

Service Inspection Report

August 2006



Waste Management

Merseyside Waste Disposal Authority

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Service Inspection

This inspection has been carried out by the Audit Commission under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. These principles embody the objectives of our Strategic Plan and Strategic Regulation. They also reflect the principles from *The Government's Policy on Inspection of Public Services (July 2003)*.

Audit Commission service inspections should:

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater co-ordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
- share learning to create a common understanding of performance that encourages rigorous self-assessment and better understanding of their performance by inspected organisations;
- be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
- enable continuous learning so that inspections can become increasingly effective and efficient.

We assess services using published key lines of enquiry (KLOE) to inform our judgements. The KLOEs can be found on the Audit Commission's website at www.audit-commission.gov.uk.

This report is issued in accordance with the Audit Commission's duty under Section 13 of the 1999 Act.

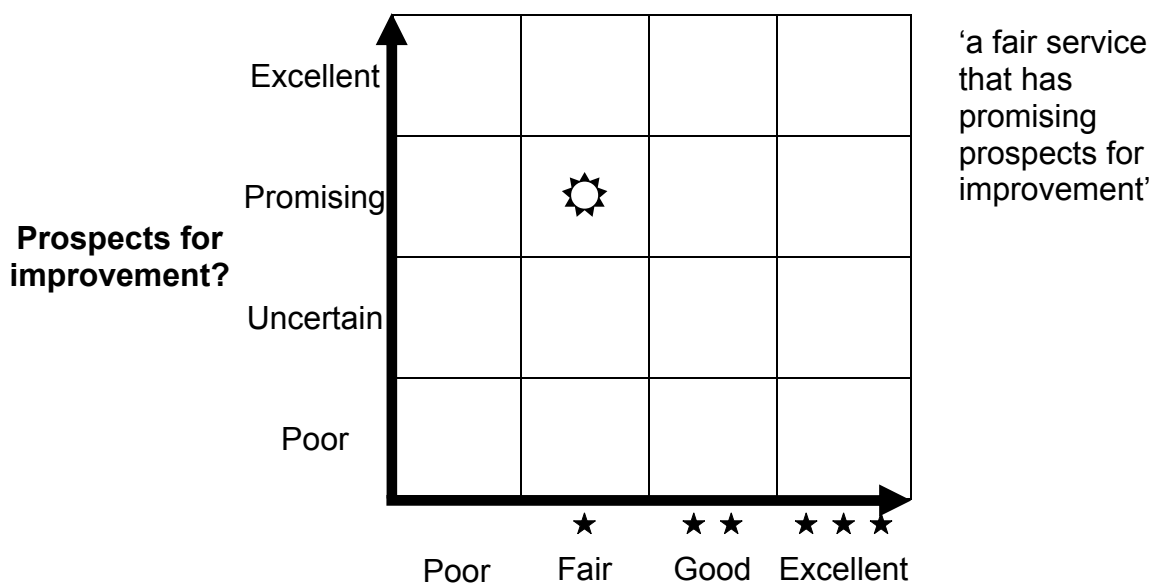
Summary

- 1 Merseyside Waste Disposal Authority (MWDA) manages the waste collected by the five Merseyside councils and is responsible for waste strategy and for the management of former landfill sites. It also provides a network of 14 Household Waste Recycling Centres (HWRCs) across the sub-region.
- 2 In 2003 the Audit Commission carried out an inspection of waste management by the Authority, combined with a governance and performance management audit review. The inspection judged the service to be fair but with uncertain prospects for improvement. We made a number of recommendations focused upon waste minimisation, community engagement, the promotion of service standards, capacity, procurement, corporate planning and governance and member development. This inspection assessed the progress made since that time.
- 3 The MWDA is assessed as providing a fair service with promising prospects of improvement. It has improved performance in recent years. The Authority has made good progress in implementing the recommendations arising from the previous inspection and good plans are in place to further improve performance in key areas. It does not yet achieve its statutory recycling target, nor is its contractor achieving the contractual recycling rates at the Household Waste Recycling Centres (HWRCs). Waste reduction and reuse is not carried out in a structured or co-ordinated way.
- 4 The Authority is taking a robust approach to managing the future for waste in the sub-region and decision-making with partners has improved since the previous inspection. The Authority and the councils of Knowsley, St Helens, Sefton, Liverpool, and Wirral have taken the important step of agreeing a more environmentally sustainable tonnage based levy; district action plans have been ratified. Significant efforts have been put into ensuring the long-term management of waste including progressing procurement options and an Outline Business Case for procurement for residual waste has recently been submitted to DEFRA.
- 5 There are further areas for improvement to ensure that users and communities have an opportunity to inform day to day service provision. The Authority has demonstrated good examples of project based consultation and in developing a longer-term waste strategy and policy, but it has no ongoing dialogue with the community in terms of continuous service design and development.

Scoring the service

- 6 We have assessed Merseyside Waste Disposal Authority as providing a **'fair'**, **one-star** service that has **promising** prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Scoring chart¹



A good service?

Source: Audit Commission

- 7 The service is a **fair, one-star** service. It has the following strengths.
- The Authority has taken a lead in achieving outcomes which improve local sustainability, such as reducing tonnage of waste to landfill and returning closed landfill sites to public open space with woodland.
 - Improved levels of recycling - although recycling rates remain below target levels.
 - Satisfaction levels with HWRCs are generally good.
 - A good approach to consultation for major projects.
 - Reasonable geographic HWRC coverage (except for Liverpool) and provision for recycling of a good range of materials.

