

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR OF ECONOMY
Date of Decision:	28 June 2016
SUBJECT:	TRANSITION REGIONS TOWARDS INDUSTRIAL SYMBIOSIS (TRIS) INTERREG PROJECT
Key Decision: Yes	Relevant Forward Plan Ref: 001663/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member for Local Services:	Cllr Lisa Trickett, Cabinet Member for Clean Streets, Recycling and Environment
Relevant O&S Chairman:	Cllr John Cotton, Health, Wellbeing & the Environment
Wards affected:	All

1. Purpose of report:
1.1 To provide updated information about the Interreg TRIS project and to seek approval to accept Interreg funding.

2. Decision(s) recommended:
That Cabinet:-
2.1 Accepts the Interreg funding of £1.45m to support the Transition Regions towards Industrial Symbiosis (TRIS) project.
2.2 Approves Birmingham City Council acting as Accountable Body for this project.
2.3 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary agreements and documentation to give effect to the above recommendations
2.4 To approve the use of staff time from Sustainability as match for the project (15% match required)

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3. Consultation

3.1 Internal

There has been discussion of the project with the Strategic Director of the Place Directorate, and colleagues in Waste Management Services through the Waste Strategy Programme Board.

3.2 External

The Green Commission's (a cross-sector partnership chaired by BCC) Energy and Resources and Green Growth Roundtable groups have been involved in communication about the project. We are working closely with international Synergies on the project; they are one of the project partners.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

Yes. The proposals are compliant with the reduce, reuse and recycle ambitions of the City Council as well as with the work of the Green Commission. The project will also support TP13, 14 and 15 in the Sustainability section of the Birmingham Development Plan. The project also supports the Council Business Plan and Budget 2016+ priority 'A Prosperous City', particularly:

a) Business: Businesses will be growing and new ones starting up; industrial symbiosis is a proven technique to support economic growth and resource efficiency of all business in the supply chain.

b) Sustainability: Birmingham will be more environmentally sustainable through the support for the circular economy¹ and more efficient use of resources.

4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?)

The project is 85% funded. The remaining 15% of the financing required will be achieved through contribution of staff time from the Sustainability Team. It is anticipated that the costs of the Council participating in the TRIS project will be in the region of £280k revenue funding into the City Council to pay for staff time, sub-contracting and travel and subsistence. This is over a five year period and will be funded by the Interreg grant. The funding will require delivery of outputs described in 5.5 and 5.6.

¹ A circular economy is one that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles (Ellen MacArthur Foundation).

As Lead Partner on the project, Birmingham City Council will receive all the funding from Interreg (£1,450,000) and will redistribute it across the partnership based on the pre-agreed allocation. A partnership agreement will be put in place between the project partners outlining their responsibilities to the project and implications for lack of performance; a draft has been supplied by Interreg for this purpose. The Interreg offer letter contains the following clause:

“In case a project partner does not comply with its obligations as agreed upon in this agreement and the relevant annexes, the concerned project partner shall be the sole responsible for any liabilities, damages and costs, resulting from the non-compliance.”

4.3 Legal Implications

Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report and they are within the boundaries and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

4.4 Public Sector Equality Duty (see separate guidance note)

The Initial Equality Analysis is attached as Appendix 2. No negative equality impacts have been identified.

5. **Relevant background/chronology of key events:**

5.1 Birmingham has ambition to take a more sustainable approach to waste, with a particular focus on reduction, reuse and recycling. The ambition also runs through the work and strategies of the Green Commission and also through the Birmingham Development Plan. One way that this can be achieved is through ensuring that we support a 'circular economy approach, a key part of which is industrial symbiosis (most simply described as the mechanism by which the waste products from one part of the supply chain can become the resources for another, thereby diverting significant material from landfill, incineration or other waste disposal requirements).

5.2 In December 2015, the European Commission released its Circular Economy Package. This sets out targets and strategic direction for waste reduction, recycling, reuse and disposal:

- A common EU target for recycling 65% of municipal waste by 2030;
- A common EU target for recycling 75% of packaging waste by 2030;
- A binding landfill target to reduce landfill to maximum of 10% of all waste by 2030;
- A ban on landfilling of separately collected waste;
- Promotion of economic instruments to discourage landfilling ;
- Simplified and improved definitions and harmonised calculation methods for recycling rates throughout the EU;
- **Concrete measures to promote re-use and stimulate industrial symbiosis - turning one industry's by-product into another industry's raw material;**
- Economic incentives for producers to put greener products on the market and support recovery and recycling schemes (e.g. for packaging, batteries, electric and electronic equipment, vehicles)

5.3 Much of this work coincides with the development of BCC's waste vision document, as well as the procurement of the new disposal contract. We have worked with an environmental engineering consultancy (Ricardo) to understand some of the potential solutions, some of which we are able to implement through facilitation and sharing best practice. One of these areas links to industrial symbiosis (referred to above) whereby we can not only reduce waste but also improve Small Medium Enterprises (SME) competitiveness through reduced costs.

