



# agenda

MERSEYSIDE WASTE DISPOSAL AUTHORITY

**Date:** Friday, 15 April 2005

**Time:** 2.00 pm

**Venue:** North House

**Membership:-** **Knowsley Borough Council - Councillor B Swann**  
**Liverpool City Council - Councillors**  
**R Oglethorpe**  
**P Keaveney**  
**N Small**  
**St Helens Borough Council - Councillor J Fletcher**  
**Sefton Borough Council - Councillors**  
**D Tattersall**  
**K Cluskey**  
**Wirral Borough Council - Councillors**  
**J Salter**  
**S Moseley**

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9	<p>Exclusion of the Public</p> <p>Recommendation that the public be excluded from the meeting during consideration of the following item for the reason stated:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Item</th> <th style="text-align: left;">Reason</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">10,11 &amp; 12</td> <td>Exempt information relating to the financial or business affairs of any particular person (Paragraph 7 of Schedule 12A)</td> </tr> </tbody> </table>	Item	Reason	10,11 & 12	Exempt information relating to the financial or business affairs of any particular person (Paragraph 7 of Schedule 12A)	
Item	Reason					
10,11 & 12	Exempt information relating to the financial or business affairs of any particular person (Paragraph 7 of Schedule 12A)					
10	<p>Key Procurement Risks</p> <p>WDA/12/05</p>	69				
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**Merseyside Waste Disposal Authority**

**At a meeting of the Authority  
held on Friday 28<sup>th</sup> January 2005**

Present: Councillor Fletcher  
Councillor Swann  
Councillor Oglethorpe  
Councillor Small  
Councillor Cluskey  
Councillor Salter  
Councillor Moseley

22. **Apologies for Absence**

Apologies for absence were received from Councillors Tattersall, Small and Keaveney.

23. **Declaration of Interest by Members and Officers**

Councillor Swann declared a non-prejudicial interest in items 4, 6, 7 and 8, recorded here as resolutions 25, 27, 28 and 29 and a prejudicial interest in item 12, recorded here as resolution 33 in his role as a Non-Executive Director of Mersey Waste Holdings Limited.

24. **Minutes of Meeting held on 16<sup>th</sup> September 2004**

**Resolved** that the minutes of the meeting held on 16<sup>th</sup> September 2004 be approved and signed as a correct record.

25. **Revenue Budget 2005/06 and Prudential Indicators 2005/06 to  
2007/08  
WDA/06/05**

A report was submitted seeking Members approval to a revised Revenue Budget 2004/05 and to set the Revenue Budget 2005/06. Members were informed of the significant financial pressures facing the Authority resulting in a 17.9% increase. Members were also asked to approve the Authority's Prudential Indicators for the years 2005/06 to 2007/08.

**Resolved** that:

1. the Revised Revenue Budget for 2004/05 be approved;
2. a Revenue Budget for 2005/06 amounting to £45,225,502 be approved;

3. pursuant to Section 74 of the Local Government Act 1988 (as amended by the local Government and Housing Act 1989) and having regard to the budget, the Authority determines that a levy of £45,225,502 for 2005/06 be made, to be distributed between each District Council on the basis of Council Tax Base, as follows:

Knowsley	£ 4,506,511
Liverpool	£13,723,043
St Helens	£ 5,818,084
Sefton	£ 9,987,875
Wirral	<u>£ 11,189,989</u>
	£45,225,502

4. the District Councils be required to pay the Treasurer the levy due from them respectively, in pursuance of paragraph 3 of this resolution, by ten instalments on or before the 18th day of April 2005, 25th day of May 2005, 1st day of July 2005, 8th day of August 2005, 14th day of September 2005, 20th day of October 2005, 25th day of November 2005, 5th day of January 2006, 10th day of February 2006 and 17th day of March 2006.
5. the changes to the 2004/05 Prudential Indicators as shown in the Monitoring Statement attached as Appendix 5 to the report be noted;
6. the Prudential Indicators for 2005/06 to 2007/08 be approved as set out in the report and detailed in Appendix 6;
7. delegated powers of the Authority be granted to the Treasurer to the Authority to, within the total limit for each year, effect movements between the separately agreed limits in accordance with option appraisal and best value for money for the Authority; and
8. delegated powers of the Authority be granted to the Treasurer to the Authority to effect movements between borrowing and other long-term liabilities sums as with the above paragraph.

