

**Subject: PERFORMANCE MANAGEMENT SYSTEM**

**Report of the Technical Adviser to the Authority**

**1.0 PURPOSE OF THIS REPORT**

1.0 The purpose of this report is to set out detailed performance data for the main service areas as part of the adopted formal performance management system.

**2.0 BACKGROUND**

2.1 In September 2001, the Authority adopted a formal performance management system to provide a link between the corporate and service objectives of the Authority and continuous improvement in the performance of services.

2.2 The system is based upon -

- ?? a quarterly review of performance under headline indicators linked to the Authority's strategic objectives and targets, priorities, service objectives and Best Value review programme, as appropriate
- ?? a half-yearly review of Corporate Health indicators to provide a snapshot of overall performance
- ?? a quarterly review of financial management information (revenue and capital)
- ?? progress on individual Best Value reviews
- ?? action in line with recommendations of External Auditors
- ?? customer information
- ?? identified responsibilities of Members and Officers

2.3 The purpose of this report is to provide an interim update for the period April to December 2001 and to monitor performance against the targets set for 2001/02.

2.4 Reference is also made to provisional targets for 2002/03 that are reflected in the Authority's draft revenue budget for 2002/03.

**3.0 WASTE MANAGEMENT STRATEGY**

Priorities and Targets

3.1 The future priorities and targets in this service area will be dependent upon the outcome of the consideration of a recycling and composting led strategy and an overall review of the future approach to waste management services. That work is due to be completed in June 2002.

3.2 In the interim, as indicated in the last report, the priorities and targets are affected to the extent that –

- ?? the spreading of soil making material has been suspended and further treatment techniques are under current investigation and trials and achievement of the recycling and diversion targets for 2001/02 will be substantially impaired;
- ?? green garden waste is being separately recovered and composted (and not shredded and spread in conjunction with soil making material);
- ?? the issue of procurement of future waste management services has been set aside pending consideration of a recycling led strategy and an overall review of the strategy (by June 2002)
- ?? the prescribed method of calculation for some indicators (e.g. % recycled, composted, energy recovery and landfill) has been varied for 2001/02.

3.3 The following paragraphs contain further reference to the current levels of performance and the provisional targets for 2002/03.

### 3.4 Recycling

| <u>Performance Indicator</u>   | <u>Actual Performance</u><br>2000/01 | <u>BVPP Target Performance</u><br>2001/02 | <u>Revised Target Performance</u><br>2001/02 | <u>Provisional Target</u><br>2002/03 |
|--|--------------------------------------|---|--|--------------------------------------|
| BV82a Total tonnage of household waste arisings – percentage recycled      | 4.4%                                 | 11.3%                                     | 6.5%   | 6.5%                                 |
| Quantity of material recycled at recycling centres (excluding green waste) | 8657 tonnes                          | 10000 tonnes                              | 10000 tonnes                                 | 12000 tonnes                         |

- 3.5 The performance to December 2001 (overall statement – Appendix A) includes the numbers of tonnes that have been recycled by the WCAs and third parties for which recycling credit claims have been received. The levels of performance should be regarded as provisional at this stage given that claims are retrospective and are not always promptly claimed after the activity.
- 3.6 The separation of dry recyclables at civic amenity sites totals 7,500 tonnes (to December), in line with the target performance for 2001/02.
- 3.7 The priorities in this area for the Authority are to work jointly with the WCAs, GM Waste Limited and the Forum –
- ?? to achieve the performance standards prescribed for 2003/04 and 2005/06;
  - ?? to resolve the future of soil making material and options and opportunities for dealing with the organic fraction of the household waste stream; and
  - ?? to provide reliable and available recycling services via civic amenity sites and to reach early conclusions under the Best Value review to maximise the contribution of those sites to recycling and composting.
- 3.8 The potential capital and revenue bids to be submitted to DEFRA to support waste minimisation and recycling initiatives for 2003/04 are referred to in a separate report on this agenda
- 3.9 Progress on the Best Value review of the civic amenity site service is referred to in para 5.3.

