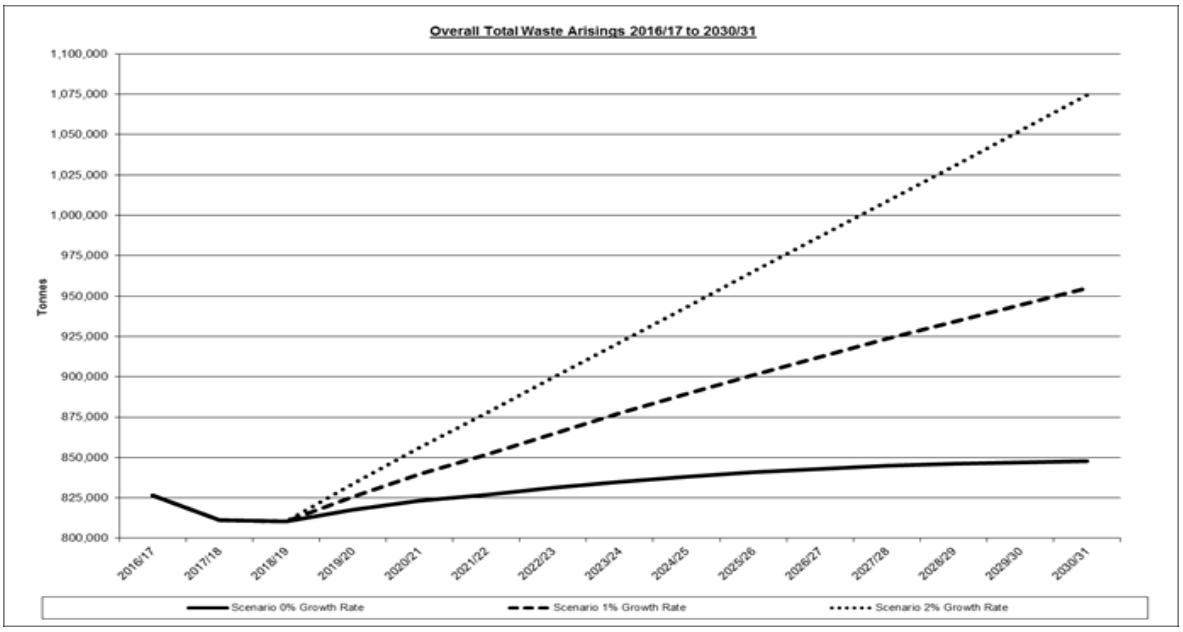
6.2 Waste Growth - Housing

6.2.1 Current estimates project an increase in housing across Hampshire of 100,000 by 2030. At the equivalent of 1 tonne of additional waste per new house, this is an estimated increase in total waste arising of 100,000 tonnes. This will have budgetary and capacity implications both for the collection and disposal authorities in Hampshire. There is a Project Integra officer working group that is assessing the implications of housing growth on whole system costs and performance that is due to report back to the Project Integra Strategy Board with an interim report in early 2018.

6.3 Waste Growth – Economic Growth

6.3.1 This element of waste growth is related to economic well being and so is difficult to predict. In the late 1990's when the economy was growing, annual increases in waste of 3% were not uncommon. However, following the credit crunch in 2008, total waste arisings fell and the economy went into recession. Any modelling over an extended period of time is only going to provide an indication of potential outcomes, and the graph in Fig 3 shows the implications of a sustained growth at 0%, 1% and 2% waste growth.

Fig 3 – Shows the potential implications of Waste growth through to the end of the current Waste Disposal Contract.[3]



6.4 Budgetary implications

6.4.1 Each additional tonne of waste from a new house or other waste growth is a further cost to be borne by the tax payer for its collection and disposal. The ultimate cost will relate to a number of factors such as its recyclability. For example composting green or garden waste is cheaper than disposing of it via energy recovery incineration or landfill.

6.4.2 Other factors affecting the cost burden include legislation such as government taxes i.e. landfill tax or possible future incineration taxes; the availability of markets for recyclable or recoverable materials; exchange rates etc. For example since the fall in the value of the Pound (£) following the Brexit referendum the cost of sending refuse derived fuel to continental Europe has increased significantly.

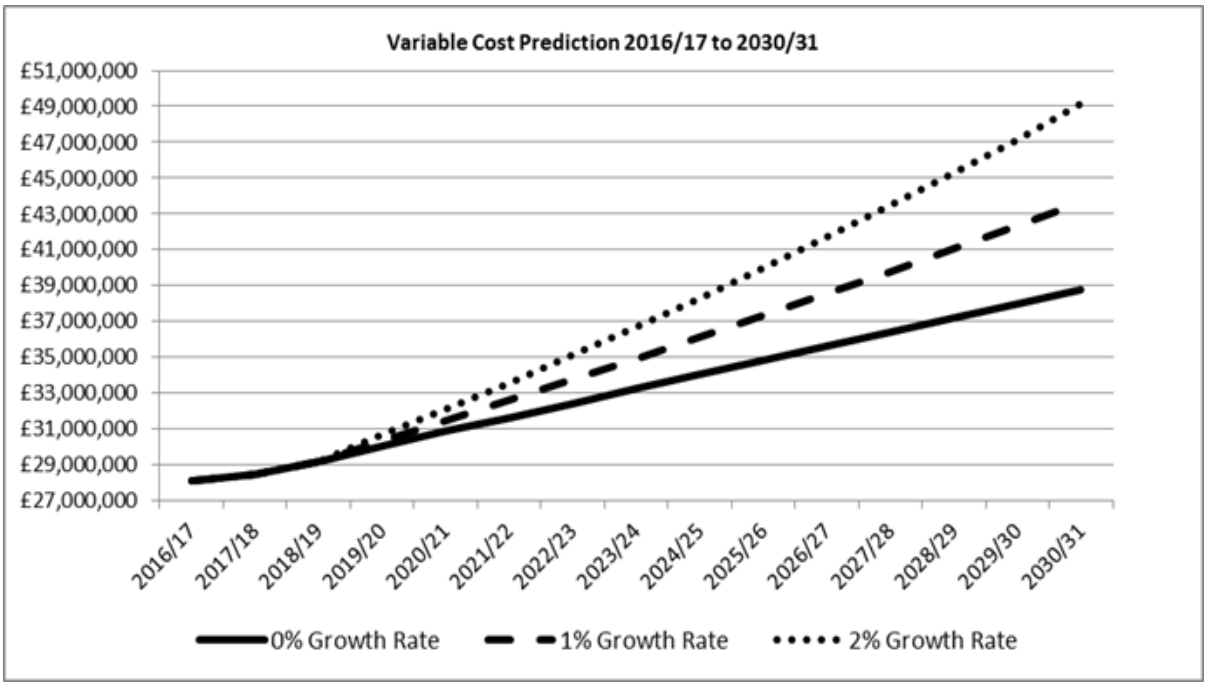
6.4.3 Fig 4 shows the potential budget implication to the County Council of a) the current projected housing growth only (0%) and b) housing growth plus a 1% economically related waste growth, and c) 2% economically related waste growth only. This assumes an average cost per tonne based on the existing service arrangements and a 2% annual indexation.