26. **Changes to the Levy Apportionment Mechanism**  
**WDA/07/05**

The Authority was presented with a report outlining an alternative method of levy apportionment from the current default mechanism which is based on a Council Tax Base. The proposed alternative method would use waste tonnages as part of its base and would be phased in over three years to mitigate the effects of such a change on some councils. Members were asked to agree a recommendation to be made to the District Councils and were advised that any change in the apportionment mechanism would require unanimous agreement.

**Resolved** that a recommendation be made to the District Councils for a change in the mechanism of apportioning the Levy for Waste Disposal to one which is more tonnage based and therefore complies more readily with the 'polluter pays' principle.

27. **Joint Municipal Waste Strategy for Merseyside**  
**Progress Report**  
**WDA/02/05**

A report was submitted informing Members of the progress in the final production of the Joint Municipal Waste Management Strategy. Members were updated on various aspects of the strategy development including Waste Minimisation, Waste Modelling, the Waste Local Development Document and consultation with district councils. Members also received a presentation on the public consultation process due to commence in February 2005.

**Resolved** that the progress on the production of the Joint Waste Management Strategy for Merseyside and the timetable for implementation be noted.

28. **Strategy Options for Managing Landfill Allowances**  
**WDA/09/05**

A report was submitted informing Members of a number of options for managing municipal waste in the light of the Landfill Allowance Trading Scheme and associated cost penalties, prior to the main waste contract procurement exercise. Members were asked to consider a draft Memorandum of Understanding to which the Authority and the district councils would be asked to sign up to with a view to improve joint working arrangements and to ensure disposal and collection decisions are not taken in isolation.

**Resolved** that:

1. the main options for minimising the levy impacts of the Landfill Allowance Trading Scheme be noted, including the chief requirement to plan jointly investments in collection and treatment facilities; and
2. the proposed Memorandum of Understanding (MoU) be agreed on behalf of the Merseyside Waste Disposal Authority and that Members seek the agreement of their respective councils to the MoU by June 2005.

29. **Annual Audit Letter**  
**WDA/01/05**

The District Auditor presented Members with the Annual Audit Letter 2003/04 on behalf of the Audit Commission. Members were informed of the District Auditor's findings on the Authority's performance relating to its accounts, performance management and corporate governance and specific recommendations for further improvement were made.

**Resolved** that the contents of the Annual Audit Letter for 2003/04 be noted.

30. **Corporate Social Responsibility**  
**WDA/03/05**

The Authority considered a report seeking Members approval to the adoption of the Draft Corporate Social Responsibility Policy. Members were informed of the benefits of such a policy and the level of commitment and resources required. A recommendation was made to develop an implementation plan within the planned Sustainability Best Value Review.

**Resolved** that:

1. the contents of the report be noted;
2. the Draft Corporate Social Responsibility Policy attached at Appendix 1 to the report be approved; and
3. the inclusion of the Corporate Social Responsibility into the framework of the Sustainability Best Value Review be approved and rescheduled for November 2005.

31. **Family Friendly Policies (Flexible Working and Special Leave Arrangements)**  
**WDA/08/05**

A report was submitted informing Members of changes in Employment Law. The report sought approval to a set of Family Friendly Policies which would align the Authorities policies with statutory provisions and also included best practice in relation to a Career Break Policy.

**Resolved** that:

1. the changes to the Statutory Provisions made under recent Employment Law legislation be noted;
2. the Family Friendly Policy (Flexible Working and Special Leave Arrangements) be approved in principle;
3. delegated powers be granted to the Director to consult the trade union and provided that there are no significant policy changes, to finalise the wording of the policy document.

32. **Exclusion of the Public**

**Resolved** that the public be excluded from the meeting during consideration of the following item for the reason stated.

<b><u>Minute</u></b>	<b><u>Reason (under the Local Government Act 1972)</u></b>
33	Exempt information concerning the financial affairs of a particular company (Paragraph 7 of Schedule 12A)

The following item had not been notified three clear working days in advance of the meeting, however, the Chairman agreed to it being considered as a matter of urgency in order to implement a decision as soon as possible.

Councillor Swann declared a prejudicial interest in the following item, recorded herewith as Minute 33, and in accordance with the Code of Conduct, withdrew from the meeting.

33. **Acquisition of Hafod Quarries Limited by Mersey Waste Holdings Limited**  
**WDA/10/05**

A report was submitted informing Members of a request by Mersey Waste Holdings Limited for Authority approval in relation to the company's acquisition of Hafod Quarries Limited.

**Resolved** that the request by the Board of Mersey Waste Holdings Limited (MWHL) to permit MWHL to accept the increased asking price specified in the report for the acquisition of shares in Hafod Quarries Limited.



**ANNUAL MEETING AND TIMETABLE OF MEETINGS 2005/06**  
**WDA/11/05**

**Recommendation**

That:

1. the Authority fix the date of its Annual Meeting for 2005/2006 and consider a programme of meetings for the Municipal Year; and
2. the Clerk to the Authority be granted delegated powers to make any future alterations to the timetable of meetings as deemed appropriate, in consultation with the Chairman and Deputy Chairman of the Authority.

**ANNUAL MEETING AND TIMETABLE OF MEETINGS 2005/2006**  
**WDA/11/05**

**Report of the Director of Waste Disposal**

**1. Purpose of the report**

To request that the Authority fix a date for its Annual Meeting for 2005/2006 and consider a programme of meetings through the year.

**2. Annual Meeting**

- 2.1. Under the provisions of paragraph 6A of the Local Government Act 1972, the Annual Meeting of the Authority shall be held on such a day between 1<sup>st</sup> March and 30<sup>th</sup> June inclusively as the Authority may fix.
- 2.2. The Authority has in the past held its Annual Meeting to follow those of the District Councils. A date at the end of May allows all District Councils to have held their own annual meetings.
- 2.3. Members should note that, with certain exceptions, a one month period of notice of appointment to the Waste Disposal Authority is required.
- 2.4. If the Authority was to delay its Annual Meeting to allow sufficient time for such appointments to become effective, it would have to hold its own meeting at the end of June. It has been the Authority's practice to hold its meetings on Fridays and if it was to follow the same timetable, the equivalent date for the Annual Meeting in the current year would be 24<sup>th</sup> June 2005.

**3. Authority Meetings**

- 3.1. As a result of the implementation of the modernisation programme in 2004/05, the Authority schedules only four meetings each year. Where key decisions or scrutiny items need to be considered by the Authority in the intervening period, special meetings can be arranged by the Clerk to the Authority, for which delegated powers are required.

- 3.2. It has been the practice of the Authority to hold its ordinary meetings at 2.00pm on Fridays. If this timetable was to be continued and the Authority agreed to the suggested date of 24<sup>th</sup> June 2005 for the Annual Meeting, a provisional timetable of meeting dates is as follows:-

24<sup>th</sup> June 2005 (AGM and ordinary meeting)  
14<sup>th</sup> October 2005  
3<sup>rd</sup> February 2006 (Budget and ordinary meeting)  
21<sup>st</sup> April 2006

#### **4. Conclusion**

- 4.1. Members are requested to agree the date of the Annual Meeting and the timetable of meetings, subject to any variations they may wish to make.
- 4.2. Members are also requested to grant delegated powers, as in previous years, to the Clerk to the Authority, in consultation with the Chairman and Deputy Chairman of the Authority, to make any future alterations to the timetable of meetings as deemed appropriate.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 – Nil.