5.4 Interreg Europe funding offered one of the best funding routes to develop this work. Supported by the European Regional Development Fund, it aims to 'offer opportunities for regional and local public authorities across Europe to share ideas and experience on public policy in practice, therefore improving strategies for their citizens and communities'. More information can be found at <http://www.interregeurope.eu/>.

5.5 However, despite the acknowledged advantages, Industrial Symbiosis (IS) is not yet fully widespread. The aim of the TRIS project is to facilitate a systemic uptake of IS in 5 European regions, supporting policy makers to increase the competitiveness of their SMEs by introducing IS practices. To do so, TRIS consortium will:

- Raise awareness of IS and its economic and environmental benefits
- Build a cooperation culture in the stakeholder groups (including SMEs and policy actors)
- Standardize IS practices in regional/ Local Enterprise Partnership (LEP) policy instruments
- Launch tangible initiatives in the regions: reaching out to SMEs, supporting their business with new IS cases/projects, preventing industrial waste production, testing new governance models
- Bringing IS to a higher position in the European political agenda

5.6 The high level aims of the TRIS project will be realised in a number of tangible outputs:

- The establishment of local stakeholder groups (IS Labs) which will share project outputs and develop local activity. There will be six meetings during the course of the project.
- Five (one for each region) interregional thematic workshops will be held to explore good practice. Funding is available to take local stakeholders in order to share knowledge.
- Study visits will be offered as part of the interregional workshops; delegates can go and see what is happening 'on the ground' to support their own work on industrial symbiosis.
- Staff exchanges for junior staff to be able to go and spend up to 5 working days in another partner organisation in a different region.

The outputs will be monitored by the project steering committee, to be established at the project kick-off meeting.

- 5.7 Birmingham City Council is a member of Climate KIC (Knowledge and Innovation communities). This project concept was developed in association with other city/ regional partners that also belong to the European-funded Climate KIC partnership. Partners include:
- Birmingham City Council (working closely with International Synergies, a Kings Norton based company and global leaders in industrial symbiosis, and Innovation Birmingham)
 - IFKA Public Benefit Nonprofit Limited for the Development of Industry (Hungary)
 - EmiliaRomagna Region (Italy)
 - Energy Agency for Southeast Sweden
 - Valencia Region (Spain)

5.8 In terms of project management, the following arrangements will be in place:

- Budget. The arrangements for distributing budget between partners will be agreed at the kick-off meeting, and will be consistent with recommendations from Interreg
- As mentioned in Section 4.2, there will be a partnership agreement signed between all the partners to agree what they need to do as part of meeting the project requirements, and the consequences to them if these conditions are not met. A model agreement has been received from Interreg and will be reviewed by Legal Services.
- There is a low risk of clawback. The Sustainability Team at BCC has significant experience in successful management of European projects. Measures will be put in place at the kick-off meeting (including the establishment of a steering committee) to ensure that this risk is minimised. Further, the Sustainability team will monitor the project, and its milestones, to ensure that we are complying with administrative and budgetary requirements from the funding body.
- There will need to be some sub-contracting to bring in expertise around industrial symbiosis methodologies. This work will be tendered through Find it in Birmingham and will be compliant with BCC's procurement governance arrangements.

6. Evaluation of alternative option(s):

- 6.1 To not accept the grant and to fund the development of industrial symbiosis activity from BCC revenues. This is unlikely given the current budget pressures.
- 6.2 Rely on the market to realise the opportunity without support. There is a possibility that this might happen to a limited extent but would not be as extensive, or as quick to happen, without support.
- 6.3 To do nothing. This would set back movement towards the city's carbon reduction target of 60% by 2027. It would also mean that the city was not moving as quickly towards delivery of the targets set out in the European Commission's Circular Economy Package.

7. Reasons for Decision(s):

- 7.1 To support the strategic ambition in the new waste strategy, the Carbon Roadmap and the Birmingham Development Plan
- 7.2 To support the city in delivering on the ambitions laid out in the circular economy package

7.3. To support Birmingham's SME community and improve its competitiveness through cost reduction and resource efficiency.

Signatures

Date

Councillor Lisa Trickett,
Cabinet Member for Clean
Streets, Recycling and
Environment

Waheed Nazir
Strategic Director of Economy

List of Background Documents used to compile this Report:

European Commissions Circular Economy Package
Draft Waste Vision Document
Green Commission Vision and Roadmap
Birmingham Development Plan

List of Appendices accompanying this Report (if any):

1. Equality Analysis EA001211
2. Full business case
- 3.
- 4.
- 5.

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term ‘adverse impact’ refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation