



Update - Spring 2015

Budget 2015/16



£65.6M



Equates to £103 per household on Merseyside

£110,000...



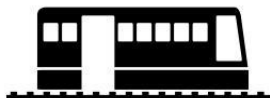
...to support Community Fund projects following 31 Expressions of Interest

Resource Recovery Contract

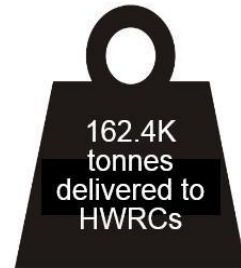


Wilton Energy from Waste plant on course for August 2016 build completion

Knowsley Rail Transfer loading station on track for May 2016 completion



100k tonnes of waste sent for recovery

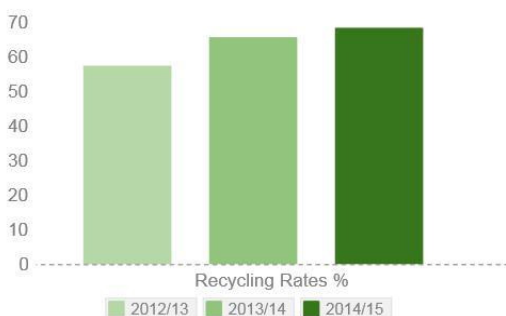


162.4K tonnes delivered to HWRCs

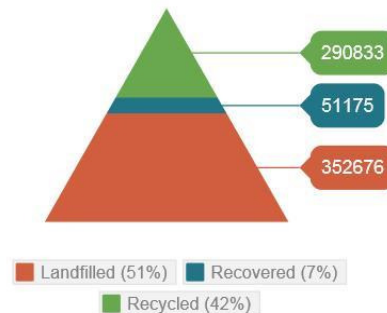


84,000 tonnes - co-mingled waste from Districts.

Amount recycled - **94%**



Household Waste Recycling Centres



Merseyside's Waste 2013/14

Resource Recovery Contract

Construction of the Wilton Energy from Waste site (see pic right) began in late January 2014 and is planned for completion by mid/late August 2016.



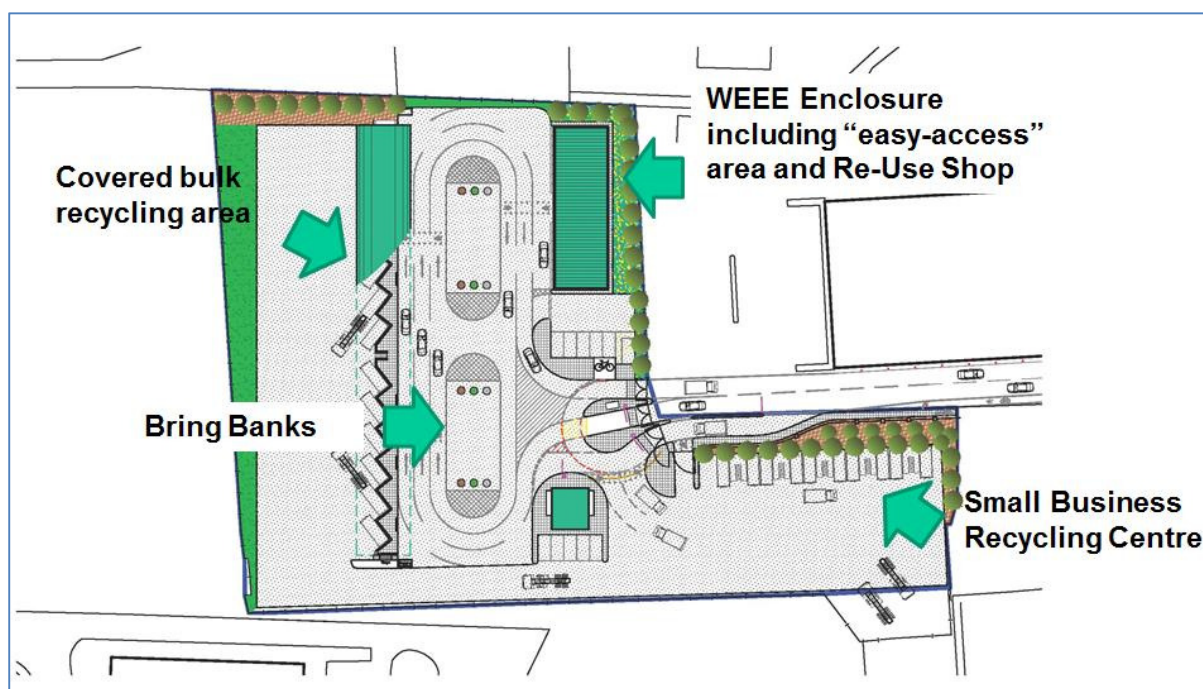
Commissioning and testing of the process plant and equipment will run alongside the construction phase and is planned to be completed by the end of August 2016. To date work is progressing according to plan.