6.4.4 This indicates that when forecast from the current year (2017/18) and allowing for planned housing growth, waste growth of 2% and annual indexation at 2%, the variable cost of dealing with waste in Hampshire would rise from £29 million to £49 million by the end of the current waste disposal contract in December 2030.

---

[3] The figures include planned housing growth.

Fig 4 – shows the implications of waste growth (0%, 1% & 2%) on the service cost (Variable[4] fees only)[5]



6.5 Infrastructure Implications

6.5.1 Waste infrastructure is expensive to deliver. The County Council entered into a contract in 1997 for the delivery of a suite of infrastructure which at the time required an investment of c. £200 million by the contractor, Veolia. In order to make this affordable the contract term was 20 years from the commissioning of the Energy Recovery Facilities, during which time the County Council was effectively repaying the mortgage.

6.5.2 These arrangements, whilst providing state of the art infrastructure at the time, are also limiting on how technological advances can be adopted during the contract term, without significantly increasing costs, as the previous generation of technology is still being paid off.

6.5.3 The extension of the contract negotiated as part of the Transformation to 2015 and 2017 programmes has provided an opportunity to review the existing MRF provision (see section 8.5), but it is also an opportunity that will require a capital injection to make it deliverable at a time when there is a further requirement to reduce revenue expenditure.

6.5.4 The ERFs are a more fixed element of the infrastructure with a finite capacity. The contractual arrangement with Veolia ordered a specified annual capacity

---

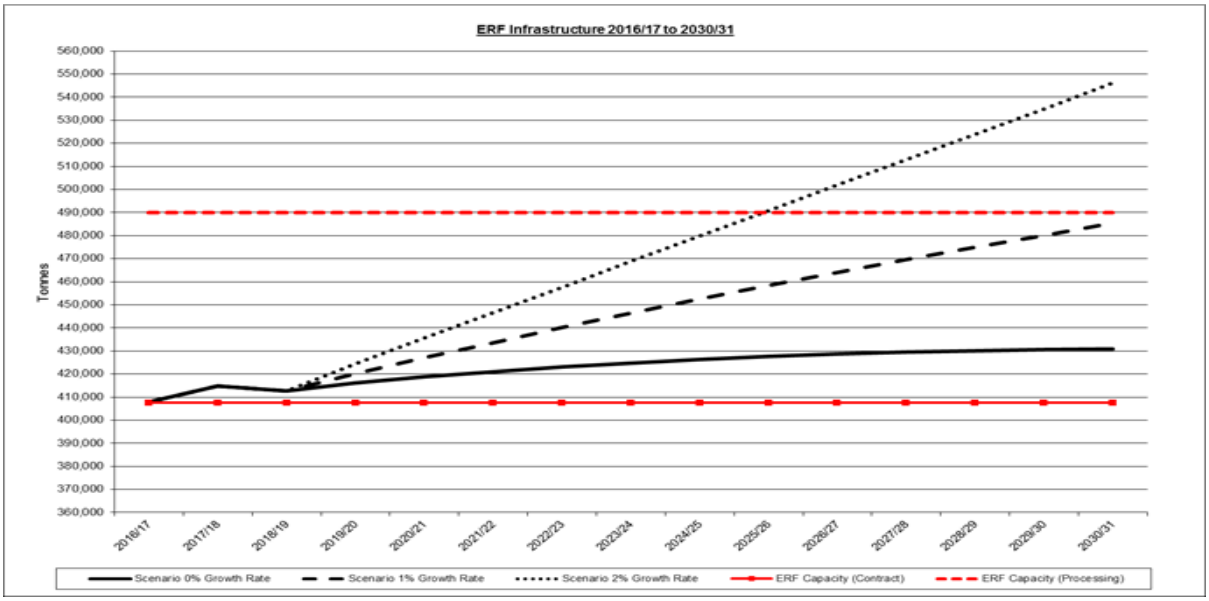
[4] The variable cost is a per tonne figure for processing of waste, these exclude the fixed fees that essentially cover the 'mortgage' for provision of the waste infrastructure that has been delivered as part of this contract.4

[5] Figures include RPI, planned housing growth and excludes any increase or decreases income resulting from capacity limits.

of 407,500 tonnes and then allows Veolia to sell any spare ERF capacity whilst sharing the profits with the 3 WDAs.

6.5.5 Fig 5 shows projections for ERF capacity demand over the life time of the contract based on planned housing, and other waste growth. This indicates already being marginally in excess of the contract capacity of 407,500 tonnes. Each tonne of waste over the contract capacity that is sent to the ERFs has a double negative impact on the financial position as it results in increased processing costs and loss of revenue from the sale of spare capacity to third parties. Whilst work is underway to minimise growth of waste (waste prevention) and to improve diversion of wastes away from residual disposal (single MRF and Behavioural Insights), further work is required to evaluate options for delivering further disposal capacity, this will include the potential commercial benefits of additional spare disposal capacity in light of dwindling landfill void.

Fig 5 – Shows the implications of projected waste growth on ERF Capacity over the course of the Waste Disposal Contract. [6]



6.5.6 It should also be noted that the one remaining landfill in Hampshire for the disposal of non-hazardous wastes is Blue Haze Landfill, Verwood on the County's western border. It is operated by Veolia but sits within its commercial operations and outside of the Hampshire contract. This landfill has a finite capacity and is expected to close in the mid 2020s. It is not currently expected that any replacement site is likely to be opened in Hampshire.

