

**GREATER MANCHESTER WASTE DISPOSAL AUTHORITY
- 12th SEPTEMBER 2008**

REPORT OF THE EXECUTIVE DIRECTOR

GMWDA - ANNUAL REPORT 2007/08

1. PURPOSE

- 1.1 To report progress and performance against the Authorities key objectives in the Municipal Waste Management Strategy. This is detailed in the attached Annual Report 2007/08.

2. BACKGROUND

- 2.1 Recent performance reports to Members have mainly focused on 'headline' performance figures such as recycling rates and performance against LATS (Landfill Allowance Trading Scheme) targets.
- 2.2 The Annual Report is intended to improve performance monitoring and accountability and give Members additional information on progress in other key areas (e.g. Communications, Human Resources, Finance and Asset Management).
- 2.3 In future years, the Annual Report will focus on reporting against key priorities in the recently agreed Corporate Plan.

3. COMMENTS OF THE TREASURER TO THE AUTHORITY

There are no specific comments. (JRB).

4. COMMENTS OF THE SOLICITOR TO THE AUTHORITY

None. (TD).

5. RECOMMENDATIONS

- 5.1 That Members note the good progress against key objectives for 2007/08.

Paul Dunn,
Executive Director.



**GREATER MANCHESTER WASTE
DISPOSAL AUTHORITY**

ANNUAL REPORT

2007/08



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Foreword by Executive Director

I am delighted to present the 2007/08 Annual Report, which provides a review of our performance for 2007/08 against the objectives in the Best Value Performance Plan and the Municipal Waste Management Strategy.

The Report also highlights the key challenges facing the Authority for 2008/09. This year we expect to sign a 25 year contract with the Viridor/Laing consortium to bring new waste management technologies to Greater Manchester, including In-Vessel Composting (IVC), Material Recovery Facilities (MRF) and Mechanical Biological Treatment (MBT) plants. These will significantly improve recycling, divert waste from landfill and produce waste derived fuel that will create energy. The improvements will deliver both financial and environmental benefits. One of the key challenges, in the early years, as the new facilities are built, is to ensure business continuity, particularly for the Districts. This will involve close partnership working with the PFI contractor and the Districts and working very closely with the residents of Greater Manchester.

The main achievements in 2007/08 include:

- Continued partnership working with Districts leading to continued improving recycling performance. This has helped increase the recycling performance from 7% in 2002/2003 to 26.85% in 2006/2007, with close to 30% for 2007/08
- Significant progress towards our waste management PFI contract
- Meeting and exceeding the LATS target, achieving a surplus of 135,832 against a LATS allocation of 718,289 tonnes
- Advances in GMWDA communications with all stakeholders
- Development of Climate Change Action Plan
- Improving the organisation's capacity to deliver the new PFI contract and improving the structure, systems, people and processes.

These are outlined in more detail in the report

Key challenges for the year ahead are:

- Financial closure of the PFI contract and contract implementation. Close monitoring of the contract in the construction phase will be particularly important.
- 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.
- Realising the asset values of the GMWDA to produce financial benefits and efficiencies.
- 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.
- Participating in national consultations.

- Dealing with new legislation and regulations (e.g. Waste Electrical and Electronic Equipment Directive and the Batteries Directive)

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 in the Greater Manchester area.

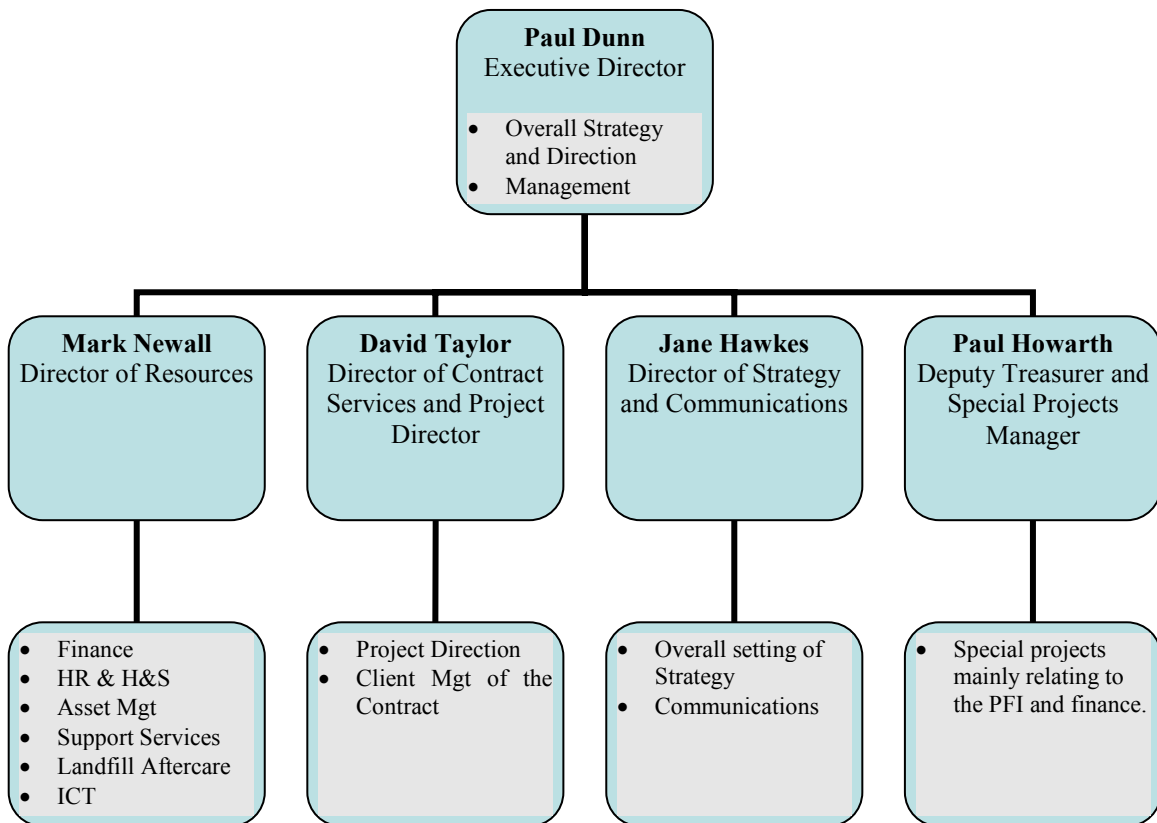
Paul Dunn, Executive Director.

1. Introduction and Purpose

- 1.1 This report outlines progress against key objectives in the Best Value Performance Plan and the Municipal Waste Management Strategy. It includes key performance information and also highlights key challenges for 2008/09.
- 1.2 In future years, performance will be reported against the recently agreed Corporate Plan as published on the Authority's website, www.gmwda.gov.uk.

