

Greater Manchester Waste Disposal Authority Our Aim is Zero Waste



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

Annual Report 2010/11

Foreword

Chair of the Authority

I am delighted to present a progress update on “our aim is zero waste”. The 2010/11 Annual Report, which provides a review of our performance against the objectives in our Corporate Plan and the Joint Greater Manchester Municipal Waste Management Strategy (JGMWMS). It has been another successful year of operation for the 25 year Recycling and Waste Management Contract (the Contract) with Viridor Laing (Greater Manchester) Ltd (VLGM), largely due to the close partnership working with VLGM, the Waste Collection Authorities (WCAs) and working very closely with the residents of Greater Manchester and I would like to extend my thanks to all involved.

The achievements include:

- 1) another successful year of operation of the Contract with Local Authority (LA) collected waste arisings reduced by 1.39% on the previous year; 43% of waste diverted from landfill (41.7% in 2009/10); 37.01% recycling and composting (28.42% in 2009/10), a Landfill Allowance Trading Scheme (LATS) surplus of 29,112 (after sale of 1,500 allowances) against an allocation of 495,265 tonnes; and by 31st March 2010, 31 out of the 42 facilities handed over and in operation, including the first thermophillic Mechanical Biological Treatment - Anaerobic Digestion (MBT-AD) plant treating LA collected Waste in the country;
- 2) 99.7% of our residents told us they were satisfied or very satisfied with our new Household Waste Recycling Centres (HWRCs);
- 3) winning three national awards and one highly commended award (see section 4); and
- 4) 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 2011/12, but we will stay focused upon key challenges of:

- 1) implementing and managing the Contract to ensure it represents value for money by using the facilities to their full potential and maximising income;
- 2) continuing to place ourselves at the centre of the City Region, particularly in the environmental aspects of the wider agenda;
- 3) maintaining our efforts to fully engage with our citizens so that they can be good and accurate recyclers all of the time, saving money and helping the environment;

and doing so in a way which means we have a lean, fit for purpose organisation, which is responsive and provides quality services.

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.

Neil Swannick

Greater Manchester Waste Disposal Authority

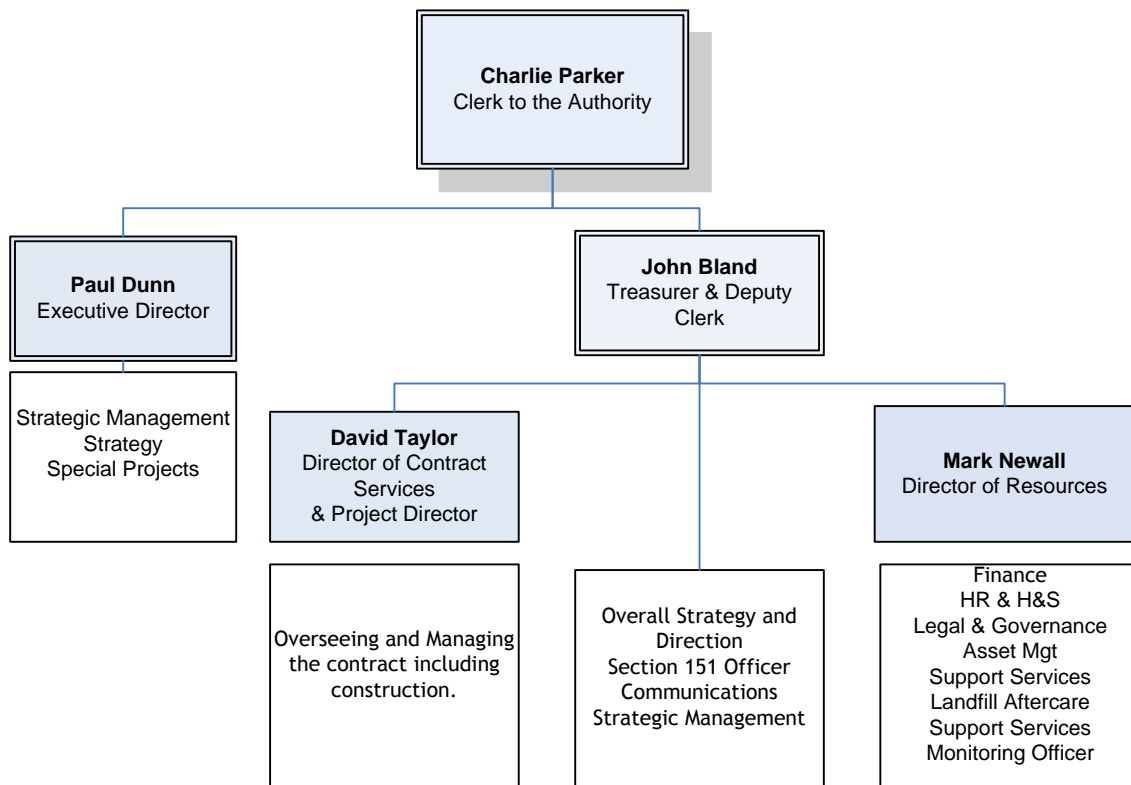
Annual Report 2010/11

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 2011/12.

