



Greater Manchester Waste Disposal Authority

Our Aim is Zero Waste

**ANNUAL REPORT
2009/10**



*Household Waste Recycling
Centre (HWRC) at Arkwright
Street in Oldham*



*In-Vessel Composting (IVC)
facility at Chichester Street
in Rochdale*



*Materials Recovery Facility
(MRF) at Longley Lane in
South Manchester*

Foreword

Chair of the Authority

I am delighted to present the 2009/10 Annual Report, which provides a review of our performance against the objectives in our Corporate Plan and the Municipal Waste Management Strategy. It has been a successful first year of operation for the new 25 year Waste and Recycling Contract with Viridor Laing (Greater Manchester) Ltd (VLGM), largely due to the close partnership working with VLGM, the Waste Collection Authorities and working very closely with the residents of Greater Manchester and I would like to extend my thanks to all involved.

The achievements include:

- i) A successful first year of operation of the Contract with waste arisings reduced by 3.61% on the previous year, 34.34% recycling and composting, a Landfill Allowance Trading Scheme (LATS) projected surplus of 84,267 against an allocation of 557,297 tonnes (see Appendix 3), 41.7% of waste diverted from landfill; and by March 31 2010, 22 out of the 42 facilities handed over and in operation.
- ii) 99.6% of our residents told us they were satisfied or very satisfied with our new Household Waste Recycling Centres
- iii) Winning five national awards and one highly commended award; and finalists in two others (see section 4.2).
- iv) Investment and advances in the Authority's communications with all stakeholders.

These are outlined in more detail in the report.

The good progress being made on the Contract and the construction of the new facilities will significantly improve recycling and composting, divert waste from landfill and produce solid recovered fuel that will create energy. The improvements will deliver both financial and environmental benefits for Greater Manchester.

Looking forward there are many challenges facing the Authority in 2010/11. One of the key challenges, in the early years, as the new facilities are built, is to ensure business continuity, particularly for the Waste Collection Authorities and working closely with our residents and keeping them fully informed.

The main challenges in 2010/11 are:

- i) Continued implementation and management of the Contract.
- ii) Development of the City Region agenda, which will require significant input from the Authority, particularly in its contribution to the environmental development of the sub-region.
- iii) Responding to budget pressures whilst at the same time continuing to provide responsive, quality services.
- iv) Realising the asset values of the Authority to produce financial benefits and efficiencies.
- v) Ensuring that Authority's strategy is aligned to the National Waste Strategy 2007 and the wider implications of working with all stakeholders, including businesses to reduce waste.
- vi) Participating in national consultations.
- vii) Dealing with new legislation and regulations.

These are challenging and exciting times and we look forward to making a major contribution to delivering a world class solution to the management of waste for the Greater Manchester area.

Councillor Neil Swannick

GMWDA ANNUAL REPORT 2009/10

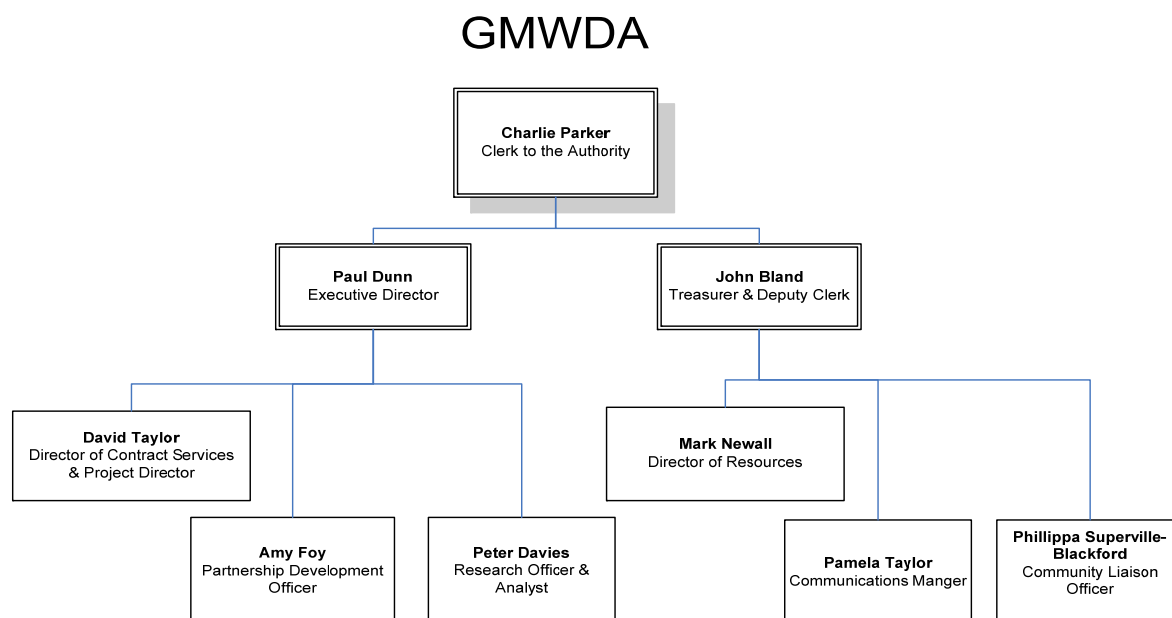
1. Introduction and Purpose

1.1 This report outlines progress against key objectives in the Corporate Plan and the Joint Greater Manchester Municipal Waste Management Strategy. It includes key performance information and also highlights key challenges for 2010/11.

2. Authority Structure and Profile

2.1 In 2009/10 an organisational review was carried out to realign corporate aims and values and ensure the organisation was fit for purpose, following completion of the procurement phase. The Authority, at its 9 April 2010 meeting, approved a new Corporate Plan and a new management structure. Consequently a third of senior management posts were deleted resulting in c£200,000 savings. These were: Director of Strategy and Communications, Deputy Treasurer and Principal Contract Services Manager. The top level revised structure is detailed below:

2.2



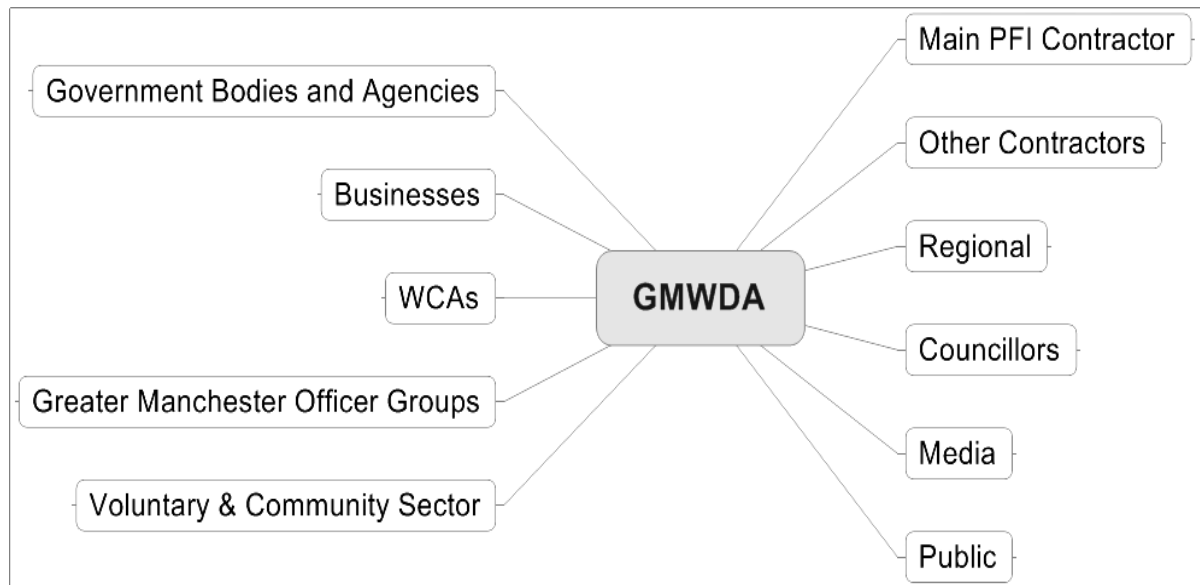
2.3 The Authority is also committed to carrying out a further organisational review post the construction period to take account of its future role and to ensure it remains 'fit for purpose'.