2. GMWDA Structure and Profile

- 2.1 The Authority recognised in 2006/07 that effective delivery of the PFI contract required additional skills and increased capacity and the Authority was reorganised at the end of 2006/07. This initially involved recruiting three new Directors. The outline structure is detailed below:

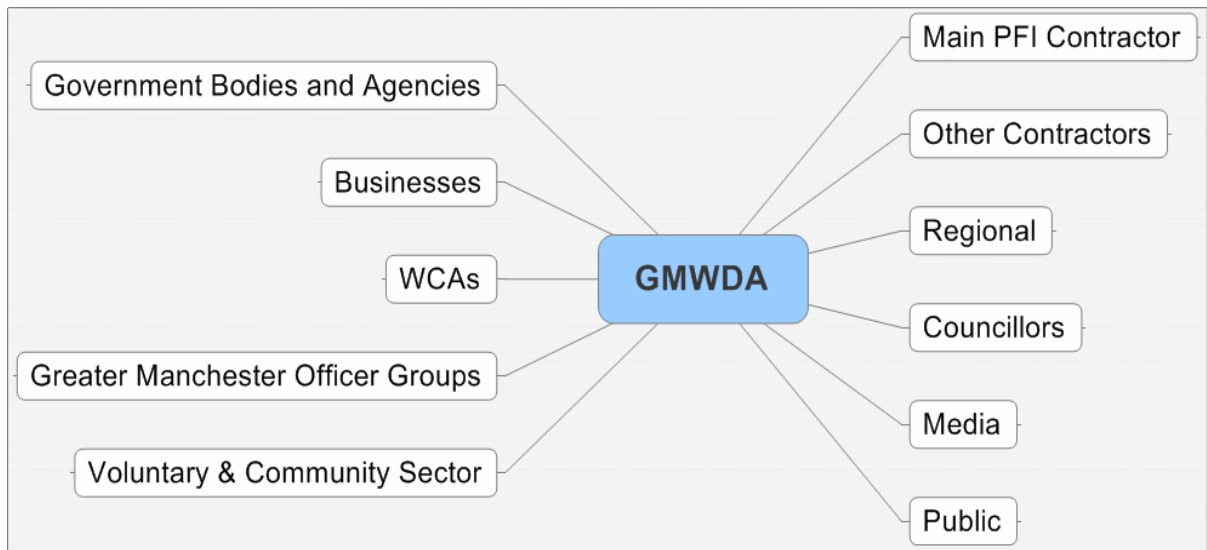


- 2.2 During 2007/08, the organisation was strengthened further and capacity increased. This is outlined in section seven.

3. Key Partnerships

- 3.1 Effective partnership working is the key to achieving our objectives and improving performance, particularly with the PFI Contractor and the District Councils. It is only by working together that recycling rates have risen significantly from 26.85% in 2006/07 to nearly 30% in 2007/08. The

following diagram outlines the partnership arrangements and the interrelationships.



3.2 It is also worth noting that Greater Manchester Waste Limited (GMWL), wholly owned by the Authority, has continued to deliver an excellent service 2007/08 in difficult circumstances, not only in continuing to deliver and exceed contractual targets, but at the same time prepare for the new contract and the transfer to the new contractor and operating company.

3.3 Careful handling of sensitive ‘people’ issues and effective change management, in what is an unsettling period for employees, has been the key in ensuring a smooth transition. The work involved cannot be underestimated and the close working between the Authority, GMWL and its employees and Viridor Laing has been the key to the success.

4. Review of 2007/08 Performance

4.1 Overall the GMWDA has continued to deliver its key objectives and improve its performance. 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.

Key Achievements

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

- **Continuing partnership working with Districts leading to continued improving recycling performance.** Effective partnership with the Districts has delivered improved performance across the GMWDA area and levered in substantial external funding. This has helped increase the recycling performance from 7% in 2002/2003 to 26.85% in 2006/2007, with close to 30% for 2007/08.

In 2007/08 the authorities spent the second year of the successful WRAP (Waste Resources Action Programme funded by DEFRA) £734,000 bid. The resulting campaigning activity has achieved a measured growth in increased recycling efforts by residents.

- **Significant progress towards our waste management PFI contract.** There was significant and continued rapid progress with the procurement of a Private Finance Initiative (PFI) waste management services contract during 2007/08, the largest of its kind in Europe. Following the January 2007 appointment of Viridor/Laing as the preferred bidder to provide a world class solution of Greater Manchester's municipal waste, the Authority has completed the negotiation of the final scope of the project, establishing a project agreement, setting out the governance arrangements and preparing for contract commencement. The contract is just awaiting for the financial arrangements to be put in place.
- **PFI Implementation.** In addition implementation teams have been set up to work with Viridor Laing to ensure there is a smooth transition on day 1. This has required the governance arrangements to be put in place now and shadow working arrangements to be set up. A Joint Implementation Group has compiled an implementation plan and programme that covers legal, financial, technical and communications workstreams. These workstreams are being progressed by individual service delivery groups that report progress back to the Joint Implementation Group. Significant progress has been made on each workstream by all parties and this will facilitate a smooth transition into the new contractual arrangements
- **Meeting and exceeding LATS.** GMWDA'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 2007/08 was 718,289 tonnes; of this the Authority achieved a surplus of 135,832 tonnes, a significant achievement.
- **Advances in GMWDA communications with all stakeholders.** The Authority has made good progress in keeping its key stakeholders informed and involved, particularly in progressing the development of the infrastructure for the new contract. This has involved:
 - Councillor information packs and presentations;
 - Community and resident presentations;
 - Media and press briefings;
 - Householder leaflets; and
 - Stakeholder audit (which reported stakeholders wanted to continue and increase involvement with the Authority)
- **Development of Climate Change Action Plan.** Following the Authority signing up to the Nottingham Declaration on Climate Change at its Annual General Meeting in June 2007, it has put in place a member led Climate Change Working Group in order to look at what the Authority is currently doing to take action against climate change and what more could be done. An

Action Plan has been drafted showing how implementation of the Authority's waste strategy will make a significant beneficial contribution to climate change in the sub region.

- **Continued performance improvement by Greater Manchester Waste Ltd.** Greater Manchester Waste Ltd (GMW) has continued to enhance performance across the household waste recycling centre (HWRC) network, such that the recycling and composting rate in 2007/08 was 46.98% (further details provided in section 5 below). The Authority has continued to work with GMW to ensure that new schemes and initiatives are progressed in the run up to the commencement of the PFI contract and that performance does not tail off during this interim period.
- **Interim arrangements.** The delays experienced in entering into the PFI contract have required interim arrangements to be entered into by GMW to ensure continuity of service for the WCAs. The Authority has worked with GMW to ensure that rail provision has been maintained, short term arrangements are in place for recyclables and the landfill disposal arrangements are in place. These arrangements have ensured that waste delivered by the WCAs has been managed effectively and will continue to be so until the PFI contract is entered into.
- **Increasing organisational capacity and improving the infrastructure.** In preparation of the commencement of the contract the organisation has been strengthened by the recruitment of new staff in key areas (e.g. information management, data management, contract services and communications). New computer systems were implemented in finance, HR and Contract Services and new policies and processes developed and implemented. (e.g. training and development of staff). The improved infrastructure was necessary to support the management and implementation of the new contract.