**DEFRA POSITION STATEMENT:**  
**JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY FOR MERSEYSIDE**  
**WDA/13/05**

**Recommendation**

That:

- i) Members note and approve the Joint Municipal Waste Management Strategy (JMWMS) DEFRA Position Statement attached at Appendix 1.
- ii) The Director of Waste Disposal presents to Members the Joint Municipal Waste Management Strategy for Merseyside for their approval at their next scheduled meeting on 24<sup>th</sup> June 2005.

**DEFRA POSITION STATEMENT:**  
**JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY FOR MERSEYSIDE**  
**WDA/13/05**

**Report of the Director of Waste Disposal**

1. **Purpose of the Report**

- 1.1 For Members to note and approve the Joint Municipal Waste Management Strategy (JMWMS) DEFRA Position Statement attached at Appendix 1.
- 1.2 To inform Members of the Director of Waste Disposal's intention to continue to develop the Strategy key actions to complete the JMWMS process.
- 1.3 For the Director of Waste Disposal to present to Members for their approval, the JMWMS for Merseyside at their next scheduled meeting on 24<sup>th</sup> June 2005.

2. **Background**

- 2.1 At their meeting of 16<sup>th</sup> September 2004, Members were presented with key reports supporting the development of the JMWMS for Merseyside, they were:

- Waste Strategy Overview (WDA/48/04)
- Joint Municipal Waste Management Strategy for Merseyside (WDA/45/04)
- Waste Strategy Support Requirements (WDA/47/04)
- Waste Management Contracts Procurement Strategy WDA/44/04
- Merseyside Waste Local Development Document (WDA/46/04)

2.2 **National Context**

- 2.2.1 The EU Landfill Directive sets targets for reducing Biodegradable Municipal Waste going to landfill (reducing BMW to landfill by 25% of 1995 levels by 2010, 50% by 2013 and 65% by 2020).
- 2.2.2 In Waste Strategy 2000 the Government set national targets for recycling and composting household waste (25% by 2005, 30% by 2010 and 33% by 2015) and in addition targets for the recovery of value from municipal solid waste (40% by 2005, 45% by 2010 and 67% by 2015). The Government has set the landfill tax escalator to help encourage diversion of waste from landfill.
- 2.2.3 The Waste and Emissions Trading Act 2003 (WET Act) is intended to help the UK meet its European obligations under the Landfill Directive and places a statutory duty on authorities in two-tier areas (as in Merseyside) to have in place by April 2005 a joint strategy for the management of municipal waste.

Merseyside Waste Disposal Authority  
15<sup>th</sup> April 2005

## 2.3 Strategy Production

2.3.1 DEFRA are currently consulting on revising the guidance on the scope and process of developing joint strategies. The emerging Joint Municipal Waste Management Strategy for Merseyside will take account of the revisions to the guidance in the strategy development programme, in particular adhering to the following key areas:

- Action and Delivery
- Data Collection and Analysis
- Evaluation of Options
- Timescales
- Statutory Obligations
- Existing Plan Requirements
- Strategy Focus
- Partnership Working
- Communication and Consultation
- Risk Management
- Monitoring and Evaluation

2.3.2 In order to deliver the above key strategy requirements, the Authority has continued to consult with its constituent District Councils and has implemented further programmes of public consultation and waste collection technical scenario modelling.

2.3.3 Meetings of the Senior Officer Working Group, (SOWG) and the Waste Management Advisory Group (WMAG) have taken place to examine the financial and operational impacts on constituent District Councils

2.3.4 The strategy is being actively developed to link into the commencement of the Authority's main waste management contract procurement programme in the Autumn of 2005.