2. Authority Structure and Profile

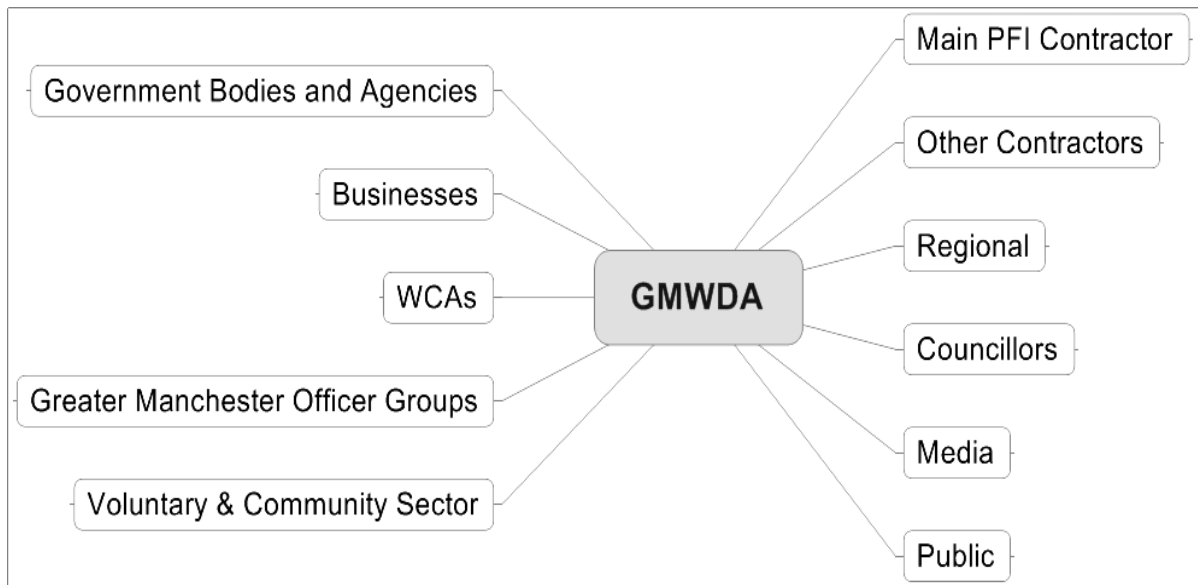
2.1 In 2009/10 an organisational review was carried out to realign corporate aims and values and ensure the organisation was fit for purpose, following completion of the procurement phase. The Authority, at its 9th April 2010 meeting, approved a new Corporate Plan and a new management structure. Consequently a third of senior management posts were deleted resulting in c £200k savings. These were: Director of Strategy and Communications, Special Projects Manager & Deputy Treasurer and Principal Contract Services Manager. On 18th March 2011, a new top level structure was approved and is detailed below:



2.2 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 Viridor Laing (Greater Manchester) Limited (VLGM) and the Waste Collection Authorities (WCAs). It is only by working together that recycling rates have risen significantly from 26.85% in 2006/07 to 37.01% for 2010/11. The following diagram outlines the partnership arrangements and the interrelationships.



4. Review of 2010/11 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, with additional performance information and measures being detailed in section 5. This section outlines key achievements.

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

a) Continuing partnership working with WCAs

Continuing to improve recycling performance through partnership working. Effective partnership working with the WCAs has delivered improved performance across the Greater Manchester area. Overall waste arisings have fallen by 1.39%, recycling and composting performance has risen from 7% in 2002/2003 to 29.89% in 2007/08, and 37.01% for 2010/11.

b) National recognition for the Contract in 2010/11

- Local Government Chronicle Awards 2010 - Sustainable Environment - winner;
- Public Private Finance Awards 2010 - Best Waste Project- winner;
- Public Private Finance Awards 2010 - Judges Award for Innovation- winner; and
- Local Government Chronicle Awards 2010 - Innovation - highly commended.

c) Contract Implementation

Successful second 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 HWRCs and 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.

- the successful acquisition of the site at Over Hulton (former CMP Batteries premises) to aid access for our final scheme (In Vessel Composting Plant - IVC);
- progress with the granting of the environmental permit for the Runcorn Thermal Power Station in May 2011 by the Environmental Agency; and

- the development of the ‘optimal’ zero waste model which would see waste processed through facilities maximised and landfill minimised. This could mean achieving a 525kt budgeted landfill figure for 2011/12, a reduction of c 90Kt on the 2010/11 landfill figure.

d) Maintaining the Construction Programme:

By 31st March 2011, 31 of the 42 facilities were completed and handed over for operational use.

e) 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 2010/11 was 495,265 tonnes. Of this, 1,500 tonnes was sold to another Authority, leaving the Authority 493,765 tonnes for its use; of this the Authority achieved a surplus of 29,112 tonnes, a significant achievement delivered through increased recycling and working with WCAs and our citizens to minimise waste.

f) SITA (UK) Challenge

Against the backdrop of significant progress with our £631m investment in new facilities and operational achievements a major risk for the Authority was the legal action by SITA (UK) for damages. That claim alleged that the Contract was not let on the basis of the most economically advantageous tender. The Authority vigorously denied any wrongdoing and as such took early and decisive action to remove the threat posed by the claim for damages. Judgement, by Justice Mann, was given on the 29th March 2010 in favour of the Authority and the proceedings were struck out in their entirety. SITA (UK) subsequently appealed the judgement of Justice Mann. The appeal was unanimously dismissed in the Court of Appeal on the 24th February 2011, by Lord Justices Elias and Rimer and Lady Justice Arden. The matter has now been satisfactorily resolved and the Authority has been awarded costs. SJ Berwin has commenced the cost recovery process.

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” (LFHW).

The LFHW programme was thus concluded during the year, and very successfully helped our citizens to save more, whilst also reducing the amount of waste generated.

h) Organisational Review and Improving the Governance Arrangements

The Authority in 2010/11 implemented phase one of the Organisational Review paper presented to the Authority on the 9th April 2010, which agreed the vision of the Authority as ‘Our Aim is Zero Waste’, reorganised the Member governance structure to reflect the changing environment and redefined the senior officer structure so it has clearer responsibility and accountability at both strategic and operational levels. The Corporate Plan for 2011/12 to 2013/14 was also updated in 2010/11 and agreed at the 18th March 2011 Authority meeting. This also set out plans for enhancing the performance management framework.

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 continuation of major site liaison groups;
- a joint five year communications plan with VLGm;
- community and resident presentations;
- media and press briefings;
- new technologies leaflets and website pages; and
- stakeholder engagement planning.

Activities during the year were targeted around getting our citizens to be good and accurate recyclers all of the time. That engagement programme will be expanded and accelerated in the coming year.

j) Climate Change and Reducing the Carbon Footprint

The net total of carbon dioxide equivalent saved from waste management and reduction activities in 2010/11 is 119,382 tonnes. This is made up of 116,427 tonnes of carbon dioxide equivalent saved through the management of waste in 2010/11; and 2,955 tonnes carbon dioxide equivalent saved from reducing waste to landfill.

k) Improvements in Sickness Absence.

