



**GREATER MANCHESTER WASTE
DISPOSAL AUTHORITY**

ANNUAL REPORT

2008/09



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Foreword by Executive Director

I am delighted to present the 2008/09 Annual Report, which provides a review of our performance against the objectives in our Corporate Plan and Municipal Waste Management Strategy.

The Report also looks forward, highlighting the key challenges facing the Authority for 2009/10, following signing of our 25 year PFI Recycling and Waste Management Contract with Viridor Laing (Greater Manchester) (VL(GM)) in April 2009 as we move into implementing the Contract and delivering the new facilities to programme. 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 2008/09 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 31.6% for 2008/09.
- Meeting and exceeding the LATS target, achieving a surplus of 140,543 against a LATS allocation of 645,111 tonnes.
- Advances in GMWDA communications with all stakeholders.
- Development of the 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:

- Implementation and management of the Contract.
- 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.

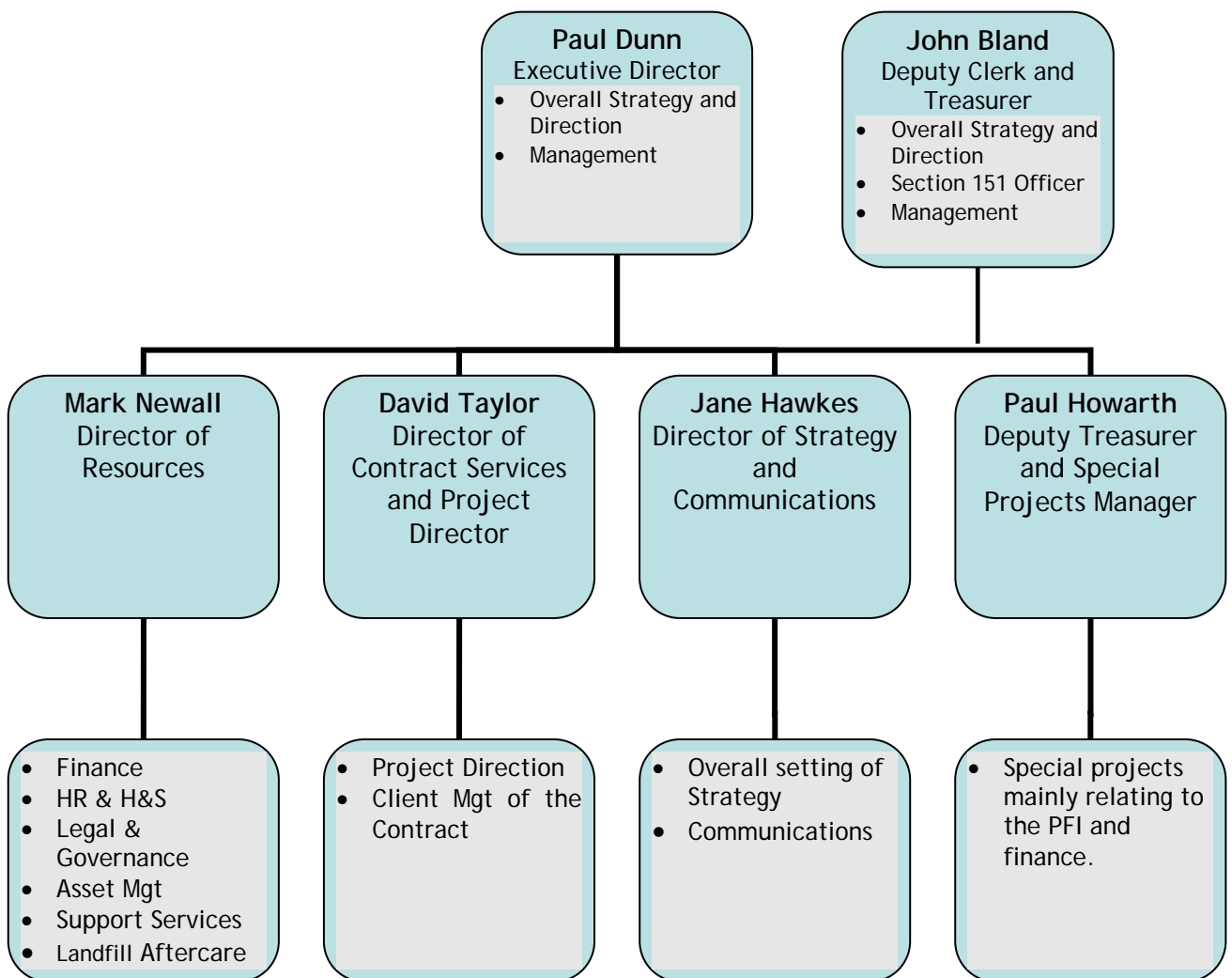
Paul Dunn, Executive Director

1. Introduction and Purpose

1.1 This report outlines progress against key objectives in the Corporate Plan and the Municipal Waste Management Strategy. It includes key performance information and also highlights key challenges for 2009/10.

2. GMWDA Structure and Profile

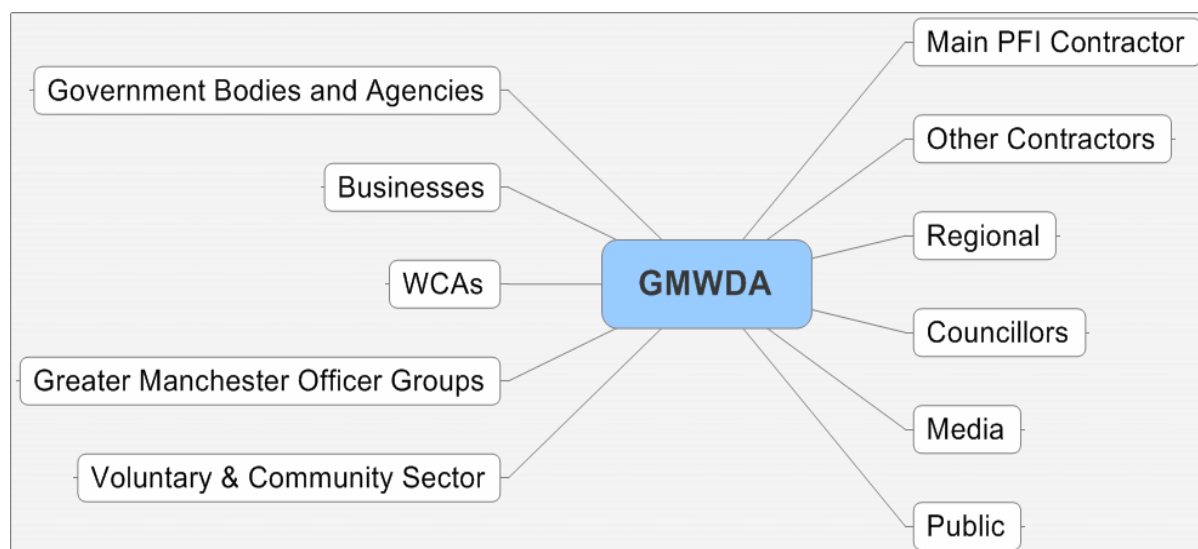
2.1 The Authority recognised in 2006/07 that effective delivery of the PFI contract required additional skills and increased capacity and the Authority was reorganised at the end of 2006/07. During 2008/09 the organisation was further strengthened to ensure that the contract was concluded. The outline structure is detailed below:



2.2 A further review of the structure, now that the Contract has been signed will be concluded in 2009/10 to ensure it remains 'fit for purpose' to respond to anticipated future requirements.

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 31.6% for 2008/09. 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 continued to deliver an excellent service 2008/09 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 (GM) has been the key to the success.

4. Review of 2008/09 Performance

Progress against the Corporate Plan

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

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 29.89% in 2007/08, and 31.6% for 2008/09.
- **Inter-Authority Agreement (IAA)** The IAA was signed by all District Councils in 2008/09, reflecting the close working and partnership arrangements with them. The IAA sets out the expected waste stream and tonnages committed for each District and sets out the fair way in which the Authority and its WCAs costs will be allocated to Districts relating in the main to the arisings (tonnage and type) they deliver. In turn these costs are recovered by a complex charging mechanism.
- **WRAP Funding.** In 2008/09 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.** This was concluded 8 April 2009, shortly after the year end and was achieved in unprecedented circumstances caused by the 'credit crunch'. Securing the appropriate finances during this period has been widely reported as a major success. The Private Finance Initiative (PFI) waste management services contract is the largest of its kind in Europe and will provide a world class solution to managing Greater Manchester's municipal waste.
- **PFI Implementation.** A separate implementation project team worked alongside the procurement team to ensure that the appropriate structures, systems and processes were in place on day 1 of the contract. Shadow governance arrangements including a Joint Implementation Group and technical, strategy and communications and resources service delivery groups delivered the joint implementation plan. This work stream included setting up the contract monitoring arrangements and construction programme, ensuring structures and business critical processes (e.g. the payment mechanism) were in place, having an agreed communications plan and documenting this all in an operational contract manual. This ensured a smooth transition into the new contractual arrangements in April 2009.
- **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 2008/09 was 645,111 tonnes; of this the Authority achieved a surplus of 140,543 tonnes, a significant achievement delivered through increased recycling and working with WCA and our citizens to minimise waste.

- **Partnership Commitment to Reducing Waste.** The Authority has succeeded in partnership with the districts in attracting major 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”.
- **Advances in GMWDA communications with all stakeholders.** The Authority continued to make 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:
 - The establishment of shadow major site liaison groups;
 - Community and resident presentations;
 - Media and press briefings;
 - New technologies leaflets and website pages; and
 - Stakeholder engagement planning
- **Development of Climate Change Action Plan.** The member led Climate Change Working Group investigated what the Authority is currently doing to take action against climate change and what more could be done. An Action Plan was drafted showing how implementation of the Authority’s waste strategy will make a significant beneficial contribution to climate change in the sub region. The Climate Change Action Plan was approved by the Authority and held ready for a launch of the document following the signing of the PFI contract.
- **Reducing the Carbon Footprint.** The net total of carbon dioxide equivalent saved from waste management and reduction activities in 2008/09 is 91,572 tonnes. This is made up of 80,182 tonnes of carbon dioxide equivalent saved through the management of waste in 2008/09; and 11,390 tonnes carbon dioxide equivalent saved from reducing waste to landfill in 2008/09 (this is based on a waste reduction of 85,000 tonnes to landfill from 2007/08 to 2008/09).
- **Continued performance improvement by Greater Manchester Waste Ltd.** Performance has continued to improve across the household waste recycling centre (HWRC) network, such that the recycling and composting rate in 2008/09 was 48.29%; up from 46.97% in 2007/8 (further details provided in section 5 below). The Authority has continued to work with GMWL to ensure that new schemes and initiatives are progressed in the run up to the commencement of the PFI contract and that performance did 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 5 year landfill disposal arrangements are in place. These arrangements have ensured that waste delivered by the WCAs has been managed effectively and continued to be so until the PFI contract was 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. New systems in finance and Contract Services were piloted and tested to ensure they met the requirements of the contract.

- **Continued Progress on Achieving Planning Permissions.** By the end of 2008/09 twenty out of twenty three required planning permissions had been approved. This included the Section 36 consent required for the Thermal Power Station at Runcorn that was approved by Secretary of State in September 2008. The judicial review period expired in December 2008 with no challenges being raised. This is a significant achievement that removed a major element of uncertainty and risk from the procurement process.
- **Advanced Works Contracts.** Because of the delays to the signing of the contract a number of advanced works contracts were signed to keep the construction to timetable. This was critical in protecting the future LATS position of the Authority, in maintaining the momentum and ensuring that any delays were mitigated. The Authority entered into two variations to the advance works contract, one for the period August to December and the second to cover the period January to March. These extensions ensured that design work and on site construction continued in order to hold price and programme. Advanced works costs were refunded at PFI Contract commencement.
- **Improvements in Sickness Absence.** Overall sickness levels fell by over 20.8% on the previous year with both long term and short term sickness levels also falling by over 20%. Long term sickness absence levels are still too high at 18.42 days per employee, mainly due to 3 employees with major illnesses, but short term levels are very low at 1.51 days per employee.

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.** Delays to signing the contract were mainly due to financing the deal in the backdrop of the credit crunch. The Authority continually monitored its progress in this area during the year and adjusted its approach to take advantage of emerging market conditions. By being proactive the overall total cost of debt was maintained at a similar level (higher margins being offset by lower interest rates).