3 Key Partnerships

3.1 Effective partnership working is the key to achieving our objectives and improving performance, particularly with VLG and the WCAs. It is only by working together that recycling rates have risen significantly from 26.85% in 2006/07 to 34.34%¹ for 2009/10. The following diagram outlines the partnership arrangements and the interrelationships.

¹ Please note all data for 2009/10 presented in this report is subject to verification and amendments will be made prior to publication.

3.2



4. Review of 2009/10 Performance

4.1 Overall the Authority has continued to deliver its key objectives and improve its performance. Progress against the Corporate Plan is detailed at Appendix 1. Detailed performance information and measures are detailed in section 5. This section outlines key achievements and what went well, but also outlines what didn't go so well and the learning that can be taken from these occasions.

4.2 The following list is not exhaustive, but is intended to give 'the headlines'.

(a) Continuing partnership working with Waste Collection Authorities (WCAs) leading to continued improving recycling performance. Effective partnership with the WCAs has delivered improved performance across the Greater Manchester area. Waste arisings have fallen by 3.61%, recycling and composting performance has risen from 7% in 2002/2003 to 29.89% in 2007/08, and 34.34% for 2009/10.

(b) National recognition for the Contract in 2009/10:

- Green Apple Award for Environmental Best Practice - winner
- Local Government Chronicle Awards 2010 - Sustainable Environment - winner
- Public Private Finance Awards - Best Waste Project- winner
- Public Private Finance Awards - Judges Award for Innovation- winner
- Project Finance Awards - European Waste Deal of the Year - winner
- Local Government Chronicle Awards 2010 Innovation - highly commended
- SOPO Awards for Outstanding Achievement in Procurement 2009 - finalist
- National Recycling Awards Best Partnership Project for Recycling - finalist
- In addition at the Public Private Finance Awards, SMBCE, Ashurst, PWC and WIDP/DEFRA won Best Funder, Best Legal Advisor, Best Financial Advisor and best Central Government Team respectively, partly for their work on the Contract.

(c) Signing our Waste and Recycling Private Finance Initiative (PFI) Contract. This was concluded 8 April 2009, and was achieved in unprecedented circumstances caused by the 'credit crunch'. Whilst the liquidity in the markets effectively caused a years delay securing the appropriate finances during this period has been widely reported as a major success. The Contract is the largest of its kind in Europe and will provide a world class solution to managing Greater Manchester's municipal waste.

(d) Contract Implementation. Successful first year implementation of the Contract required complex monitoring systems to be implemented and maintained. This ensured a high level of service provision was maintained for both the public at Household Waste Recycling Centres (HWRCs) and Waste Collection Authorities (WCAs) at

reception sites. This was delivered against a back drop of major construction works with the potential to cause disruption. This was avoided by joint working with our partner organisations to ensure operational services were maintained safely and economically.

- (e) Maintaining the Construction Programme. By 31st March 2010, 22 of the 42 facilities to be developed had been completed and handed over for operational use.
- (f) Meeting and Exceeding LATS. The Authority's strategy has been to meet and exceed its obligations under LATS (Landfill Allowance Trading Scheme) without having to resort to buying additional allowances in the market. The LATS allocation for 2009/10 was 557,297 tonnes; of this the Authority achieved a projected surplus of 84,267 tonnes, a significant achievement delivered through increased recycling and working with WCAs and our citizens to minimise waste.
- (g) Partnership Commitment to Reducing Waste. The Authority has succeeded in partnership with the WCAs in attracting major Waste and Resources Action Programme (WRAP) funding for a two year waste prevention fund amounting to £220,000 for each year, with activities commencing in April 2009 focusing on "Love Food Hate Waste".
- (h) Improving our Governance Arrangements. A complete review has been undertaken to ensure structures meet the Authority's future needs. Achievements include:
- Completion of a review of the constitution (phase 1 and 2);
 - Modern.gov records system has been updated to incorporate a Members' handbook, the Constitution and a Members section;
 - New officer protocols are in place and are working effectively with an output based approach;
 - Appointment of two independent members to the Audit Committee;
 - A new petitions protocol has been adopted which incorporates the e-petitions requirements;
 - Four lead members established covering: climate change, VLGm construction programme, HWRCs and waste minimisation and engagement.
- (i) Advances in The Authority's Communications with all Stakeholders. The Authority continued to make good progress in keeping its key stakeholders informed and involved, particularly on the development of the infrastructure for the new Contract. This has involved:
- The establishment of shadow major site liaison groups;
 - A joint 5 year communications plan with VLGm;
 - Community and resident presentations;
 - Media and press briefings;
 - New technologies leaflets and website pages; and
 - Stakeholder engagement planning.
- (j) Launch of the Climate Change Action Plan. The member led Climate Change Working Group investigated what the Authority is currently doing to take action against climate change and what more could be done. An Action Plan was drafted showing how implementation of the Authority's waste strategy will make a significant beneficial contribution to climate change in the sub region. The revised plan was launched in November 2009.
- (k) Reducing the Carbon Footprint. The net total of carbon dioxide equivalent saved from waste management and reduction activities in 2009/10 is 94,739 tonnes. This is made up of 81,349 tonnes of carbon dioxide equivalent saved through the management of waste in 2009/10; and 13,390 tonnes carbon dioxide equivalent saved from reducing waste to landfill.

- (l) Continued Progress on Achieving Planning Permissions. By the end of 2009/10 all of the required planning permissions had been approved.
- (m) Improvements in Sickness Absence. Over the last three years sickness levels overall have fallen by 44.5%, long term by 47% and short term 31.7%. 55.32% of staff had no sickness at all during the year.

4.3 Exceptions - what didn't go as well, or not to target

Although most things went well there were some exceptions:

- (a) Minor Programme Delays. There were some minor delays to the construction programme in the winter months mainly due to the bad weather, although the programme is back on track, and in some areas ahead of programme. However it was encouraging that business continuity and services were maintained during this period.
- (b) Trade Waste Minimum Charge. VLG M implementation of the half tonne minimum limit for trade waste created a great deal of negative publicity and complaints, which was largely due to a lack of initial publicity and education. However by working closely with the trade waste sector the situation greatly improved, complaints have significantly reduced and more waste is being recycled.

5. Performance Review and Key Performance Measures

- 5.1 The information below outlines key performance information for 2009/10, showing yearly comparisons and trends. Overall, performance continues to improve significantly and the Authority is on target to meet its LATS allocations for future target years.