Exceptions – what didn't go as well or not to target

Although most things went well there were some exceptions:

- **Delay in Signing the PFI Contract.** The Authority had aspired to complete negotiations and achieve financial close by the end of December 2007; however the GMWDA is negotiating the largest and most complex waste management contract of its kind in Western Europe. The reason for delay in financial close is due to ensuring the right technological solution at the refuse derived fuel (RDF) outlet at a known cost and agreeing the contractual arrangements. More recent delays are due to awaiting financial approval from the banks for the Viridor Laing consortium.
- **Delays to signing the Inter Authority Agreement (the IAA).** Delays in signing the IAA were largely due to ensuring the District projected waste tonnage figures were correct and reaching agreement with the Districts on the resultant financial models.
- **Sickness Absence.** The overall level of sickness absence has risen to 25.81 days per employee in 2007/08 from 22.97 days in 2006/07, mainly due to a number of staff with long-term illnesses. However the positive news is that the

average number of working days lost due to short-term sickness has improved significantly from 7.45 days per employee in 2004/05 to 1.89 days in 2007/08.

5. Performance Review and Key Performance Measures.

- 5.1 The information below outlines key performance information for 2007/8, 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.

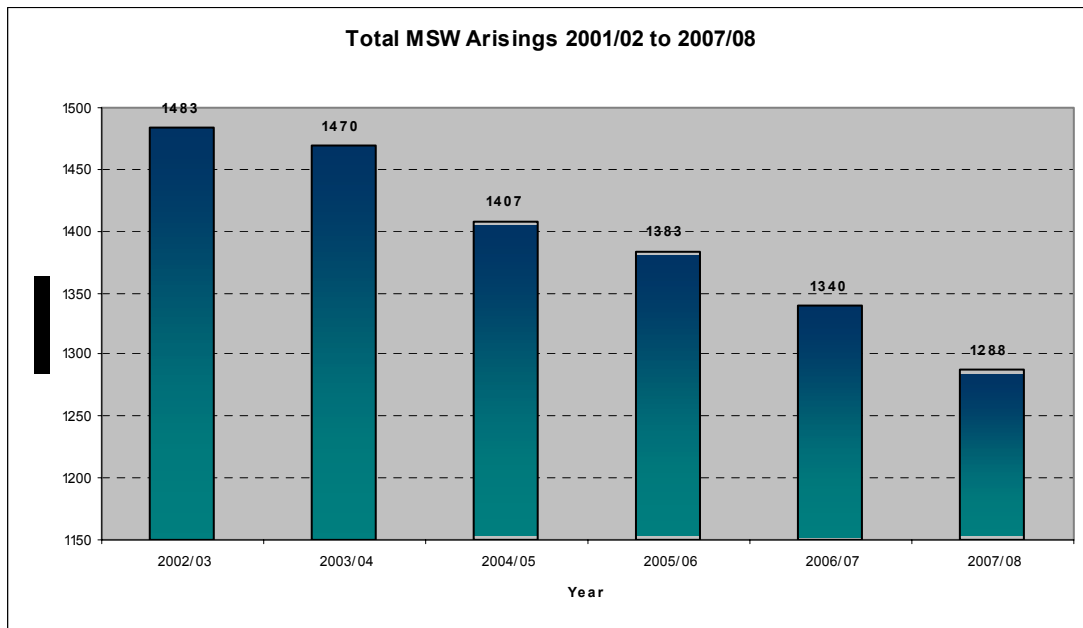
Management of Municipal Solid Waste

- 5.2 Waste management in Greater Manchester continued to benefit from the rollout of new collection schemes and enhanced diversion from landfill throughout 2007/08. This is reflected in the changing profile of municipal solid waste arisings over the past four years as detailed in table 1 and graph 1 below.

Table 1 MSW arisings

	2004/05	2005/06	2006/07	2007/08
MSW	1407.2	1383	1340.3	1288
MSW Landfilled	1104.9	1017	853.9	791.7
BMW Landfilled	758.7	666.4	613.4	582.5
LATS Allowance	850	820.7	776.8	718.3
Surplus	91.3	154.3	163.4	135.8
LATS Allowances Sold	-	23.5	-	-

Graph 1 MSW arisings

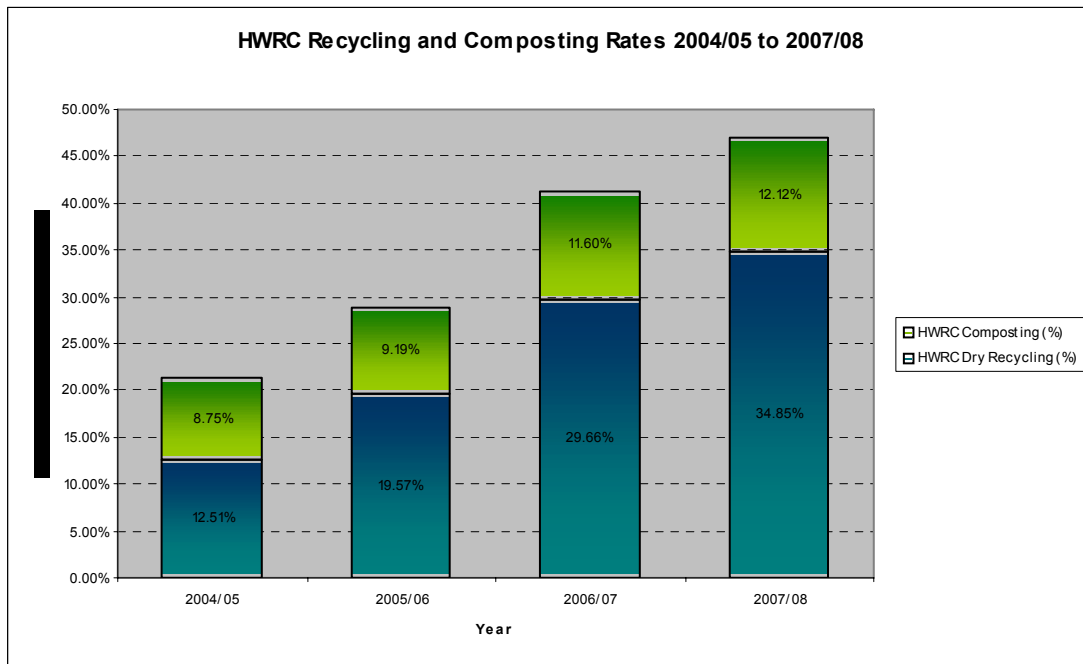


- 5.3 It can be seen that total MSW has continued to fall from 1.4 million tonnes in 2004/05 to 1.29 million tonnes in 2007/08. This decrease has come about through improvement in education, enforcement, waste minimisation activities and reclassification of waste.
- 5.4 Throughout this period there has also been a significant decrease in the reliance upon landfill. In 2004/05 GMWDA landfilled 79% of MSW arisings. This decreased to 61% in 2007/08, demonstrating the effectiveness of increased recycling and composting performance by the WCAs and GMWDA.
- 5.5 Municipal waste arisings handled by GMWDA are derived from waste delivered to household waste recycling centres (HWRCs) by members of the public and waste collected from municipal sources by the WCAs.

Household waste recycling centres performance 2007/08:

- 5.6 Performance improvements have also been achieved across the household waste recycling centre 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 46.98% in 2007/08.