5. Performance Review and Key Performance Measures.

- 5.1 The information below outlines key performance information for 2008/09, 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

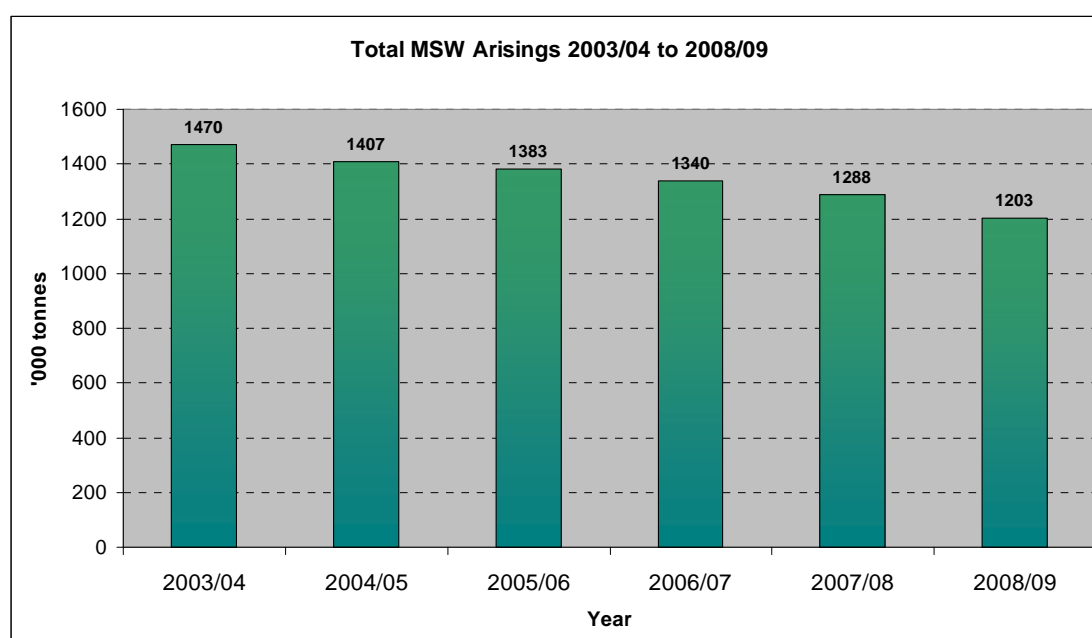
- 5.2 Waste management in Greater Manchester continued to benefit from the rollout of new collection schemes and enhanced diversion from landfill throughout 2008/09. This is reflected in the changing profile of municipal

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	2008/09
MSW	1407.2	1383	1340.3	1288	1203
MSW Landfilled	1104.9	1017	853.9	791.7	708
BMW Landfilled	758.7	666.4	613.4	582.5	504.6
LATS Allowance	850	820.7	776.8	718.3	645.1
Surplus	91.3	154.3	163.4	135.8	140.5
LATS Allowances Sold	-	23.5	-	-	

Graph 1 MSW arisings



	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total MSW	1470	1407	1383	1340	1288	1203
Variation	-0.88%	-4.29%	-1.71%	-3.11%	-3.88%	-6.60%

5.3 It can be seen that total MSW has continued to fall from 1.4 million tonnes in 2004/05 to 1.2 million tonnes in 2008/09. In terms of the climate change agenda, this equates to a saving of 26,800 tonnes of CO₂ equivalent. This decrease has come about through improvement in education, enforcement, waste minimisation activities and reclassification of waste.

The third quarter national Waste Data Flow submissions show that the total municipal waste decreased from 28.5 million tonnes in the third quarter of 2007/08 to 27.7 million tonnes in the third quarter of 2008/09, a decrease of 0.8 million tonnes or 3.0%. The Greater Manchester MSW figures are

falling at a rate in excess of this national figure. This is likely to be attributed to a number of factors:

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

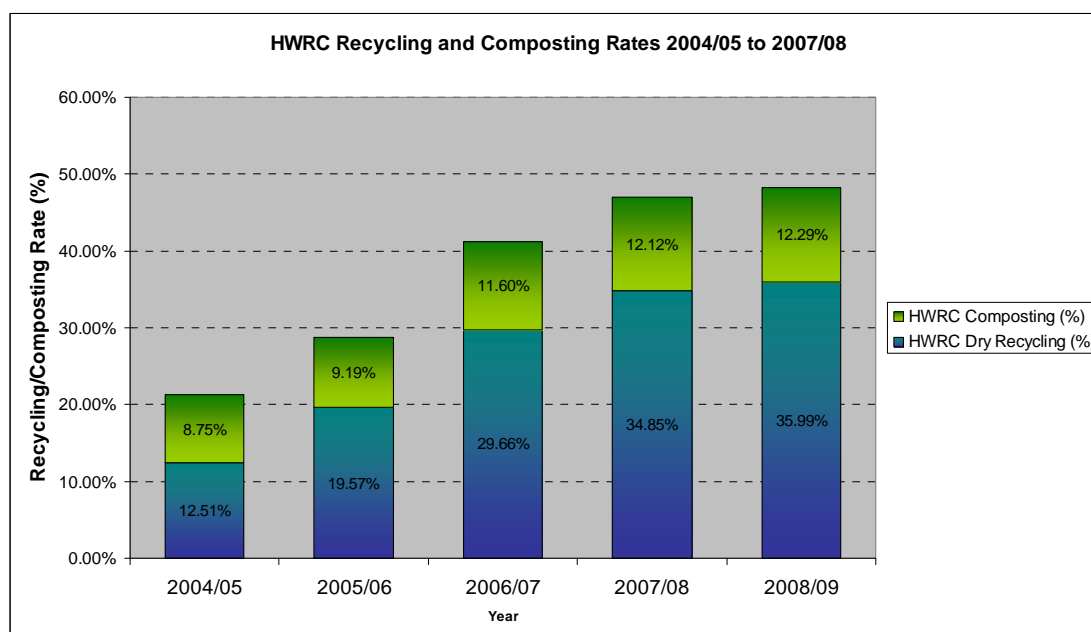
5.4 Throughout this period there has also been a significant decrease in the reliance upon landfill. In 2004/05 GMWDA landfilled 79% of MSW arisings. This decreased to 58.8% in 2008/09 demonstrating the effectiveness of increased recycling and composting performance by the WCAs and the GMWDA.

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 2008/09:

5.6 Performance improvements have also continued 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 48.29% in 2008/09.

Graph 2 HWRC performance



5.7 This increase has been achieved by significant investment in staffing/facilities available at HWRCs, and is demonstrated by the significant increase in the tonnage of dry recyclable materials being recovered at the HWRC sites. This is summarised in table 2 below. It can be seen that the green waste tonnage has remained broadly consistent throughout the last four years at c. 24,000 tonnes per annum. The dry

recyclables tonnage has increase significantly from 33,944 tonnes in 2004/05 to 68,133 tonnes in 2008/09. This increase has been driven by increased staffing levels, increased capacity for recyclables at HWRCs, increasing the range of recyclables and improving the level of meet and greet that is undertaken at the sites to ensure materials are placed in the appropriate area and not lost in the residual waste.