Management of Municipal Solid Waste (MSW)

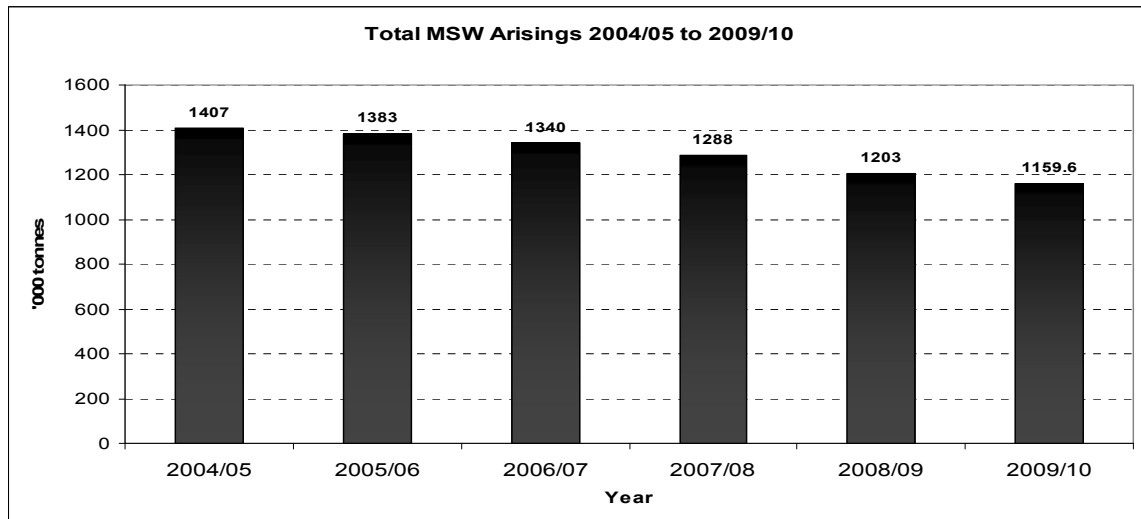
- 5.2 Waste management in Greater Manchester continued to benefit from the rollout of new collection schemes and enhanced diversion from landfill throughout 2009/10. This is reflected in the changing profile of MSW arisings over the past five years as detailed in table 1 and graph 1 below.

Table 1 MSW arisings

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10 *
MSW	1407.2	1383	1340.3	1288	1203	1159.6
MSW Landfilled	1104.9	1017	853.9	791.7	708	676.3
BMW Landfilled	758.7	666.4	613.4	582.1	504.6	473
LATS Allowance	850	820.7	776.8	718.3	645.1	557.2
Surplus	91.3	154.3	163.4	136.2	140.5	84.2
LATS Allowances Sold	-	23.5	-	-	-	-

* Please note: 2009/10 data is still subject to change pending validation by EnviroS

Graph 1 MSW arisings



	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Total MSW	1483	1470	1407	1383	1340	1288	1203	1159.6
Variation	3.06%	-0.88%	-4.29%	-1.71%	-3.11%	-3.88%	-6.60%	-3.61%

5.3 It can be seen that total MSW has continued to fall from 1.48 million tonnes in 2004/05 to 1.16 million tonnes in 2009/10. In terms of the climate change agenda, this equates to a saving of 32,400 tonnes of CO2 equivalent. This decrease has come about through improvement in education, enforcement, waste minimisation activities and reclassification of waste.

The continued decline in MSW arisings may be due to :

- success of waste minimisation and education initiatives
- the economic downturn
- changes in collection policies being implemented
- changes in packaging composition
- introduction of managed weekly collections by some WCAs

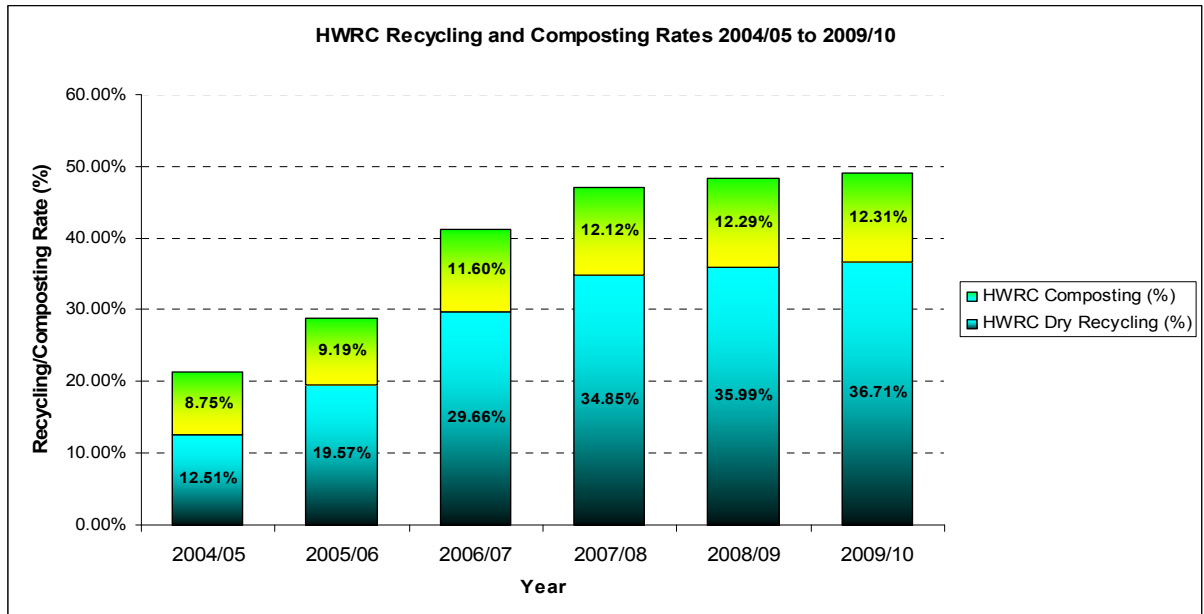
5.4 Throughout this period there has also been a significant decrease in the reliance upon landfill. In 2004/05 the Authority landfilled 79% of MSW arisings. This decreased to 58.8% in 2008/09 demonstrating the effectiveness of increased recycling and composting performance by the WCAs and the Authority. In 2009/10, 58.3% of MSW arisings was landfilled.

5.5 Municipal waste arisings handled by the Authority are derived from waste delivered to HWRCs by members of the public and waste collected from municipal sources by the WCAs.

Household waste recycling centres performance 2009/10:

5.6 Performance improvements have also continued across the HWRC network. This can be seen in graph 2 below which shows the increase in recycling and composting that has been achieved from 2004/05. Combined recycling and composting rates have increased year on year from the 2004/05 baseline of 21.26% to 49.02% in 2009/10.

Graph 2 HWRC performance



5.7 This increase has been achieved by significant investment in staffing and development of new facilities, and is demonstrated by the significant increase in the tonnage of dry recyclable materials being recovered at the HWRC sites. This is summarised in table 2 below. It can be seen that the green waste tonnage has remained broadly consistent throughout the last four years at c. 24,000 tonnes per annum. The dry recyclables tonnage has increase significantly from 33,944 tonnes in 2004/05 to 68,133 tonnes in 2008/09. This increase has been driven by increased staffing levels, increased capacity for recyclables at HWRCs, increasing the range of recyclables and improving the level of meet and greet that is undertaken at the sites to ensure materials are placed in the appropriate area and not lost in the residual waste. The decrease in 2009/10 is reflective of the overall decline in MSW that has been experienced and may be due to a number of factors including the economic downturn.