Over the last three years sickness levels overall have fallen by 12.61 days/employee (-66.3%) mainly due to a significant reduction in long term sickness rates. 55% of staff had no sickness at all during the year.

5. Performance Review and Key Performance Measures

5.1 The information below outlines key performance information for 2010/11, 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.

5.2 Management of Local Authority (LA) Collected Solid Waste

5.2.1 Waste management in Greater Manchester continued to benefit from the rollout of new collection schemes and enhanced diversion from landfill throughout 2010/11. This is reflected in the changing profile of LA collected Solid Waste arisings over the past five years as detailed in table 1 and graph 1 below.

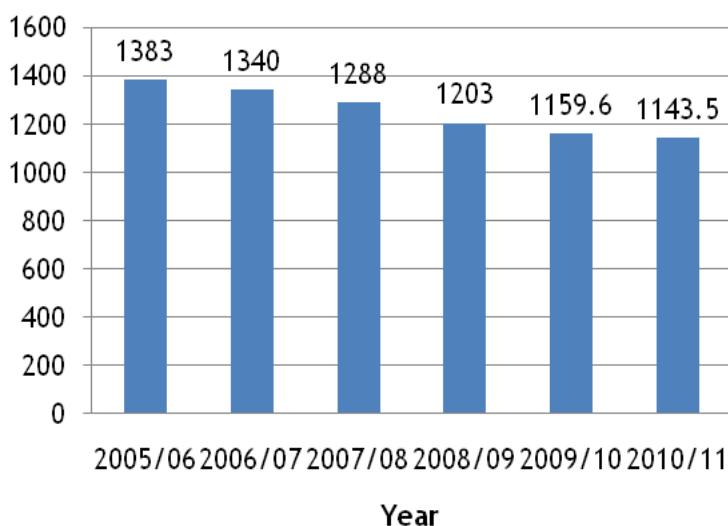
Table 1 LA Collected Waste arisings

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11* |
|-------------------------------|---------|---------|---------|---------|---------|----------|
| LA Collected Waste | 1383 | 1340.3 | 1288 | 1203 | 1159.6 | 1143.5 |
| LA Collected Waste Landfilled | 1017 | 853.9 | 791.7 | 708 | 676.5 | 648.5 |
| BMW Landfilled | 666.4 | 613.4 | 582.1 | 504.6 | 473 | 464.7 |
| LATS Allowance | 820.7 | 776.8 | 718.3 | 645.1 | 557.2 | 495.3 |
| Surplus | 154.3 | 163.4 | 136.2 | 140.5 | 84.2 | 29.1 |
| LATS Allowances Sold | 23.5 | - | - | - | - | 1.5 |

| | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total LA Collected Waste | 1470 | 1407 | 1383 | 1340 | 1288 | 1203 | 1159.6 | 1143.5 |
| Variation | -0.88% | -4.29% | -1.71% | -3.11% | -3.88% | -6.60% | -3.61% | -1.39% |

Graph 1 LA Collected Waste Arisings

Total LA Collected Waste Arisings 2005/6 to 2010/11



5.2.2 It can be seen that total LA Collected Waste has continued to fall from 1.48 million tonnes in 2004/05 to 1.14 million tonnes in 2010/11. In terms of the climate change agenda, this equates to a saving of 46,900 tonnes of carbon dioxide (CO₂) equivalent. This decrease has come about through improvement in education, enforcement, waste minimisation activities and reclassification of waste.

The continued decline in LA Collected Waste arisings may be due to:

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

5.2.3 Throughout this period there has also been a significant decrease in the reliance upon landfill. In 2004/05 the Authority landfilled 79% of LA Collected Waste 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 2010/11, 57% of LA Collected Waste arisings was landfilled.

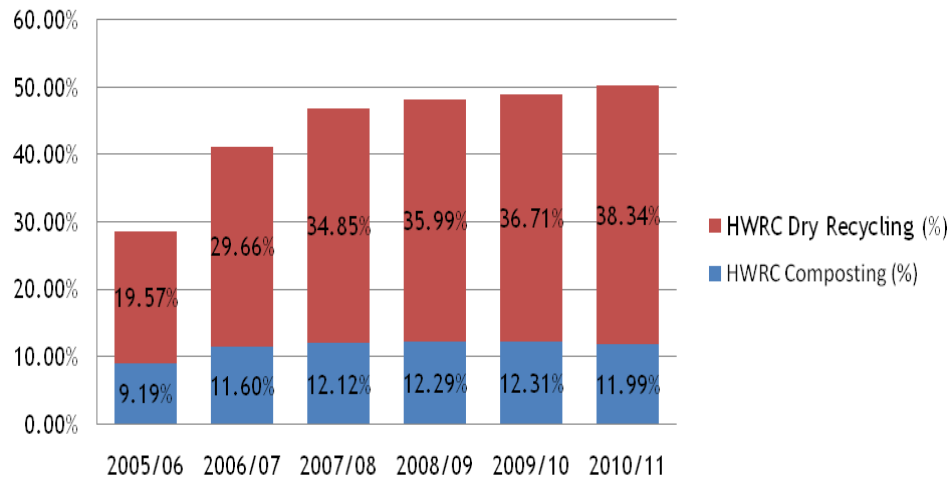
5.2.4 LA Collected Waste arisings handled by the Authority are derived from waste delivered to HWRCs by members of the public and waste collected from LA Collected Waste sources by the WCAs.

5.3 Household Waste Recycling Centres Performance 2010/11

5.3.1 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 50.33% in 2010/11.

Graph 2 HWRC Performance

HWRC Recycling & Composting Rates 2005/06 to 2010/11



5.3.2 This increase has been achieved by significant investment in staffing and the development of new facilities, potentially for the proportion of dry recyclable materials being recovered. This is summarised in table 2 below. Such an increase relies on citizen co-operation, which we do through an increased 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 overall arisings since 2009/10 is reflective of the overall decline in LACW that has been experienced and may be due to a number of factors including the economic downturn.