6.5.7 This will require further work to reduce the 3.65% (2016/17) of contract wastes that are presently sent to landfill such as re-use and recovery of wastes current collected by District Bulky Waste collections (section 6.1) or require the

[6] Figures include planned housing growth but excludes MRF residue as this is currently diverted as part of a trial and it is assumed this will continue.

development of alternative disposal options. Without this there will be a significant cost increase in the later years of the contract as waste will be required to be exported from Hampshire to landfill sites i.e. in Buckinghamshire and further afield.

6.6 Inconsistency in Collection

6.6.1 All District and Borough Councils in Hampshire Collect the same range of co-mingled dry mixed recyclables (DMR) set out in the input specification appended to the 1997 Memorandum of Understanding that underpins Project Integra. However, beyond this the WCAs deliver their waste services in a multitude of different ways. Outside of the DMR Specification there is no consistency of collection service from one borough to the next. Appendix 1 shows the range of services and delivery mechanisms within Hampshire's collection services

6.6.2 There are two examples (Winchester City Council & East Hants District Council and Basingstoke & Deane Borough Council & Hart District Council) of joint collection contracts amongst the 11 collection authorities, but even within these there are differences in service provision i.e. Basingstoke & Deane Borough Council has weekly collection whilst Hart District Council operates fortnightly.

6.6.3 This inconsistency has a number of impacts, some of which are causing additional costs to be borne by the County Council as the Waste Disposal Authority but which also miss opportunities for performance improvements and possible income generation. The Waste & Resources Action Programme (WRAP) has been working on this issue at the behest of DEFRA to produce an evidence base to support Local Authorities in achieving greater consistency across their service areas[7].

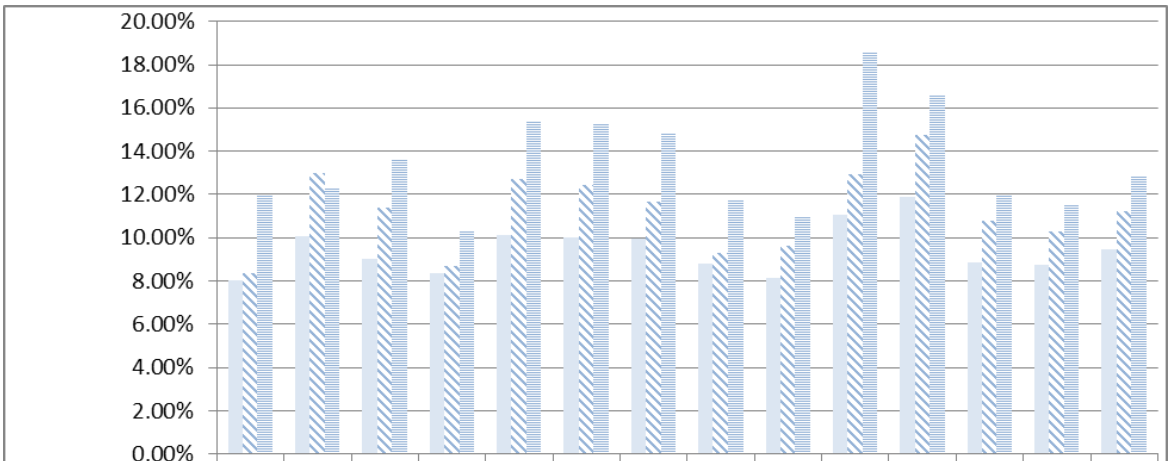
6.7 Contamination

6.7.1 Hampshire's contamination rate is set out in the Figs 6 & 7 below illustrating the fact that it has risen over time going from 7.55 to 11.44 percent over the last ten years. This rise in contamination has a significant financial impact on the waste disposal authorities: in 2016/17 it cost £1.2million to dispose of this material.

6.7.2 Contamination is a result of residents putting the wrong items in the recycling bin and whilst an amount of this is thought to be due to confusion over what can be recycled (e.g. different plastics), there is a growing amount of clearly non-recyclable material within DMR stream.

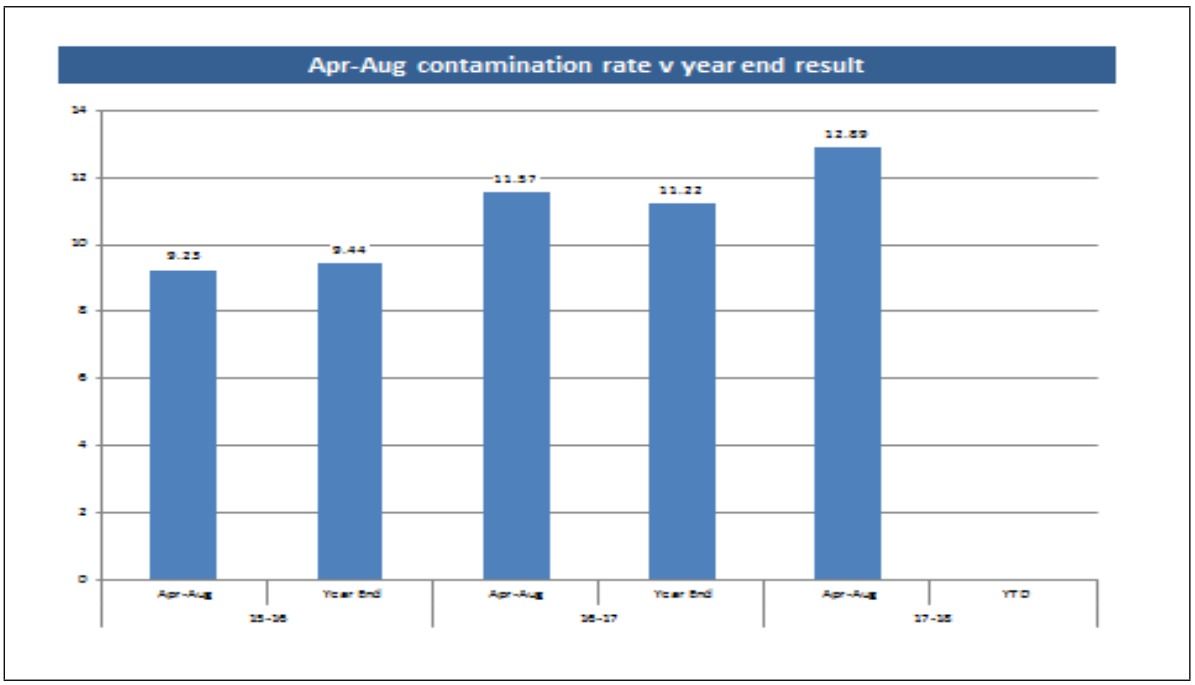
[7] http://static.wrap.org.uk/consistancy/The_benefits_to_Local_Authorities.pdf