Graph 2 HWRC performance



5.7 This increase has predominantly been driven by a 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 4 years at c. 24,000 tonnes per annum. The dry recyclables tonnage has increase significantly from 33,944 tonnes in 2004/05 to 70,561 tonnes in 2007/08. 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.

Table 2 HWRC recycling and Composting

	2004/05	2005/06	2006/07	2007/08
HWRC Dry recyclables (tonnes)	33,944.71	48,887.48	65,938.16	70,561.67
HWRC Green (tonnes)	23,742.98	23,130.06	25,301.28	24,544.05

5.8 In addition to recycling and composting, rubble is diverted at the HWRCs for reuse. Also, some material is segregated at the Raikes Lane facility and used for combustion and energy recovery at the Bolton Thermal Recovery Facility (TRF). Diversion of rubble and thermal recovery has increased to 26.43% (an increase of 8.14% on the previous year); this 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

	2004/05	2005/06	2006/07	2007/08	2006/07 to 2007/08 variance
HWRC Dry Recycling (%)	12.51%	19.57%	29.66%	34.85%	5.19%
HWRC Composting (%)	8.75%	9.19%	11.60%	12.12%	0.52%
HWRC Dry & Green (%)	21.26%	28.76%	41.26%	46.98%	5.72%
HWRC Diversion (%) (Hardcore / Thermal Recovered)	12.03%	16.52%	18.28%	26.43%	8.14%
Landfill Avoidance (%)	30.73%	41.33%	55.58%	60.99%	5.41%

Waste Collection Authority 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 2 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 2007/08 with the % variance between 06/07 and 07/08 highlighted in the right hand column.
- 5.11 Household waste arisings have generally reduced in each WCA during this period. This reduction has generally been by a relatively small percentage, Rochdale being the highest reduction of 3.86% between 06/07 and 07/08. This may reflect enforcement 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 0.79% between 2006/07 and 2007/08.
- 5.12 The WCA municipal waste arisings show a significant drop of 5.27 % between 2006/07 and 2007/08. The biggest reduction of 14.91% was seen in Stockport's MSW arisings. This is due to the transfer of commercial waste collections to Solutions SK and this material not being disposed of via the GMWDA and a reduction in household waste.

Table 4 WCA waste arisings

	2005/06	2006/07	2007/08	2006/07 to 2007/08 Variance
Bolton				
Household	108,942	108,644	109,686	0.96%
Municipal	129,648	129,621	124,329	-4.08%
Bury				
Household	80,937	80,596	78,492	-2.61%
Municipal	90,728	89,388	86,357	-3.39%
Manchester				
Household	191,608	194,954	196,815	0.95%
Municipal	245,439	204,476	202,829	-0.81%
Oldham				
Household	87,832	83,405	82,175	-1.47%
Municipal	99,824	98,200	96,536	-1.69%
Rochdale				
Household	76,987	74,962	72,070	-3.86%
Municipal	78,346	75,786	72,753	-4.00%
Salford				
Household	94,858	97,664	99,443	1.82%
Municipal	108,891	110,077	103,031	-6.40%
Stockport				
Household	115,409	114,854	112,033	-2.46%
Municipal	137,154	133,147	113,298	-14.91%
Tameside				
Household	81,081	83,433	82,726	-0.85%
Municipal	102,199	106,303	94,956	-10.67%
Trafford				
Household	91,245	92,252	90,005	-2.44%
Municipal	100,291	98,965	96,802	-2.19%
WCA Total				
Household	928,899	930,764	923,445	-0.79%
Municipal	1,092,520	1,045,963	990,891	-5.27%