Construction of the Knowsley Rail Transfer Loading Station is scheduled for completion in November 2015 with commissioning and testing of plant and equipment to be completed by May 2016.

Old Swan Recycling Centre

Progress is being made on the new Centre in Old Swan. We've gained planning permission to change the original entrance point for operational vehicles and to allow space for a Re-Use shop on the site (see diagram below). The Centre will accept a wide range of household materials for recycling, including car batteries, cardboard, engine oil, garden waste, paper, furniture, rubble, scrap metal, textiles, drinks cans, timber, glass and soil.

As soon as the lease is finalised with Liverpool Council we can appoint a contractor for construction, which will take around six to eight months.



Transfer Stations and Transport Services

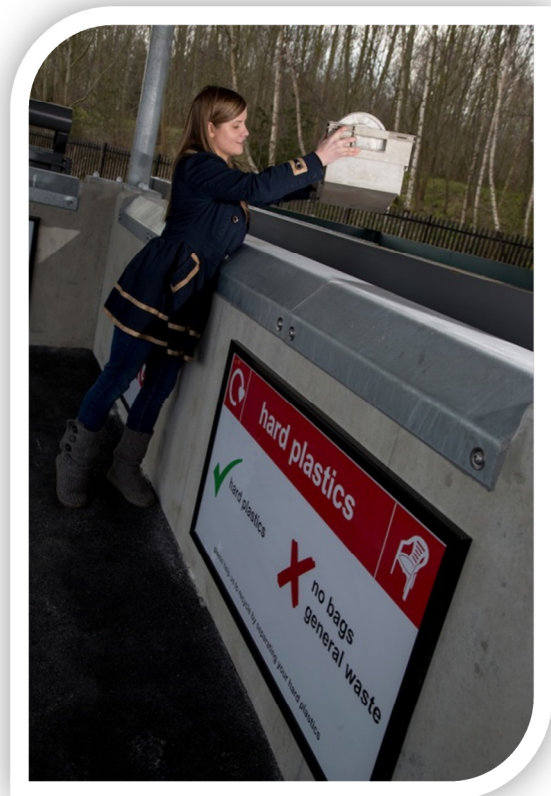
We currently receive 385,000 tonnes of collected municipal waste at the four Transfer Stations located in Huyton, Southport, Bidston and Gillmoss (*see pic, right*). At the transfer stations, waste streams are segregated in order to achieve complex contractual deliveries to 15 different waste management facilities across the UK. This consists of two facilities to process MRF residual waste, seven interim treatment facilities, two Energy-from-Waste sites and two landfill sites. We also have hazardous waste disposal arrangements for small amounts of cement bonded asbestos.



Transfer stations also provide services which allows for the recycling of Street Cleansing waste delivered by districts.

Waste Management and Recycling Contract - Performance Update

We currently receive 162,380 tonnes of waste each year at the 15 Household Waste Recycling Centres across Merseyside and Halton. This is an increase of 8,500 tonnes against last year (5.51%). 68% is currently recycled and 75% is diverted (including rubble). This excellent over-performance against a recycling target of 52.91% has minimised MRWA's waste management costs by approximately £700,000 this year.



Materials Recovery Facilities - Service Performance Update

We currently receive 84,000 tonnes of co-mingled waste each year from various Merseyside councils and Halton. The material is processed at two Materials Recovery Facilities (MRFs) at Bidston and Gillmoss. Currently 94% of the materials are recycled. This is an excellent over-performance against a target of 91%.

Landfill and Interim Contracts

Following the effective management of residual waste at the Transfer Stations, approximately 100,000 tonnes of waste per year is currently sent for processing via Interim Contracts. These arrangements increase diversion from landfill. Currently 285,000 tonnes of waste per year is sent to landfill. These interim arrangements have reduced landfill costs by £2,793,391 during the last two years. The processing of the waste is carefully managed between the various contracts to satisfy contractual conditions and to minimise costs.