On a like for like basis the overall recycling level had increased to 37.01%. However, due to in year changes to green waste, which was previously considered to be composted by the Department for Environment, Food and Rural Affairs (DEFRA). The official figure is some 3% lower. We have referred to this adjustment as “shred and spread” reflecting its use mainly on agricultural land.

Table 2 HWRC Recycling and Composting

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| HWRC Dry recyclables (tonnes) | 48,887 | 65,938 | 70,562 | 68,134 | 61,482 | 62,404 |
| HWRC Green (tonnes) | 23,130 | 25,301 | 24,544 | 23,052 | 20,626 | 7,628 |
| HWRC Green - Shred & Spread | | | | | | 11,886 |
| TOTAL ARISINGS | 290,230 | 297,335 | 275,040 | 245,162 | 215,076 | 212,693 |

5.3.3 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 was 23.47% in 2010/11. This is reflective of the decrease in overall waste arisings 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

| | 2005/ 2006 | 2006/ 2007 | 2007/ 2008 | 2008/ 2009 | 2009/ 2010 | 2010/ 2011 | 2009/10 to 2010/11 variance |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------|
| HWRC Dry Recycling (%) | 19.57% | 29.66% | 34.85% | 35.99% | 36.71% | 38.34% | 1.63% |
| HWRC Composting (%) | 9.19% | 11.60% | 12.12% | 12.29% | 12.31% | 11.99% | -0.32% |
| HWRC Dry & Green (%) | 28.76% | 41.26% | 46.98% | 48.28% | 49.02% | 50.33% | 1.31% |
| HWRC Diversion (%) (Hardcore/ Thermal Recovered) | 16.52% | 18.28% | 26.43% | 23.46% | 21.05% | 23.47% | 2.42% |
| Landfill Avoidance (%) | 41.33% | 55.58% | 60.99% | 60.55% | 59.75% | 62.00% | 2.25% |

5.4 Waste Collection Authorities' (WCAs) Activities

- 5.4.1 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 LA Collected Waste arisings.
- 5.4.2 Table 4 below details the changes in household and LA Collected Waste arisings by WCA for the period 2005/06 to 2010/11 with the % variance between 2009/10 and 2010/11, highlighted in the right hand column.

Table 4 WCA Total Waste Arisings

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2009/10 to 2010/11 Variance |
|--------------------|---------|---------|---------|---------|---------|-----------------------------------|
| Bolton | | | | | | |
| Household | 108,644 | 109,686 | 104,783 | 102,183 | 100,214 | -1.93% |
| LA Collected Waste | 129,621 | 124,329 | 115,020 | 110,221 | 108,373 | -1.68% |
| Bury | | | | | | |
| Household | 80,596 | 78,492 | 76,238 | 74,498 | 73,836 | -0.89% |
| LA Collected Waste | 89,388 | 86,357 | 82,953 | 79,868 | 74,329 | -6.94% |
| Manchester | | | | | | |
| Household | 194,954 | 196,815 | 188,334 | 187,863 | 185,792 | -1.10% |
| LA Collected Waste | 204,476 | 202,829 | 194,363 | 192,088 | 188,251 | -2.00% |
| Oldham | | | | | | |
| Household | 83,405 | 82,175 | 79,664 | 76,739 | 77,940 | 1.57% |
| LA Collected Waste | 98,200 | 96,536 | 92,454 | 89,618 | 89,498 | -0.13% |
| Rochdale | | | | | | |
| Household | 74,962 | 72,070 | 68,491 | 68,956 | 68,729 | -0.33% |
| LA Collected Waste | 75,786 | 72,753 | 69,160 | 69,304 | 69,296 | -0.01% |

| Salford | | | | | | |
|--------------------|-----------|---------|---------|---------|---------|--------|
| Household | 97,664 | 99,443 | 98,391 | 98,988 | 104,822 | 5.89% |
| LA Collected Waste | 110,077 | 103,031 | 103,557 | 101,665 | 107,420 | 5.66% |
| Stockport | | | | | | |
| Household | 114,854 | 112,033 | 106,698 | 107,905 | 104,936 | -2.75% |
| LA Collected Waste | 133,147 | 113,298 | 108,138 | 108,536 | 105,451 | -2.84% |
| Tameside | | | | | | |
| Household | 83,433 | 82,726 | 78,638 | 73,638 | 73,015 | -0.85% |
| LA Collected Waste | 106,303 | 94,956 | 96,295 | 90,859 | 87,369 | -3.84% |
| Trafford | | | | | | |
| Household | 92,252 | 90,005 | 87,064 | 86,346 | 87,157 | 0.94% |
| LA Collected Waste | 98,965 | 96,802 | 93,365 | 91,436 | 90,386 | -1.15% |
| WCA Total | | | | | | |
| Household | 930,764 | 923,445 | 888,301 | 877,116 | 876,441 | -0.08% |
| LA Collected Waste | 1,045,963 | 990,891 | 955,305 | 933,595 | 920,373 | -1.42% |