### 3.10 Composting

| <u>Performance Indicator</u>  | <u>Actual</u>                        | <u>Target</u>                        | <u>Revised Target</u>                | <u>Provisional</u>              |
|---|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
|   | <u>Performance</u><br><u>2000/01</u> | <u>Performance</u><br><u>2001/02</u> | <u>Performance</u><br><u>2001/02</u> | <u>Target</u><br><u>2002/03</u> |
| BVP82b Total tonnage of household waste arisings – percentage composted | 0.5%                                 | NIL                                  | 1.5%                                 | 2.2%                            |
| Quantity of green waste recovered at recycling centres                  | 21433*<br>tonnes                     | 30000<br>tonnes                      | 20000<br>tonnes                      | 30000<br>tonnes                 |

\* Of this quantity 13,000 tonnes were shredded and used in land restoration projects (i.e. recycled). 7000 tonnes were shredded and composted.

3.11 The performance to December 2001 indicates a reduction of over 2000 tonnes in the quantity of green waste recovered at recycling centres during the period October-December 2001, compared to the equivalent period the previous year.

3.12 It is well known that there are seasonal variations in gardening activity also this period included the latter part of the 'Sin to Bin' green waste promotion. This was aimed at encouraging home composting and the use of recycling centres as a secondary option, as opposed to disposal via the collected household waste stream. In addition, all the collection authorities are constantly promoting home composting using a variety of methods throughout the year. The success of such promotions over the long term may now be impacting upon the quantities being received at recycling centres.

3.13 The priority in this area is to link the need for increased participation in separation at civic amenity sites with the Best Value review that is considering proposals for enhanced recycling/composting performance and the recommendations that will be forthcoming under Commission A (due to be completed at the end of May).

3.14 As an associated matter, representations have been made to Government to press for the introduction of compost standards that in turn will influence the collection and treatment methods and the post-production use of the materials. A delegation from the Authority and GM Waste Ltd visited the Minister for the Environment on 11 March to discuss this issue (and other matters).

### 3.15 Energy Recovery

| <u>Performance Indicator</u>   | <u>Actual</u>                        | <u>Target</u>                        | <u>Revised Target</u>                | <u>Provisional</u>              |
|--|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
|  | <u>Performance</u><br><u>2000/01</u> | <u>Performance</u><br><u>2001/02</u> | <u>Performance</u><br><u>2001/02</u> | <u>Target</u><br><u>2002/03</u> |
| BVP82c Total tonnage of household waste arisings – percentage used to recover heat, power and other energy sources | 3.3%                                 | 5.7%                                 | 4.9%                                 | 5.8%                            |

3.16 The performance to December 2001 indicates that the performance of the plant was impeded earlier in the year by the need to carry out works under warranty. The performance of the plant has been unhindered during the quarter ending December

2001, with the exception of the planned shutdown during November for routine maintenance. The priority for Grater Manchester Waste Limited will be to maintain the reliability of the facility.

### 3.17 Landfill

| <u>Performance Indicator</u>   | <u>Actual Performance</u><br><u>2000/01</u> | <u>Target Performance</u><br><u>2001/02</u> | <u>Revised Target Performance</u><br><u>2001/02</u> | <u>Provisional Target</u><br><u>2002/03</u> |
|--|---|---|---|---|
| BVP82d Total tonnage of household waste arisings – percentage landfilled | 86.4%                                       | 76.1%                                       | 85.4%   | 83.4%                                       |

3.18 The material change to the target set for 2001/02 is due principally to –

- ?? changed projections of household waste arisings based on actual quantities in 2000/01
- ?? the need to divert soil making material for disposal by landfill
- ?? the lower than projected level of green waste composting
- ?? the full-year effect of Bolton TRF.

3.19 The landfill quantities are dependant upon the daily and seasonal variations in arisings and the levels of recycling, composting and energy recovery that are achieved.

3.20 The revised target that has been set reflects the current level of performance and indicates that the Authority will continue to increase the quantities diverted from landfill, notwithstanding the projected increase in total arisings.