Re-use shop

MRWA (in partnership with Veolia and a charity which will be selected through a procurement process) are planning to introduce a “Re-use shop” at South Sefton Recycling Centre. Using household items which have been brought to site by members of the public, the charity will clean up the items and sell them on at a price.

The Re-use Shop itself will be located in the shed at South Sefton and, as well as generating income through a profit-sharing scheme, will reduce waste management costs and divert material away from landfill. The pilot project was approved by the Authority in November 2014 and it is hoped that the shop will open in spring/summer.

10 City Challenge

The 10 City Challenge will see a whole host of activities and initiatives take place to help the Liverpool City Region tackle the issue of food waste, including:

half a dozen cookery demonstration roadshows

cookery skills classes by the Children’s Food Trust

an online tool to help people identify where they might be wasting food

key messages on the sides of bin wagons throughout Merseyside

We’re also talking with Tesco to explore promotion through their network of local stores.

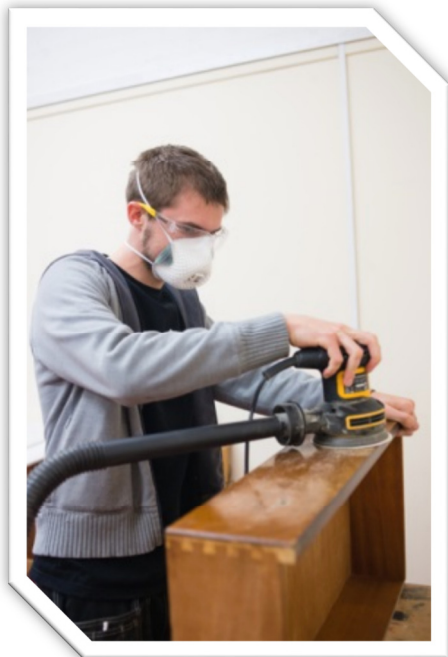
Waste Development Fund

A Waste Development Fund of £28.9million was distributed between the Merseyside District Councils and will be used by the Councils to implement new waste management projects and achieve the aims of the Joint Recycling and Waste Management Strategy.

Under terms set out in a Memorandum of Understanding, each of the Merseyside District Councils is required to produce a Performance Report each year which will set out their progress against their action plans. The first set of reports will be presented to the Authority at its meeting on 25th September 2015.



MRWA Community Fund



We have officially launched the Fund for 2015/16. The £110,000 pot of support money was announced in February and has seen interest from the local media and social media, as well as through our community networks.

The application process started earlier this year to give successful projects nine months to deliver their schemes. It has also been simplified with less form-filling for groups wanting to submit an Expression of Interest. Winners will be awarded up to £25,000 for schemes which operate across Merseyside and Halton and £8,000 for projects which work solely at local authority level and will be expected to launch their schemes in June.

Deadline for application submission was 13th March and 31 Expressions of Interest were received. Members will now consider a short-list and successful participants will be asked to develop full plans with the support of MRWA officers to deliver projects in 2015/16.

Know Your Bin campaign

Working with Liverpool Council we're targeting a small area of the city to boost doorstep recycling rates. Households in the chosen area – a bin collection round in Dingle/Toxteth – will have leaflets, fridge magnets and bin stickers delivered through letterboxes, and the chance to enter a competition for the 'best recycler'.

A Community Engagement Day was held in January at the Florence Institute (or the Florrie), which attracted several local community interest groups such as the Granby and Toxteth Development Trust. Talking with these groups has helped us put together marketing and information materials. The next stage of the campaign will see these designs finalised and printed, with launch of the campaign likely in spring.



Member Training and Development

This year's programme of training for our Members will focus on preparations for the mobilisation of the Resource Recovery Contract, the performance of the Waste Management Recycling Contract and the Authority's financial strategy including budget setting. This training will enable Members to broaden their skills and knowledge and will include study tours and workshops plus an induction process for new Members.

Establishment

As part of a commitment to streamline our workforce in line with restricted budgets and new priorities that the Authority has taken on, we have seen a reduction in staff of 15%, achieved through voluntary redundancy and retirements. Our staff structure has been revised and resources re-arranged to make sure that knowledge and skills are transferred to where they are most needed and no gaps are left in critical roles.

Communications

A review last summer pinpointed a number of improvements to help deliver all our communications, including establishing a Communications and Marketing Team headed up by the Chief Executive, plus the Corporate Services Manager and the two existing Communications Officers.

