



Project Integra – Strategic Board Minutes

Name of meeting	Project Integra Strategic Board	
Date of meeting	Monday 10 th February 2025, 10am-12-pm	
Venue	Hybrid Meeting – The Guildhall, Winchester & Teams	
Attendees	<p>Councillors:</p> <p>Cllr Dave Ashmore (DA) Cllr Ian Bastable (IB) Cllr Geoffrey Blunden (GB) Cllr David Drew (DD) Cllr Paul Gray (PG) Cllr Stephen Hammond (SHa) Cllr Eamonn Keogh (EK) Cllr Rupert Kyrle (RK) Cllr Kelsie Learney (KL) Cllr Robert Mocatta (RM) Cllr Kirsty North (KN) Cllr Richard Quaterman (RQ) Cllr Chris Tomblin (CT)</p> <p>Officers:</p> <p>Linda Bratcher (LB) James Duggin (JD) David Emmett (DE) Sean Herdman-Grant (SHG) Claire Griffiths (CG) Mark Grey (MG) Sam Horne (SH) Paul Laughlin (PL) Olivia Longley (OL) Stephanie Lucking (SL) Paul Naylor (PN) Chris Noble (CN) Karyn Punchard (KP) Colin Read (CR) Sonja Reames (SR) Richard Tebbutt (RT) Sarah Ward (SW) Ashley Wild (AWi) Campbell Williams (CW) Abigail Wylde (AWy) Paul Wykes (PW)</p>	<p>Portsmouth City Council Fareham Borough Council New Forest District Council Test Valley Borough Council Havant Borough Council Gosport Borough Council Southampton City Council Eastleigh Borough Council Winchester City Council East Hampshire District Council Hampshire County Council Hart District Council Basingstoke and Deane Borough Council</p> <p>Southampton City Council Rushmoor Borough Council Portsmouth City Council East Hampshire District Council Havant Borough Council Veolia Hampshire County Council Hampshire County Council Project Integra Gosport Borough Council Eastleigh Borough Council New Forest District Council New Forest District Council Gosport Borough Council Havant Borough Council East Hampshire District Council Fareham Borough Council Basingstoke and Deane Borough Council Winchester City Council Project Integra Test Valley Borough Council</p>
Apologies:	<p>Councillors:</p> <p>Cllr Lulu Bowerman (LB) – deputised by Cllr Kirsty North Cllr Becky Williams</p> <p>Officers:</p> <p>Mick Gore (MG) Dan McCartney (DMC) Helen Taylor-Cobb (HTC) Ian Spicer (IS) Ruth Whaymand (RW)</p>	<p>Hampshire County Council Rushmoor Borough Council</p> <p>Fareham Borough Council Fareham Borough Council Basingstoke and Deane Borough Council Basingstoke and Deane Borough Council Rushmoor Borough Council</p>

		Actions
1.	Introductions and Domestic Arrangements	
1.1	Cllr Mocatta opened the meeting and round-the-room introductions were given.	
2.	Apologies	
2.1	Apologies as above.	
3.	Declarations of Interest	
3.1	There were no declarations of interest.	
4.	Minutes of the Last Meeting and Matters Arising (Report 127)	
4.1	Point 6.2 Chief Executive Output Work – an update on this and the whole system cost work is covered under agenda item 5.	
4.2	RK raised that he was listed under the wrong authority in the previous meeting minutes. OL to amend.	OL
5.	Whole System Cost	
5.1	<p>RM explained that the purpose of the meeting was to consider the whole system cost work that was completed at the request of the chief executives which evaluates the cost of a twin stream and co-mingled DMR collection system.</p> <p>AWy gave a presentation on the whole system cost work which included:</p> <ul style="list-style-type: none"> • Background behind the work • Assumptions that were made in the data • The whole system costs figures – including revenue and capital costs for both twin stream and a fully co-mingled collection systems. • Collection authority costs • Other considerations for decision making such as local government reorganisation <p>SH presented two slides on Technically, Environmentally and Economically Practicable (TEEP) assessments, which covered:</p> <ul style="list-style-type: none"> • The purpose and background of the assessments • The key measures for each factor including what is covered under the technical, environmental, and economic assessments. <p>AWy asked for questions and feedback on the work.</p>	
5.2	<p>SHG thanked AWy for the presentation and acknowledged the work that went into the project. He highlighted that more information is needed on the breakdown of the disposal costs. A lot is known about the collection authority costs but more transparency is needed on the disposal breakdown, especially given that in light of local government reorganisation in the future all authorities will be unitary. He reiterated that any decisions made at this stage will impact these future unitary authorities and currently not enough is known about the disposal costs to make an informed decision on the right collection system.</p> <p>SHa echoed comments about the work that had gone into the project. He outlined that the presentation was a good start but overall, the lack of transparency was</p>	

disappointing and that this was further compounded by the short time frame members had to review the information. He emphasised the need for clear understanding on the costs and suggested that the presentation didn't provide sufficient information to progress a decision at this stage.