2.3.5 The strategy process will also take account of the following key areas:-

- The extensive Technical Modelling undertaken by consultants with the Authority and the Merseyside District Councils through the externally funded DEFRA WIP Local Authority Support Programme
- Results of the recent programme of public consultation on Residual Waste Management options
- Recent partnership development, in particular the current waste management facility programmes

### 3. **Current Situation**

3.1 This report is intended to highlight to Members the next stage in the JMWMS process, which will be the subject to further consultations with the Merseyside District Councils and other stakeholders.

#### 3.2 **Strategy Development Process**

3.2.1 Members should note that during the recent technical modelling process and associated consultation programmes, it was highlighted that in order to develop further the JMWMS for Merseyside, additional work would be needed in order to complete an effective delivery mechanism for the Integrated Waste Contracts Procurement Programme. The following are in need of completion:-

- Additional Technical Modelling on Residual Waste Treatment Options – to involve a review of the original AEA Technology BPEO Assessment undertaken in 2003. A bid has recently been submitted to DEFRA for further consultancy support which has proved successful (April/May 2005)
- Sustainability Assessment - The development of an appropriate timetable to compliment the strategy programme (April – June 2005)
- To take account of the current Environment Agency review of Mechanical Biological Treatment (MBT) technology (June 2005)
- Additional consultation with Merseyside District Councils on the programme of residual waste treatment options appraisal (April – June 2005)
- The planned waste facility visits in the UK and Europe for Members/Chief Officers (Summer/Autumn)
- The implications of the first stage of the Waste LDD process, the Broad Site Search Programme for waste management facilities with a associated Communications Programme (April-June 2005)
- Continuation of the JMWMS Communications Programme (April/September 2005)

#### 3.3 **Submission of JMWMS Position Statement to DEFRA**

3.3.1 DEFRA have informed the Director of Waste Disposal that a Position Statement highlighting progress on final JMWMS production must be submitted in April 2005. Accordingly, following Members approval, a Position Statement detailing current progress on strategy development together with planned work and timetables to complete the strategy by June 2005, will be submitted to DEFRA following this meeting.

3.3.2 A copy of the JMWMS DEFRA Position Statement is attached at Appendix 1 for Members approval.

3.3.3 The JMWMS is intended to be a 'live' document changing over time as the various elements, such as the waste Local Development Document process, come to fruition. However, it will be necessary to document the strategy at key points in time in order to communicate what is happening to the public and other stakeholders. A number of the key outstanding strategy programmes highlighted in Section 3.2.1 of this report will be completed before a public JMWMS document is presented to Members for approval at their next planned meeting on 24<sup>th</sup> June 2005.

#### 4. **Financial Implications**

4.1 The preliminary costs for the effective implementation of preferred waste collection systems and associated treatment are identified in the strategy document, but in summary, the main issues which the partnership needs to take account of in order to implement the JMWMS are:

- Failure to divert sufficient biodegradable waste away from landfill will require WDA's to purchase additional Landfill Allowances from other WDA's or face penalties of £150 per tonne.
- Rapid and effective joint working between the Authority and the constituent district authorities will therefore play an important role in delivering the systems required on time with the least possible impact on the levels of Council Tax.
- If sound joint waste strategies are delivered, these cost increases can be kept to a minimum. However, the potential costs of delay, or of failure to deliver the joint strategy are truly daunting.
- The total cost of implementing this strategy is likely to be significantly lower than continuing with the current practice of land-filling the majority of waste.

4.2 The strategy will identify the financial implications of implementing waste collection/treatment options. Further residual waste treatment scenario modelling to be undertaken during April/May, will complete the full financial implications of the development of more integrated waste management solutions on Merseyside, to be reported back to Members at their next meeting planned for 24<sup>th</sup> June 2005.



The Contact Officer for this Report is Mr Calvin Stockton  
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Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972 – nil.