Table 2 HWRC recycling and Composting

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
HWRC Dry recyclables (tonnes)	33,945	48,887	65,938	70,562	68,134	61,482
HWRC Green (tonnes)	23,743	23,130	25,301	24,544	23,052	20,626
TOTAL ARISING	308,412	290,230	297,335	275,040	245,162	215,076

5.8 In addition to recycling and composting, rubble is diverted at the HWRCs for re-use. Also, some material is segregated at the Raikes Lane facility and used for combustion and energy recovery at the adjacent Bolton Thermal Recovery Facility (TRF). Diversion of rubble and thermal recovery has decreased from 23.46% in 2008/09 to 21.05% in 2009/10. This is reflective of the decrease in overall waste airings and also due to some disruption resulting from the maintenance of the TRF. This activity cannot be included in the recycling and composting rate; however it can be included in the overall level of diversion from landfill achieved at the HWRCs. This is summarised in table 3 below.

Table 3 HWRC landfill avoidance

	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2008/09 to 2009/10 variance
HWRC Dry Recycling (%)	12.51%	19.57%	29.66%	34.85%	35.99%	36.71%	0.72%
HWRC Composting (%)	8.75%	9.19%	11.60%	12.12%	12.29%	12.31%	0.02%
HWRC Dry & Green (%)	21.26%	28.76%	41.26%	46.98%	48.28%	49.02%	0.74%
HWRC Diversion (%) (Hardcore / Thermal Recovered)	12.03%	16.52%	18.28%	26.43%	23.46%	21.05%	-2.41%
Landfill Avoidance (%)	30.73%	41.33%	55.58%	60.99%	60.55%	59.75%	-0.80%

Waste Collection Authorities' Activities

- 5.9 The WCAs collect household waste and make arrangements for the collection of commercial wastes similar to household waste. The totality of these two waste streams collected by a WCA, constitute its municipal waste arisings.
- 5.10 Table 4 below details the changes in household and municipal waste arisings by WCA for the period 2005/06 to 2009/10 with the % variance between 08/09 and 2009/10 highlighted in the right hand column.

Table 4 WCA Total Waste Arisings

	2005/06	2006/07	2007/08	2008/09	2009/10	2008/09 to 2009/10 Variance
Bolton						
Household	108,942	108,644	109,686	104,783	102,183	-2.48%
Municipal	129,648	129,621	124,329	115,020	110,221	-4.17%
Bury						
Household	80,937	80,596	78,492	76,238	74,498	-2.28%
Municipal	90,728	89,388	86,357	82,953	79,868	-3.72%
Manchester						
Household	191,608	194,954	196,815	188,334	187,863	-0.25%
Municipal	245,439	204,476	202,829	194,363	192,088	-1.17%
Oldham						
Household	87,832	83,405	82,175	79,664	76,739	-3.67%
Municipal	99,824	98,200	96,536	92,454	89,618	-3.07%
Rochdale						
Household	76,987	74,962	72,070	68,491	68,956	0.68%
Municipal	78,346	75,786	72,753	69,160	69,304	0.21%
Salford						
Household	94,858	97,664	99,443	98,391	98,988	0.61%
Municipal	108,891	110,077	103,031	103,557	101,665	-1.83%
Stockport						
Household	115,409	114,854	112,033	106,698	107,905	1.13%
Municipal	137,154	133,147	113,298	108,138	108,536	0.37%
Tameside						

Household	81,081	83,433	82,726	78,638	73,638	-6.36%
Municipal	102,199	106,303	94,956	96,295	90,859	-5.65%
Trafford						
Household	91,245	92,252	90,005	87,064	86,346	-0.82%
Municipal	100,291	98,965	96,802	93,365	91,436	-2.16%
WCA Total						
Household	928,899	930,764	923,445	888,301	882,206	-0.69%
Municipal	1,092,520	1,045,963	990,891	955,305	928,505	-2.81%

*Municipal waste includes both the household figure and also the waste collected by the WCAs under the controlled waste regulations.

- 5.11 Household waste arisings have generally reduced in each WCA during this period. This reduction has typically been by a relatively small percentage. This may reflect the weather conditions, proactive management activities during the rollout of managed collections or could reflect the impact of waste minimisation and education initiatives. Overall, household waste arisings fell by an aggregate figure of 0.69% between 2008/09 and 2009/10.

The WCA municipal waste arisings show a significant drop of 2.81% between 2008/09 and 2009/10. This is likely to be attributed to a number of factors:

- success of waste minimisation and education initiatives
- the economic downturn
- changes in collection policies being implemented
- changes in packaging composition
- introduction of managed weekly collections by some WCAs

- 5.12 On municipal arisings the biggest reduction of 5.65% was seen in Tameside. This may be due to a decrease in the tonnage of residual waste collected through managed weekly collections and also a general decrease in MSW arisings from the decrease in economic activity through the period.

Graph 3 WCA Performance

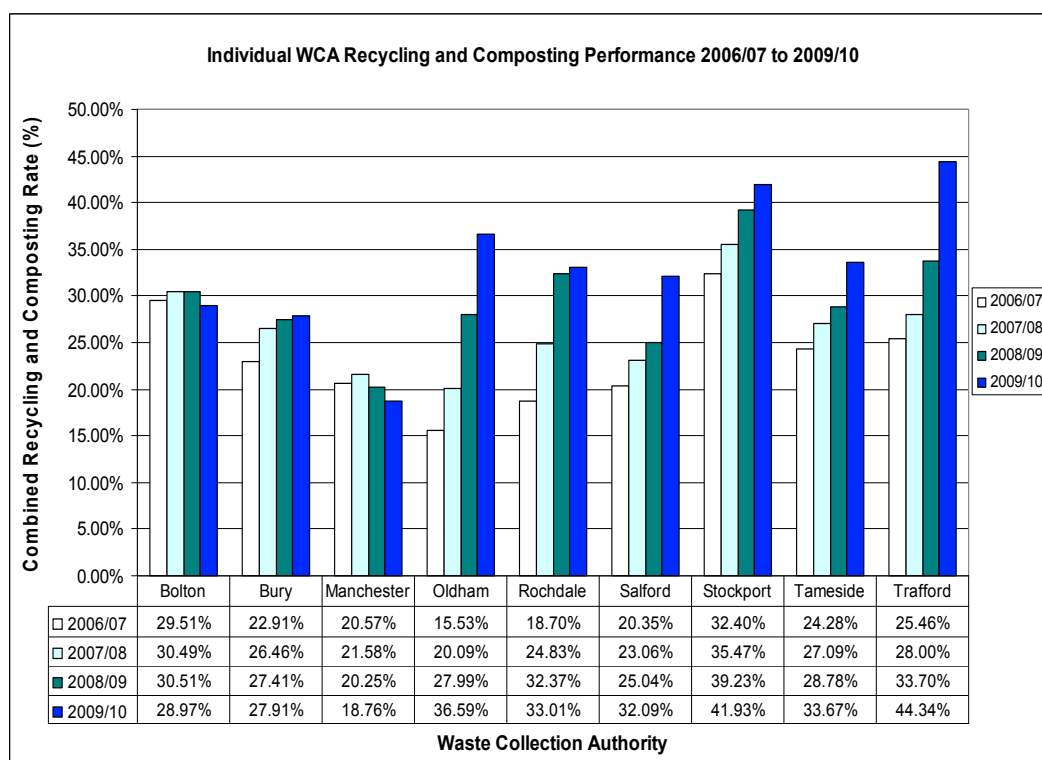
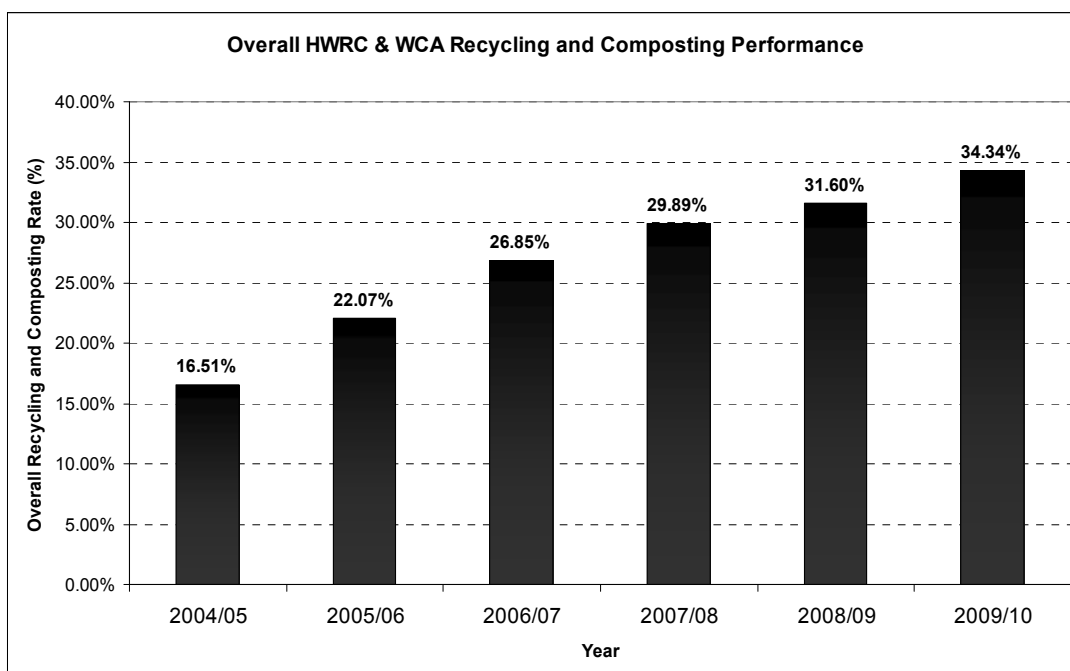