Fig 6– Contamination or recyclable waste by district, 2015-16 to 2017-18[8]



	BDBC	EBC	EHDC	FBC	GBC	HBC	HDC	NFDC	PCC	RBC	SCC	TVBC	WCC	PI average
2015-2016	8.02%	10.07	9.02%	8.37%	10.13	9.99%	9.98%	8.81%	8.12%	11.04	11.88	8.88%	8.75%	9.44%
2016-2017	8.38%	13.01	11.42	8.71%	12.71	12.46	11.69	9.29%	9.66%	12.93	14.74	10.78	10.32	11.22
Apr-Aug 2017-18	12.03	12.36	13.66	10.35	15.38	15.33	14.87	11.75	11.00	18.62	16.59	11.95	11.55	12.89

Fig 7 – Showing the contamination rate for April – August compared with the end of year outcome for 2015/16 to 2017/18



[8] Note that the figures are based on MAF contamination sampling.

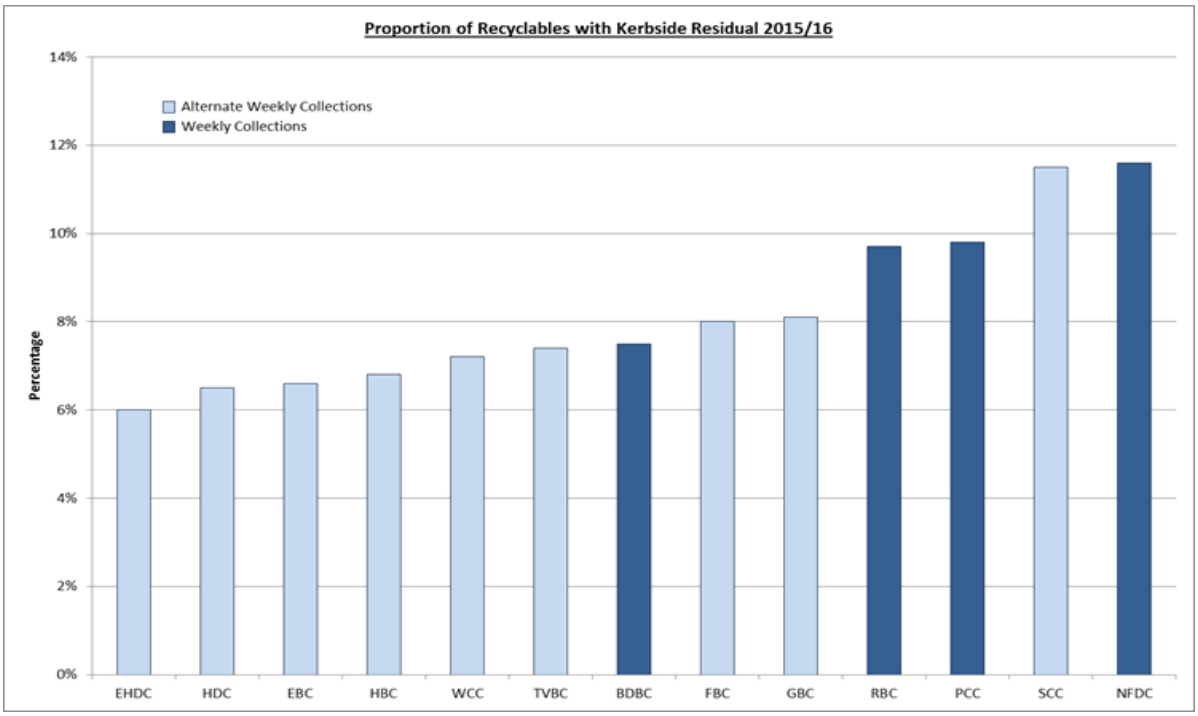
6.8 Alternate Weekly Collections/Weekly

6.8.1 The frequency of collection is known to affect the recycling performance of a district or borough. WRAP reports that "residual containment capacity" of which collection frequency is an element "was found to be significant in all datasets. More capacity is associated with lower recycling rates"[9].

6.8.2 Fig 8 indicates that in Hampshire those authorities that operate on a weekly residential collection schedule tend to have higher quantities of targeted recyclable materials in their residual waste stream than those on Alternate Weekly Collections. It should be noted that Southampton City Council changed to an alternative weekly collection schedule in June 2017 and data is still being gathered on the impacts of this.

6.8.3 This loss of potentially recyclable material associated with collection methodology has financial implications for the Disposal Authority in terms of higher disposal costs and optimising capacity utilisation at both the ERFs and MRFs. There is also a loss of income for the Collection Authority, not to mention foregoing any cost reductions associated with operating a fortnightly service as opposed to a weekly service.

Fig 8 – Shows the percentage of residual waste which is targeted recyclable material and the collection frequency for 2015/16[10]



[9] http://www.wrap.org.uk/content/influencing-factors-local-authority-recycling-rates-identified