Graph 3 WCA Performance

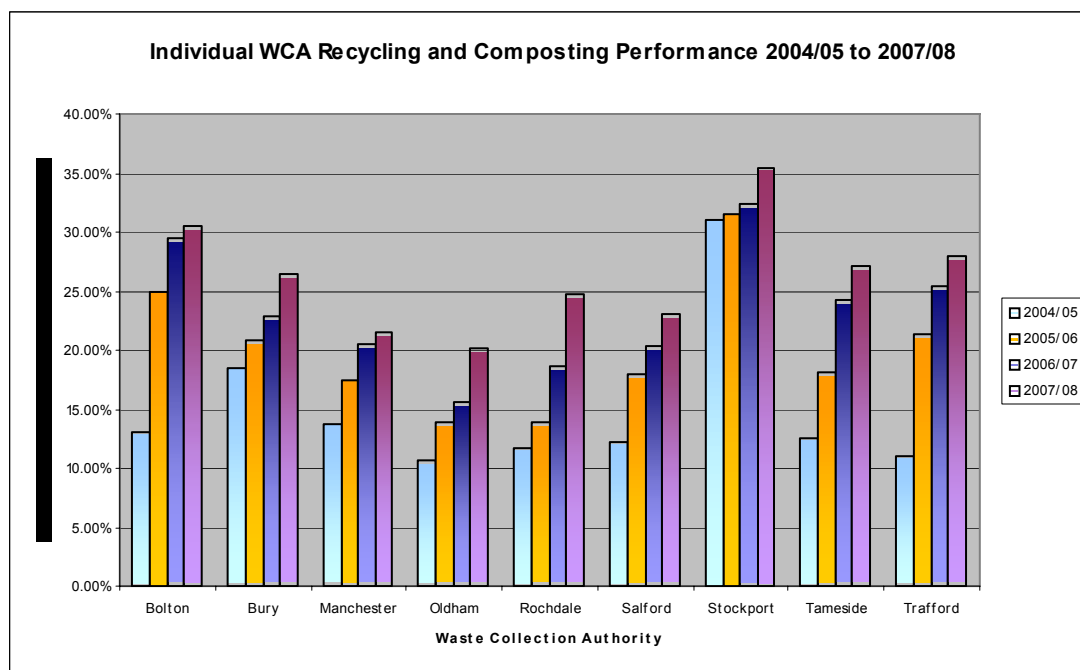


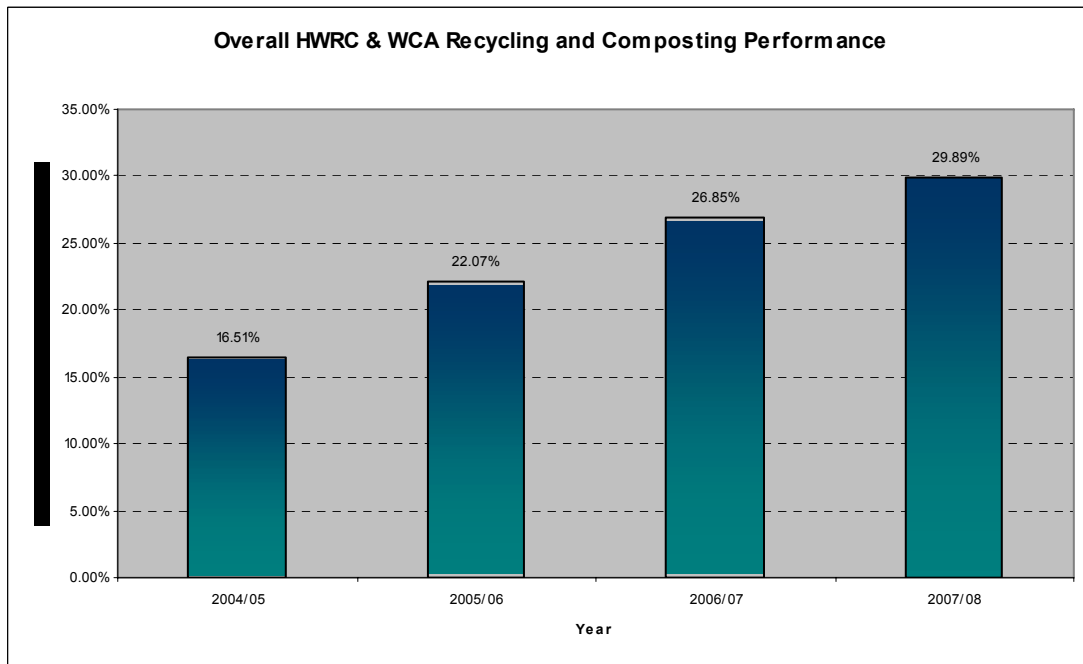
Table 5 WCA Performance

	WCA Performance						Variance 2006/07 to 2007/08 Recycling & Composting Rate Combined
	2006/07			2007/08			
	Recycling Rate	Composting Rate	Recycling & Composting Rate Combined	Recycling Rate	Composting Rate	Recycling & Composting Rate Combined	
Bolton	18.77%	10.75%	29.51%	19.31%	11.18%	30.49%	0.98%
Bury	12.99%	9.93%	22.91%	16.04%	10.41%	26.46%	3.54%
Manchester	16.63%	3.94%	20.57%	16.73%	4.84%	21.58%	1.00%
Oldham	10.10%	5.43%	15.53%	13.09%	7.00%	20.09%	4.56%
Rochdale	11.47%	7.23%	18.70%	16.59%	8.23%	24.83%	6.13%
Salford	14.10%	6.25%	20.35%	16.29%	6.77%	23.06%	2.72%
Stockport	15.56%	16.85%	32.40%	17.98%	17.49%	35.47%	3.07%
Tameside	18.44%	5.84%	24.28%	20.16%	6.93%	27.09%	2.81%
Trafford	14.70%	10.76%	25.46%	16.47%	11.54%	28.00%	2.55%

5.13 In relation to recycling and composting performance, all WCAs have continued to improve performance on the level achieved in 2006/07. The table and graph above demonstrate that all WCAs achieved combined recycling and composting rates in excess of 20% in 2007/08 and 2 WCAs exceeded 30%. These increases reflect increased rollout of collection schemes, changes to managed collections and an increase in co-mingled

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 2007/08 increased to 29.89%, up from 26.85% in 2006/07. 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.



LATS Performance

- 5.15 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.
- 5.16 The LATS allocation for 2007/08 was 718,289 tonnes; of this the Authority achieved a surplus of 135,832 tonnes.
- 5.17 Although generating a surplus in 2007/08 the LATS allowance for 2008/09 reduces to 645,111 tonnes. Based on current performance this will be met. The LATS allowance for 2009/10, which is a target year, further reduces the LATS allowance to 557,297 tonnes and on present performance, combined with planned improvements by Districts to collection systems, the target is expected to be met.

5.18 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 proposed under the PFI arrangements is commissioned, constructed and operational in order to avoid any shortfall in landfill diversion.

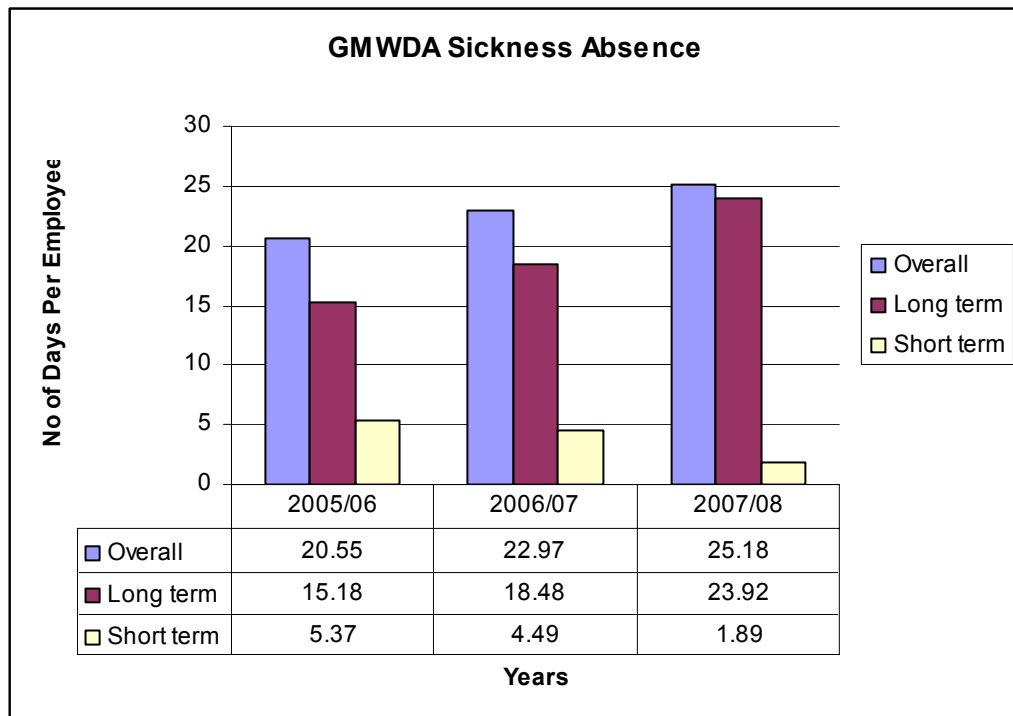
Other Key Performance Measures and Targets

5.19 These include:

- 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

5.20 Corporate Health Indicators are attached at Appendix 1. These were originally intended as an indicator of the general ‘health’ of the organisation, although they are more suited to larger organisations. In an organisation as small as the GMWDA it is difficult in most areas to draw meaningful conclusions or set achievable targets in these areas. 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:



- 5.21 There has been a steady rise over the last three years in overall and long term sickness levels. This is due to a significant number of serious illnesses and operations, which have, in a small organisation disproportionately affected the overall and long term sickness level. What is pleasing though is that short term sickness levels have fallen for three consecutive years. In terms of ‘corporate health’ this is the more meaningful figure as it is the area that has a greater opportunity for reduction by proactive sickness management.