Table 5 WCA Performance

WCA Performance							
	2008/09			2009/10			Variance 2008/09 to 2009/10 Combined Rate
	Recycling Rate	Composting Rate	Combined Rate	Recycling Rate	Composting Rate	Combined Rate	
Bolton	19.15%	11.36%	30.51%	17.80%	11.17%	28.97%	-1.54%
Bury	16.84%	10.57%	27.41%	16.41%	11.50%	27.91%	0.50%
Manchester	15.25%	5.00%	20.25%	12.42%	6.34%	18.76%	-1.49%
Oldham	18.04%	9.95%	27.99%	20.84%	15.75%	36.59%	8.60%
Rochdale	22.38%	9.99%	32.37%	22.61%	10.40%	33.01%	0.64%
Salford	17.28%	7.76%	25.04%	21.86%	10.23%	32.09%	7.05%
Stockport	20.86%	18.37%	39.23%	22.46%	19.47%	41.93%	2.70%
Tameside	20.93%	7.85%	28.78%	24.02%	9.65%	33.67%	4.89%
Trafford	18.49%	15.21%	33.70%	28.04%	16.30%	44.34%	10.64%

5.13 In relation to recycling and composting performance, 8 WCAs have achieved levels of recycling performance in excess of 20%. The table and graph above demonstrate that 6 WCAs exceeded 30%, in comparison to only 3 in 2009/10. These increases reflect increased rollout of collection schemes, changes to managed collections and an increase in co-mingled and paper and cardboard collections across the districts resulting in increases in participation and the capture of materials.

5.14 When combined with the recycling and composting performance at the HWRCs, the rate achieved in 2009/10 increased to 34.34%, up from 31.6% in 2008/09. The increase from 2004/05 is demonstrated in the bar chart below which shows that recycling and composting rates have significantly increased from 16.51% in 2004/05.



Combined Arisings per Household

- 5.15 It is possible, through use of the redefined national indicators to map the effect of our activities as shown in table 6 below:

	2008/09	2009/10
HH waste not sent for recycling, reuse or composting	755,528	707,885
Number of households	1,029,685	1,029,685
NI191 Residual HH Waste (Kg per Household)	734 Kg	687 Kg
HH waste sent for recycling, reuse or composting	348,666	361,253
Total HH Waste Collected	1,104,194	1,069,138
NI 192 Reuse, Recycling and Composting Rate	31.58%	33.80%
Municipal Waste Landfilled	708,038	673,532
Total Municipal Waste Collected	1,203,993	1,159,598
NI 193 Landfill rate	58.81%	58.10%

Landfill Allowance Trading Scheme (LATS) Performance

- 5.16 The Landfill Allowance Trading Scheme (LATS) sets targets to reduce the amount of Biodegradable Municipal Waste (BMW) sent to landfill each year. The Authority's landfill allowance allocation reduces every year, with an opportunity to bank surplus allocations (except in 'target' years - 2009/10; 2012/13 and 2019/20, where diversion targets must be met through actual diversion of BMW or purchasing allowances). Penalties are in place for authorities that exceed their LATS allocation.
- 5.17 The LATS allocation for 2009/10 was 557,297 tonnes; against which the Authority projected landfilled 473,030 tonnes of biodegradable waste giving a surplus of 84,267 tonnes
- 5.18 The LATS allowance for 2010/11, further reduces to 495,265 tonnes and on present performance, combined with planned improvements by Districts to collection systems and development of new facilities, the target is confidently expected to be met.

5.19 Moving into 2011/12 the allowance reduces further to 433,232 tonnes. This will require facilities to be developed, in particular In-Vessel Composting (IVC) capacity. The next target year is 2012/13 when the LATS allowance falls to 371,200 tonnes. In order to meet this target it is essential that the new treatment capacity being developed in Greater Manchester under the Contract arrangements is constructed, commissioned and fully operational in order to avoid any shortfall in landfill diversion.

Other Key Performance Measures and Targets

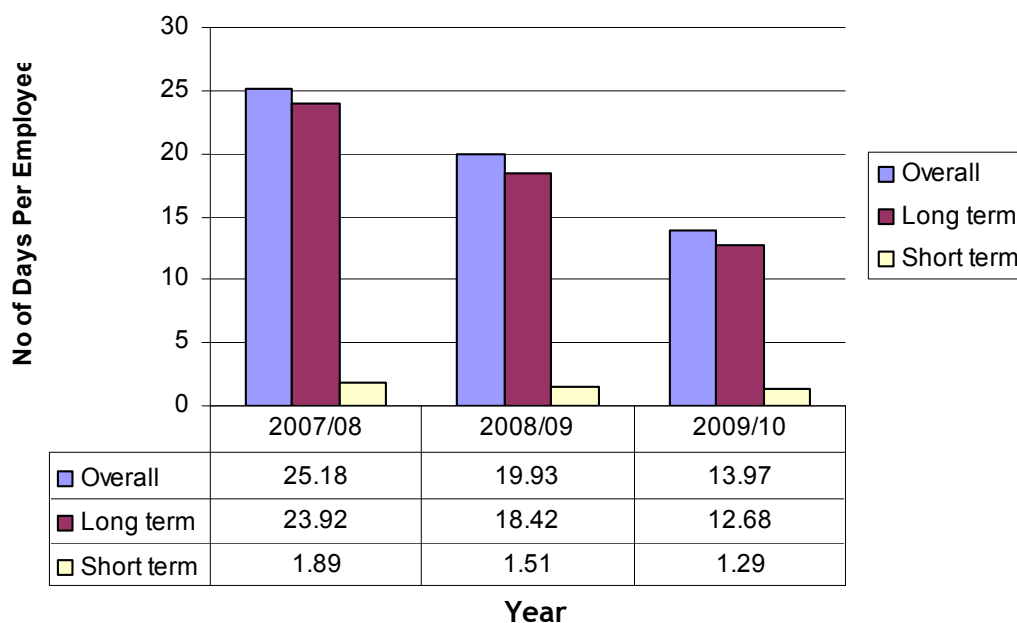
5.20 These comprise:

- Corporate Health Indicators - to provide information on how the Authority is performing on an organisational level;
- Environmental Indicators - to provide information on an environmental level in relation to waste management, including recovery and recycling; and
- Local Indicators - developed to highlight particular areas of interest for the Authority.