Table 2 HWRC recycling and Composting

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

- 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 decreased from 26.43% in 2007/08 to 23.46% in 2008/09; 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	2008/09	2007/08 to 2008/09 variance
HWRC Dry Recycling (%)	12.51%	19.57%	29.66%	34.85%	35.99%	1.14%
HWRC Composting (%)	8.75%	9.19%	11.60%	12.12%	12.29%	0.17%
HWRC Dry & Green (%)	21.26%	28.76%	41.26%	46.98%	48.28%	1.30%
HWRC Diversion (%) (Rubble / Thermal Recovered)	12.03%	16.52%	18.28%	26.43%	23.46%	-2.97%
Landfill Avoidance (%)	30.73%	41.33%	55.58%	60.99%	60.55%	-0.44%

The apparent decrease in diversion through rubble and energy recovery can be attributed to several factors. GMWL have increased staffing levels and are actively meeting and greeting site users and also actively enforcing the no trade waste policy of the Authority. This has had the effect of driving down the overall levels of waste received at the HWRCs considerably from 308kt in 2004/05 to 245kt in 2008/09. In addition the Bolton TRF was shutdown for an extended maintenance period during 2008/09 resulting in reduced levels of energy recovery from the HWRC waste streams.

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 two waste streams collected by a WCA, constitute its municipal waste arisings.
- 5.10 Table 4 below details the changes in household and municipal waste arisings by WCA for the period 2007/08 to 2008/09 with the % variance between 07/08 and 08/09 highlighted in the right hand column.

Table 4 WCA Total Waste Arisings

	2004/05	2005/06	2006/07	2007/08	2008/09	2007/08 to 2008/09 Variance
Bolton						
Household	114,726	108,942	108,644	109,686	104,783	-4.47%
Municipal*	133,338	129,648	129,621	124,329	115,020	-7.49%
Bury						
Household	78,265	80,937	80,596	78,492	76,238	-2.87%
Municipal*	91,053	90,728	89,388	86,357	82,953	-3.94%
Manchester						
Household	192,073	191,608	194,954	196,815	188,334	-4.31%
Municipal*	244,107	245,439	204,476	202,829	194,363	-4.17%
Oldham						
Household	88,733	87,832	83,405	82,175	79,664	-3.06%
Municipal*	100,972	99,824	98,200	96,536	92,454	-4.23%
Rochdale						
Household	80,477	76,987	74,962	72,070	68,491	-4.97%
Municipal*	86,454	78,346	75,786	72,753	69,160	-4.94%
Salford						
Household	94,010	94,858	97,664	99,443	98,391	-1.06%
Municipal*	108,100	108,891	110,077	103,031	103,557	0.51%
Stockport						
Household	117,529	115,409	114,854	112,033	106,698	-4.76%
Municipal*	135,648	137,154	133,147	113,298	108,138	-4.55%
Tameside						
Household	83,020	81,081	83,433	82,726	78,638	-4.94%
Municipal*	103,232	102,199	106,303	94,956	96,295	1.41%
Trafford						
Household	89,724	91,245	92,252	90,005	87,064	-3.27%
Municipal*	96,185	100,291	98,965	96,802	93,365	-3.55%
WCA Total						
Household	938,557	928,899	930,764	923,445	888,301	-3.81%
Municipal*	1,099,089	1,092,520	1,045,963	990,891	955,305	-3.59%

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

5.11 Household waste arisings have generally reduced in each WCA during this period. This reduction has generally been by a relatively small percentage, Rochdale being the highest reduction of 4.97% between 07/08 and 08/09. This may reflect 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 3.81% between 2007/08 and 2008/09.

The WCA municipal waste arisings show a significant drop of 3.59 % between 2007/08 and 2008/09. This is likely to be attributed to a number of factors:

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

5.12 On municipal arisings the biggest reduction of 7.49% was seen in Bolton. This is due to a decrease in the tonnage of residual waste collected in the black bin and a drop in the tonnage of trade waste collected.

The reduction in residual waste collected in the black bin is likely to be due to ongoing waste minimisation efforts e.g. home composting and work by WRAP nationally to lightweight products. In addition it is felt that the recession may have had an impact on the weight of material collected.

The reduction in trade waste is due to the loss of trade waste contracts. Fees and charges for Trade waste were increased in April 2008 to ensure that customers were being charged the true price of collection and disposal. This led to the loss of contracts (in particular the larger contracts) and hence the large reduction in tonnages collected.