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- Projects with good outcomes resulting from sponsorship of the Clean Merseyside Centre, such as new markets for recyclate.
- The Authority is accessible and responsive with helpful staff.

However it also has a number of weaknesses.

- Household waste arisings remain high compared with other waste disposal authorities.
- The Authority has not succeeded in managing the performance of the HWRC contractor to meet targets at all HWRCs; nor are pooled recycling targets achieved across Merseyside councils.
- There is no ongoing dialogue with the community to ensure that it responds to and meets users' needs.
- Very little active encouragement to recycle from the contractor's assistants employed at the HWRCs.

8 The service has **promising** prospects for improvement because of its strengths.

- The Authority and its constituent councils are committed to implementing the Joint Municipal Waste Management Strategy for Merseyside through the district action plans.
- There has been significant investment (including use of external funding) - in facilities, people and systems and to drive forward the procurement programme for the future provision of waste management and treatment facilities.
- Progress made on corporate governance and planning which has resulted in better decision-making.
- A value for money approach is evident in future planning and this includes work with partners.
- Recycling and composting levels are increasing steadily.
- LATS (Landfill Allowance Trading Scheme) targets have been met for 2005/06.
- User satisfaction levels with HWRCs are improving; a programme to improve the sites has been agreed.
- The Authority listens to external challenge and scrutiny and takes action as a result and it has good self-awareness and learns from other organisations.
- High levels of sickness absence are being addressed and are reducing.

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However there are some matters which are still to be addressed.

- The major procurement decisions - commitment to future (long-term) funding and locating facilities - are not yet finalised.
- The history of past delays preoccupies the partners at times.
- The relationships with the community and voluntary sector are at an early stage of development; the potential for contributions from this sector are not yet maximised.

Recommendations

- 9 To rise to the challenge of continuous improvement, authorities need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the Authority. In addition we identify the approximate costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context the inspection team recommends that the Authority should do the following.

Recommendation

R1 Establish an effective dialogue with the community, including a robust relationship with the community and voluntary sector.

The expected benefits of this recommendation are:

- the community and its representatives able to input to service development and be aware of the influence they have had;
- users and residents knowing about the services provided and understanding how decisions have been made; and
- the implementation of this recommendation will have high impact with low costs. This should be implemented by December 2006.

Recommendation

R2 Develop a stronger co-ordinated approach between the MWDA and constituent councils for communications with the community, education and waste awareness raising.

The expected benefits of this recommendation are:

- stronger community impact through a common message;
- improved value for money; and
- the implementation of this recommendation will have high impact with low costs. This should be implemented by December 2006.

² Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 percent and high cost is over 5 per cent.

Report

Context

The locality

- 10 Merseyside is in northwest England. The area straddles the estuary of the River Mersey and extends along the coastline to Lancashire to the north and Cheshire to the south. It is made up of five council areas - Knowsley, Liverpool, St Helens, Sefton and Wirral – and covers an area of 655 square kilometres.
- 11 The population of Merseyside is 1.4 million, living in just over half a million households. Two per cent of the population are from black and ethnic minority communities. The area has a population density of 22 people per hectare, showing it to be largely urban, but also including suburbs, farmland, wildlife reserves and tourist resorts.
- 12 The area has significant pockets of deprivation. All five districts are amongst the most deprived 25 per cent council areas in England – Knowsley and Liverpool are the first and second³ most deprived in the country. At the other end of the scale, Sefton and Wirral contain areas of affluence.
- 13 Unemployment is above the national and regional averages. There is a high percentage of poor health. The area has a low car ownership level with more than 40 per cent of Liverpool and Knowsley residents not owning a car.
- 14 Communications throughout the region are good. The Mersey ferries and tunnels join the areas on the two banks of the river. The region has an extensive rail network with many radial lines connected in the centre of Liverpool by an underground loop and link. Trunk roads and motorways link the area to the rest of the Northwest and the national road network.

The Authority

- 15 Merseyside Waste Disposal Authority (MWDA) was created in 1986 in order to dispose of general and other waste collected by the Merseyside Councils. Other statutory joint waste disposal authorities (WDAs) exist in Greater Manchester and London (six in total).
- 16 The Authority is controlled by a board of nine councillors representing the five Merseyside councils. Three councillors represent Liverpool City Council. There are two councillors from Sefton and Wirral Metropolitan Borough Councils respectively. Knowsley and St. Helens Metropolitan Borough Councils each have one representative. Since the local elections (May 2006), four members are Labour councillors, four members are Liberal Democrat councillors and one is Conservative. The Chief Executive of St Helens Metropolitan Borough Council is the Clerk to the Authority. This council provides support functions for the Authority.