A draft Marketing and Communications Strategy has been developed which will support the Authority's Corporate Aims. Also, a Social Media Policy has been developed to ensure the appropriate use of social media by staff (*MRWA Twitter profile page pictured right*).



In relation to internal communications, a rebranding exercise was undertaken which led to the 'In the Know' campaign using the staff intranet, a new physical noticeboard in the office, and the Microsoft programme One Note.

On Twitter? Follow us @MerseysideRWA, or take a look at our www.facebook.com/MerseysideRWA page.

Finance

This financial position is based on the latest available information which is up to and including January 2015:

	Budget 2014/15 (£)	Apr-Jan 2014/15 Actual (£)	YTD Budget 2014/15 (£)	Variance vs 2014/15 YTD Budget (£)
1. MWDA Establishment	2,000,525	1,703,057	1,667,104	(35,953)
2. Waste Disposal Contracts	56,754,797	39,206,701	47,295,664	8,088,963
3. Closed Landfill Sites	333,166	143,184	277,638	134,454
4. Rents, rates and depreciation	2,195,188	1,875,645	1,829,323	(46,322)
5. Recycling Credits	5,842,020	4,115,570	4,868,350	752,780
6. Communications	39,129	21,603	32,608	11,005
7. Strategy and Resources	577,000	255,550	480,833	225,283
8. Contract Procurement	110,400	42,775	92,000	49,225
NET COST OF SERVICES	67,852,225	47,364,085	56,543,521	9,179,436

The position set out above suggests that the Authority is likely to underspend compared with budget estimates. However, the year to date budget is not a sophisticated profile of expenditure during the year but represents a more simplistic division of the budget into 12ths, so caution is needed.

In terms of establishment, the 'overspend' is due to the Authority taking advantage of a one off opportunity to pay a pension deficit lump sum in one go, early rather than over time which will save money over three years. In light of anticipated redundancies it is likely that this overspend will increase as the cost of the redundancies has to be provided for at the time of the decision is made. By the time of the year end the offsetting effect of other establishment savings is likely to reduce the impact of these separate events.

The Waste Disposal Contracts are the most significant area of the Authority's activity. This includes Landfill contracts and Landfill tax (via Mersey Waste Holdings Limited), the WMRC contract and interim contracts with Greater Manchester and FCC. The amount of expenditure shown, compared to budget suggests an underspend, in practice the likelihood is that once invoicing delays and reconciliations are taken into account at the year end there will no longer be significant underspend.

The underspend shown on the closed landfill sites is anticipated to continue through to the year end, reflecting continued success in managing leachate and emissions from the sites more efficiently.

The costs of rent, rates and depreciation reflects payment of bills that have been presented and which in some cases reflect a full year's costs rather than a part year payment.

Recycling credits payments by the Authority to Councils (and charities) are lower than had been anticipated, again this is due to slight delays in reconciliation of claims and payments, but also reflects a slightly lower than anticipated demand at this stage of the year.

The relatively low spend on the communications budget reflects some of the impact of the communications review and therefore utilising internal resources rather than external agency support.

The Strategy and Resources underspend at this stage of the year shows that not all of the proposed programmes for 2014-15 are likely to be completed on time. The support for apprentices in District Councils is underspent, awaiting demands for payments from Districts. The Waste Prevention Programme is significantly underspent at this stage and may not achieve all the planned outcomes. Partnership development monies are still not yet fully committed.

The contract procurement budget was to provide for follow up support after the RRC procurement was concluded. As anticipated it is unlikely that all of this amount will be spent during the year, although a small number of legacy bills have been presented for payment recently.