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

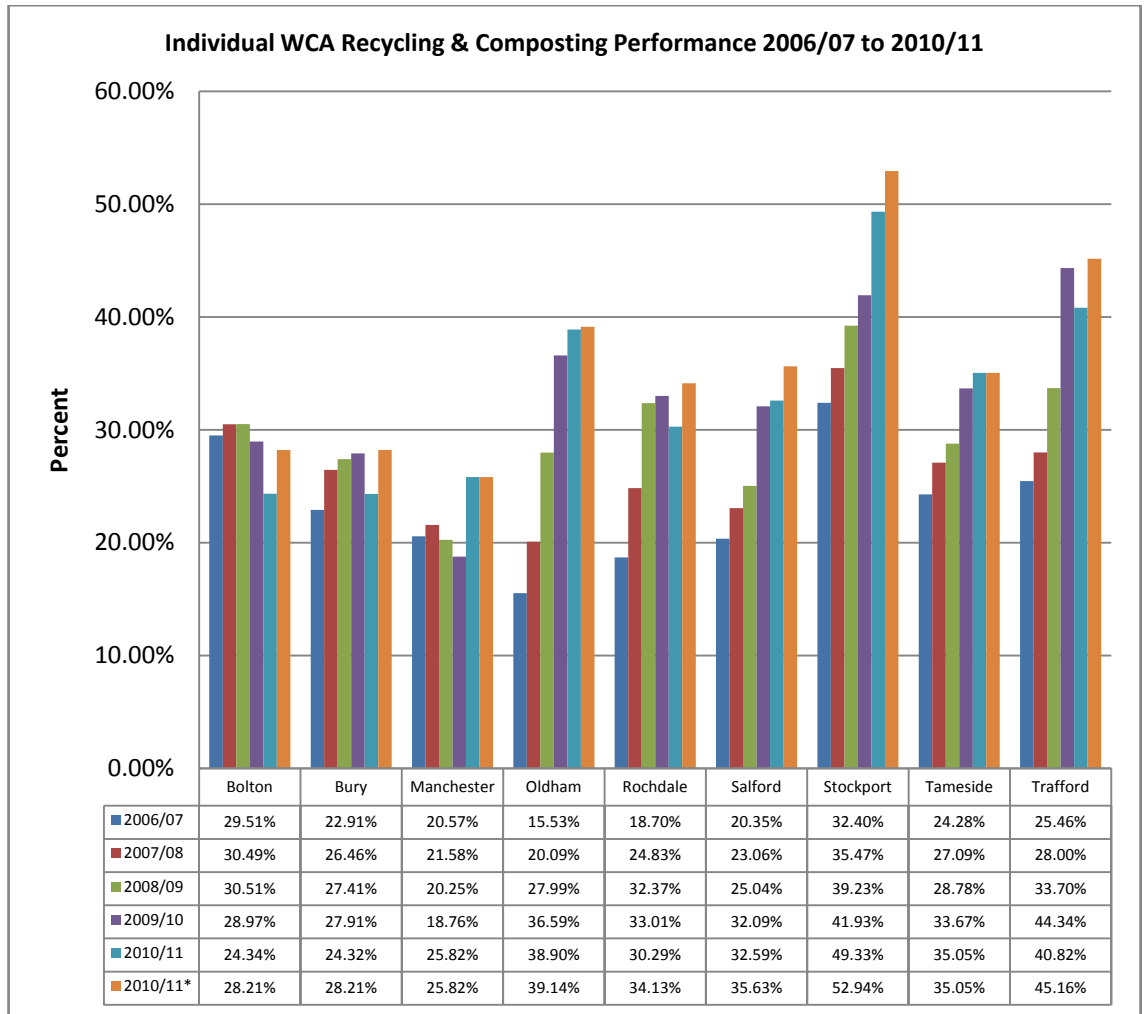
- 5.4.3 Household waste arisings have generally reduced in each WCA during this period. This reduction has typically been by a relatively small percentage. This may reflect the weather conditions, proactive management activities during the rollout of managed collections or could reflect the impact of waste minimisation and education initiatives. Overall, household waste arisings fell by an aggregate figure of 0.08% between 2009/10 and 2010/11.

The LA Collected Waste arisings show a significant drop of 1.42% between 2009/10 and 2010/11. 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; and
- Reductions in trade waste arisings.

- 5.4.4 On LA Collected Waste arisings the biggest reduction of 6.94% was seen in Bury. This may be due to a general decrease in LA Collected Waste arisings from the decrease in economic activity through the period.

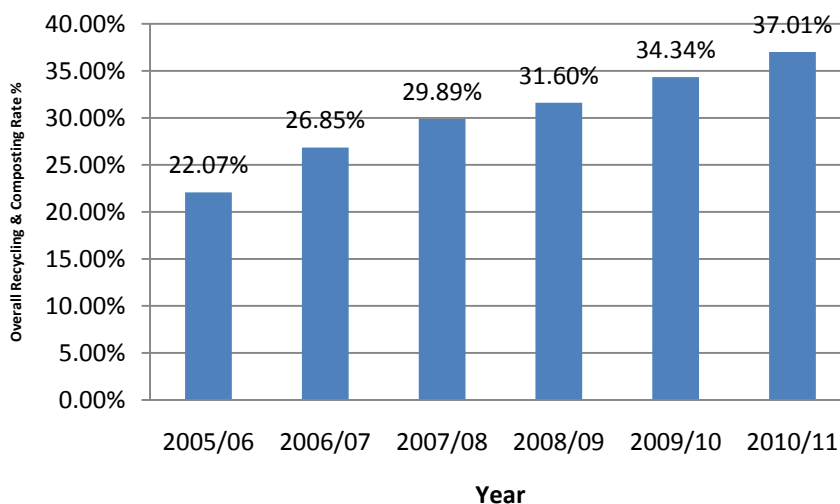
Graph 3 WCA Performance



* National Indicator 192 (NI192) figures unadjusted for shred and spread.

- 5.4.5 In relation to recycling and composting performance, these are set out in Graph 3. This includes data that has not been adjusted downwards to reflect the shred and spread classification. Using the 'Revised' column it can be seen that all WCAs achieved rates over 28% with the highest performer being Stockport at an unadjusted rate of 52.94% in 2010/11. These increases reflect increased rollout of collection schemes, changes to managed collections and an increase in commingled and paper and cardboard collections across the WCAs resulting in increases in participation and the capture of materials.
- 5.4.6 When combined with the recycling and composting performance at the HWRCs, the unadjusted rate achieved in 2010/11 increased to 37.01%, up from 34.34% in 2009/10. The increase from 2004/05 is demonstrated in the bar chart below which shows that recycling and composting rates have significantly increased from 22.07% in 2005/06.