Graph 3 WCA Performance

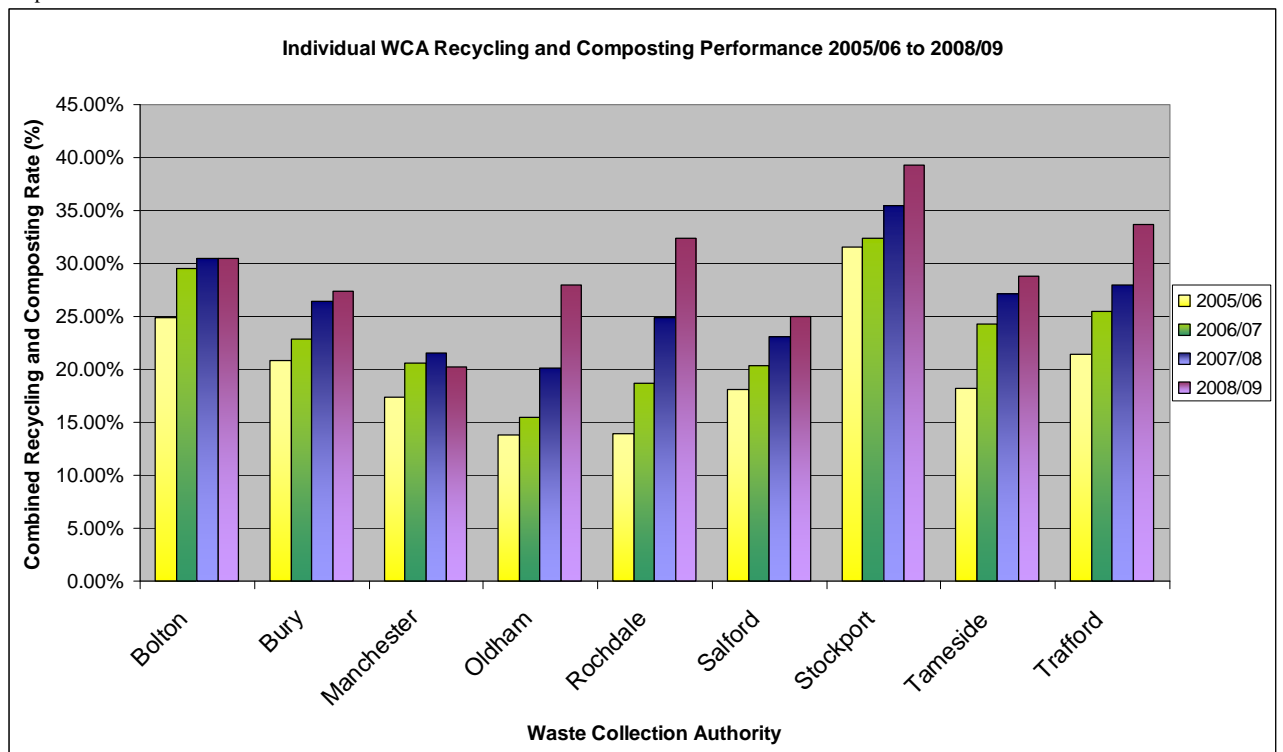
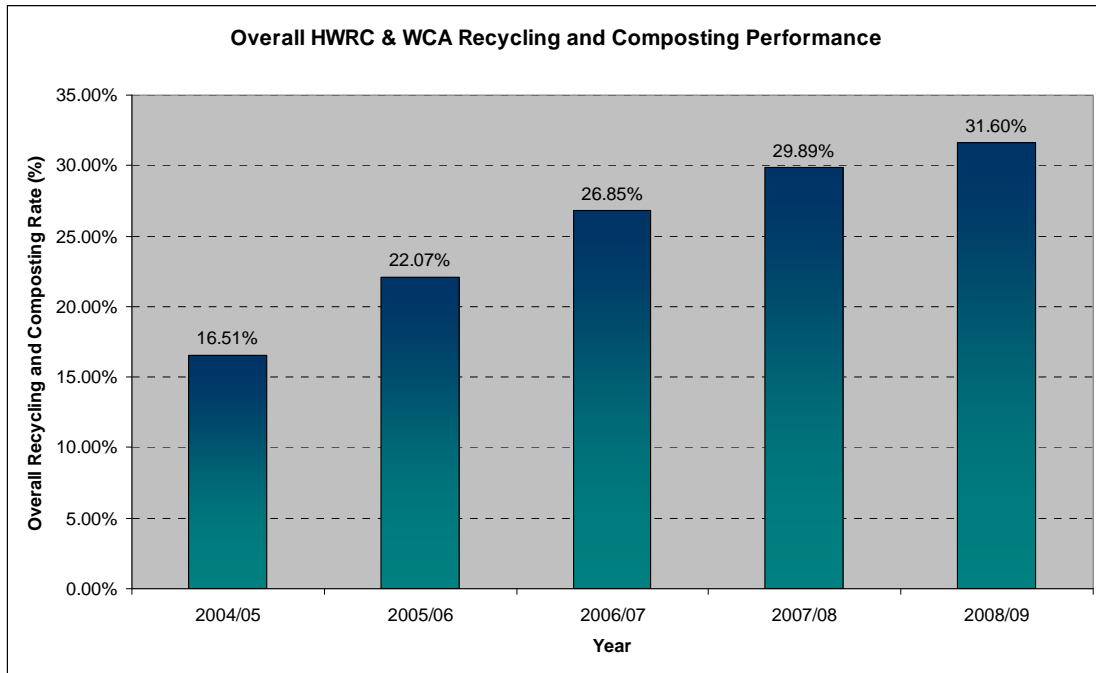


Table 5 WCA Performance

	WCA Performance						Variance 2007/08 to 2008/09
	2007/08			2008/09			
	Recycling Rate	Composting Rate	Recycling & Composting Rate Combined	Recycling Rate	Composting Rate	Recycling & Composting Rate Combined	
Bolton	19.31%	11.18%	30.49%	19.15%	11.36%	30.51%	0.02%
Bury	16.04%	10.41%	26.46%	16.84%	10.57%	27.41%	0.95%
Manchester	16.73%	4.84%	21.58%	15.25%	5.00%	20.25%	-1.33%
Oldham	13.09%	7.00%	20.09%	18.04%	9.95%	27.99%	7.90%
Rochdale	16.59%	8.23%	24.83%	22.38%	9.99%	32.37%	7.54%
Salford	16.29%	6.77%	23.06%	17.28%	7.76%	25.04%	1.98%
Stockport	17.98%	17.49%	35.47%	20.86%	18.37%	39.23%	3.76%
Tameside	20.16%	6.93%	27.09%	20.93%	7.85%	28.78%	1.69%
Trafford	16.47%	11.54%	28.00%	18.49%	15.21%	33.70%	5.70%

5.13 In relation to recycling and composting performance, all WCAs have achieved levels of recycling performance in excess of 20%. The table and graph above demonstrate that 3 WCAs exceeded 30%, in comparison to only 2 in 2007/08. 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. Manchester is the only WCA to show a decline of 1.33% on the previous year. This is due to a change imposed by DEFRA and the Environment Agency on waste reporting. Performance achieved through recovery of metals at the Dano plants was previously allocated back to individual WCAs. Changes in reporting requirements during 2008/09 prevented this, with this performance only being eligible for reporting by GMWDA and resulting in the 1.33% loss to Manchester.

5.14 When combined with the recycling and composting performance at the HWRCs, the rate achieved in 2008/09 increased to 31.6%, up from 29.89% in 2007/08. The increase from 2004/05 is demonstrated in the bar chart below which shows that recycling and composting rates have significantly increased from 16.51% in 2004/05.



Combined Arisings per Household

- 5.15 It is possible, through use of the redefined national indicator 191 (residual household waste per household) to map the effect of our activities is shown in table 6 below:

NI191 Residual Waste per House (kg per household)

The amount of waste that is not sent for reuse, recycling or composting. It is calculated by deduction, i.e. it is total household waste minus household waste sent for reuse, recycling or composting, as defined under NI192.

The size metric is the number of households in the local authority area, as given by the dwelling stock figures from the Valuation Office (taken from the Council tax base returns made by local authorities).