**MERSEYSIDE WASTE DISPOSAL AUTHORITY**

**Draft Position Statement**

**Joint Municipal Waste  
Management Strategy  
for Merseyside**

**To be submitted to DEFRA  
April 2005**

## **Introduction**

This document provides a statement to Department for Environment, Food and Rural Affairs (DEFRA) on progress made in preparing Merseyside's Joint Municipal Waste Management Strategy (JMWMS), in compliance with the requirements of the Waste and Emissions Trading (WET) Act 2003 and DEFRA's clarification of October 2004. It sets out:

1. A summary of the active steps taken by Merseyside Waste Disposal Authority (MWDA) and the constituent District Councils on Merseyside to work together on the development of a Joint Municipal Waste Management Strategy
2. A synopsis of progress made
3. A summary of further strategy development planned

## **Summary**

The Joint Municipal Waste Management Strategy (JMWMS) for Merseyside sets out a vision of how waste management arrangements will be developed and implemented over the short, medium and long-term to meet the challenges of dealing with the waste that we produce in Merseyside. It includes both immediate actions and longer term processes for ensuring we divert waste from landfill, particularly the biodegradable proportion, for which we have been set challenging targets.

### **I. Active steps taken to work together**

Merseyside Waste Disposal Authority (MWDA), together with its constituent District Councils, Knowsley, Liverpool, Sefton, St Helens and Wirral, has formed a Partnership - known as the Merseyside Waste Strategy Partnership, to transform the way in which waste is managed in the future. The JMWMS sets out the way forward for the Partnership's joint working on the implementation of new waste management arrangements. The strength of the Partnership lies in some key actions:

- Memorandum of Understanding between MWDA and Districts
- The proposal of a new tonnage based Levy
- The development of a Waste Local Development Document (WLDD)
- Funding of £5M from DEFRA for joint waste facility development
- The establishment of the Clean Merseyside Centre (CMC) Market Development Programme and succession strategy
- Support for DEFRA New Technologies programme
- United approach to procurement of residual waste contracts

Date	Steps taken
March 2002	Establishment of Senior Officers Working Group (SOWG) -This group, consisting of officers from all five District Council's, MWDA and Government Office North West (GONW), are working to develop the Joint Strategy.
	Formation of the Merseyside Waste Strategy Partnership – established to help implement the new Strategy and has been successful in securing external funding to support the Strategy's development.
February/March 2005	Joint Public Consultation – a Merseyside-wide consultation exercise to ascertain public opinion on future waste management options, locations and levels of recycling.
April 2005	District involvement in providing key information to MWDA via individual technical modelling exercises.
	District involvement in providing key information to MWDA via Merseyside –wide technical modelling exercises.
	Input from District Councils into current waste facility build programmes – via support projects boards, development of collection infrastructure etc.
August 1999	Development of the Waste Management Advisory Group (WMAG) - this is made up of elected Members and Senior Officers from Districts to promote joint working and an understanding of issues at a local political level.
Proposed for 2006/7 financial year	Introduction of new Levy apportionment system on Merseyside – a new tonnage based Levy for District Councils that seeks to incentivise increased recycling.
Memorandum of Understanding to be ratified by the District Councils June 2005	Development of an Memorandum of Understanding (MOU) between MWDA and the five District Councils – a voluntary agreement between MWDA and District Councils committing them to closer joint working required to address the challenges of sustainable waste management. This will lead to an Inter Authority Agreement (IAA) a legally binding arrangement that will lead to closer integration of waste collection and disposal.
1999	Development of the Clean Merseyside Centre (CMC) – a market development programme for recycled materials and its development into a potential North West initiative.
Broad site search - May 2005.	Joint working to develop a Waste Local Development Document (WLDD) that will identify potential sites for waste management facilities within a Merseyside-wide planning framework.
1992	The formation of a Recycling Officers Forum which provides promotion of Best Practice from each District
January 2002	Support to the Community Recycling Forum that promotes the involvement of community initiatives within

	the Strategy.
2004	Establishment of the Waste Contracts Procurement Group to oversee the future waste contracts after 2008.
2004	Partnership support assessment by 4P's.
2004	Undergoing District Audit partnership diagnostic to examine ways to strengthen the partnership.