Overall HWRC & WCA Recycling and Composting Performance



5.5 Combined Arisings per Household

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

| | 2009/10 (tonnes) | 2010/11 (tonnes) | 2010/11 Revised for Shred and Spread (tonnes) |
|---|---------------------|---------------------|---|
| Household waste not sent for recycling, reuse or composting | 707,885 | 695,888 | 663,626 |
| Number of households | 1,033,905 | 1,036,800 | 1,036,800 |
| NI191 Residual Household Waste (Kg per Household) | 684.67 | 671 | 640 |

| | | | |
|---|---------------|---------------|---------------|
| Household waste sent for recycling, reuse or composting | 361,253 | 358,831 | 391,093 |
| Total Household Waste Collected | 1,069,138 | 1,054,719 | 1,054,719 |
| NI 192 Reuse, Recycling and Composting Rate | 33.80% | 34.00% | 37.08% |

| | | | |
|------------------------------------|---------------|---------------|---------------|
| LA Collected Waste Landfilled | 673,532 | 648,484 | 648,484 |
| Total LA Collected Waste Collected | 1,159,598 | 1,143,475 | 1,143,475 |
| NI 193 Landfill rate | 58.10% | 56.70% | 56.70% |

*NI192 includes recycling, composting and re-use hence the increase to 37.08%. The figure of 37.01% reported elsewhere is only recycling and composting performance.

5.6 Landfill Allowance Trading Scheme (LATS) Performance

- 5.6.1 LATS sets targets to reduce the amount of Biodegradable LA Collected Waste 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 Biodegradable Municipal Waste (BMW) or purchasing allowances). Penalties are in place for authorities that exceed their LATS allocation.
- 5.6.2 The LATS allocation for 2010/11 was 495,265 tonnes; against which the Authority achieved a surplus of 29,112 tonnes after selling allowances for 1,500 tonnes.
- 5.6.3 The LATS allowance for 2011/12, further reduces to 433,232 tonnes and on present performance, combined with planned improvements by WCAs to collection systems and development of new facilities, the target is confidently expected to be met.
- 5.6.4 Moving into 2012/13 the allowance reduces further to 371,200 tonnes. This will require facilities to be developed, in particular In-Vessel Composting (IVC) capacity. 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. Key to this will be the commencement of commissioning of the Runcorn Thermal Power Station (TPS) which is programmed for October 2012.

5.7 Other Key Performance Measures and Targets

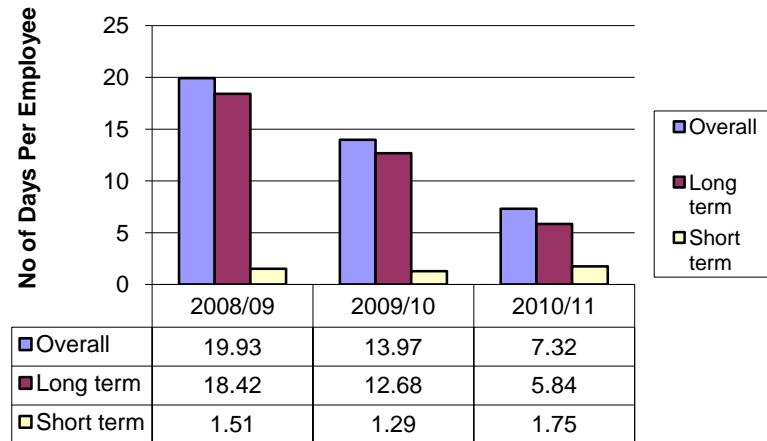
These comprise:

- 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.

5.7.1 Corporate Health Indicators

- 5.7.1.1 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) are produced as a local performance indicator.

GMWDA Sickness Absence



5.7.1.2 There has been a significant improvement in sickness levels over the last three years. Overall and long term sickness levels have continued to fall, although there is a slight increase in short term sickness levels. 55% of employees had 100% attendance levels

5.7.2 Environmental Indicators

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

| | 2009/10 | 2010/11 (Unverified) | 2010/11 revised for shred and spread |
|--|---------|-------------------------|--|
| N191 Residual household waste per household | 685 kg | 671 kg | 640 kg |
| N192 Household waste re-used, recycled or composted | 33.79% | 34% | 37.08% |
| N193 LA Collected Waste landfilled | 58.08% | 56.70% | 56.70% |

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

5.7.2.2 Environmental Performance Indicators 2010/11 - All Joint Waste Disposal Authorities (unverified)*

| *PI | Description | GMWDA | ELWA | MWDA | NLWA | WLWA | WRWA |
|----------|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| NI191 | Residual Waste per Household (Kg per household) | 671kg | 789kg | 694kg | 627kg | 600kg | 529kg |
| NI192 | Percentage of household waste sent for recycling, composting or reuse | 37.08% 391,093 (tonnes) | 25.43% 101,097 (tonnes) | 36.51% 250,862 (tonnes) | 29.37% 199,177 (tonnes) | 39.09% 234,149 (tonnes) | 28.01% 89,713 (tonnes) |
| NI193 | Percentage of LA Collected Waste sent to landfill | 56.71% 648,484 (tonnes) | 47.77% 216,954 (tonnes) | 60.75% 450,675 (tonnes) | 29.38% 258,164 (tonnes) | 55.88% 379,673 (tonnes) | 77.18% 323,019 (tonnes) |
| BVPI 82a | Percentage of household waste arisings sent for recycling | 23.33% 245,719 (tonnes) | 16.00% 63,571 (tonnes) | 20.94% 143,601 (tonnes) | 19.42% 131,263 (tonnes) | 24.25% 145,154 (tonnes) | 25.72% 82,368 (tonnes) |
| BVPI 82b | Percentage of household waste arisings sent for composting | 10.62% 111,896 (tonnes) | 9.38% 37,262 (tonnes) | 15.72% 107,824 (tonnes) | 9.69% 65,502 (tonnes) | 14.77% 88,391 (tonnes) | 2.29% 7,333 (tonnes) |
| BVPI 82c | Percentage of household waste arisings used to recover heat, power and other energy resources | 5.91% 62,270 (tonnes) | 11.96% 47,521 (tonnes) | 0.04% 256 (tonnes) | 43.08% 291,103 (tonnes) | 6.86% 41,082 (tonnes) | 0.01% 24 (tonnes) |
| BVPI 82d | Percentage of household waste sent to landfill | 57.99% 610,922 (tonnes) | 47.03% 144,260 (tonnes) | 63.16% 332,767 (tonnes) | 27.81% 149,023 (tonnes) | 54.17% 249,544 (tonnes) | 71.96% 172,493 (tonnes) |
| BVPI 84a | KG's of household waste collected per head | 405kg | 439kg | 508kg | 398kg | 412kg | 353kg |

*Please note not all WDAs operate HWRCs which affect these statistics and the comparability with the Authority.