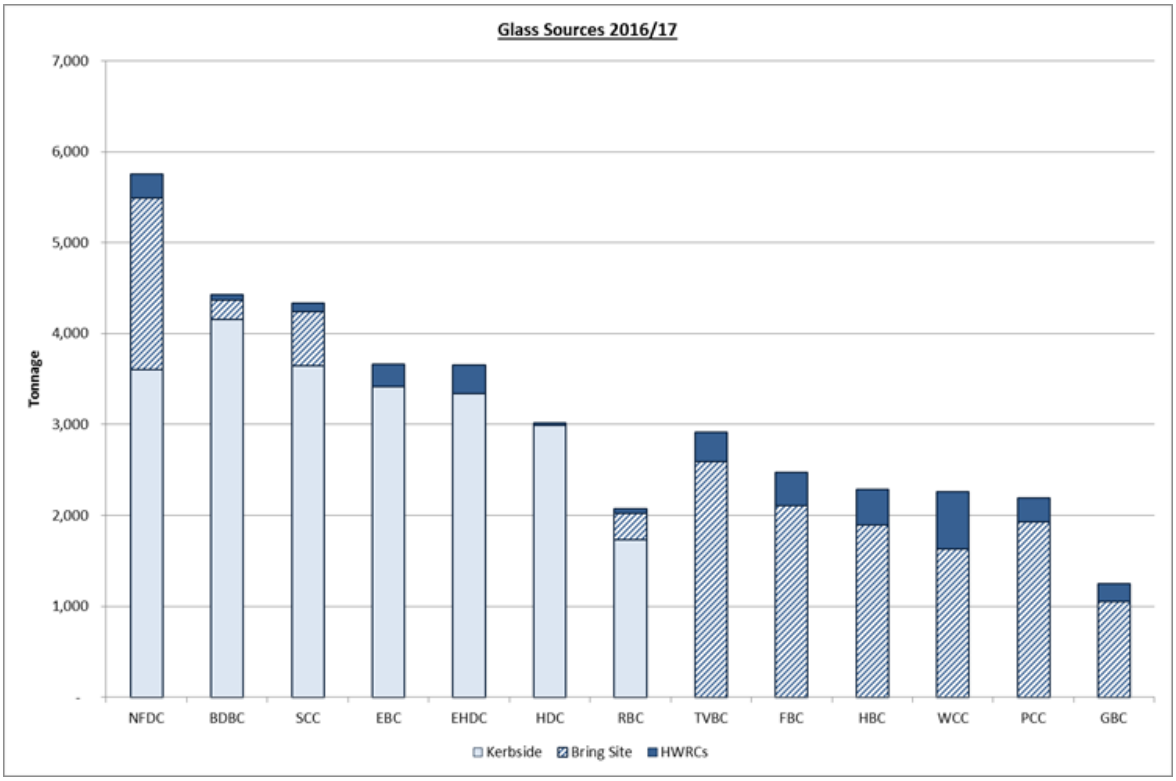
[10] Note that the data was taken prior to Southampton City Councils switch to alternate weekly collections.

6.9 Kerbside Glass/Non Kerbside Glass

6.9.1 Glass is another material where there is variation in how it is collected , either via a kerbside collection service as provided by 7 PI Partners, or by “Bottle” Banks (provided by 5 PI Partners), with 4 providing both services. All the HWRCs also have bottle bank facilities but these are provided by the WDAs.

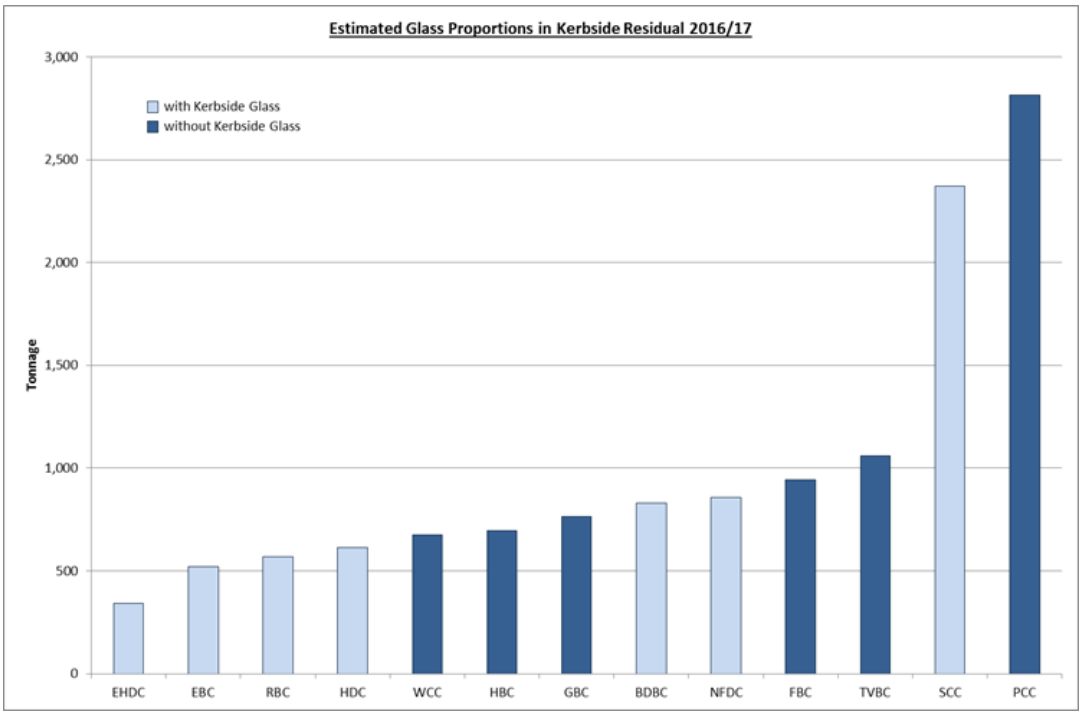
6.9.2 As can be seen in Fig 9, those districts offering a kerbside collection service generally have a significantly higher capture rate of glass that those only offering bottle banks. This in turn is reflected in the fact that those offering a kerbside collection service have on average a lower quantity of glass in their residual waste (see Fig 10).

Fig 9 Shows the amount of glass collected and the proportion of material by source for 2016-17



6.9.3 Glass remaining in the residual waste stream is sent for incineration. This tonnage (in excess of 10,000 tonnes per annum) takes up valuable capacity at the ERFs, as glass is unaffected by the thermal process and ends up in the incinerator bottom ash. It also misses out on a possible income from the sale of the recyclable cullet as well as the benefit in terms of recycling performance (%).

Fig 10 showing amount of Glass in remaining in residual waste by authority and whether or not they offer a kerbside collection service for 2016-17.



6.9.4 Project Integra is about to tender a new off-take contract for its collected glass and as part of the initial review of the service a county-wide collection contract was considered. However there was insufficient appetite amongst the partners to pursue this given their individual contractual or service delivery arrangements.

6.10 Bulky Waste Collections

6.10.1 Local Authorities' waste services are often considered the first point-of-call for residents who are looking to discard of their waste. District and Borough Authorities are allowed to charge for certain types of collection and includes the ability to charge for the collection of bulky household items. In general these items include white goods like fridges and cookers, and large furniture items such as 3 piece suites and wardrobes.

6.10.2 Unfortunately due to the nature of these services these items, which might initially have been reusable, end up as waste and once picked up as part of this service are destined for disposal by landfill. This is because the way in which the service is generally organised leads to residents placing items out for collection ahead of the collection date, subjecting them to damage by the weather. In addition the collection service itself is often a combined role with new bin deliveries, missed collections and other services. This means that space on vehicles is often limited and as a result items are stacked in such a way that does not preserve their condition.