Corporate Health Indicators

5.21 Corporate Health Indicators were originally intended as an indicator of the general 'health' of the organisation, although they are more suited to larger organisations. From 2008 there is no longer a requirement to produce these; although some of these (e.g. sickness) will be produced as a local performance indicator in future years. For the purposes of this report sickness absence is detailed below:

GMWDA Sickness Absence



5.22 There has been a significant improvement in sickness levels over the last three years. The figure would have been much lower if not for two staff with serious long term illnesses. Overall sickness levels have reduced by 44.5%; long term by 47.0% and short term by 31.7% since 2007/08. Short term sickness levels and 55.32% staff with no sickness compares favourably with the Association of Greater Manchester Authorities (AGMA).

5.23 Environmental Indicators

The start of the new Contract coincides with a change in the performance indicators required to be reported to Government. From 2008/09 these are:

	2008/09	2009/10 (unverified)
N191 Residual household waste per household	733.75 kg	687kg
N192 Household waste re-used, recycled or composted	31.6%	33.79%
N193 Municipal waste landfilled	58.8%	58.08%

To provide bench marking information comparison at a BVPI level is set out below:

ENVIRONMENTAL PERFORMANCE INDICATORS 2009/10 - All Joint Waste Disposal Authorities (unverified)

Performance Indicator	Description	GMWDA	ELWA	MWDA	NLWA	WLWA	WRWA
NI191	Residual Waste per Household (Kg per household)	687kg	775kg	741kg	622kg	620kg	567kg
NI192	Percentage of household waste sent for recycling, composting or reuse	33.79% (361,253)	28.82% (116,465)	34.13% (241,245)	28.85% (189,535)	38.10% (228,582)	26.76% (89,002)
NI193	Percentage of municipal waste sent to landfill	58.08% (673,532)	44.34% (209,290)	63.69% (488,335)	40.59% (358,799)	62.42% (430,464)	77.75% (325,146)
BVPI 82a	Percentage of household waste arisings sent for recycling	21.97% (234,477)	19.15% (77,361)	19.98% (140,892)	19.32% (126,873)	24.37% (146,133)	24.75% (82,283)
BVPI 82b	Percentage of household waste arisings sent for composting	11.73% (125,204)	9.60% (38,770)	14.11% (99,491)	9.42% (61,776)	13.63% (81,740)	2.00% (6,651)
BVPI 82c	Percentage of household waste arisings used to recover heat, power and other energy resources	7.02% (74,965)	14.12% (56,987)	0.04% (248)	33.45% (219,395)	1.92% (11,495)	0.04% 126
BVPI 82d	Percentage of household waste sent to landfill	59.25% (632,323)	42.81% (172,916)	66.20% (466,840)	37.82% (248,024)	60.13% (360,516)	73.21% (243,439)
BVPI 84a	KG's of household waste collected per head	416kg	449kg	522kg	388kg	416kg	367kg

GMWDA - Greater Manchester Waste Disposal Authority

ELWA - East London Waste Authority

MWDA - Merseyside Waste Disposal Authority

NLWA - North London Waste Authority

WLWA - West London Waste Authority

WRWA - Western Riverside Waste Authority

5.24 Communications

Achievements in 2009/10 included

- (a) HWRC Satisfaction Surveys were carried out in September 2009 and March 2010. A third survey will be carried out in September 2010. The aim of the surveys is to monitor the satisfaction levels of site users across the Contract area. 99.6% of householders reported that they were either very satisfied or satisfied with the sites overall. This is a significant achievement over the last 12 months as some sites have experienced high levels of disruption due to construction work and the improvements taking place.
- (b) Across the partnership, work was carried out to promote recycling and educate householders about the materials that could be inserted into the different recycling bins. Householders have responded very well to this and the different collection systems introduced. The Authority and its partners can be very pleased that the volume of both pulpable and co-mingled (mixed) recycling has exceeded their expectations. This is mainly due to working closely together and effective communications. Critical to this was reducing contamination going into the waste stream which has been a collective effort throughout the year.
- (c) The partnership has continued to conform to the waste hierarchy and waste reduction through the Love Food Hate Waste public awareness campaign. The success of the campaign has been demonstrated by the decrease in waste which is above the national average. The campaign has been a great success throughout Greater Manchester and is ongoing into 2010/11 encouraging householders to reduce their food waste as well as looking at how much money it could them each month. This benefits both the householder, financially and the environment by reducing the CO2 that waste creates.

5.25 The Authority's coverage in the media for 2009/10 maintained an extremely high level of combined neutral and positive coverage.

Media Coverage	2008/09	2009/10
Negative	1%	7%
Neutral/Positive	99%	93%

5.26 The slight increase in negative publicity in 2009/10 was largely due to the trade waste price increases and the introduction of the half tonne minimum charge. Due to a media campaign and working very closely with the trade waste sector this has since fallen to previous levels.

6. Resources

6.1 This section gives an overview of performance in the areas of Finance, HR, Health and Safety, Asset Management and Landfill Aftercare and some key statistical information for 2009/10

6.2 The Statement of Accounts 2009/10 was approved, subject to audit, by the Audit Committee at its meeting on 29 June 2010. The position can be summarised as:

- (a) The net cost of services in 2009/10, after interest and similar charges, was £91.908m - an increase of £6.762m (7.94%) on the equivalent figure for 2008/09. This increase in service cost reflects the increase in unitary charge as Contract facilities come on line, and the increased costs of meeting the Authority's debt costs due to its capital contribution to the Contract, net of refunds to districts for landfill savings.
- (b) A refund of £6.94m is due to be made to the Districts in respect of reductions in tonnage delivered for processing due to their waste minimisation efforts.

(c) Spend for the year is after transfers to specific reserves of £4.292m, comprising

▪ Waste prevention reserve	£0.487m
▪ Insurance reserve	£0.276m
▪ PFI prepayment reserve	£1.598m
▪ Authority loan reserve	£1.931m

(d) The Authority generated a surplus for the year (contribution to General Fund Balances) of £5.813m. The increased balances resulting from the surplus will provide an added cushion to compensate for the changed risks that the Authority is exposed to under the Contract.

(e) The final level of balances is £10.918 million which is significantly greater than the level previously recommended, and thus a review of balances will be factored into our budget considerations and process in the autumn.

(f) The capital expenditure in 2009/10 was £40.591m including a capital contribution to the new Contract of £33.996m. The new, On Balance Sheet, treatment of PFI Contracts results in this capital contribution being treated as a prepayment of the Contract charges and being replaced, in the additions to fixed assets, by the capitalised value of assets constructed within the Contract that were completed during the year. The value of such PFI Assets included in the additions to fixed assets was £61.472m.