PI - Performance Indicator

BVPI - Best Value Performance Indicator

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

6. Communications

6.1 Achievements in 2010/11

- a) With construction on the ground progressing very well, one of our biggest risks is that citizens will not actively play their part in reducing, re-using and recycling waste. A priority in 2010/11 and ongoing was to deliver behavioural change through a targeted communication and engagement programme. This was carried out through campaigns such as Love Food Hate Waste and Spikey says "Stick it... in the right bin".
- b) Communication activities in 2010/11 targeted the new vision and message of 'Our aim is zero waste' in our widespread process of stakeholder engagement. A key area of development in 2010/11 was the five year Communication Plan jointly developed with VLGM, which details key objectives for communication and engagement relating particularly to citizens and key stakeholders to:
 - encourage waste minimisation;
 - increase participation in composting and recycling activities; and
 - appropriate products.

- c) Communication activities during the year included launching the Community Waste Fund, increasing the number of visits to the Authority's three Education Centres to 178 against a target of 160; developing an online resource pack; distributing two Manchester Evening News (MEN) supplements; running various campaigns including the 'Spikey Says' (recyclate and contamination activity) campaign; developing a new Authority web site and promoting Household Waste Recycling Sites that had been redeveloped.
- d) To further enhance the service and improve the governance arrangements the communication teams of VLG and the Authority will be brought together to enhance joint working to deliver the single joint activity (implementation) plan which was approved by the Authority on the 18th March 2011.

7. Resources

7.1 This section gives an overview of performance in the areas of Finance, HR, Health and Safety, Asset Management, Landfill Aftercare and Governance, along with some key statistical information for 2010/11.

7.2 The Audited Statement of Accounts 2010/11 was approved, by the Audit Committee at its meeting on 28th September 2011. The position can be summarised as:

- a) The net cost of services in 2010/11, after interest and similar charges, was £108.084m - an increase of £16.176m (17.60%) on the equivalent figure for 2009/10. 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. Additionally the figure for 2009/10 was reduced by the impact of the severe weather in the last quarter of that year.
- b) An additional net charge of £0.679m is due to be made to the WCAs in respect of variations in tonnage delivered for processing
- c) Spend for the year is after transfers from specific reserves of £7,676m, comprising:

| | |
|-----------------------------------|------------|
| • Waste prevention reserve | £0.188m |
| • Capital receipts reserve | £0.475m |
| • PFI prepayment reserve | £(11.947)m |
| • Authority loan reserve | £1.185m |
| • LATS equalisation reserve | £0.023m |
| • Interest rate reserve | £2.000m |
| • Pension deficit funding reserve | £0.400m |
- d) The Authority generated a surplus for the year (contribution to General Fund Balances) of £1.473m. 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 £12.391 million which is 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 actual capital expenditure in 2010/11 was £32.996m including a capital contribution to the new Contract of £31.813m. The '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 £104.671m.

7.3 Officers have continued to expend time and effort on ensuring the accurate and efficient operation of the complex Payment Mechanism. As the understanding on both sides has improved during this second year of the Contract the incidence of errors has been greatly reduced and, with only a few minor exceptions, the mechanism has operated smoothly and as intended.

7.4 Budget Savings and Efficiencies

7.4.1 In response to the Coalition Government's Austerity programme, locally AGMA asked joint boards to identify 25% budget savings over three years. The Authority has already identified 20% from its controllable costs and is committed to achieve the 25% within the three years. Included within the 2011/12 budget were £1.237m of savings, which rise to £2.252m by 2015/16 as the full impact of decisions come on stream. Action has been taken on all approved options to ensure that the 2011/12 savings are realised.

7.5 People Issues and Health and Safety

7.5.1 Section 2.1 sets out the top level structure. Appendix 2 details the full structure. In 2010/11 staffing capacity was reduced by seven posts (from 53 to 46) since 2009/10. The deleted posts were Director of Strategy and Communications, Principal Contract Services Manager, Solicitor, Special Projects Manager & Deputy Treasurer, Administrative Assistant, Finance Assistant and a Monitoring Inspector. This reduction equates to 13.2% of the workforce.

7.5.2 Other human resources (HR) and health and safety developments and achievements include:

- a) Completed and communicated the 2010 staff survey. The results provided valuable feedback which resulted in organisational improvements.
- b) Revised and implemented a new induction programme to welcome new starters.
- c) In consultation with the trade unions continued to review and implement modernised policies and procedures in line with collective local authority practices.
- d) Implemented improvements to the staff appraisal system including identifying skills gaps and running a number of key training modules in-house.
- e) Advised on, and implemented, the HR elements of the Organisational Review.
- f) Developed an action plan to become Investors in People (IIP) accredited by 2013.

7.5.3 Health and Safety

- a) 29 out of 39 actions have been completed of the Authority's health and safety plan.
- b) Health and Safety Management System Volume One and Two including the Health and Safety Policy, safety procedures and risk assessments have been implemented and launched in May 2010; and available on the Intranet.
- c) All critical and expected safety procedures to comply with legislation completed, including joint procedures with key stakeholders (e.g. WCAs).