## 2. Synopsis of progress made

Merseyside Waste Disposal Authority will consider a final Strategy document in June 2005 with an accompanying public/customer document made available simultaneously. The following table highlights the progress to date:

Area	Action
Analysis of waste hierarchy	Complete analysis of the hierarchy as it applies to the Merseyside region and its current waste growth, collections and disposal.
Waste minimisation	A specific waste minimisation strategy for Merseyside. The strategy will aim to achieve unified waste minimisation, recycling and diversion targets, ensuring full co-ordination with the Merseyside District Councils.
Re-use	A re-use action plan with measures that when implemented will save money, promote efficiency, conserve resources and reduce waste to landfill
Recycling and composting	The following key improvements are agreed in partnership with the Merseyside District Councils: <ul style="list-style-type: none"> <li>• Improve recycling and diversion of biodegradable municipal waste (BMW) from landfill through existing Household Waste Recycling Centre's (HWRCs)</li> <li>• Improve and increase levels of biodegradable recyclables (paper, card, textiles) collected through existing kerbside collection systems</li> <li>• Introduce or expand garden waste collections</li> <li>• Review the feasibility of introducing alternate week collections</li> <li>• Review the feasibility of introducing kerbside kitchen waste collections</li> </ul>
Recovery	<ul style="list-style-type: none"> <li>• Procure residual treatment as soon as possible through existing MWDA facility build programmes and DEFRA New Technologies programme</li> <li>• Commission additional residual waste management options modelling in 2005 to complement the contracts procurement and align to overall JMWMS programme.</li> </ul>

Diversion	Waste management facility development to include: In-vessel composting (IVC), New Technologies demonstrator project, new Household Waste Recycling Centres (HWRCs) and Materials Recovery Facilities (MRFs). Also to promote the commercial attractiveness of green waste composting capacity.
Generic scenario modelling for diversion of BMW inc LATS	Completion of extensive modelling programmes for waste collection options across Merseyside including kitchen and green waste collections through funding from the DEFRA Local Authority Support Unit (LASU) programme
Development of Waste Local Development Document (LDD)	Appointment of consultants to initiate a broad site search of potential locations for waste management facilities.
Action Plan	A full programme of actions to support JMWMS development has been identified and agreed.
District consultation on residual waste management options	Additional meeting of Citizen Juries and Merseyside District Councils.
Waste management procurement process	Appointment of Project Board approved and Prior Information Notice (PIN) issued. Technical and financial appraisals undertaken for the next 25-year period to inform the business case for Private Finance Initiative (PFI).
Interim waste facility build programme	Programme includes: <ul style="list-style-type: none"> <li>• Wirral - Bidston Integrated Waste Facility: MRF, IVC, Transfer Station, new HWRC and Education Centre</li> <li>• Liverpool - Gillmoss IVC</li> <li>• Sefton- New HWRC at South Sefton</li> <li>• Liverpool – New HWRC 2005/2006</li> <li>• Liverpool – Proposed new HWRC 2006/2007</li> <li>• Proposed New technologies demonstrator – awaiting confirmation</li> </ul>
CMC – establishment of a potential North West market development programme	Scoping study complete leading to the implementation of a market development and business plan and finalisation of CMC succession strategy.
Generic marketing campaign	Completion of a Merseyside-wide awareness campaign to educate and inform on a number of issues including recycling and waste minimisation.
Memorandum of Understanding	Approval By MWDA which will lead to individual District ratification (June 2005).
Discussion with 4P's and North West Centre of Procurement Excellence	To develop Best Practice.
Application to Innovation Forum (Joint working in two-tier authorities)	Application made and awaiting notification.