6.10.3 Kerbside collected bulky waste, along with bulky residual from the HWRCs, makes up the majority of the material that currently goes to landfill and costs the disposal authority around £500,000 per annum. Some work has been done with the Waste Collection Authorities to try to embed a revised Call Centre Script that encourages residents to contact local charities in the first

instance. This is because if some of these items were collected and managed effectively it would offer the potential to increase their reuse and also support other corporate aspirations by providing a supply of furniture for those in need through charity partners.

6.10.4 However, there is a tension in a two tier authority area between the income generated as a result of the collection activity by the WCA against the disposal cost resulting to the WDA for having to dispose of items that could have been reusable if diverted to the second-hand market operated by charities.

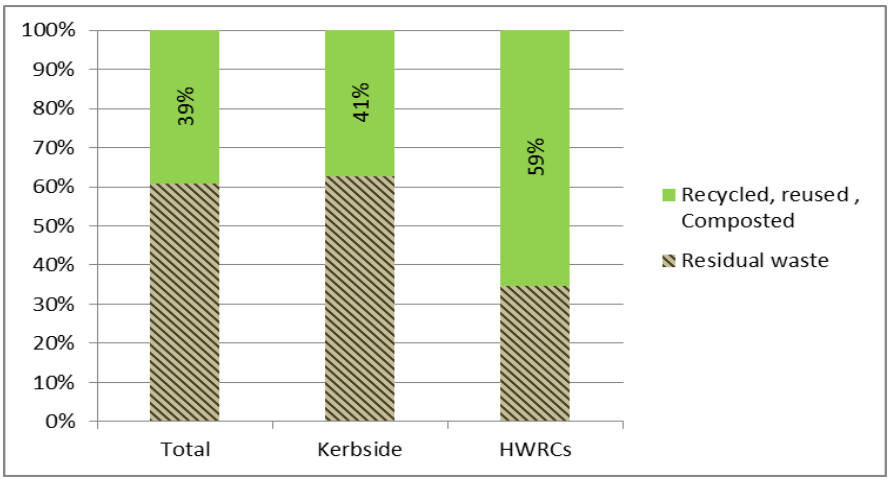
7. Household Waste Recycling Centres

7.1 The HWRC network is a much used and valued local service enabling residents to dispose of their bulky waste items free of charge in a convenient manner. The County Council provides a network of 24 sites, with Portsmouth and Southampton City Councils providing one each.

7.2 These facilities receive approximately 4 million visitors a year, and in 2015/16 handled 206,000 tonnes of waste of which 119,000 tonnes was recycled (57%).

7.3 The County Council's HWRC Service makes a significant contribution to the council's overall recycling rate of 39%. However, it does so from less than 30% of the total amount of waste, as shown in Figs 11& 12.

Fig 11 – Shows the contribution to the Council's total recycling performance by the two key elements of the waste services



7.4 As set out in the Transformation to 2019 Programme –Revenue Savings Proposal report[11] presented to September's Environment and Transport Executive Member Decision Day, a further £1.2 million of savings are required to be made from the HWRC Budget by April 2019. The current HWRC budget is approximately £10 million which is divided into management costs of just

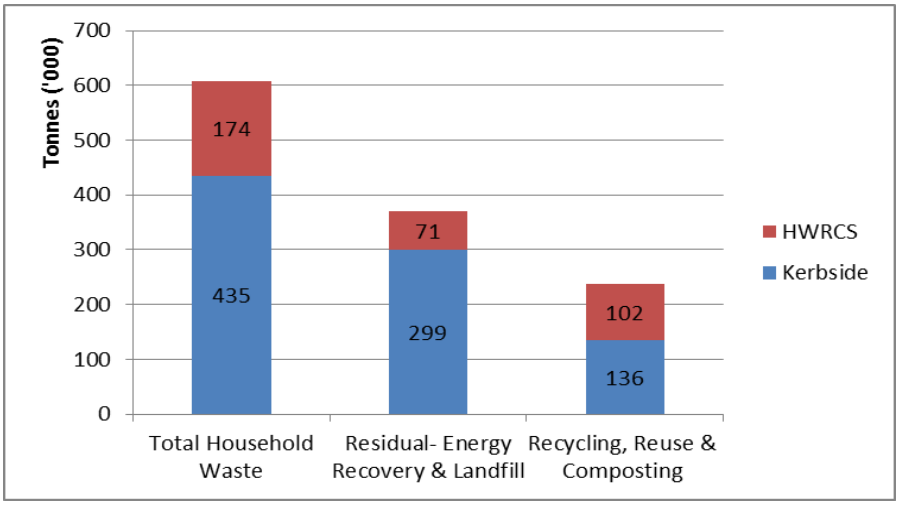
[11] http://democracy.hants.gov.uk/documents/s5800/Economic%20Development%20-%20T19%20Revenue%20Savings%20Proposals_HF000014734448.pdf

under £2 million (fees paid to the Contractor Veolia to manage the network of sites) and the waste disposal costs of just over £8 million.

7.5 Given that the need to achieve the necessary savings from previous Transformation programmes has led to the contract being re-tendered, opening hours reduced, and charges for non-household waste being introduced, there are limited options for further cost reduction. Options being explored include:

- Further opening hour reductions
- Day closures
- Expansion of the non-household waste charging scheme
- Full site closures
- Alternative operating models e.g. third sector involvement

Fig 12 - Shows the split in performance across the two key services areas in tonnage ('000) terms



7.6 There is also an opportunity, as part of the Joint Working described below (section 8.7) to review the relationship between collection services and the HWRC Services in order to maximise overall service effectiveness in terms of value for money and performance.