IB agreed with comments about the work that had gone into the project. He outlined that the overall goal is to make a decision that produces the best outcome in terms of both cost and recycling rate. Paragraph 112 in the independent panel report on legal minimum service provision appendix 6, highlights the importance of both reducing contamination and increasing recycling rates, whilst suggesting that these two programmes of work can lead to cost savings. IB explained that broadly a comingled system offers a better opportunity to reduce contamination and increase recycling rates going forward as it's an easier system for residents. He acknowledged that the revenue costs for a co-mingled system are higher but explained that examples from the industry suggest that these costs will decrease over time with the improvement in technology. He emphasised that decisions need to be made with future unitary authorities in mind and that a co-mingled system offers the opportunity to reduce disposal costs. This would be supported under a TEEP assessment as it would be technically easier for residents to recycle more and for recycling rates to improve.

DD emphasised that although authorities need to consider their individual financial situations, that ultimately local government reorganisation will mean that the funds will essentially be from the same pot. He highlighted that residents are keen to be able to recycle more and TVBC would prefer a twin stream system. He indicated that this system would provide the largest improvement to recycling rates and that comms campaigns will need to take place regardless of the option chosen.

PG agreed with IB's previous comments on the practicality of a co-mingled system, adding that there needs to be a distinction between idealism and pragmatism. Ideally residents could be trusted to separate their recycling correctly, but realistically co-mingled is the easier and therefore more successful option. He emphasised that from an HBC perspective there are still too many unanswered questions to decide on the collection system at this stage.

KL shared that WCC have done a considerable amount of work on understanding the cost implications for a range of DMR collection systems. She noted that the discussion on contamination was interesting and highlighted that contamination does not just refer to the wrong items being put in recycling bins but also includes items contaminating others, for example food residue contaminating cardboard. This type of contamination is much more common in a fully co-mingled system. KL acknowledged the argument for co-mingled but emphasised that other factors such as delivery timelines need to be considered. From a WCC perspective they would be unwilling to tell residents that they need to wait longer for a co-mingled system that ultimately has higher revenue costs. The outcome of the work is as WCC expected and that they are happy to support a twin stream system.

CT explained that his concern is that the true cost of each system has not been represented in the work, he indicated that some of the numbers have come quickly to the board and haven't been thoroughly looked through. He suggested that the collection costs have been vastly underrepresented and that key factors such as food waste collections and depot considerations have not been included. Currently there is not full cost transparency and as a result the board should be cautious about making a decision at the moment. He suggested that further work be completed to review the figures and that examples of other authority collection systems be