## 4.0 OTHER INDICATORS

### 4.1 Collected Household Waste

| <u>Performance Indicator</u>                   | <u>Actual Performance</u><br><u>2000/01</u> | <u>Target Performance</u><br><u>2001/02</u> | <u>Revised Target Performance</u><br><u>2001/02</u> | <u>Provisional Target</u><br><u>2002/03</u> |
|--|---|---|---|---|
| BVP84 Kg of household waste collected per head | 576   | 620   | 597   | 605   |

- ?? the revised target for 2001/02 reflects the revised estimate of household waste arisings (adjusted from 1.42m tonnes to 1.368m tonnes)

### 4.2 Satisfaction Surveys

|   |   |
|---|---|
| <u>Performance Indicator</u>  |   |
| BVP 90 The percentage of citizens satisfied with civic amenity facilities | The Authority is exempt from carrying out surveys for 2000/01, 2001/02 and 2002/03. The frequency will be reviewed by Government. |

## **5.0 BEST VALUE REVIEWS**

- 5.1 The desk top review of the Radcliffe research and development function has been initiated with Members. A short-term programme of development work is to continue into 2002/03. In the interim, an alternative location is to be sought for the civic amenity facility in consultation with Bury MBC and their Area Board.
- 5.2 The desk top review of the Contract Monitoring function has not been progressed. The Authority's limited available staffing resources have been devoted to supporting the civic amenity site service review, as part of the wider appraisal of future waste management strategy. The review of the Contract Monitoring function is to be re-scheduled for the autumn.
- 5.3 The review of the civic amenity site service has been progressed and is targetted at the following strategic issues -
- ?? Provision and function of sites (almost completed)
  - ?? Abuse and security of facilities (to be dealt with during March 2002)
  - ?? Performance, incentives and investment (to be dealt with during April 2002).

The work being carried out under Commission A will be fed into the review process.

- 5.4 As far as the issue of commercial waste charges is concerned, this matter has been referred to the Levy Sub-Group (of the GM Waste Forum) which has started its deliberations on the wider issue of the apportionment of the levy. The Sub-Group comprises the Treasurers of Bolton, Manchester, Oldham, Salford and Stockport and is due to report to the Authority in June.

## **6.0 EXTERNAL AUDIT 2000/01**

- 6.1 As part of their external audit of the Authority's accounts for 2000/01, the auditors have made a number of recommendations which need to be progressed by the Authority, including action arising from prior year reports. Follow up action needs to be reported to Members on a regular basis.
- 6.2 Relevant details are set out below:-

*?? The Clerk to the Authority should regularly review the action taken in response to all recommendations raised in our Management Letters and reports, with progress being reported to Members on a regular basis.*

All of the outstanding recommendations are set out below and progress on action will be reported to Members on a quarterly basis, as part of the performance management system.

*?? The Authority should look to develop an E-government strategy and approach, which is linked to service delivery needs.*

The Authority is still reviewing this position alongside developments at Oldham MBC.

*?? Members need to ensure that the tender process is not delayed due to the development of a Waste Strategy. This will require effective project management and prompt and clear reporting to Members.*

The timetable for the development of the future strategy has been set by the Authority (February 2002). The timetable envisages the formulation of a draft joint strategy by the end of June 2002, to be followed by consultation (July-October) with a procurement process to start during late 2002. The process will be guided through regular reports to the Authority.

- ?? *Members should ensure that prudent balances are maintained to cope with unforeseen changes in the Authority's income or expenditure. The process of ensuring this should include a longer term strategic budget process linked to continuous service improvement through best value.*

This is an ongoing issue and was raised at the previous year's external audit as well. In the current financial strategy the level of balances is continually monitored and appropriate action taken to re-instate if they fall below the suggested minimum.

- ?? *The Treasurer must ensure that the standard of working papers in support of creditors and the bank reconciliation is improved and that the reconciliation is completed promptly after the year end, balanced and reviewed.*

Management action has been taken to ensure that the internal accounting processes and year end procedures are improved.

- ?? *The Technical Adviser to the Authority needs to ensure that efficiency savings are identified to enable the Authority to include a quantified statement highlighting the targeted efficiencies expected from individual best value reviews in next year's plan.*

A statement of efficiency improvements across service areas, including those services to be reviewed during 2002/03, will be included in the Best Value Performance Plan to be approved by Members at the end of May for publication before the end of June 2002.