8. Strategic Direction

8.1 In summary, the identified issues and pressures are:

- The potential increase in the cost of waste disposal of up to £20 million per annum depending on delivery of expected housing growth and up to a 2% per annum increase in economically related waste growth
- Higher than average residual waste arisings, which is putting pressure on existing capacities before any future growth is factored in
- Low recycling performance

- High levels of contamination or non-targeted materials within the kerbside collected recyclables
- Inconsistent performance due to variable collection services across Hampshire leading to additional costs or loss of income across the partnership
- Anticipated waste growth due to increased housing numbers and other factors
- The need to make savings from stand alone budget functions e.g. the HWRC network

8.2 In response to these pressures this section sets out the proposed strategic actions that will be pursued in order to manage or mitigate them:

- A waste prevention programme
- Behavioural Insights work
- Develop a business case for new recycling infrastructure
- Investigate the need for additional disposal infrastructure
- Investigation of joint working opportunities

8.3 Waste Prevention Programme

8.3.1 Hampshire's waste prevention programme, Smart Living, began in 2015 as a measure to control increasing waste volumes and escalating disposal costs. The main objective of the programme is to educate and inspire Hampshire residents about small changes they could make to their lifestyle which will lead to much greater economic and sustainable benefits.

8.3.2 The proposed programme for 2017 – 2019[12] has been designed following a review of past and current waste disposal trends and costs, evidence of successful activities carried out by other Waste Disposal Authorities, waste prevention key performance indicators, and results from the waste prevention annual tracker surveys, as well as input from the waste prevention team.

8.3.3 There are a number of elements to the programme including:

- Development of an insights-driven waste prevention approach that can be sustained and scaled Hampshire-wide over the long-term. The project will use innovative, values-led audience insights to reach targeted audiences, aimed at encouraging behaviours that aid more efficient waste management.
- A comprehensive waste compositional analysis to get a detailed understanding of what makes up the current residual waste stream in Hampshire.
- A reuse development service, working with HCC Troubled Families team to enhance collaborative working between reuse organisations and social

[12] 2017-10-02 Waste Prevention ETE DMT Report - ITEM

welfare providers to futureproof the provision of local welfare support through furniture.

- Developing a centralised booking service for bulky waste to increase the amount of this material diverted for reuse by making the service easier and more convenient for residents.
- Developing a strategic partnership with a national food waste retailer to produce food waste prevention messages and interventions to appear at relevant points throughout the online shopping delivery service process.

8.3.4 In addition to the activities outlined above it is proposed to trial a grant scheme that will pump-prime new, or expand existing, waste prevention products and services similar to those already identified on the Smartliving webpages [13] with the intention of ensuring activities are sustained beyond the funding period.

8.3.5 A lack of upfront funding is the main barrier noted for preventing these organisations from turning concepts into reality and from reaching a wider Hampshire audience. Increasing the scope and accessibility of products and services to Hampshire residents will also raise awareness of preventing waste and provide social benefits.

8.3.6 It is intended to open the application process for the grant during the European Week for Waste Reduction (18th – 24th November 2017) so that applications can be assessed and a recommendation of projects to fund can be made in time to meet the ETE Executive Member decision day on 13th March 2018. Funding for projects can then be released as of 1st April 2018.

8.3.7 The aim of the Waste Prevention Programme is to increase awareness of waste issues and effect a reduction in overall waste arisings, thus contributing to the saving Targets of the Transformation to 2019 programme

8.4 Behavioural Insights

8.4.1 It has been identified that, whilst there has in the past been a significant amount of traditional communication with residents about waste and recycling, this has not had the desired impact in terms of performance within the kerbside recycling systems.

8.4.2 In order to attempt to change this investment has been made in a behavioural insights led approach to engage with and change the way in which residents behave in relation to waste and recycling.

8.4.3 The initial research phase of the project has been completed and the target audiences have been identified. Work is now ongoing on the creative concepts ahead of testing those in certain areas within Hampshire.

8.4.4 It is intended to launch a range of creative, innovative pilots later this year and then measure how they are working, tweak them based on feedback and new insights, and then scale up the solution and roll it out across the County.

8.4.5 The interventions will be constantly evaluated, monitored and optimised to ensure that it creates a sustained impact.

---

[13] https://www.hants.gov.uk/wasteandrecycling/smartliving/inthehome/reusesites

8.4.6 The aim of the project[14] is to drive consistent, targeted and relevant communications across Hampshire and with Project Integra partners to:

- Increase levels of recycling / divert recyclables from residual waste stream.
- Reduce contamination within recycling
- Reduce waste in the first place
- Maximise opportunities to influence behaviour around changes to infrastructure, waste services and other transitions.

8.5 Single Material Recovery Facility Opportunity

8.5.1 The existing contract with Veolia was extended in 2015 to an end date of 30 December 2030. This has meant that one of the two existing MRFs at Alton becomes scheduled for a refit, included in the existing contract cost. This has presented an opportunity to review, and potentially change, the current system where any change to infrastructure can be at least partially off set against the existing contractual cost.

8.5.2 Options have been investigated at a high level with Veolia, the long term disposal contract partner. Whilst a number of options have been explored, the preferred option is the development of 1 single MRF in a central location, the benefits of which include:

- the maximisation of the economies of scale;
- the ability to design for an increased range of collected materials i.e. Pots, Tubs and Trays and cartons (PTTs) without the space restrictions of the existing MRFs;
- no need to close the existing Hampshire MRFs during the development phase, thereby avoiding loss of income from sale of recyclables and potentially higher gate fees at MRFs outside of Hampshire.

8.5.3 Modelling has been carried out on options for delivery and what their relative costs would be. Table 3 below summarises the outcomes of this. It is currently believed that, on the basis of the current modelling, the option to deliver a single MRF provides the best balance of benefit to the community and reduced expenditure in the long term.

8.5.4 The expectation is that in delivering the new MRF infrastructure it will be possible to increase the range of recyclable materials collected at the kerbside, thus meeting a known political and resident aspiration, whilst increasing Partners' recycling performance and reducing overall costs by moving materials up the Waste Hierarchy.

8.5.5 Therefore it is proposed to develop a full business case for a single MRF solution with the intention, subject to the outcomes of the business case, to seek further approvals for the necessary funding, land acquisition, and project appraisal to implement and deliver new MRF capacity.

---

14 Waste Performance Improvement Programme DMT Feb 2017

Table 3 – Summary of the cost and benefits of the MRF options

Option	Capital cost *	Transition cost	Revenue Cost	Recycling benefit
Refit Alton MRF	Included in existing contract	Potential loss of some of £6m p.a. income due to export of material during refit	No change. Cost rise due to poor performance and housing growth	None
Expand range at two existing MRFs	£10 Million	£7.25 Million p.a. in gate fees and loss of Income	£1 million p.a. in part to maintain quality of saleable materials	Yes
Expand range through single Alton MRF	£2-4 million	Loss of some of £6m p.a. income due to export of material during refit	Up to £1m in additional haulage transfer costs	Yes – but capacity for future growth is limited by size
Expand range through single central MRF	£10-25 million**	None	Depends upon location and design	Yes
* Veolia make a capital contribution in all scenarios equivalent to the refit of Alton MRF on a like for like basis. * *Range subject to site costs and site condition i.e. clear site or pre-existing building etc.				