<p>5.3</p> <p>5.4</p>	<p>considered.</p> <p>RM asked whether there was a clear trend of what authorities surrounding Hampshire do in terms of twin stream or co-mingled collections. KP explained that both Dorset and BCP councils run a co-mingled system with separate glass, but she was unsure on how they are planning to comply with Simpler Recycling.</p> <p>RM asked whether there is a difference in value between paper/card collected in a twin stream system compared to a fully co-mingled one. SH shared that HCC has researched this with Veolia and there is an estimated difference of £20 per tonne between paper collected in a co-mingled and twin stream system.</p> <p>SHa asked whether the carbon footprint of both options had been considered. He outlined that in GBC a twin stream system would require additional vehicles and there are concerns around the carbon impact of this. He also noted that as GBC is an area with high levels of deprivation that recycling rates will be lower, and that in the current financial state GBC couldn't afford to transition to a twin stream system. RM asked if GBC could afford a co-mingled system. SHa confirmed that they could, explaining that there is over a £1million difference between the two options.</p> <p>SHG supported SHa's comments and reiterated that the carbon impact is a pertinent consideration. He suggested that the carbon impact of the two options had been downplayed in the work and that further research was needed. He also noted that the impact of removing materials from the ERFs needs to be considered.</p> <p>RM asked for clarification on how running a twin stream system will result in increased carbon. SHG explained that for EHDC a twin stream system would mean running an additional 5 vehicles and that currently EHDC is not in a position to procure electric vehicles or run a HVO fleet.</p> <p>SH explained that items will be removed from EfW but once the Emissions Trading Scheme comes into place material will be subjected to an addition cost of around £40 per tonne anyway. From an operational perspective, carbon impact was included in the original assessment and have been considered at a high level. The original assessments completed the work on a system level rather than breaking it down further into individual vehicle types, distance travelled, vehicle age etc. To complete a full in-depth carbon study would be a significant and costly piece of work, SH indicated that he wasn't aware of any other authorities who had completed this. He outlined that it is also not clear whether a TEEP assessment would require this level of detail.</p> <p>KL shared that WCC has completed work on the carbon impact for a range of systems and the factor that made the biggest difference was reducing residual collections to 3 weekly. She explained that the work indicated that in this situation the DMR collection set up didn't have much of an impact. She suggested that to fully understand the carbon impact of both collection and disposal of waste would require a significant amount of work.</p> <p>RM explained that he was keen to understand how PCC and SCC reached their decision to support a twin stream system and asked if they could elaborate.</p> <p>DA shared that at PCC the view is that a twin stream collection system produces better recycling rates and helps to increase the quality of recycling which in turn will increase revenue. He noted that delivery timescales for twin stream are much shorter and that there are potential issues around planning as well as site suitability for co-mingled. Overall twin stream produces better recycling in a shorter period of time.</p>	
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<p>5.5</p>	<p>EK acknowledged that there is a case for both options but that ultimately SCC feel twin stream is the better system. He explained that residents in SCC are keen to be able to recycle more and twin stream helps SCC deliver this earlier. Both options will come with their own challenges, but SCC feel that twin stream is a better system to encourage residents to recycle more despite significant challenges in certain areas of the city.</p> <p>RM highlighted that the original purpose of the meeting was to have a vote to decide whether the board support a twin stream collection system.</p> <p>CT said that he was concerned about potentially voting at the meeting, explaining that he didn't think the board was in a position to vote on such a serious topic given the comments raised. He suggested that an additional round of work be completed by officers and a final paper be produced addressing the concerns.</p> <p>RM recognised the importance of the decision but highlighted that PI has been at an impasse for several years now and that he didn't think further reports would provide more clarity. He suggested that a vote may be a useful way to determine the split in authorities and reiterated that all authorities are in the same position.</p> <p>RQ highlighted that twin stream is a more expensive option for the collection authorities and that currently there was no research to indicate which option is better in terms of recycling rate and resident engagement. He emphasised that local government reorganisation adds an additional level of uncertainty and suggested that the board were not in a position to vote given that they will not be the organisations implementing the change. He also highlighted that IB had written a letter to HCC on behalf of 8 collection authorities setting out their position and that it would be helpful to hear HCC's response to this, particularly on the points around funding.</p> <p>IB provided further explanation on the letter sent to HCC. He emphasised that a twin stream collection system would subject the collection authorities to additional costs whilst creating savings for HCC. It was suggested that one way to make this more feasible for the collection authorities would be if HCC were to consider covering these additional costs. If collection authorities were compensated for making the change they may be more inclined to support a twin stream option.</p>	
<p>5.6</p>	<p>CG highlighted that in appendix 6 of the independent panel report on legal minimum service provision report it recommends that cost sharing is considered. If authorities were provided with more information on how this could work, then they may be able to make a decision, but she indicated that at this stage HBC is unwilling to commit to a more expensive option.</p> <p>SHa highlighted that all authorities could run a co-mingled system, but not all could afford a twin stream system. He then indicated that a vote could not take place and invoked point 12.4 of the PI constitution which states:</p> <p><i>Where the effect of a particular proposition, if adopted by the Board, would be to give rise to contractual or financial implications for any Partner Authority, then in addition to the normal requirement for a simple majority of votes, the vote of the Member appointed by that Partner Authority, in favour of the proposition, shall be required. Where a particular proposition does not have the support of the Members appointed by all Partner Authorities so affected, the proposition cannot be adopted by the Board.</i></p>	

RM agreed that in light of this a vote could not take place.

SHG highlighted that there is a concern that HCC are going to take the decision forward through their political channels regardless of the view of the PI board. He raised that significant concerns have been raised by a range of authorities and that these are further supported by the letter sent to HCC. If collection authorities were to vote in support of a twin stream system, then this would ultimately weaken their negotiating position for a cost sharing arrangement. He indicated that the board were not in a position to vote and that to do so would only damage PI relationships further.

SHa asked if it were correct that if the board voted no to a twin stream option and HCC went ahead regardless that they would then legally be required to pay the collection authorities the additional costs.

KN clarified that the vote due to take place next week at HCC is only for the budget allocation and won't determine exactly how the capital allocation is spent. However, the budget has been allocated for a twin stream facility and a different system would change this significantly.

KN explained that HCC is happy to meet individually with the collection authorities to discuss their concerns, costs, and possible options on how to work together for delivery. However, these meetings would need to take place in the short term, as HCC is unwilling for these discussions to carry on over several months. She emphasised that Hampshire is already going to miss the simpler recycling deadline so it is important that a decision is reached quickly and that it would be dangerous to say that a decision cannot be made until local government organisation is completed.

SH confirmed that if HCC were to use their power of direction to issue an instruction to authorities to use twin stream, then conversations would need to be had around costs.