³ Source ODPM indices of deprivation 2004

- 17 The Merseyside councils pay a levy to the Authority for the services provided. In the past the levy reflected the number of council tax band D properties within each council area. This payment method did not support the 'polluter pays' principle by encouraging better management of waste through financial incentives. The Authority moved to a basis of apportionment which relates 60 per cent of its cost to a tonnage based allocation in April 2006.
- 18 The Authority has established a Senior Officer Working Group to progress integrated waste management for Merseyside. In addition, it has set up a Waste Management Advisory Group, made up of representatives from the councils and external stakeholders. The Merseyside Leaders and Chief Executives group have a regular discussion item on waste in Merseyside at each meeting.
- 19 The Authority has 38 staff, led by a Director of Waste Disposal. The staff work across five divisions:
- Waste Strategy;
 - Contracts and Procurement;
 - Planning and Environment;
 - Waste Facilities Management; and
 - Corporate Services.
- 20 The Authority's functions are to:
- manage the waste collected by the five Merseyside Waste Collection Authorities (WCAs);
 - manage the waste delivered by Merseyside householders to the Authority's 14 Household Waste Recycling Centres (HWRCs);
 - develop and implement a Joint Municipal Waste Management Strategy (JMWMS) for Merseyside in partnership with the five Merseyside District Councils; and
 - undertake environmental monitoring, maintenance and restoration of seven closed landfill sites previously used by the Authority and its predecessors.
- 21 The Authority's gross revenue budget for 2006/07 is £47.5 million (£46.2 million net). This compares with a 2003/2004 budget of £36.6 million (£35.3 million net). The capital programme for 2006/07 is £6.8 million for schemes such as integrated waste facilities at Bidston and Gillmoss, HWRC improvements and the restoration of former disposal sites.
- 22 The Authority owns Mersey Waste Holdings Limited, a local authority waste disposal company (LAWDC). The company is the contractor for waste disposal and the provision of 14 Household Waste Recycling Centres across Merseyside. The total amount of waste managed for the Authority amounted to 865,000 tonnes in 2004/05. The contracts expire in 2008.

- 23 In 2003 the Audit Commission carried out an inspection of waste management by the Authority, combined with a governance and performance management audit review. The inspection judged the service to be fair but with uncertain prospects for improvement. Recommendations focused upon waste minimisation, community engagement, the promotion of service standards, capacity, procurement, corporate planning and governance and member development.

National context

- 24 The 'Waste Strategy 2000 England and Wales' presents the Government's vision for managing waste and resources by sustainable development. A key objective of this strategy and the European Landfill Directive is to reduce the use of landfill as a means of the long-term disposal of waste, in order to reduce emissions of the greenhouse gas, methane, and to protect water supplies from contamination. The Government has set the following targets collectively for local authorities to recover value through materials (by recycling, composting or energy), and reduce landfill of biodegradable waste:
- recycle or compost at least 25 per cent of household waste by 2005, 30 per cent by 2010 and 33 per cent by 2015;
 - recover value from 40 per cent of municipal waste by 2005, 45 per cent by 2010 and 67 per cent by 2015; and
 - reduce landfill of biodegradable waste to 75 per cent of 1995 levels by 2010, to 50 per cent by 2013 and to 35 per cent by 2020.
- 25 The total amount of municipal waste in England was an estimated 29.1 million tonnes in 2003/04 compared with 29.4 million tonnes in 2002/03 (DEFRA, Municipal Waste Management Statistics 2003/04) - a decrease of 1.0 per cent. The amount of household waste collected also fell from 25.8 to 25.4 million tonnes, a decrease of 1.5 per cent. The 2003/04 figure equates to 510 kg per person. Between 2001/02 and 2002/03 municipal waste and household waste increased by 1.8 per cent and 0.8 per cent respectively.
- 26 Under the Waste Emissions and Trading Act 2003, each WDA has been given allocations of biodegradable waste that may be landfilled for each year from 2005/06 to 2019/20, consistent with the United Kingdom meeting its obligations under the Directive. WDAs may trade these allocations with one another. They face a penalty of £150 per tonne of waste landfilled in excess of their allocation (augmented by any allocation they have purchased from another WDA). The landfill allocation for MWDA reduces from 488,572 tonnes in 2005/06 to 310,848 in 2009/10. The Authority would be liable to pay £70 million cumulative fines and tax by 2009/10 if it achieved no further diversion of biodegradable waste.
- 27 The Government has set individual recycling standards for each local authority. The Department of Environment and Rural Affairs (Defra) has agreed that the Merseyside authorities including the WDA can pool their recycling targets. The pooled standards for recycling were 12 per cent by 2003/04 and 22 per cent by 2005/06.

How good is the service?

What has the service aimed to achieve?

- 28** The Authority set out what it has aimed to achieve in its Best Value Performance Plan 2005 and Corporate Plan 2005/06. Its aims and objectives were as follows.
- To improve the sustainability of municipal waste produced on Merseyside by managing such waste using the waste hierarchy.
 - To provide services and facilities which directly contribute to the implementation of the JMWMS for Merseyside.
 - To optimise waste reduction in line with the JMWMS.
 - To optimise waste re-use where reduction is not possible and in line with the JMWMS.
 - To optimise waste recycling and composting where re-use is not possible and in line with the JMWMS.
 - To continuously improve the services we provide in terms of efficiency, effectiveness and economy.
 - To lead the development of a JMWMS for Merseyside.
 - To deliver waste services to the required performance levels.
 - To review all services at least every five years and implement improvement programmes.
 - To manage sites and facilities in a safe and environmentally responsible manner.
 - To improve access to information and profile.
 - To continue to strengthen the corporate governance of the Authority.
 - To procure goods and services in accordance with best practice.
 - To continue to develop the Authority as a fair, open, honest and inclusive organisation.
 - To develop and support our staff and Members.
- 29** The Corporate Plan 2005/06, which is updated annually, sets out a programme of work in the short to medium-term. Delivery of the Corporate Plan is almost entirely through the Joint Municipal Waste Management Strategy, ratified in 2005 by all the constituent councils. Other key plans such as procurement strategy, communications strategy, waste reduction and reuse strategy are established or being developed to feed in to the JMWMS and its implementation. District councils have all agreed individual action plans which ensure they will fulfil their commitment to recycling and the methods by which it will be achieved.
- 30** The Authority's aims clearly and explicitly support local, national and EU priorities for sustainable waste management and are broadly consistent with the North West regional Strategy.