6.3 Considerable time and effort has been expended on ensuring the accurate and efficient operation of the complex Payment Mechanism during the first year of the new Contract. This has proved to be a worthwhile exercise. During the early months of the Contract numerous errors, some of them substantial, were identified through the verification process and corrected. However, as a result of the continuing process, and through regular meetings and correspondence with the Contractor the process is now operating smoothly and the incidence of errors has been greatly reduced.

People Issues and Health and Safety

6.4 Section 2.1 sets out the top level structure. Appendix 2 details the full structure. In 2009/10 staffing capacity was reduced following an organisational review. The net impact on the structure is as follows:

	2008/09	2009/10	2010/11
Establishment 'Funded' Posts	52	52	50
Seconded Posts (from Oldham MBC)	1	1	1
Oldham MBC Direct Support (funded by the Authority)	0	0	0
Total	53	53	51

6.5 The posts deleted from the establishment as a result of organisational review were: the Director of Strategy and Communications, the Principal Contract Services Manager and the Deputy Treasurer. Although savings will be realised this year for the post of Deputy Treasurer, the deletion of the funded post will be shown in the 2011/12 budgeted establishment.

6.6 Other Human Resources and Health and Safety developments and achievements include:

- (a) Re-launch of the staff appraisal scheme; staff reviews/appraisals completed by deadline dates;
- (b) Review of all policies and procedures to ensure they are fair and consistent for all employees;

- (c) Personnel and payroll processing moved in-house, which has allowed us to provide a more cost efficient service to all staff;
- (d) Addressed skills shortages within the Authority i.e. sharing knowledge across teams;
- (e) Completion of the organisation review, the outcome of which defined more efficient teams, cost saving in overall salary bill and updated job descriptions;
- (f) The Authority's health and safety 'gap analysis' undertaken. Health and safety plan drawn up, agreed and in progress;
- (g) Health and Safety Management System Volume 1 and 2 including Health and Safety Policy, safety procedures and risk assessments drawn up, proposed, agreed with senior management and implemented;
- (h) Fire risk assessment completed and fire emergency procedures implemented and fire wardens selected and training in progress;
- (i) The Authority's Contractor selection, management and inspection completed, implemented and staff trained;
- (j) Leachate and landfill gas Control of Substances Hazardous to Health (COSHH) and general risk assessments completed;
- (k) Site visit inspection and recommendations regime implemented and ongoing - Authority's landfill monitoring operations and Contract Services operations;
- (l) Comprehensive auditing of the Contract designed, implemented and ongoing auditing, monitoring and site inspections (including 3rd Party sites);
- (m) WCA Policy on co-operation on health and safety matters implemented.

Asset Management

- 6.7 The Authority 17 April 2009 meeting agreed an Asset Management Plan and a Strategy for dealing with surplus assets to make the best use of the Authority's assets and provide value for money. In this context value for money should also be seen as more than a 'monetary' value. It should also be seen as maximising the benefit to the community, and take account of social, economic and environmental factors.
- 6.8 Work in 2009/10 involved bringing the information on our assets up to date and ensuring that this was both comprehensive and our full liabilities known. Key achievements included:
 - (a) Finalising the leases for releasing Lumns Lane, Carrington Street and Chichester Street (Waithlands) closed landfill sites to the Forestry Commission.
 - (b) Agreeing the release of Hardman Fold closed landfill site to the Forestry Commission as part of the Moston Brook Corridor Development.
 - (c) Updating and improving asset information.

Landfill Aftercare

- 6.9 Key achievements include:
 - (a) Four Methane Stripping Plants were constructed and these are currently being commissioned.
 - (b) Topographical surveys of 23 Closed Landfill Sites were completed.
 - (c) Draft Landfill Site Audits have been completed.
 - (d) Landfill Health and Safety Audit completed.
 - (e) New controlling infrastructure installed at Bredbury North, where a flare rig was installed and boreholes drilled to control gas migration and at Adswood Road HWRC, Adswood where a permanent solution for gas collection and a system of boreholes drilled and connecting pipe work installed. A temporary gas flare is currently drawing off gas.
 - (f) Equipment was updated, including a replacement shell and auger drilling rig and a new flare rig.
 - (g) Pre-emptive works implemented, including a programme of drilling new boreholes. 171 boreholes to an average depth of 18 m were drilled between April 2009 and April 2010. This would likely have cost over £200,000 had we employed an outside Contractor.

Governance

- 6.10 During the last 18 months the governance arrangements of the Authority have been reviewed to ensure appropriate structures are in place to meet the future needs of the Authority. As part of the review the new arrangements include the following committees/sub groups:
- (a) Audit Committee
 - (b) Standards Committee
 - (c) Asset Management Steering Group
 - (d) Petitions Sub Group
 - (e) Single Purpose Committees - Community Waste Fund panel; Landfill Aftercare Steering Group and Project Review Team
- 6.11 To strengthen these arrangements further the Authority has appointed four lead Member roles for the key areas of Climate Change, HWRCs, VLGM Construction Programme, and Waste Minimisation and Engagement.
- 6.12 The new structure has been implemented with the exception of the Standards Committee (awaiting review of national policy) and are working effectively with regular updates being provided to Members at Authority Meetings of their progress.

7. Risk Management

- 7.1 Work in 2009/10 focused on:
- Embedding risk management into the planning and reporting process; these now form part of the performance reporting to the Authority.
 - Risk is now part of the standard agenda of the newly formed Audit Committee who recently endorsed the Authority's systems and approach to risk management.
 - Establish risk management reviews; implement mitigation plans for each risk depending upon agreed tolerance levels; and implement programmes of control assurance.
- 7.2 An area of control weakness identified by the External Auditor, by the lack of effective internal audit has been positively addressed. A full audit risk assessment and all programmed work being completed on-time should ensure a 'clean bill of health' in this years Audit Opinion.

8. New Developments in 2010/11

- 8.1 Key challenges for 2010/11 include responding to public spending cuts and at the same time maintaining the level and quality of service; and the implementation and effective management of the Contract, while supporting the WCAs in their work. New developments for 2010/11 include:

(i) City Region Development

There is an opportunity for the Authority to play a high profile part within the City region development in association with the newly constituted AGMA. The Authority will continue to work closely in the development of AGMA's Environment Commission, allowing it to play a full part in delivering on the environmental development of the sub-region. The Authority's Chair has been appointed to the Environment Commission as an advisory member.

(ii) National and Regional Consultations

The Authority continues to play a key role in national and regional consultations, and will be contributing its views on the household and commercial waste issues around Schedule 2 of the Controlled Waste Regulations, under review with the future for Municipal Waste Strategies in 2009/10. It also contributes to important local issues,

such as the North West Regional Strategy, ensuring focus on waste and resources.

(iii) The EU Waste Framework Directive

The EU Waste Framework Directive is due to be transposed into UK law in the coming year. European Legislation is becoming increasingly important in shaping the future agenda and the Authority will continue to help shape this future agenda. The Authority is and will continue to be active in responding to the DEFRA consultation and supports the waste hierarchy and also recognises the benefits of energy recovery. The Authority seeks an opportunity to extend its waste function to support improvements for commercial waste streams and their associated infrastructure.

(iv) Emerging issues and trends

In addition to the national strategic considerations, there are a number of more local issues requiring future attention. Residents are keen to recycle more materials and are frustrated by limited plastics recycling. Current markets to receive plastics are also limited and the Authority will continue to explore and research the most effective remedy, whether that be through energy or recycling routes.