- d) Hazardous operations in high risks areas e.g. Landfill and Environmental Management Team (LEMT) and Contract Monitoring have been reviewed and a training needs analysis, job safety analysis, and a competency framework have been implemented.
- e) Site visit inspections and recommendations regime is ongoing. In 2010/11:
 - 14 closed landfill health and safety inspection/auditing visits;
 - 16 contract site facilities inspections (mainly HWRCs);
 - 13 joint inspections with VLGM and Viridor Waste (Greater Manchester) Limited (VWGM) of Contract site facilities (including 3rd party sites);
 - comprehensive high level audit of the health and safety arrangements and performance of VLGM/VWGM. Report produced and distributed and has been developed into an ongoing format for continual assessment; and
 - risk assessments completed and safe systems of work introduced for Contract Monitors in conjunction with VWGM.
- f) All existing and new contractors to the Authority have now been through the safety procedure contractor selection and approval process. This is recorded on the register and their accreditation is revisited periodically.
- g) Accidents: Five minor accidents. None reportable and no lost time. 11 near misses which have helped implement accident prevention measures.
- h) Health and safety related training matrix produced for each department.
- i) The highlight of the year was the commitment of the Senior Management Team for all managers to attend the IOSH (Institution of Occupational Safety and Health) accredited Directing Safely course and all managers are now accredited.

7.6 Asset Management

7.6.1 The Authority at the 17th 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.

7.6.2 Work in 2010/11 involved bringing the information on our assets up to date and ensuring that this was both comprehensive and our full liabilities known. This was in preparation for the disposal of the sites.

7.7 Landfill Aftercare

7.7.1 Key achievements include:

- a) Purchasing and implementing eFacility. The environmental monitoring 'module' is now fully operational and used to monitor gas, water and leachate samples; the information management module brings together disparate information on a site by site basis.
- b) Completion of the Landfill Aftercare Review which will be implemented in 2011/12.
- c) Four Methane Stripping Plants are now operational and will be handed over to the Authority in September 2011.
- d) Topographical Surveys were completed.

- e) All Amec site audits were completed. A final technical note which will summarise the findings of these reports is scheduled to be completed by the end of September 2011.
- f) The Authority's mobile flare rig was installed along with a series of connecting boreholes to control gas migration off site at Bredbury landfill, Bredbury in June 2010. It has since been relocated to Adswood Road landfill, Adswood as gas levels on site have reduced and at present are not sufficient enough to cause any migration issues. Our monitoring team are continuously monitoring gas levels at this site.
- g) Adswood Road landfill now has a new flare rig installed which is connected to series of boreholes similar to Bredbury landfill. Again this site is monitored on a regular basis by the LEMT and no gas migration issues are present due to the gas collection system.

7.8 Governance

- 7.8.1 Following the Stage 1 review of the modernisation of the Governance arrangements adopted in June 2009, a Members' Working Group was set up to undertake a Stage 2 review to ensure that the Authority's Governance arrangements were fit for purpose. The proposals and recommendations of the Members' Working Group were adopted by the Authority at its meeting on 9th April 2010.
- 7.8.2 Stage 2 provided the Authority with two Lead Members (Waste Minimisation and Engagement and VLG Construction Programme) and further enhanced its governance arrangements focussing on strategic and policy development of the organisation. These arrangements have now been implemented, embedded and have provided greater assurance to our stakeholders about delivery.
- 7.8.3 The Authority also approved in September 2010 to implement the Government's transparency agenda with effect from April 2011. The Authority now publishes all invoices above £500, along with the Senior Management Team's salaries.
- 7.8.4 Upon the near completion of phase 2 of the organisational review and looking forward to the future needs of the organisation, the Authority agreed to phase 3 of the organisational review as part of the 2011/12 budget on 11th February 2011.

8. Risk Management

8.1 Work in 2010/11 focused on:

- continuing to embed 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 on the Audit Committee who recently endorsed the Authority's systems and approach to risk management; and
- establishing risk management reviews; implementing mitigation plans for each risk depending upon agreed tolerance levels; and implementing programmes of control assurance.

9. New Developments in 2011/12

9.1 Key challenges for 2011/12 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 2011/12 include:

1. The continued implementation and management of the Contract to ensure that all targets are met or exceeded, particularly in relation to landfill diversion and recycling and composting rates.
2. Ensuring the construction of the facilities is delivered to target and the major facilities' technologies work to specification. This is essential to achieving our targets and the objectives in our Corporate Plan.
3. Achieving our 'aim is zero waste' agenda by 'sweating our assets' and maximising savings by reducing landfill pass through costs. Work has already begun in these areas and could potentially deliver substantial savings.
4. Developing a strategy to sell and implement 'surplus capacity' to maximise the generation of third party income and reduce the overall levy.
5. 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.
6. Continuing to deliver the 25% budget savings as requested by the Association of Greater Manchester Authorities (AGMA), whilst at the same time continuing to provide responsive, quality services. As part of the process the Authority will undertake a further organisational review as part of the commitment to being a lean organisation and making best use of its assets. This includes twin-tracking the sale of the Authority's closed landfill sites and at the same time market testing the landfill aftercare service 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.
7. Realising the asset values of the Authority to produce financial benefits and efficiencies. As part of the ongoing review of all the Authority's assets by the PPRC there is a rolling programme, as part of the Asset Management Plan, to review all the Authority's assets to achieve best value. This includes selling the Authority's closed landfill sites.
8. Carrying out a further organisational review as part of the commitment to being a lean organisation and making best use of its assets. This includes twin-tracking the sale of the Authority's closed landfill sites and at the same time market testing the landfill aftercare service.
9. Revising the Authority's Joint Greater Manchester Municipal Waste Strategy in line with the National Waste Strategy and the wider implications of working with all stakeholders, including businesses to reduce waste.
10. The adoption of a new Committee system and Governance arrangements for the Authority.
11. Continuing to pro-actively engage with our citizens to ensure that they become good and accurate recyclers all of the time.

10. Conclusion

- 10.1 2010/11 has been a very busy year of considerable achievement, continuing a trend of improved performance, particularly in improved landfill diversion, recycling and composting rates and exceeding our LATS targets. At the same time the second year 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.