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- 31 The Authority's Performance Management Framework is designed to provide a 'Golden Thread' linking the corporate aims and objectives to the objectives to be achieved by each of the projects outlined in the Corporate Plan and then through to individual staff work programmes. Through the staff development scheme, each member of staff is assigned to specific projects to utilise and enhance their skills.

Is the service meeting the needs of the local community and users?

- 32 We assessed how the Service is meeting the needs of local community and users against three key lines of enquiry:
- access, customer care and user and community focus;
 - diversity; and
 - service outcomes for users and the community.

Access, customer care and user and community focus

- 33 The Authority is not putting the needs of citizens and users completely at the heart of design and delivery of the service. It has carried out good consultation and communication (particularly for large projects) with users which informs policy. It uses a range of consultation mechanisms, including citizens' juries, and consultation carried out in March 2005 was used to develop the JMWMS and the acceptance to locating waste facilities near to habitation, willingness to separate out material for recycling and willingness to compost at home. The WDA makes use of national best practice for service design such as for opening hours and signing. It tests proposals for new facilities in advance with the local HWRC users. However, this activity is not sustained in terms of service delivery and there is otherwise limited ongoing dialogue with the public.
- 34 Consultation, engagement and communication with the public (users and non-users) are under-developed. The WDA carries out some good promotional activity but this is still at a developmental stage as a communications strategy is being developed. Newspaper style update sheets are produced but the main media for service information is through the Authority's website. The website is clear and easy to use but provides limited information and there remain many pages which are yet to be completed or populated. There is limited advice on waste reduction, reuse or recycling.
- 35 The Service is accessible and responsive. Contact with the Authority by telephone is easy and the Authority deals with e-mail enquiries well and 100 per cent of transactions are capable of electronic service delivery. Users report that both WDA related and district related queries were responded to effectively and helpfully. Telephone contact arrangements include arrangements to leave messages outside office hours. Direct contact with the customer is driven by the customer care policy which sets out such standards and response times for dealing with telephone and written enquiries. Operational issues are then pursued with the contractor.

- 36 Access to facilities is reasonable although provision in Liverpool is less so. Although there is a reasonable geographic spread of HWRC (the main point of contact for users with the WDA) provision across Merseyside there is a shortfall of provision in Liverpool.
- 37 There are other areas for improvement. The size and location of the centres means that, even with modified traffic management, many are busy at peak times and there is queuing sometimes out on to the highway. Some sites are very small and congestion is the norm at peak times. Users are looking for more improvements such as the provision of plastics recycling. Members of the public reported that, at busy times, assistants would encourage them to use general waste, rather than recycling, containers to speed their passage through the site.
- 38 Knowledge about user experience is limited since responses to customer satisfaction surveys which are required of the contractor are not available which is a significant failure. Where survey data is available, the outcomes are reasonable. Overall user satisfaction (BVPI 90c) is satisfactory; for 2003/04 satisfaction with most centres was better than the national average and two were in the top 25 per cent.
- 39 Effectiveness of the Authority's promotion of service standards is patchy and not always clear and comprehensive. All HWRCs have boards showing how close the site is to meeting targets by publicising the percentage of material recycled from the site. The web pages have information about what service the WDA provides but this is not widely publicised elsewhere.

Diversity

- 40 The Authority is addressing the diverse needs of the community in a limited manner. It works to deliver an equal service but this is not achieved for all sections of the community, such as provision of HWRCs in Liverpool and poor physical access within some centres. It has begun to include the promotion of availability of publications in alternative formats and in translation; alternative formats or language are offered from the website, by telephoning the Authority.
- 41 The Service makes some attempt to address human rights issues by identifying it within its risk management strategy.
- 42 The Authority has worked to reach diverse groups through its Real Nappy activity, including campaigning during Real Nappy week at Surestart centres, crossing social groups and demonstrating that real nappies can save money as well as reduce impact upon the environment.
- 43 Access to the HWRC service for people with mobility needs is better at some sites than others. A number of sites have access to containers at waist height, but others have steps to high sided skips. Site assistants are available at the centres but visibility is variable, with few centres taking a 'meet and greet' approach, both for the purpose of offering assistance and encouraging recycling.

- 44 Physical access to the MWDA office is satisfactory. The Authority now has upgraded accommodation with suitable access and facilities for those with reduced mobility; all public areas are suitable for, and accessible to, people with disabilities

Service outcomes for users and the community

- 45 The Authority has taken a lead in achieving outcomes which improve local sustainability, through reducing tonnage of waste to landfill, introduction of local waste schemes, returning old landfill sites to public open space with woodland and raising waste awareness. However, it is yet to achieve good outcomes for recycling, which lags behind the targets. Although delivering on some of its promises it is not been effective in meeting local, regional and national objectives.
- 46 There are significant issues to address. The MWDA together with its constituent councils have not succeeded in achieving its recycling targets. Unaudited data for 2005/06 indicates that 18.6 per cent of household waste was recycled or composted compared with a target of 22 per cent. This lack of achievement is due not only to a slow rate of increase in recycling by the WDA directly; the Merseyside WCAs have achieving low recycling rates and most have consistently failed to meet recycling targets, as shown in the table below.

Table 2 Recycling (BVPI 82a) and composting (BVPI 82b) performance

Council	2003/04 target	2003/04 actual	2004/05 actual	2005/06 target	2005/06 Actual - unaudited data
Merseyside BVPI 82a+b (pooled target)	12%	10%	13.4%	22.0%	18.51%
Knowsley	8%	6%	10.4%	15.0%	12.75%
Liverpool	8%	4%	7.6%	15.0%	10.69%
Sefton	14%	12%	15.0%	21.0%	19.69%
St Helens	8%	10%	15.5%	15.0%	18.78%
Wirral	12%	6%	10.0%	18.0%	12.38%
MWDA (14 HWRCs)	18%	19%	22.2%	34.0% ⁴	33.3%

(Source MWDA JMWMS)

⁴ Target agreed with DEFRA was 31 per cent; target in MWDA strategy is 34 percent

- 47 The Authority's contribution to the pooled target (pooling of the Merseyside authorities' separate recycling targets was agreed by Government for 2003/04 and 2005/06 targets), through recycling at the HWRCs has improved but is not fully achieving its target. Performance is variable ranging from 20 per cent to 50 per cent across the sites. The best recycling results are achieved at the new South Sefton site and other sites which deal with small quantities of waste.
- 48 The 14 HWRCs across Merseyside accept a broad range of materials collected: all sites accept car batteries, cardboard, engine oil, garden waste, paper, glass, and textiles. Some also accept household batteries, fridges and freezers and plastics. Vehicle height restrictions deter the disposal of trade waste. Recent new initiatives include green waste pilots. Signing on the highway is generally good and a new signing system for containers gives clear messages to users about where to place materials.
- 49 The Authority's other major contract - disposal by landfill of all the waste collected by the Merseyside collection authorities amounting to over half a million tonnes - is being executed in a satisfactory manner with no significant operational issues for the districts who bring collected waste for disposal. However, it is an old traditional contract without incentives for landfill diversion and no scope for flexibility; hence it contributes nothing to removing waste from landfill.
- 50 There is more to be done to reduce the levels of waste being generated, although less is going to landfill because of increased recycling. Overall municipal waste increased in 2004/05 by 2.6 per cent and household waste increased by 2.2 per cent. However, the tonnages recycled/composted increased by 28,685 tonnes. Consequently, the WDA is achieving diversion from landfill; tonnages are falling from a peak of 736,138 tonnes in 2002/03 to an estimated 628,348 tonnes in 2005/06 - an overall reduction of 14.6 per cent. However, overall waste generated per head (which accounts for that which is recycled and landfilled) at 583 kg for 2004/05 is high and falls in the worst 25 per cent of disposal authorities.
- 51 The Authority has met LATS targets in 2005/06 with a surplus of 31,000 tonnes. It has already purchased stop-gap allowance to meet shortfalls and to mitigate against penalties for failing to meeting its landfill diversion targets.
- 52 Waste reuse activity is undertaken and encouraged by both WDA through HWRC franchises and districts through connections from bulky waste collections, mainly to social enterprises. There are several large enterprises (the most locally promoted being Bulky Bob's which originated in Liverpool) but this is another area where a lack of formal co-ordination results in a missed opportunity to maximise reuse and promote a common and consolidated message.
- 53 The Authority and WCAs undertake education, promotion and advertising campaigns to address waste and recycling issues. These include:
- cross-Merseyside advertising by posters, bus and bus stop adverts and use of radio;
 - MWDA grants for up to £500 for Waste Awareness and Community Groups;
 - talks to community groups and householders;

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- junk mail awareness project;
- WCAs promotion and support of home composting, with Composter Giveaways jointly with the WDA; and
- doorstepping activity by WCAs.

The Authority has been able to demonstrate the effectiveness of its work in some areas. For example, a garden waste initiative at HWRCs within St Helens which showed increased tonnages for composting at the time of the introduction of the WCA's kerbside collections. However, the overall impact of such activities is not known and activity across Merseyside is not always effectively co-ordinated. This means that the value for money of its activity cannot be demonstrated.

- 54 Whilst education and awareness activity has not reached its full potential the Authority takes every opportunity to champion new and innovative techniques. For example, it is playing a key regional role in the development and testing of Planit Waste, a learning and awareness tool for councillors and other stakeholders new to waste management decision-making. Regular awareness activity includes seasonal campaigns (Christmas and Valentines Day), promotion of real nappies and support of the local community recycling forum.
- 55 The Authority is making very good use of CMC (Clean Merseyside Centre now the regional body part of the national network of Remade projects). It has sponsored CMC - a body set up to provide market development organisation for recyclable materials on Merseyside - since its inception and now benefits from resulting projects. These include projects which directly benefit the Merseyside councils providing new markets for recyclate (glass being turned into sand for golf course bunkers through an innovative scheme) and new composting facilities on Merseyside for the composting of household garden waste from the district councils and HWRCs. Such projects close the loop, taking materials from authorities' collection and reception, stimulate the local economy by supporting local businesses who process this waste and put it back to a useful purpose in the local environment.
- 56 The Authority contributes to local sustainability by maintaining its closed landfill sites with due care and carries out a restoration programme with partnership schemes to return sites to community use as woodland and open space. It commercially extracts landfill gas from the closed sites for power generation.
- 57 The Authority deals appropriately with the hazardous waste such as asbestos and electrical goods received at HWRCs and clinical waste collected by the WCAs. It also provides a collection service from residents of hazardous household materials such as garden chemicals, weedkillers, paint, insecticides, household cleaning products. This service is promoted on the WDA website.