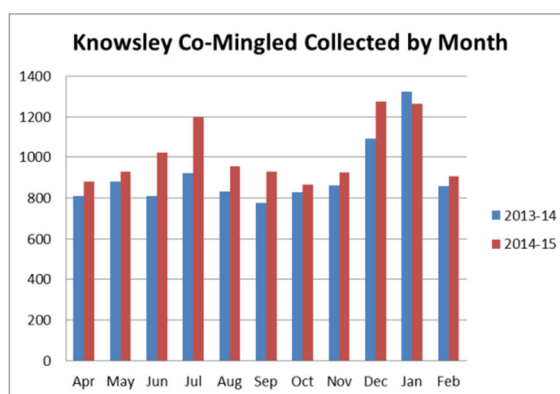
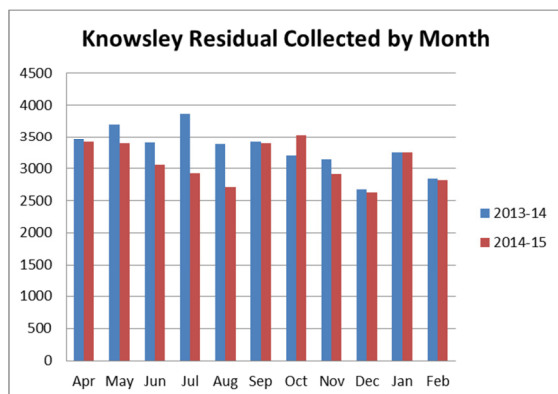
2014/15 CAPITAL PROGRAMME			
April 2014 to January 2015			
SCHEME	APPROVED 2014/15	YTD Actual Apr - Jan	Variance
	£000'S	£000'S	£000'S
HWRC DEVELOPMENT PROGRAMME			
Site1 (Replacement Huyton Site)	5.00	4.25	0.75
Site 2 (Replacement Kirkby Site)	3.00	1.66	1.34
Site 3 (additional New Site Liverpool - Old Swan)	1,400.00	20.72	1379.28
HWRC IMPROVEMENT PROGRAMME			0.00
Redevelopment of Ravenhead HWRC (Burtonhead Rd)	3.00	26.42	(23.42)
Minor improvements to existing HWRCs	0.00	0.30	(0.30)
CLOSED LANDFILL SITES			0.00
Foul Lane LFS Restoration	800.00		800.00
Various site works	200.00	7.71	192.29
			0
TOTAL	2,411.00	61.06	2,349.94

The capital programme for 2014-15 shows a very significant underspend at this stage of the year. This is very largely connected to the delay in commencing works at the new HWRC site at Old Swan in Liverpool, which is now more likely to be substantially completed during 2015-16, and which was reflected in the capital programme presented in the budget.

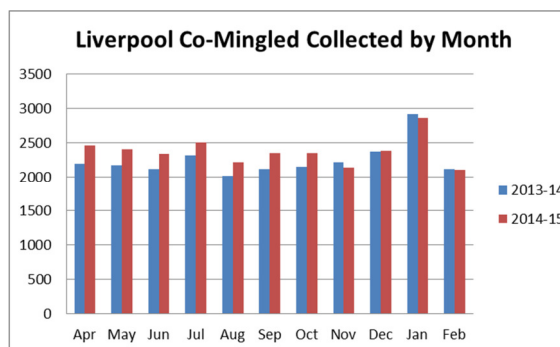
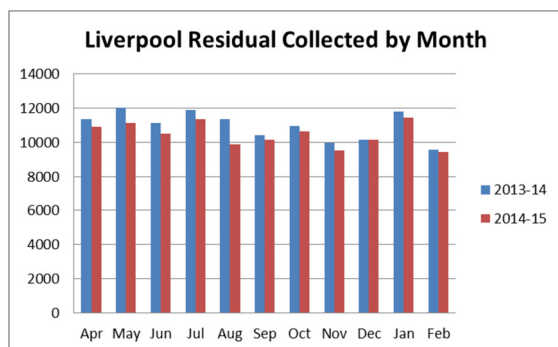
Elsewhere, the proposed restoration of the Foul Lane landfill site has been delayed in order to ensure all options for the restoration and proposals for future site uses are fully considered. The site works programme which is currently underspent and has an element of contingency will be more fully committed by the year end.

The slight overspends vs Ravenhead and HWRCs minor improvements relate to payments held back from prior years to ensure contractors completed works, and which have been subsequently paid on completion of the works.

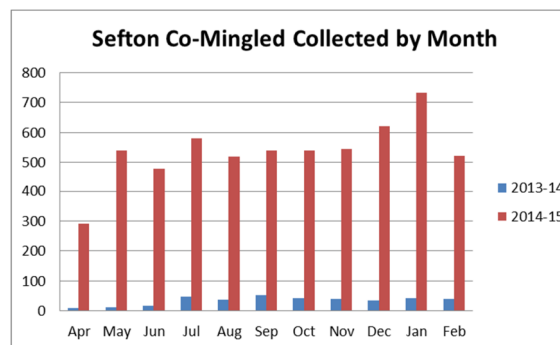
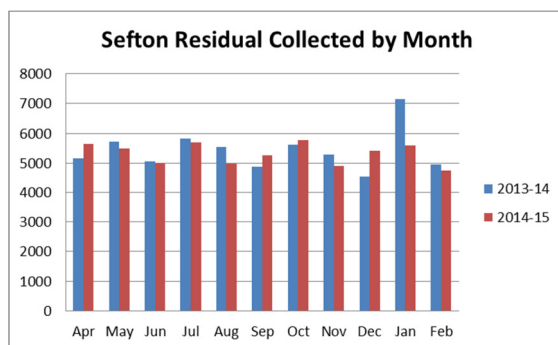
2014/15 Waste Statistics by Merseyside District:



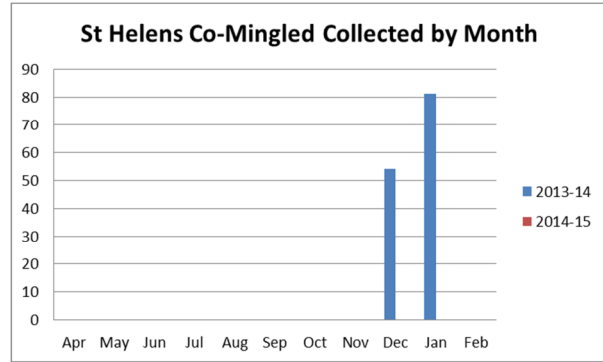
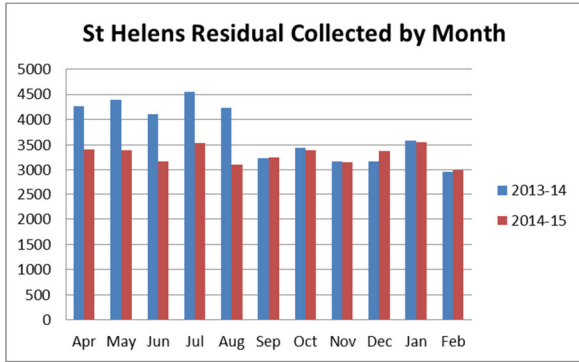
Knowsley deliver residual waste and co-mingled recyclate to the Authority under the Waste Management and Recycling Contract. For information, a Managed Weekly Collection Service was introduced on 7th October 2013.



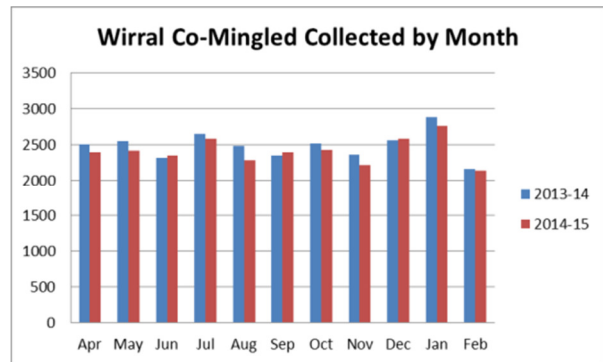
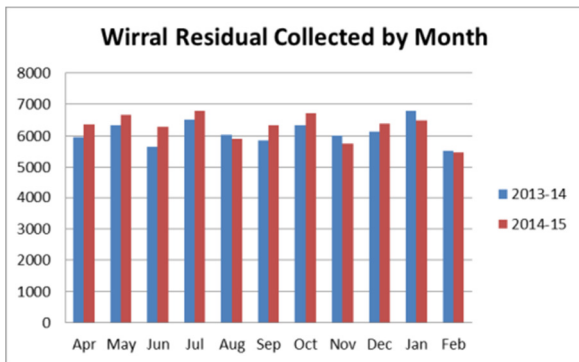
Liverpool deliver residual waste and co-mingled recyclate to the Authority under the Waste Management and Recycling Contract. For information, a Managed Weekly Collection Service was introduced on 28th October 2013 to 115,000 properties with a further rollout to 21,000 properties in September 2014.



Sefton deliver residual waste to the Authority under the Waste Management and Recycling Contract and have separate arrangements for kerbside recycling. Co-Mingled Cardboard and Plastic service delivered to the MRF introduced April 2014.



St Helens deliver residual waste to the Authority under the Waste Management and Recycling Contract and have separate arrangements for kerbside recycling. For information, a Managed Weekly Collection Service was introduced on the 23rd September 2013



Wirral deliver residual waste and co-mingled recycle to the Authority under the Waste Management and Recycling Contract.