	2006/07	2007/08	2008/09
Residual Waste per Household (KG per Household)	863 kg	794 kg	734 kg

LATS Performance

- 5.16 The Landfill Allowance Trading Scheme (LATS) sets targets to reduce the amount of Biodegradable Municipal Waste (BMW) sent to landfill each year. The Authority's landfill allowance allocation reduces every year, with an opportunity to bank surplus allocations (except in 'target' years - 2009/10; 2012/13 and 2019/20, where diversion targets must be met through actual diversion of BMW or purchasing allowances). Penalties are in place for authorities that exceed their LATS allocation.

- 5.17 The LATS allocation for 2008/09 was 645,111 tonnes; against which the Authority landfilled 504,568 tonnes of biodegradable waste giving a surplus of 140,543 tonnes.
- 5.18 The LATS allowance for 2009/10, which is a target year, further reduces to 557,297 tonnes and on present performance, combined with planned improvements by Districts to collection systems, the target is confidently expected to be met.
- 5.19 Moving into 2010/11 the allowance further reduces to 495,265 tonnes. Based on the 2008/09 performance, it is anticipated that, through further WCA planned rollout of collections schemes this level of diversion will be achieved. In 2011/12 the allowance reduces further to 433,232 tonnes. This will require facilities to be developed, in particular IVC capacity. The next target year is 2012/13 when the LATS allowance falls to 371,200 tonnes. In order to meet this target it is essential that the new treatment capacity being developed under the PFI arrangements is constructed, commissioned and fully operational in order to avoid any shortfall in landfill diversion.

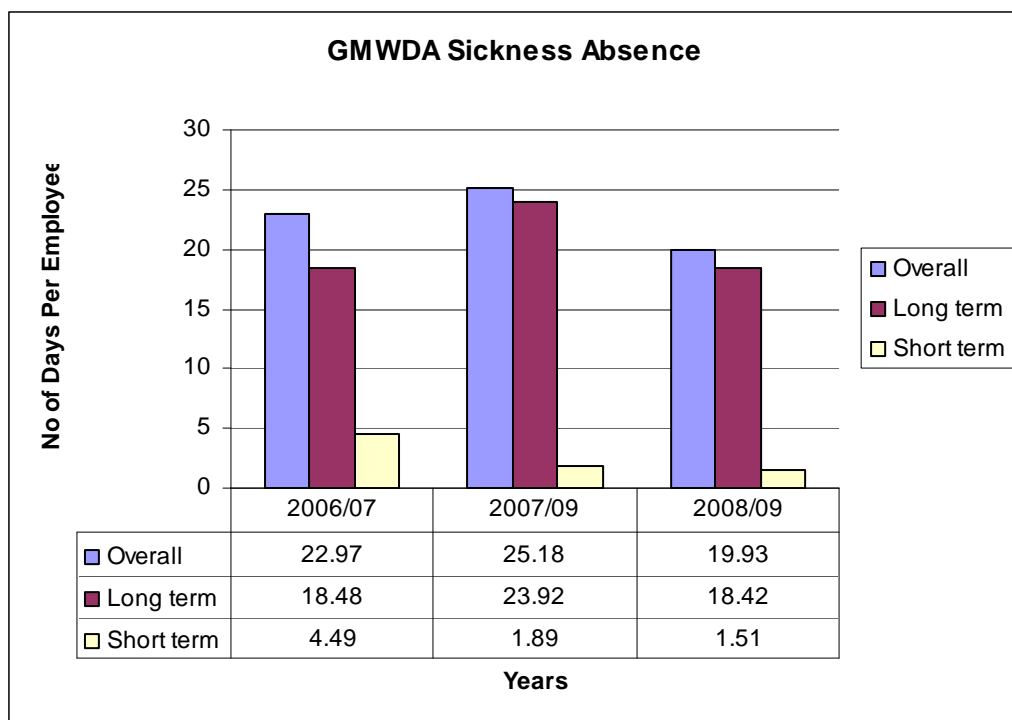
Other Key Performance Measures and Targets

5.20 These comprise:

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

Corporate Health Indicators

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



5.22 There has been a significant improvement in sickness levels compared to the previous two years. The figure would have been much lower if not for three staff with serious long term illnesses. Overall sickness levels have reduced by 20.8%; long term by 23% and short term by 20.1%. Short term sickness levels have fallen for three consecutive years.

Environmental Indicators

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 are:

	2007/08	2008/09
N191 Residual household waste per household	794 kg	733.75 kg
N192 Household waste re-used, recycled or composted	29.27%	31.6%
N193 Municipal waste landfilled	63.56%	58.8%

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

ENVIRONMENTAL PERFORMANCE INDICATORS 2008/09 - All Joint Waste Disposal Authorities

Performance Indicator	Description	GMWDA	ELWA	MWDA	NLWA	WLWA	WRWA
NI191	Residual Waste per Household (Kg per household)	734 kg	840 kg	780 kg	663 kg	715 kg	551 kg
NI192	Percentage of household waste sent for recycling, composting or reuse	31.58 % (348,666)	23.19 % (94,098)	33.35 % (245,022)	26.76 % (182,109)	33.41 % (214,731)	27.59 % (90,164)
NI193	Percentage of municipal waste sent to landfill	58.81 % (849,574)	44.10 % (284,438)	63.48 % (596,520)	29.17 % (434,560)	68.89 % (566,890)	78.44 % (366,629)
BVPI 82a	Percentage of household waste arisings sent for recycling	21.25 % (234,421)	16.73 % (67,870)	19.87 % (145,569)	17.88 % (121,531)	20.77 % (133,392)	25.22 % (82,401)
BVPI 82b	Percentage of household waste arisings sent for composting	10.32 % (113,834)	6.42 % (26,056)	13.34 % (97,719)	8.85 % (60,122)	12.50 % (80,253)	2.37 % (7,758)
BVPI 82c	Percentage of household waste arisings used to recover heat, power and other energy resources	8.67 % (95,629)	12.83 % (52,041)	1.54 % (11,311)	45.91 % (312,019)	0.13 % (805)	0.04 % (118)
BVPI 82d	Percentage of household waste sent to landfill	59.72 % (658,936)	43.47 % (176,297)	64.92 % (475,669)	27.35 % (185,886)	66.56 % (427,462)	72.06 % (235,406)
BVPI 84a	KG's of household waste collected per head	474 kg	453 kg	542 kg	403 kg	446 kg	362 kg

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

Media Coverage

5.24 In September 2008 the Authority selected a media monitoring agency to keep up to date about relevant environmental news and how the GMWDA is viewed in the press.