Is the service delivering value for money?

- 58 The Authority's cost compare favourably with other WDAs but this is moderated by comparatively poorer performance and therefore there is considerable scope to improve value for money. The main focus has been on costs rather than outcomes and impact.

- 59 The cost of the service is lower than the other six Joint Waste Disposal Authorities (situated in London and Manchester). However, the Authority's performance levels do not compare well. Compared with the six JWDAs it has the second lowest recycling/composting rate, the percentage of landfill was highest and it had the highest amount of waste collected per head. There is a similar comparison with county councils and unitary authorities apart from recycling/composting which is below average rather than poor.

Table 3 BVPI comparative data for 2004/05 (median shown for other authorities)

	MWDA	County councils	Unitary authorities
Recycling/composting percentage	13.4%	27.2%	20.2%
Waste per head	583 kg	543kg	526kg
Percentage landfilled	86.5%	71%	77.9%
Cost per tonne	£41.09	£42.42	£40.16

- 60 The Authority has clear and accurate information on the costs of individual services. It is very knowledgeable of how much its services cost. It has detailed information on the full short and long-term costs of its actions and takes account of these when making decisions, such as for capital expenditure. However, comparative data on other authorities and how this relates to the quality of services is lacking. As such, any differences are not understood and used to review cost-effectiveness, strategically manage resources, improve specific outcomes and demonstrate value for money.
- 61 There are a number of actions taken by the Authority to improve value for money. It has commenced LATS trading at an early stage; this will mitigate against penalties for failing to meeting its landfill diversion targets. The additional diversion from landfill achieved in 2005/06 (although not meeting its target) will save the council tax payer almost £1 million. Current contracts have been awarded through a competitive tendering process. New MWDA proposals and developments take value for money into account through a value for money appraisal. Project delivery plans for externally bid funding contain value for money elements. Capital spending decisions are taken with full information on the revenue consequences, financial forecasts of their longer-term impact and their contribution to the achievement of the Authority's aims.

20 Waste Management | How good is the service?

- 62 WDA and its constituent authorities are not making the best use of opportunities to manage and improve value for money. These include formal co-ordination of all education and awareness programmes, engagement of the community and waste minimisation. Work on scoping the involvement of the community and voluntary sectors are underway and the Authority is currently working with the districts on a costed programme of work to promote waste minimisation.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 63 The Authority has a track record of delivering improvement. Although not yet achieving its recycling targets, the Authority together with its constituent councils, has achieved an increase in recycling and composting and hence diversion from landfill. The percentage and the actual amount of waste going to landfill have decreased, as the recycling rate increases. Between 2002/03 and 2004/05 the percentage going to landfill reduced from 91.3 per cent to 86.5 per cent. However, there continues to be an overall increase in the quantity of waste produced per head and collected by the authorities.

Table 4 Trend in Waste performance

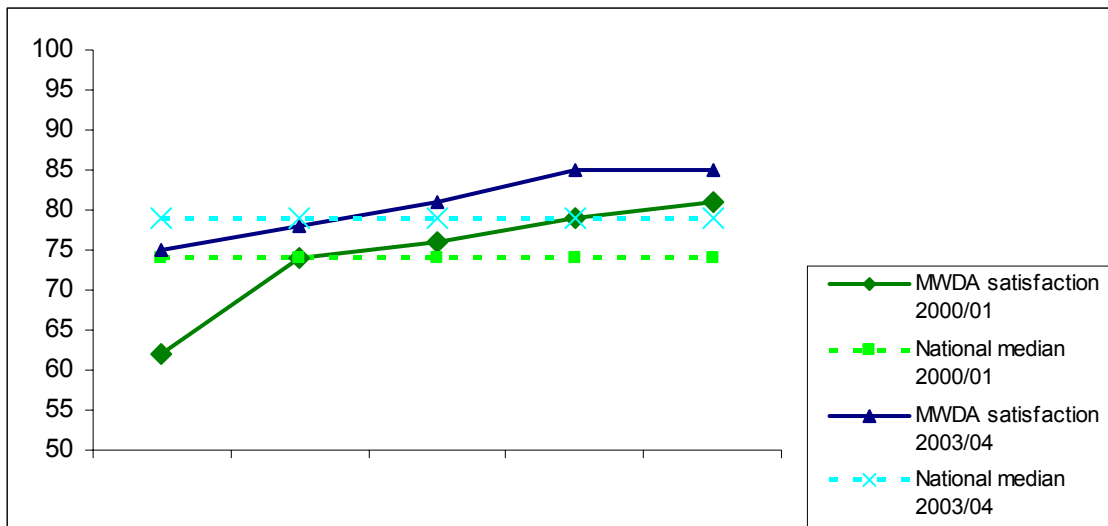
BVPI/Local PI	2002/03 actual	2003/04 actual	2004/05 actual (target)	2005/06 estimated (target)
Merseyside BVPI 82a+b Recycling + composting (pooled target)	8.5%	10%	13.4%	18.65% (22.0%)
HWRC recycling	16.5%	19.2%	22.2%	33.3% (34 %)
BVPI 84 Waste per head	574kg	570kg	583kg (581kg)	566kg (603kg)
BVPI 80d waste to landfill	91.4%	91.3%	86.5%	83.35% (77.9%)

- 64 Improvement in recycling has been made possible by the enhancements to the HWRCs. They are now easier to use with improved traffic management, a new system of signage and more green waste composting. HWRC improvement includes speedier disposal for asbestos. There have been improvements resulting from investment using external funding such as a new transfer station and MRF (Materials Recycling Facility) and IVC (In Vessel Composting) plant. These became operational from 1 April 2006. The transfer station reduces environmental impact and has resulted in a more efficient collection operation. The MRF has boosted recycling and the IVC uses new but proven technology to deal with more difficult biodegradable waste like kitchen waste. Initially the plant is taking waste from 20,000 households in Wirral to the Bidston plant. A further IVC plant will become operational at Gillmoss and close to Liverpool during 2006.

22 Waste Management | What are the prospects for improvement to the service?

- 65 The Authority has taken steps to improve its arrangements to achieve value for money. It works in partnership with the Greater Manchester statutory WDA through information sharing and studies and has used the 4Ps⁵ to review both authorities' procurement processes. These arrangements enable the authorities to share costs for information and advice. Co-operation has to date been on an informal basis but the authorities have agreed in principle to co-operate at a formal level.
- 66 User satisfaction with facilities provided by the MWDA has also improved reflecting the improvements. In 2000/01 satisfaction levels (for civic amenity sites) across Merseyside varied from 62 to 81 per cent. The figure for 2003/04 has increased to a range of 75 to 85 per cent satisfaction. This is better than national improvement rates.

Figure 1 Range of user satisfaction levels for MWDA



- 67 The Authority is responsive to external challenge and made significant progress with most of the recommendations from the Audit Commission inspection in 2003. It has addressed capacity gaps, procurement, corporate planning and governance and member development. However, there are still some issues for which the Authority has plans in progress but has not yet delivered the intended impact. These include effectively addressing waste minimisation and community engagement.
- 68 There are other areas for improvement. Although users note better provision at the HWRCs there has been inadequate improvement resulting from the remediation plan (intended to improve facilities and hence achieve recycling targets), initially put forward by the contractor and developed and modified by the WDA. As a result the contractual targets have not been achieved.

⁵ 4Ps (Public Private Partnerships Programme) is the project delivery specialist for local government often partnered by ODPM or DEFRA

How well does the service manage performance?

- 69 The Authority has a clear vision of what it is seeking to achieve and how. The JMWMS sets targets for recycling, recovery and landfill up to 2020. The aims set out in the Corporate Plan 2006/07 address the key issues the Authority has to face such as the sustainability of waste management, continuous service improvement in terms of value for money and to plans to continue to strengthen the Authority's corporate governance arrangements. The corporate aims are driving the budget. These aims now include to:
- work with our customers and stakeholders to continuously improve the services we provide in terms of efficiency, effectiveness and economy; and
 - strengthen the Merseyside Waste Partnership and its role within the wider region.
- 70 However, there are areas where target setting is weaker. Waste reduction targets remain less challenging than those set in the North West regional waste strategy (which aims for 2 per cent growth by 2006 whilst the Merseyside target date is 2010). Whilst a strong user focus is evident in the BVPP this is not identified explicitly within the Authority's aims or its supporting objectives, and thus does not make clear the difference for users.
- 71 There are key plans to support the JMWMS. These include:
- district action plans;
 - landfill capacity acquisition and LATS trading; and
 - work in progress for future provision and procurement of recycling, recovery and landfill facilities.
- 72 The establishment of district action plans, committing the councils to how, what, where and when they contribute to the JMWMS demonstrates the current strength of inter-authority communication and common purpose. They have been written to ensure convergence with the JMWMS by 2010. Arrangements to ensure continuity when existing ones terminate in 2008 are in place.
- 73 The WDA is working to put in place appropriate planning arrangements for new waste facilities. It recognises that a failure to offer potential sites to the market represents a major risk of delay in the procurement project. The Merseyside authorities have begun the process of the Development of a Waste Development Plan Document (DPD) but this will not be ready before 2010. The Authority is therefore implementing its own Planning Strategy ahead of the DPD process but through consultation ensuring that both the DPD process and the Authority's strategy remain valid and one does not undermine or invalidate the other. This strategy aims to secure sites for future waste facilities.
- 74 To support the process, MWDA recently agreed a Communications Protocol, this will ensure that all partners respect joint communications sensitivities. The MWDA Communications Protocol will align with a Site Communications Protocol through the WDPD process. A schedule of potential sites and MWDA owned sites forms part of the Outline Business Case.

24 Waste Management | What are the prospects for improvement to the service?

- 75 There are arrangements in place to ensure that corporate aims/objectives are cascaded through to projects and staff. Staff appraisals take place at regular (six months) periods and staff are positive about the Authority's training and development programmes.
- 76 Arrangements to manage performance are improving. Although the Performance Management system is still being populated arrangements are in place to address key areas such as:
- clarity of roles;
 - taking corrective action;
 - resource allocation;
 - financial management record;
 - production of performance information;
 - complementary mechanisms;
 - education and awareness programmes;
 - clarity of information; and
 - arrangements to drive and deliver improved value for money.
- 77 The Authority learns from other organisations. In particular, members have gained from visiting working alternatives both in the UK and in Europe. They have had the opportunity to speak with the appropriate decisions makers and gain an understanding of benefits and barriers to overcome.
- 78 The Authority's complaints system does not yet drive improvement. It welcomes comments and complaints which it plans to use to further improve service. The system for service users to submit complaints or comments about service performance is currently under review. In the past the contracts section have monitored this and addressed comments on a case by case basis, but it is intended that in future this will be done at a corporate level in order to produce and monitor more useful management information. Although centrally collected the complaints which are received are not analysed and used to drive further improvement.
- 79 A good level of self-awareness exists across the Authority; it recognises areas of lesser performance or improvement need and has or is developing plans and strategies to deal with these. For example, a communications strategy is under development to ensure that the need to improve recycling and the move towards facilities for residual waste needs is carefully and sensitively managed.

Does the service have the capacity to improve?

- 80 Improvements in member and officer capacity have been put in place. Better decision-making arrangements have been put in place. The JMWMS strategy includes a Memorandum of Understanding which will legally bind the Authority and councils individually to performing in accordance with the action plans. Difficult decisions have also been taken such as the change from council tax to a tonnage based levy and decisions about locating sites for facilities. However, there remain tensions such as when districts have to address local sensitive issues such as committing to changes in collection services which impact upon WDA plans. This introduces the potential for hesitation in future decision-making.
- 81 The Authority has undertaken a considerable amount of preparatory work in line with the MWMS but has yet to make some major decisions: the nature of the technology for dealing with the residual waste and the location of facilities. But members describe the Merseyside Waste Summit, held in November 2005 and attended by key members and officers from all the authorities, as a turning point for waste management in the sub region.
- 82 However, the number of influential decision-makers the councils appoint as WDA members continues to be small; only one council portfolio holder is a WDA member. It is important that the constituent councils maintain a directly high profile of WDA members to reflect the importance each council places on waste management.
- 83 The MWDA contains and has acquired a high level of competency and capacity through its own staff and advisory organisations and bodies. It has boosted its managerial capacity, enlarging the management team and employing a director for procurement. The investment in new posts, a communications team and a procurement team are making a difference by respectively improving communications with the media and maintaining good progress on procurement. Relocation of internal capacity also took place where existing skill could be better employed. This followed a Best Value Review of the Establishment.
- 84 There has been significant investment to drive forward procurement for residual waste post 2008 with a procurement director and project team, supported by advisors in legal, financial, technical and specialist land-use planning matters. The Procurement Strategy is seeking to apply best practice, improved value for money and sustainable waste solutions with flexibility to adapt to changing objectives. There has been ongoing assessment of options in the decision-making process; choosing PFI; packaging of contracts; affordability option.
- 85 The Authority has kept to the procurement programme agreed in autumn 2005 with only a few weeks slippage, but on track overall. An Expression of Interest was prepared in November. The Outline Business Case (OBC), including a reference case, affordability and planning has been agreed (May 2006) and will now be submitted to DEFRA. There has been ongoing market testing to ensure that there are prospective partners for this future contractual; arrangements which will amount to up to £3 billion over the next 25 years.

26 Waste Management | What are the prospects for improvement to the service?

- 86 The Authority is conscious of the need for, and is establishing itself as, an intelligent client which can use but not be driven by its specialist advisors. Advisors are being used well to plan a new waste service for Merseyside. The Authority, aided by its spatial planning advisor, is going back to first principles to address the need for HWRCs, assessing the population not served, moving away from the blanket policy of every household to be with a three mile radius of a centre. However, this is not yet co-ordinated with the district councils' assessments for bring site needs, where sites and centres could be in close proximity to each other.
- 87 The Authority now has enhanced capacity as a result of good training and development. The training programme for officers included all staff receiving project management training, individual staff development forms part of the performance management framework, linked to core competencies and there has been a greater element of staff training by the contractor for the assistants at HWRCs. The member induction, training and development plan has helped members to understand the salient issues of waste management. This is evidenced through an improving level of challenge and debate.
- 88 Capacity is enhanced by the wide range of experience amassed amongst MWDA staff, Waste Managers' Advisory Group (WMAG) and Senior Waste Officers' Group (SWOG); this additional experience comes from the officers and members of the district councils.
- 89 The financial position is prudently managed with adequate reserves to meet unplanned contingencies with capital investment in new facilities.
- 90 The Authority has invested in ICT, such as through WMIS (Waste management Information System which is web-based and available to MWDA and its partners). ICT is not yet maximised; improvements are still underway through the population of new systems which will allow data to be accessed by MWDA and WCAs.
- 91 The Authority is tackling sickness absence. In 2004/05, although the small establishment affects comparative performance, the Authority was amongst the worst 25 per cent of authorities. In 2005/06 sickness absence improved from 12.8 days to seven days per employee, which was equivalent to the best 25 per cent of authorities in 2004/05. However, it recognises it needs to tackle its management and management training for 2006/07 address the 'soft' management skills that MWDA managers are requesting to help address sensitive issues such as sickness absence.
- 92 Historically there have been barriers to improvement, some of which continue to preoccupy current partnership working: these are a lack of clarification about roles and responsibilities; a lack of communication amongst partners; and slow decision-making. More open debate and greater trust has alleviated these concerns. The focus of the Authority on the modernisation agenda has improved clarity around roles, responsibilities and decision-making.
- 93 The capacity for partnership between the WDA and the community and voluntary sectors is not being maximised. The Authority is yet to confirm future means of engagement with the local Community Recycling Forum.