8.6 Additional Disposal infrastructure

8.6.1 As identified in Fig 5 the contract capacity at the ERFs is already being exceeded and whilst the Council does have call on the spare capacity, doing so exposes it to increased costs both in terms of higher variable fee payments and a loss of income.

8.6.2 In light of these pressures it is proposed that further work is undertaken to assess the options open to the Authority for increasing disposal capacity, be that additional ERF capacity or pre-processing for export to other facilities outside of Hampshire as a refuse Derived fuel (RDF) or a Solid Recovered Fuel (SRF).

8.6.3 This work will take into account the impacts of other strategic actions such as increased diversion of recyclables to the MRFs and the impacts of the waste prevention programme, as well as the need to source alternative solutions for material which is presently landfilled.

8.6.4 Subject to resource, availability work will also be undertaken to ensure that other disposal options for material streams, such as Air Pollution Control residues (also known as Fly Ash) and Incinerator Bottom Ash, are optimised, with proposals for invest to save projects proffered subject to a business case.

8.7 Opportunities for Joint Working

8.7.1 The current relationship between the partners in Project Integra is overseen by the Project Integra Strategic Board with an elected Chairperson and representation from all partners by the waste portfolio holding Cabinet Member.

8.7.2 The relationship is underpinned by a Memorandum of Understanding that was originally agreed in Feb 1997, which in summary agrees that each partner will work together, but that each authority with waste responsibilities, be it for collection or disposal, manages their own budget for their provided service, and are able to make changes to that service even if such changes might have a detrimental impact on other or all partners.

8.7.3 This has led to numerous missed opportunities to benefit from economies of scale, consistency, and simplification.

8.7.4 As an example, the County Council and the two unitary authorities of Portsmouth and Southampton, as Waste Disposal Authorities, finance the costs associated with the provision and operation of the entire waste infrastructure, including responsibility for the costs associated with operating of the two MRFs. This includes a fee payable on each tonne of inputs and the disposal costs of any non-targeted material, contamination, or any process losses.

8.7.5 The income from the sale of the recyclable materials is then shared 50:50 between Veolia and the three Waste Disposal Authorities, with the County Council passing over its entire share to the 11 WCAs, without any consequence associated with its initial quality.

8.7.6 Rising contamination levels, which have gone from 7.55 to 11.44 percent over the last 10 years, costing the waste disposal authorities £1.2 million in 2015/16, are difficult to change as there is no incentive for the collection authorities to improve.

8.7.7 The proposed expansion of the range of materials to a single MRF will require a review of the Memorandum of understanding, and an Officers Working Group has been examining a number of options to deliver greater benefit to the community at less cost to the partnership overall.

8.7.8 This has included reviewing what other similar partnerships of authorities who are ahead of Project Integra in terms of their performance have done, and these include pooled budgets, formal joint governance, and delegated decision making, through to full integration of responsibilities as a single waste authority.

8.7.9 It is proposed that the County Council continues to work with the Chief Executive Group of the Hampshire and Isle of Wight Local Government Association (HIOWLGA), as has been the practice to date with respect to developing the MRF proposals set out in section 8.5, identifying and quantifying the options for the future structure of Household Waste Services in Hampshire, and learning from other authorities in order to improve services to the community at lowest overall cost.

9. Recommendations

9.1 That the overall strategic direction for waste management in Hampshire as set out in this report be approved and adopted.

9.2 That approval be given to produce a full business case for development of a single Material Recovery Facility (MRF) option including:

- A proposal for capital funding for land acquisition and full development;
- A full project appraisal to be considered by the Executive Member for Environment and Transport; and
- A land acquisition report to be considered by the Executive Member for Policy and Resources.

9.3 That approval be given to set up a grant fund of £65,000 to support local enterprise (charitable or otherwise) in establishing initiatives for the reuse of bulky household items.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes/**no**
People in Hampshire live safe, healthy and independent lives:	yes/**no**
People in Hampshire enjoy a rich and diverse environment:	**yes**/no
People in Hampshire enjoy being part of strong, inclusive communities:	yes/**no**

Other Significant Links

Links to previous Member decisions:	
Title None	Date
Direct links to specific legislation or Government Directives	
Title Waste Framework Directive	Date

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2 **Equalities Impact Assessment:**

The change itself will have a neutral impact on all groups as the actual decision to progress with the business case will not itself result in a change for service users. If the outcome of the business case is positive then this will allow more materials to be recycled by all users.

2. Impact on Crime and Disorder:

2.1 Provision of a new MRF to process a wider range of materials from the kerbside collection service will not have any impact on crime and disorder.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption*?*

The ability to collect a wider range of materials at the kerbside would have a positive impact on carbon footprint by reducing the amount of material that is disposed of as residual waste, and enabling more material to be recycled. This in turn should reduce the need for use of virgin materials to produce the products we use.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Taking steps to increase the amount of recycling and reduced residual waste helps to reduce the need to rely on virgin materials for products.

	Residual waste frequency		Dry Recycling Frequency		Glass Collection			Food Waste Collected?	Garden waste	
	Weekly	**Fortnightly**	**Weekly**	**Fortnightly**	**Fortnightly**	**Monthly**	**None**		**Free**	**Chargeable**
Basingstoke and Deane Borough Council	✓			✓	✓					✓
East Hampshire District Council		✓		✓		✓				✓
Eastleigh Borough Council		✓		✓		✓		✓		✓
Fareham Borough Council		✓		✓			✓		✓	
Gosport Borough Council		✓		✓			✓			✓
Hart District Council		✓		✓	✓					✓
Havant Borough Council		✓		✓			✓			✓
New Forest District Council	✓		✓			✓				✓
Portsmouth City Council	✓			✓			✓			✓
Rushmoor Borough Council	✓			✓	✓					✓
Southampton City Council		✓		✓	✓					✓
Test Valley Borough Council		✓		✓			✓			✓
Winchester City Council		✓		✓			✓		✓	