- 5.25 The GMWDA coverage in the media for 2008/09 maintained an extremely high level of combined neutral and positive coverage. The make up of the reviewed coverage period was primarily neutral considering that much of this time was spent attempting to minimise negative press coverage due to the delays in contract signing. The 1% minimal negative coverage is a major achievement.

Media Coverage	2007/08	2008/09
Negative	23%	1%
Neutral/Positive	77%	99%

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 approved the Statement of Accounts 2008/09, subject to audit, at the Special Purposes meeting on 26 June 2009. The position can be summarised as:
- The net cost of services in 2008/09, after interest and similar charges, was £85.146m - an increase of £6.027m (7.6%) on the equivalent figure for 2007/08, mainly due to increased landfill tax (additional £8 per tonne) and the removal of the separate charge on Districts for the disposal of commercial and industrial waste (£3.376m in 2007/08).
 - A refund of £3.4m was made to the Districts in respect of reductions in tonnage delivered for processing due to their waste minimisation efforts.
 - The Authority generated a surplus for the year (contribution to General Fund Balances) of £533k. This represents an underspend of £998k when compared to the revised budget.
 - The final level of balances is £5.105 million
 - The capital expenditure in 2008/09 was £9.328m. The acquisition of property in advance of the PFI contract accounted for £8.909m of this with improvements to the HWRC sites and infrastructure improvements on closed landfill sites making up the balance.
- 6.3 Further improvements to cost centre management and budget monitoring were made following the implementation of the new financial system in 2007/08 and this now enables budget holders within the Authority to independently scrutinise their own section's expenditure. This had previously been done on an Authority wide basis.
- 6.4 Substantial work took place on preparations for the implementation of the PFI contract, particularly regarding the payment mechanism and agreeing the recharges to Districts. Regular meetings were held with the preferred

bidder to ensure that new systems and processes were in place to validate and authorise payments and with officers from Districts to agree the methodology for the future allocation of the Levy through the Inter Authority Agreement.

People Issues and Health and Safety

6.5 Section 2.1 sets out the top level structure. Appendix 4 details the full structure. In 2008/09 staffing capacity was increased in a number of key areas in preparation for the commencement of the contract and in strengthening the Landfill Environmental Management Team.

6.6 The net impact on the structure is as follows:

	2006/07	2007/08	2008/09
Establishment Posts	34	40	50
Seconded Posts (from OMBC)	4	2	1
OMBC Direct Support (funded by GMWDA)	2	2	0
Total	40	44	51

6.7 The additional posts agreed in 2008/9 included:

Treasurer and Deputy Clerk
 Community Liaison Officer
 Research Officer
 Contract and Data Monitoring Inspector
 Project Engineer
 HR and Development Officer (part time)
 Health and Safety Officer (part time)
 Gas & Pump team Operative
 Gas Monitoring Technicians (x2)
 Governance Assistant

6.8 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 has resulted in dedicated support to the Authority and reduced recharges from OMBC. The net effect is that even though posts have increased, the budgetary impact has been minimal.

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

- Improved training and development and the Introduction of an e-learning package.
- Revising and implementing key procedures (e.g. fire evacuation)
- 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

- 6.10 The Authority 17 April 2009 meeting agreed an Asset Management Plan and a Strategy for dealing with surplus assets to make the best use of 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.
- 6.11 Work in 2008/09 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:
- Finalising an Asset Management Plan
 - Developing communication and information strategies
 - Developing a strategy for dealing with surplus assets
 - Agreeing a rolling review programme
 - Bringing the Asset Register up to date

Landfill Aftercare

- 6.12 Key achievements include:
- Capital Programme. Provision of 4 new Methane Stripping Plants commenced through the European tendering process and all planning approvals achieved.
 - Landfill Health and Safety, method statements and risk assessments completed
 - Completing 25 Closed Landfill Audits; this has enabled the Authority to build a complete picture of these Assets and their liabilities.
 - Topographical landfill surveys - 17 sites completed.
 - Liaising and assisting in the PFI procurement process regarding closed landfill sites.
 - Pre-emptive works implemented, including a programme of drilling new boreholes.

7. Risk Management

Work in 2008/09 focused on:

- Embedding risk management into the planning and reporting process;
- Fully implementing a joint risk register with VL(GM) 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.

It is particularly important that risks for the PFI project are properly managed and the allocation of risks between the GMWDA and VL(GM) understood. Risks are considered and reviewed monthly via the Service Delivery Groups and summarised and prioritised into key risks for

consideration at the Partnership Management Board (PMB) and the Strategic Partnering Board (SPB).

7.1 Some examples of key risks in the Joint Risk Register are:

Risk	Possible Consequence	Mitigating Actions
(i) Construction: failure to manage district and public expectations during the construction phase.	Alienating the public and WCAs, hindering implementation and achievement of targets.	Raise public awareness. Proactive publicity, informing ward councillors, new facilities stakeholder events. Active programme management and governance.
(ii) Construction: programme causes severe disruption to WCAs and to citizens.	Disruption to Business continuity. No contingency arrangements in place. Loss of confidence in PFI Contractor	Business Continuity Plan; contingency arrangements in place. Communications strategy in place. Active management through SDGs; production of detailed project plans
(iii) Emergency Plan No Emergency Plan in place	In the event of an emergency no emergency plan is in place to deal with the situation.	Draft and implement an Emergency Plan. Full training for all staff. Look at Joint Plan
(iv) Closed Landfill sites. Gas Migration/ leachate from 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 2009/10

8.1 Key challenges for 2009/10 include the implementation and effective management of the Contract, while supporting the districts in their work. New developments for 2009/10 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 will continue to work closely in the development of AGMA's Environment Commission, allowing it to play a full part in delivering on the environmental development of the sub-region. The Authority's Chair has been appointed to the Environment Commission as an ex-officio member.

(ii) National and Regional Consultations

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

in 2009/10. It also contributes to important local issues, such as the North West Regional Strategy, ensuring focus on waste and resources.

(iii) **The EU Waste Framework Directive**

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

(iv) **Emerging issues and trends**

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

(v) **Climate Change Action**

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

(vi) **Focus on waste prevention**

Building on the work already done, waste prevention and education is under development through the Authority's communications team and the commencement of the 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. The Authority has succeeded in partnership with the districts in attracting major 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". The authority with its partners will launch a programme of Love Food Hate Waste promotion and events across Greater Manchester.

(vii) **Implementation of the PFI contract**

Following the signing of the PFI contract the governance programme which had been set up in shadow form can begin to operate fully, allowing contract mobilisation to take place. This includes a programme

of effective communications, setting in place the 5 Year Communications Strategy and education and awareness programmes.

(viii) Dissemination of GMWDA knowledge and experience

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

It is expected that significant requests, may, under the Freedom of Information Act (FOI), be made for details of the Contract. These will be fully responded to in accordance with the relevant legislative framework.

(ix) Asset Management

2009/10 will see the implementation of our asset management strategy for dealing with our surplus assets on a site by site basis. This significant piece of work will be overseen by the Asset Management Steering Group in 2009/10 but will take a number of years to complete.

(x) Interface Arrangements

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

(viii) Wigan Council - Possible Admission as a full member of the Authority

Wigan Council has been a member of the Authority since its inception in 1986, but for administrative purposes only. It retains its own waste disposal function. Throughout the PFI procurement period the Authority and Wigan have maintained a dialogue. The combination of the nearing of the end of Wigan Council's current contractual arrangements for waste disposal, and this Authority's success with waste prevention have led them jointly to examine the possibility of Wigan Council's full admission to the Authority, or other means of access to this Authority's disposal infrastructure. It is jointly intended that a clear view will be formed this year. Beyond the matter of Wigan Council, the Authority and its PFI operator Viridor Laing (Greater Manchester) Limited VL(GM) will determine the strategic and tactical approaches to non contract waste, and to any spare capacity generally under the contract.

(IX) CIPFA's Statement of Recommended Practice 2009

The Financial Year of 2009/10 sees important changes to the rules governing the accounting for fixed assets, and in particular those used in PFI schemes. Under the self regulation arrangements for local government, the accounting body CIPFA has produced a Statement of

Recommended Practice (SORP) which deals with the implementation of the International Financial Reporting Standards to local government in Britain. In simple terms its application is expected to result in the Authority's PFI, and the assets used in relation to it, treated as on balance sheet. It is a considerable piece of work, which will require work across the organisation, and with VLGM, to achieve it.

(X) Contract Funding

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

In addition it will ensure the Pennon/BOI facility, due for review in February 2010, is pro-actively managed.

9. Conclusion

- 9.1 2008/09 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 made considerable progress in finalising the PFI contract in unprecedented circumstances against the backdrop of the credit crunch. 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.

PROGRESS 2009/10 against GMWDA Corporate Plan



Action achieved/on course to deliver action(s)











On course to deliver part/some action(s) or unable to confirm progress




Progress not on course to deliver action(s)

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
Delivery of the infrastructure to implement the GMWDA Waste Strategy through the PFI contract: Complete acquisition of sites for, secure planning permissions and commission new infrastructure.	WA1 & WA3	Majority of new infrastructure commissioned by 2010/11	<ul style="list-style-type: none"> • Acquisition of sites completed. • Twenty out of twenty-three planning permissions completed. • Advanced works contracts implemented in 2008/09. 	
Achieving GMWDA recycling targets	WA1	33% recycling by 2010 [leading to 50% minimum by 2020]	<ul style="list-style-type: none"> • On target • 31.6% recycling 2008/09 • 48.29% HWRC recycling in 08/09 • Meeting and exceeding the LATS target: <i>LATS Allocation:</i> 645,111 tonnes <i>Actual:</i> 504,568 tonnes <i>Surplus:</i> 140,543 tonnes • The net total of total carbon dioxide equivalent saved from waste management and reduction activities in 2008/09 is 91,572 	

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
Mobilisation of the PFI contract, including introduction of support systems and processes	WA1 & WA2	Implemented directly after contract close	<ul style="list-style-type: none"> • Appropriate arrangements in place • Supporting systems and processes all working well and documented in an operational contract manual 	
Implementation of Governance arrangements for PFI contract	WA1 & WA2	Governance arrangements to be implemented directly after contract close	<ul style="list-style-type: none"> • Governance arrangements fully implemented and working well. 	
Development of a revised Constitution for the Authority	WA2	Revised Constitution in 2008	<ul style="list-style-type: none"> • Phase 1 and phase 2 reviews of the constitution delayed until after contract closure. 	
Waste prevention, education and awareness raising to arrest waste growth	WA1 & WA4	No more than 1% growth by 2010 [Leading to zero growth by 2020 and beyond]	<ul style="list-style-type: none"> • MSW 1.2m tonnes in 08/09 a fall of 6.6%. This is due to improvements in education, enforcement, waste minimisation activities and the classification of waste. • Equivalent of 11,390 tonnes less CO2 emissions. 	
To provide more effective services by updating our internal processes	WA2	Improved data management through the introduction of an Authority intranet (2008).	<ul style="list-style-type: none"> • Key processes for the PFI have been developed, including data management, finance, and contract monitoring. These are documented in the contract manual. • New IT systems implemented e.g. new contract monitoring system leading to significant productivity improvements and real time data. 	

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
			<ul style="list-style-type: none"> Data and information management has significantly improved and dedicated staff have helped improve the verification and accuracy of the information. New ways of working have been re-enforced through structured training 	
Managing the assets and liabilities of GMWDA closed landfill sites	WA3	Development of Asset Management Plan, draft prepared and to be finalised July 2008.	<ul style="list-style-type: none"> Asset Management Plan approved and actions 90 % implemented. Strategy for dealing with surplus assets approved Additional staff recruited to re-enforce monitoring Asset Register updated Audits and risk assessments completed on all landfill sites 	
GMWDA Climate Change action plan	WA3 & WA4	Publication and launch of action plan 2008	<ul style="list-style-type: none"> Climate Change Action Plan was agreed 15 February 2008. Launch was agreed after the PFI Contract start. Plan is currently being revised for approval in September 09 	
Authority approach to Risk Management		Embedding risk management into the planning and reporting process Implementing a joint risk	<ul style="list-style-type: none"> Risk Management Policy agreed Accountabilities established Joint Risk Register established with VL(GM) 	

Our key priorities for 2008-2011:	GMWDA aim supported	Milestones	Progress, Comments and Corrective Actions	Direction of Travel
		register with VL(GM) 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	<ul style="list-style-type: none"> Review and reporting process implemented 	
Commitment to Employee development		Embedding staff development planning and appraisal process	<ul style="list-style-type: none"> Staff appraisal system implemented E-Learning package implemented to cover all business areas 	

GMWDA - ORGANISATION STRUCTURE