Environmental Indicators

- 5.22 Appendix 2 details the Environmental Indicators. The Environmental Performance Indicators are designed to show how well the Authority performs in providing its waste disposal services, specifically in relation to waste disposal, recovery and recycling. Many of these are covered above.
- 5.23 The start of the new GMWDA PFI contract coincides with a change in the performance indicators required to be reported to Government. From 2008/09 these will be:
- N191 Residual waste per head
 - N192 Household waste recycled and composted
 - N193 Municipal waste landfilled

Comparisons with Others

- 5.24 For the purposes of benchmarking and the identification of best practice, the Authority has established liaison with the other five statutory Joint Waste Disposal Authorities established in 1985 (i.e. Merseyside WDA and the four London Waste Authorities). A process of validation of BVPI data has been agreed by this group to ensure a consistent approach.
- 5.25 Appendix 3 details comparative information on the performance of the six authorities. Whilst the table of environmental indicators provide a basis for comparison, it is limited to some extent by local conditions which are material factors:-
- The methods of treatment and disposal vary between authorities. This is partly historical. For example, in one authority, almost 40% of household waste is used to recover energy in a facility established in the late 1960s. This method remains the mainstay of current operations in that authority; and
 - The range of services provided by the authorities varies. Three of the London authorities do not provide and operate HWRCs, unlike the other authorities listed.

Media Coverage

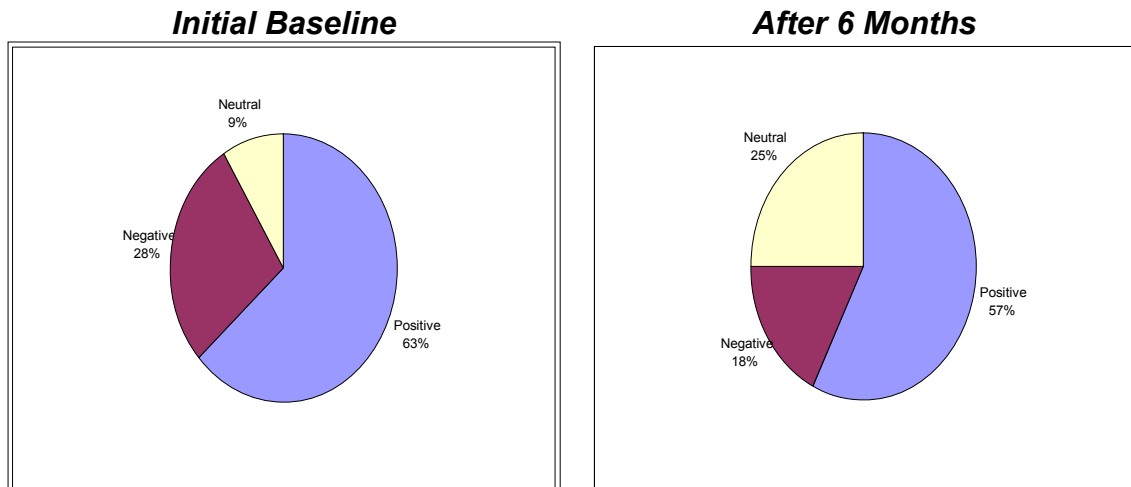
- 5.26 In 2007 the Authority began an evaluation of GMWDA’s media coverage in order to establish a baseline from which to improve. The initial evaluation of GMWDA’s media coverage was undertaken for a six month period ending in October 2007. This showed that the Authority achieves very positive coverage

in trade publications and identified that the trade press are impressed by the scale of the procurement.

5.27 During this period, the local and regional press also gave a more positive than negative view of the Authority, however, it was identified that there is an opportunity to develop engagement with the local media further. Figure 1 illustrates the percentage of positive, negative and neutral coverage that GMWDA received during the period, in both the trade press and in the local and regional press. Figure 2 is the picture 6 months later.

Figure 1

Figure 2



5.28 The results from the second evaluation are very encouraging for the Authority as although the positive coverage has decreased slightly, the percentage of press which is negative has decreased and the neutral press has increased significantly. This is a good result for GMWDA considering its position during this period, as the delays in signing the waste contract could have been positioned in a more negative way by the press but although there has been some negative coverage, much of the coverage has been more factual and reflected the good progress that is being made towards financial close.

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 2007/08.

Finance

6.2 Members have already considered the Statement of Accounts 2007/08, 27 June 2008. This is summarised below.

- The net cost of services in 2007/08, after interest and similar charges, was £82.736m - a reduction of £0.086m (0.1%) on the equivalent figure for 2006/07, mainly due to a reduction in MSW and improved recycling.
- As a result of the above a refund of £3.6m was made to the Districts.
- The Authority generated a surplus for the year (contribution to General Fund Balances) of £1,816k. This represents an underspend of £1,395k when compared to the revised budget.
- The final level of balances is £4.572 million
- The capital spend in 2007/08 was £1.473m. The main areas of expenditure were the acquisition of property in advance of the PFI contract, improvements to the HWRC sites, infrastructure improvements on closed landfill sites and improvements to existing land and buildings.

6.3 Major improvements were also made to the financial systems, budget control and monitoring in 2007/08. A new financial system, PEGASUS, was successfully implemented. This not only reduced dependence on Oldham MBC, but significantly improved cost centre management and budget monitoring.

6.4 In addition preparations were begun for the implementation of the PFI contract, particularly regarding the payment mechanism and agreeing the recharges to Districts. This focused on introducing new systems and processes to process, validate and authorise payments.

People Issues and Health and Safety

6.5 Section 2.1 detailed an outline structure. Appendix 4 details the full structure. In 2007/08 staffing capacity was further increased and strengthened in a number of key areas in preparation for the new PFI contract and in strengthening the Landfill Aftercare Monitoring Team. These were:

Contract Monitoring Inspector
 Information Management Officer
 Communications Support Officer
 Performance and Data Officer
 Behavioural Change Officer

6.6 Further posts have been recruited in 2008/09; the remainder will be recruited before the year end. As part of the re-structuring the seconded posts will be made permanent and some posts will be deleted. All new posts are within existing budgets.

6.7 The net impact on the structure is as follows:

	2006/07	2007/08	2008/09 Projected
Establishment Posts	34	40	51
Seconded Posts (from OMBC)	4	2	0

OMBC Direct Support (funded by GMWDA)	2	2	0
Total	40	44	51

6.8 Additional posts recruited (or to be recruited) in 2008/09 include:

Treasurer and Deputy Clerk (John Bland)
Community Liaison Officer (in post)
Research Officer (in post)
Contract Monitoring Inspector (x2)
HR and Development Officer (part time)
Health and Safety Officer (part time)
Gas & Pump team Operative
Gas Monitoring Technicians (x2)
Governance Assistant (appointed)

6.9 Some of the increase in posts over the three years is due to bringing more work 'in-house' (and transferring staff) rather than being dependent on Oldham MBC for support. This will mean a reduction in the recharges by OMBC to the Authority and give dedicated support to the Authority.

6.10 Other Human Resources developments and achievements include:

- Implementation of a new HR system, leading to improved information, administration and monitoring.
- Rationalisation of HR policies and procedures based on Oldham MBC's HR policies.
- Improved training and development and the implementation of a staff appraisal system.

6.11 Health and Safety developments and achievements include:

- Rationalisation of Health and Safety policies based on Oldham MBC's policies
- Completing risk assessments and method statements for all work areas in the Closed Landfill sites, a high risk area.
- Completing Display Screen Equipment risk assessments
- Completing all Portable Appliance Testing.

Asset Management

6.12 The Authority 7 September and 23 November 2007 agreed to make the best use of GMWDA 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.

- 6.13 Some of the assets are of considerable commercial value and following the commencement of the PFI, selling surplus assets could release considerable capital, which could be re-invested, or used to reduce charges.
- 6.14 Work in 2007/08 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:
- Drafting an Asset Management Plan (Finalised July 08)
 - Bringing the Asset Register up to date
 - Completing 19 out of 22 Closed Landfill Audits; this has enabled the Authority to build a complete picture of these Assets and their liabilities.
 - Setting up of an Asset Management Steering Group

Landfill Aftercare

- 6.15 Key achievements include:
- Capital Programme underway. 4 Methane Stripping Plants currently going through the European tendering process.
 - Landfill Health and Safety, method statements and risk assessments 90% complete.
 - Landfill Site Audits/Risk Assessments – 90% complete.
 - Topographical landfill surveys – 17 sites completed.
 - Liaising and assisting in the PFI procurement process regarding closed landfill sites.

7. Risk Management

- 7.1 The Authority put in place new arrangements for managing risks. This is particularly important as the Authority implements the new PFI contract. Key actions completed were:
- The Director of Resources was nominated to lead and promote the risk management function with effect from October 2007;
 - A Draft Risk Management Policy was agreed at the GMWDA management team on 22/01/08;
 - Agreeing a joint risk register with VL; and
 - Work begun on setting up the appropriate review and monitoring systems and integrating risk management into the business planning process to manage risks effectively
 - Landfill Aftercare risks were identified and mitigating actions put in place.

Work for 2008/09 will focus on:

- Embedding risk management into the planning and reporting process;
- Fully implementing a joint risk register with VL aligned to the Authority's Waste Strategy and Corporate Plan;

- Establish risk management reviews; implement mitigation plans for each risk depending upon agreed tolerance levels; and implement programmes of control assurance.

7.2 Some examples of key risks in the Risk Register are:

Risk	Possible Consequence	Mitigating Actions
(i) Failure to communicate effectively with key stakeholders e.g. districts, contractor and GM Residents	Failure to explain the reasoning behind our waste strategy and its implementation and we do not deal adequately with concerns that stakeholders, particularly residents, have with service delivery and future facilities. As a result we would not achieve improved performance in waste reduction, recycling and landfill diversion. In addition, our reputation as an organisation would suffer.	The challenges over 2007/08 have been to raise public awareness of the PFI implementation, to secure planning permission for new facilities and maintain and improve the reputation of GMWDA. Proactive publicity, informing ward councillors, reaching residents by a cross Greater Manchester householder leaflet and new facilities stakeholder events have managed these risk areas.
(ii) Delayed financial closure of the PFI contract	Delays to contract; increased cost; construction programme delayed, slow down in the rate of performance improvement	Close project management; use of advisors; advanced works contracts
(iii) Business continuity	Construction programme causes severe disruption to WCAs and to citizens	Business Continuity Plans; active management through SDGs; production of detailed project plans; external evaluation of construction programmes
(iv) Gas Migration/leachate form Closed Landfill Sites	Potential danger to people and property, particularly from gas migration	Regular monitoring; Audits and Risk Assessments, major capital works programmes.

8. New Developments in 2008/09

8.1 Key challenges for 2008/09 include ensuring financial closure the PFI contract and effective implementation, while supporting the districts in their work until it is closed. New developments for 2008/09 include:

(i) City Region Development

There is an opportunity for GMWDA to play a high profile part within the City region development in association with the newly constituted AGMA. GMWDA is already playing a part in the development of AGMA's Environment Commission, allowing it to contribute to the environmental development of the sub-region. The GMWDA could also play a key role in

assisting with the commissioning of facilities to deal with commercial waste to high, carbon footprint reducing standards.

(ii) National Waste Strategy 2007

Government published its revised waste strategy a Waste Strategy for England 2007. It looked at the important changes underway in the way waste is dealt with. The strategy aims to cut waste and identifies that everyone – businesses, individuals, local authorities and the Government – has a role to play by reducing the waste they produce.

The Authority's own revised waste strategy, adopted in April 2007, fits well with the national strategy. The national strategy is encouraging the use of anaerobic digestion. As part of our proposed MBT (Mechanical Biological Treatment) plant this process is the key to how we will divert Greater Manchester's waste from landfill. Our investment will exceed the new national recycling and composting target for 2015 – our prediction is for over 50% recycling and composting, significantly more than the 45% national target and meeting the 2020 target 5 years early.

(iii) National Consultations

Important Government consultations for GMWDA in 2007/08 included the interpretation of the definition of municipal waste used in LATS, national performance indicators, proposed waste and recycling incentives, packaging targets, the Batteries Directive, the Communities and Local Government Select Committee inquiry into refuse collection and the Environment, Food and Rural Affairs inquiry into the National Waste Strategy 2007. Subsequently we have been called upon, as the only local authority witness, to give oral evidence to the Committee in October 2008.

(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. GMWDA maintains recycling routes only where there are certain markets. However, we also promote research into alternative routes to enable GMWDA to be at the forefront for future initiatives. GMWDA is committed to reaching an early resolution to enable rigid plastics to be processed and therefore extend the collection systems to this material.

(v) WEEE and electrical products

2007 saw the introduction of the Waste Electrical and Electronic Equipment Directive into the UK. Although there is no direct obligation on local authorities in their capacity as Waste Collection or Waste Disposal Authorities, the Government has encouraged the routing of household WEEE collected via local authority facilities. GMWDA has registered its 25 HWRCs and all Transfer Loading Stations (TLS) and received

Department of Trade and Industry approval for their use as Designated Collection Facilities (DCFs).

A new challenge for 2008/2009 will be the preparation for the switchover to digital TVs and residents looking for disposal routes for old equipment if they change for new. GMWDA will promote firstly the waste reduction and re-use messages. Residents do not need to buy a new TV; for a relatively small outlay they can invest in a set top box instead.

(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 PFI 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 Viridor Laing is well prepared to commence activity and fulfilling its commitment to working with the community and voluntary sector.

(vii) Asset Management

2008/09 will see the development of a strategy for dealing with our surplus assets on a site by site basis. This will involve a great deal of work for the Asset Management Steering Group and 2008/09 will see the start of a process that will take a number of years to complete.

(viii) Interim Arrangements

A major priority for 08/09 will be working with WCAs on interim solutions for recyclables etc while PFI facilities are delayed. Facility Liaison Groups will enable local communities and Members to discuss direct with Viridor Laing, operations staff and the WDA issues arising prior to, during and following the construction of the new facilities.

9. Conclusion

- 9.1 2007/08 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 the Authority has made considerable progress in finalising the PFI contract. The challenge for future years is to continue to meet our targets and successfully implement the PFI, particularly the construction programme; and at the same time ensure business continuity.

Paul Dunn
Executive Director

Corporate Health Indicators 2007/08

Appendix 1

	Actual Performance 2004/05	Actual Performance 2005/06	Actual Performance 2006/07	Target Performance 2007/08	Actual Performance 2007/08	Target Performance 2008/09	Target Performance 2009/10	Target Performance 2010/11
BVPI 11a Top 5% of Earners: Women	50%	50%	25%	50%	25%	N/A	N/A	N/A
BVPI 11b Top 5% of earners: Ethnic Minorities	50%	0%	0%	50%	0%	N/A	N/A	N/A
BVPI 11c Top 5% of Earners with a disability	0%	0%	0%	0%	0%	N/A	N/A	N/A
BVPI 12 Working Days Lost Due to Sickness Absence	26.60 days	20.55 days	22.97 days	18 days	25.81 days	15 days	15 days	15 days
<i>Short term sickness rate</i>	7.45 days	5.37 days	4.49 days		<i>1.89 days</i>	1.8 days	1.75 days	1.75 days
BVPI 14 Percentage of Early Retirements	0%	0%	2.94%	0%	2.70%	N/A	N/A	N/A
BVPI 15 Percentage of Ill Health Retirements	3.6%	0%	0%	0%	0.0%	N/A	N/A	N/A
BVPI 16a Percentage of Employees with a disability	3.6%	3.6%	8.82%	9%	0%	N/A	N/A	N/A
BVPI 17a Ethnic Minority Representation in the workforce - employees	3.60%	6.45%	5.88%	6.45%	5.71%	N/A	N/A	N/A
BVPI 156 Buildings Accessible to People with a Disability	100%	100%	100%	100%	100%	N/A	N/A	N/A

Environmental Indicators 2007/08

Appendix 2

	Actual Performance 2003/04	Actual Performance 2004/05	Actual Performance 2005/06	Actual Performance 2006/07	Target Performance 2007/08	Actual Performance 2007/08
BVPI 82a(i) Percentage of household waste arisings sent for recycling	7.41%	11.58%	15.03%	26.85% (combined with 82b)	28.0% (combined with 82b)	29.27% (combined with 82b)
BVPI 82a(ii) Total tonnage of household waste arisings sent for recycling	-	140,029 tonnes	177,383 tonnes	308,453 tonnes (combined with 82b(ii))		335,739 tonnes (combined with 82b(ii))
Quantity of material recovered at household waste recycling centres (excluding green waste) sent for recycling	18,299 tonnes	33,946 tonnes	49,275 tonnes	65,942 tonnes	70,000 tonnes	70,562 tonnes
BVPI 82b(i) Percentage of household waste arisings sent for composting or treatment by anaerobic digestion	2.69%	4.92%	7.03%	(combined with 82a(i))	(combined with 82a(i))	(combined with 82a(i))
BVPI 82b(ii) Total tonnage of household waste sent for composting or treatment by anaerobic digestion	-	59,558 tonnes	82,916 tonnes	(combined with 82a(ii))	(combined with 82a(ii))	(combined with 82a(ii))
Quantity of green waste recovered at household waste recycling centres sent for composting	13,280 tonnes	23,559 tonnes	23,130 tonnes	25,301 tonnes		24,544 tonnes
BVPI 82c(i) Percentage of household waste used to recover heat, power and other energy sources	8.24%	8.40%	9.13%	9.25%		7.13%
BVPI 82c(ii) Total tonnage of household waste used to recover heat, power and other energy sources	108,252 tonnes	101,638 tonnes	107,673 tonnes	108,612 tonnes	110,000 tonnes	81,737 tonnes
BVPI 82d(i) Percentage of household waste arisings which have been landfilled	81.63%	75.07%	68.81%	64.99%		63.56%
BVPI 82d(ii) Tonnage of household waste arisings which have been landfilled	1,072,949 tonnes	908,469 tonnes	811,973 tonnes	763,113 tonnes		728,844 tonnes

	Actual Performance 2003/04	Actual Performance 2004/05	Actual Performance 2005/06	Actual Performance 2006/07	Target Performance 2007/08	Actual Performance 2007/08
BVPI 84a Kg of household waste collected per head of population	594	539	528	524		510
BVPI 84b Percentage of change from previous year in Kg of household waste collected per head of population	-	-9.3%	-2.0%	-0.8%		-2.6%
BVPI 87 Cost of waste disposal per tonne for municipal waste	£47.65	£53.12	£57.92	£58.86		£61.37

STATUTORY ENVIRONMENTAL INDICATORS 2007/08 - All Joint Waste Disposal Authorities

Appendix 3

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	Description	ELWA	GMWDA	MWDA	NLWA	WLWA	WRWA
82a	Percentage of total tonnage of household waste arisings which have been recycled.	15%	227,095 19.8%	135,048 18.05%	131,659 16.99%	124,854 20.41%	83193 24.26%
82b	Percentage of total tonnage of household waste arisings which have been sent for composting.	5%	108,644 9.47%	84,192 11.25%	56,986 7.35%	70,003 11.44%	6312 1.84%
82c	Percentage of total tonnage of household waste arisings which have been used to recover heat, power and other energy sources.	5.5%	81,737 7.13%	300 0.04%	305,365 39.40%	600 0.10%	450 0.13%
82d	Percentage of total tonnage of household waste arisings which have been landfilled.	55%	63.56%	528,841 70.66	36.26%	68.05%	252919 73.77%
84a	Number of kilograms of household waste collected per head	472kg	510kg	547kg	464kg	425 kg	381 kg
84b	Household Waste Collection (% change in kilograms per head)	0.06%	-2.62%	-2.54%	Dealt with by WCA's	-2.3%	-0.31%
87	Cost of waste disposal per tonne for municipal waste.	79.78	£61.37	£59.42 TBC	TBC	TBA	£59.33
90c	The percentage of people satisfied with waste disposal		N/A	N/A		Not required	Not required

STATUTORY CORPORATE HEALTH INDICATORS 2007/08

BVPI	Description	ELWA	GMWDA	MWDA	NLWA	WLWA	WRWA
156	The percentage of Authority buildings open to the public in which all public areas are suitable for and accessible to disabled people		100%	100%			100%
157	The number of types of interactions that are enabled for electronic delivery as a percentage of the types of interactions that are legally permissible for electronic delivery	Deleted	Deleted	Deleted	Deleted	Deleted	Deleted
11a	The percentage of top 5% of earners that are women	Not Applicable – no direct employees	25%	0%	Not Applicable – no direct employees	0%	0%
11b	The percentage of top 5% of earners from black and minority ethnic communities		0%	0%		0%	0%
12	The number of working days/shifts lost to sickness or absence		25.81 days	12.43 days		11.85 days	2.76 days
14	The percentage of employees retiring early (excluding ill health retirements) as a percentage of the total work force		2.7%	0%		0%	0%
15	The percentage of employees retiring on grounds of ill health as a percentage of the total work force		0%	0%		0%	0%
16	The percentage of local authority employees declaring that they meet the Disability Discrimination Act 1995 disability definition compared with the percentage of economically active disabled people in the authority area (shown in brackets).		0%	0%		1.26% (11.80%)	0% (11.06%)
17	The percentage of local authority employees from minority ethnic communities.		N/A	(3.5%)		10.08% (35.20%)	0%
		5.71%	6.25%				

ELWA– East London Waste Authority; GMWDA-Greater Manchester Waste Disposal Authority; MWDA – Merseyside Waste Disposal Authority; NLWA - North London Waste Authority; WLWA – West London Waste Authority; WRWA - Western Riverside Waste Authority