(v) Climate Change Action

The Authority will build upon its commitment to introducing carbon savings and a positive impact for the Climate Change Agenda. It will publish and promote its Climate Change Action Plan and make significant contributions through the implementation of the Contract introducing new technologies and diverting waste from damaging landfill.

(vi) Focus on waste prevention

Building on the work already done, waste prevention and education is under development through the Authority's communications team and the commencement of the Contract will enable further progress. In the interim period stronger links are being developed with the community sector. Work towards the implementation of the Contract is ensuring that VLG M is well prepared to commence activity and fulfilling its commitment to working with the community and voluntary sector. The Authority has succeeded in partnership with the WCAs in attracting major WRAP funding for a two year waste prevention fund amounting to £220,000 for each year, with activities which commenced in April 2009 focusing on "Love Food Hate Waste".

(vii) Dissemination of The Authority's Knowledge and Experience

During the Contract procurement and negotiation period the Authority has amassed significant experience and knowledge. It will disseminate this in the best ways possible, by accepting appropriate invitations to speak and share experience at conferences, seminars and events, especially those of national significance.

(viii) Asset Management

2010/11 will see the continued implementation of our Asset Management Strategy for dealing with our surplus assets on a site by site basis. This significant piece of work will be overseen by the Asset Management Steering Group in 2010/11 but will take a number of years to complete.

(ix) Interface Arrangements

A major priority remains working with WCAs on the operational interface while new facilities are being constructed and new services are being introduced. This will include ensuring any disruption to services is minimised and also ensuring that WCA services deliver high quality materials into the Contract.

(x) Spare Capacity

In 2010/11 the Authority and VLGM will determine the strategic and tactical approaches to non Contract waste, and to any spare capacity generally under the Contract, although any benefits from selling spare capacity will not be realised until post the construction period.

(xi) Chartered Institute of Public Finance and Accountancy (CIPFA) Statement of Recommended Practice 2009

The financial year of 2009/10 sees important changes to the rules governing the accounting for fixed assets, and in particular those used in PFI schemes. Under the self regulation arrangements for local government, the accounting body CIPFA has produced a Statement of Recommended Practice (SORP) which deals with the implementation of the International Financial Reporting Standards (IFRSs) to local government in Britain. In simple terms its application will result in the Authority's PFI, and the assets used in relation to it, treated as on balance sheet. It is a considerable piece of work, which will require work across the organisation, and with VLGM, to achieve it.

(xii) Contract Funding

The Authority will continue to ensure it actively manages its capital contribution to the project, and meet its role as lender to the project.




(xii) Budget Pressures





The Authority will need to respond to Government budget reductions over the next few years and at the same time ensure that services are maintained and the benefits of the Contract realised.




9. Conclusion





- 9.1 2009/10 has been a very busy year of considerable achievement, continuing a trend of improved performance, particularly in improved recycling and composting rates and exceeding our LATS targets. At the same time 'year one' of the Contract has been a success and construction is, in the main, on target. The challenge for future years is to continue to meet our targets and maximise the value of the Contract and at the same time respond to Government budget reductions.

PROGRESS 2009/10 against GMWDA Corporate Plan

-  Action achieved/on course to deliver action(s)
-  On course to deliver part/some action(s) or unable to confirm progress
-  Progress not on course to deliver action(s)

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
Delivery of the infrastructure to implement the GMWDA Waste Strategy through the PFI Contract: Complete acquisition of sites for, secure planning permissions and commission new infrastructure.	WA1 & WA3	Majority of new infrastructure commissioned by 2010/11	<ul style="list-style-type: none"> • By March 31 2010, 22 out of the 42 facilities handed over and in operation. • All planning permissions approved • Negotiations for Exide site underway 	
Achieving GMWDA recycling targets	WA1	33% recycling by 2010 [leading to 50% minimum by 2020]	<ul style="list-style-type: none"> • On target • 34.34 recycling 09/10 • 49.02% HWRC recycling in 09/10 • Meeting and exceeding the LATS target: <i>LATS Allocation:</i> 557,297 tonnes <i>Projected:</i> 473,030 tonnes <i>Surplus:</i> 84,267 tonnes • The net total of total carbon dioxide equivalent saved from waste management and reduction activities in 2009/10 is 94,739 tonnes 	
Mobilisation of the Contract, including introduction of support systems and processes	WA1 & WA2	Implemented directly after Contract close	<ul style="list-style-type: none"> • Appropriate arrangements in place Supporting systems and processes all working well and documented in an operational Contract manual 	
Implementation of Governance arrangements for PFI Contract	WA1 & WA2	Governance arrangements to be implemented directly after Contract close	<ul style="list-style-type: none"> • Governance arrangements fully implemented and working well. 	

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
Development of a revised Constitution for the Authority	WA2	Revised Constitution in 2008	<ul style="list-style-type: none"> Phase 1 and 2 completed with the exception of the Standards Committee which is pending the outcome of the Chancellor's announcement in October 2010. 	
Waste prevention, education and awareness raising to arrest waste growth	WA1 & WA4	No more than 1% growth by 2010 [Leading to zero growth by 2020 and beyond]	<ul style="list-style-type: none"> MSW 1.16m tonnes in 09/10 a fall of 3.61%. This is due to improvements in education, enforcement, waste minimisation activities and the classification of waste. Equivalent of 13,390 tonnes less CO2 emissions. 	
To provide more effective services by updating our internal processes	WA2	Improved data management through the introduction of an Authority intranet (2008).	<ul style="list-style-type: none"> Key processes for the PFI have been developed, including data management, finance, and Contract monitoring. These are documented in the Contract manual. New IT systems implemented e.g. new Contract monitoring system leading to significant productivity improvements and real time data. Data and information management has significantly improved and dedicated staff have helped improve the verification and accuracy of the information. New ways of working have been re-enforced through structured training 2010/11 a new data management system will be implemented (SharePoint) 	
Managing the assets and liabilities of GMWDA closed landfill sites	WA3	Development of Asset Management Plan, draft prepared and to be finalised	<ul style="list-style-type: none"> Asset Management Plan approved and actions implemented. Strategy for dealing with surplus 	

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
		July 2008.	<ul style="list-style-type: none"> assets approved • Additional staff recruited to re-enforce monitoring • Asset Register updated • Audits and risk assessments completed on all landfill sites • 4 sites released to the Forestry Commission as part of development schemes. 	
GMWDA Climate Change action plan	WA3 &WA4	Publication and launch of action plan November 2009	<ul style="list-style-type: none"> • Climate Change Action Plan was agreed 15 February 2008. • Action Plan launched Nov 2009. • Plan will be revised when facilities come on line. 	
Authority approach to Risk Management		<p>Embedding risk management into the planning and reporting process</p> <p>Implementing a joint risk register with VLGM aligned to the Authority's Waste Strategy and Corporate Plan</p> <p>Establish risk management reviews; implement mitigation plans for each risk depending upon agreed tolerance levels; and implement programmes of control assurance</p>	<ul style="list-style-type: none"> • Risk Management Policy agreed • Accountabilities established • Joint Risk Register established with VLGM • Review and reporting process implemented 	
Commitment to Employee development		Embedding staff development planning and appraisal process	<ul style="list-style-type: none"> • Staff appraisal system implemented and re-launched in 2009/10 • E-Learning package implemented to cover all business areas 	

GMWDA ORGANISATION CHART