RQ asked what would happen if the board voted but didn't reach a consensus and whether HCC had the ability to go ahead with twin stream using their power of direction. SH explained that the legislation does not set out how the power of direction process would work, and that HCC would likely want to look at the collection authority costs in more detail. He noted that the costs included would only consider the DMR costs and that any food waste or residual costs wouldn't be accounted for. It was made clear HCC would also expect collection authorities to use their EPR funding to be used to net off any addition costs prior to any further funding being offered.

RK supported KN's previous comments and reiterated that stalling a decision is not a viable option. He emphasised that authorities have been aware of the decision for a long time and that they shouldn't be surprised by the need to move forward. Authorities now need to have the courage to make a decision. He expressed that it is frustrating to still be having the same conversations and that it would be disappointing if the board cannot move forward with a decision. Comments around the additional costs were acknowledged but KR highlighted that regardless of this a decision needs to be made and that residents are growing increasingly frustrated with the recycling situation. He suggested that there needs to be additional conversations on how costs can be balanced but that ultimately EBC's preference would be for twin stream. Overall, despite the issues of mistrust previously

	<p>experienced by PI partners, this offers an opportunity for authorities to move forward together for a better Hampshire.</p> <p>PG raised that there is widespread recognition that there is not enough information to make a decision, but that there also seems to be a narrative that suggests that if authorities wait for more information before committing to a collection option that progress will not be made. He stated that he fundamentally disagreed with this.</p> <p>DD agreed with RK’s comments about authorities needing to have the courage to commit to a decision, and recognised that there are differences amongst the authorities on their preferred collection system. He suggested that authorities who are concerned about the additional cost of a twin stream system meet with HCC to discuss how costs can be shared. From this a legal arrangement on how costs are apportioned could be created. KN reiterated that HCC is happy to meet with individual authorities to discuss costs and how to move forward.</p> <p>SHG asked for confirmation that the next step is to pause the board vote, for HCC to discuss a possible cost sharing arrangement with authorities individually and then authorities to make their own decision before coming back to board for a vote.</p> <p>RM agreed that these are the next steps and emphasised that there should be full transparency of the individual authority meetings and financial arrangements with HCC.</p> <p>SHG agreed but reiterated that breakdown of disposal costs is needed if PI is to be fully transparent and work as a functioning partnership.</p> <p>RM highlighted that in point 104 of appendix 6 in the independent panel report on legal minimum service provision suggests that currently PI is not good value for money and asked HCC whether there’s an assumption that the existing disposal contract with Veolia will be renegotiated. SH explained that the contract runs until December 2030 and there will be no renegotiation of contract rates between now and the contract end.</p> <p>IB thanked KN for her comments but suggested that decision making has been delayed by HCC’s unwillingness to enter into cost sharing negotiations. He explained that voting against a twin stream option today will not stop HCC moving forward with their plans. However, if the board voted in favour of twin stream then this would ultimately undermine their negotiating position. He suggested that either no vote take place, or the board collectively reject the twin stream proposal.</p> <p>RM explained that the board needs to be unanimous to move forward so are not in a position to vote today.</p> <p>KN reiterated that HCC’s preferred option is twin stream and that she felt it would be unhelpful for the board to unanimously vote against this. However, HCC is happy to have individual conversations about how to bridge the cost gap.</p> <p>RM agreed that the way forward is for individual authorities to set up meetings with HCC rather than voting today.</p>	
<p>6.</p> <p>6.1</p>	<p>Any Other Business</p> <p>SHG suggested that following on from SH’s previous comments regarding the disposal contract that in light of local government reorganisation all partners should</p>	

	<p>be given the opportunity to be a part of the renegotiation discussions. He emphasises that any re-tender or renegotiation terms will impact the new unitary authorities, which will be made up of the existing collection authorities, and therefore they should be involved in the renegotiation process.</p> <p>RM asked whether the disposal contract is with PI or HCC.</p> <p>SH explained that the contract is between Veolia and HCC with SCC and PCC as signatories, therefore it will not be appropriate to go into detail about the renegotiation discussions. It is correct that any new contract will apply to the new unitary authorities, but SH highlighted that this will be the same for any collection contracts the WCAs are in or renegotiate between now and the completion of local government reorganisation.</p> <p>RM agreed and noted that he sits on the HCC Universal Services committee to review the work programme for the contract.</p>	
<p>7.</p> <p>7.1</p>	<p>Vote for PI Deputy Chair</p> <p>RM asked that anyone interested in the position of deputy chair email AWy and if necessary, a vote will take place at the June meeting.</p>	
<p>8.</p>	<p>Date of Next Meeting</p> <p>Proposed date: Thursday 24th June 2025, 10am-12pm.</p>	