## **7.0 RECOMMENDATIONS**

7.1 The Authority is recommended –

- (a) to note the content of this report, including the provisional targets indicated for 2002/03; and
- (b) to revise the national Best Value performance indicators for 2001/02 in line with the information provided.

P. J. Barrett  
Technical Adviser to the Authority  
12.03.02

The following is a list of background papers on which this report is based in accordance with the requirements of Section 100D(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act;

Appendix A: Overall Recycling, Composting, Recovery and Landfill Performance.

## APPENDIX A

### OVERALL RECYCLING, COMPOSTING, RECOVERY AND LANDFILL PERFORMANCE

|   | Actual<br><b>00/01</b><br>'000's<br>tes | BVPP<br>Target<br><b>01/02</b><br>'000's<br>tes | Revised<br>Target<br><b>01/02</b><br>'000's<br>tes | Performance<br>to December<br><b>2001</b><br>'000's<br>tes | Provisional<br>Target<br><b>02/03</b><br>'000's<br>tes |
|---|---|---|--|--|--|
| WCAs (primarily bring systems and kerbside collections)   | 27                                      | 48  | 48   | 12   | 48   |
| 3 <sup>rd</sup> Parties (primarily household collections) | 19                                      | 19  | 19   | 14   | 19   |
| Other   | -                                       | 1   | 1  | -  | 1  |
| GMWL (Materials Recovery Facilities)                      |   |   |  |  |  |
| ?? Metal recovery (aluminium and steel cans; scrap metal) | 7                                       | 13  | 11   | 5  | 11   |
| ?? Soil making material                                   | 29                                      | 108   | NIL  | NIL  | NIL  |
| GMWDA (Recycling Centres)                                 |   |   |  |  |  |
| ?? Dry and other recyclables                              | 9                                       | 10  | 10   | 7  | 12   |
| ?? 'green' garden wastes                                  | <u>13</u>                               | <u>30</u>                                       | <u>NIL</u>   | -  | -  |
| <b>TOTAL</b>  | 104                                     | 229   | 89   |  | 91   |
| Household Waste Arisings                                  | <u>1319</u>                             | <u>1420</u>                                     | <u>1368</u>  |  | <u>1389</u>  |
| <b>% RECYCLED</b>   | <b><u>7.9</u></b>                       | <b><u>16.0</u></b>                              | <b><u>6.5</u></b>                                  |  | <b><u>6.5</u></b>                                      |
| Aerobic composting of green garden wastes                 | 7                                       | NIL   | 20   | 15   | 30   |
| Household Waste Arisings                                  | <u>1319</u>                             | <u>1420</u>                                     | <u>1368</u>  |  | <u>1389</u>  |
| <b>% COMPOSTED</b>  | <b><u>0.5</u></b>                       | <b><u>NIL</u></b>                               | <b><u>1.5</u></b>                                  |  | <b><u>2.2</u></b>                                      |
| Thermal Recovery Scheme, Bolton                           | 44                                      | 81  | 67   | 52   | 81   |
| Household Waste Arisings                                  | <u>1319</u>                             | <u>1420</u>                                     | <u>1368</u>  |  | <u>1389</u>  |
| <b>% ENERGY RECOVERED</b>                                 | <b><u>3.3</u></b>                       | <b><u>5.7</u></b>                               | <b><u>4.9</u></b>                                  |  | <b><u>5.8</u></b>                                      |
| Diversion from Landfill                                   |   |   |  |  |  |
| Inert Materials   | 4                                       | 10  | 4  | 2  | 10   |
| Shrinkage   | 19                                      | 20  | 19   | 14   | 19   |
| Other   | -                                       | -   | -  |  | -  |
| Landfill Quantities                                       | 1140                                    | 1153  | 1169   | 875  | 1158   |
| Household Waste Arisings                                  | <u>1319</u>                             | <u>1420</u>                                     | <u>1368</u>  |  | <u>1389</u>  |
| <b>% LANDFILLED</b>                                       | <b><u>86.4</u></b>                      | <b><u>76.1</u></b>                              | <b><u>85.4</u></b>                                 |  | <b><u>83.4</u></b>                                     |