### 3. Further strategy development

In order to complete the Strategy, MWDA will undertake some additional steps to ensure a robust yet flexible document, is produced for use by all partners. The additional steps that will be undertaken before June 2005 will be:

Area	Action
Residual waste modelling	Complete final residual waste option modelling using technical consultants and associated public consultation. The results of which will inform the agreed procurement programme for residual waste management.
Confirmation of Merseyside targets	<p>To confirm with District final targets for waste minimisation, recycling and composting and recovery. Targets suggested are:</p> <ul style="list-style-type: none"> <li>• Reduce growth of waste to: 2% by 2010 0% by 2020</li> <li>• Recycling and composting to be: 22% by 2005 33% by 2010 38% by 2015 44% by 2020</li> <li>• Residual waste recovery targets to be: 15% by 2010 45% by 2015 44% by 2020</li> <li>• Landfill targets to be: 78% by 2005 52% by 2010 17% by 2015 12% by 2020</li> </ul>
Final waste minimisation strategy	To complete and gain Authority approval (June 2005).
Production of full JMWMS document in line with emerging DEFRA guidance	To complete and gain Authority approval (June 2005).
Production of customer/public summary of JMWMS	To complete and publish. (June 2005).
Marketing and communications plan	To formulate a wide ranging and detailed plan to help implement and raise awareness of the Strategy with multiple audiences and stakeholders.
Waste composition analysis	To implement a programme across Merseyside from

	October 2005 to Summer 2006.
Private Finance Initiative application	To submit a PFI application for residual waste treatment contract and facilities. (August 2005).
To address key procurement risks	A report to be submitted to the Authority in April 2005 to seek Members agreement to address key procurement risks e.g position of LAWDC and due diligence and strategic sites acquisition.
The development of a Merseyside-wide Waste Database (Waste Management Information System)	To facilitate submission of data returns to Government e.g. the Tradable Landfill Permits System under the Waste and Emissions Trading Act.
Best Practice Waste Facility Visits (UK and Europe)	Currently finalising visit programme for Members and Chief Officers.



**CORPORATE PLAN 2005/06**  
**WDA/15/05**

**Recommendation**

That:

1. Members' views are sought on the proposed Corporate Plan 2005/06; and
2. the Authority's Aims and Objectives be approved.

**Report of the Director of Waste Disposal**

**1. Purpose of the report**

To advise Members of a draft Corporate Plan 2005/06 for the Authority and to seek Members' views on any additions or alterations to the plan.

**2. Background**

2.1. At the Authority meeting on the 6<sup>th</sup> February 2004 (WDA/05/04), Members endorsed a 'top-level' Service Plan for the Authority as part of the Authority's Performance Management Framework (PMF).

2.2. This Service Plan identified a Vision, Aims and Objectives from which key action plans for improvement were drawn.

2.3. During 2004/05, the Authority has continued to develop its approach to project management which forms a fundamental part of its PMF. The Service Plan has been replaced by a Corporate Plan which has been structured to demonstrate clear links between objectives and the management of the Authority's performance, particularly how the implementation of specific projects will contribute to corporate goals.

**3. Achievements Against Previous Plans**

3.1 The Authority has, successfully, achieved many of the key actions covered in the previous Service Plan (WDA 05/04) and the Best Value Performance Plan for 2004/2005.

3.2 In particular the new South Sefton Household Waste Recycling Centre was completed and opened. Work is well underway on the development of the integrated waste management facility at Bidston, Wirral, and work will soon begin on a composting facility at Gillmoss, Liverpool.

3.3 We have continued to work with District Councils to promote general recycling awareness and have delivered innovative advertising and promotions with, for example, St. Helens Council.

- 3.4 All Merseyside District Councils have joined with the Authority in embarking on developing a joint waste planning framework for Merseyside.
- 3.5 The Authority has also recently agreed to move to a tonnage-related levy apportionment method in 2006 which will incentivise recycling at District Council level.
- 3.6 A formal Procurement process has begun for the main waste contracts, with a view to contract start in 2008.
- 3.7 We have improved our performance and risk management approaches, have undertaken more discussion with Members at policy workshops and have continued to develop our project management competence and capacity.
- 3.8 Consultation remains a key feature of the Authority's work and we have recently completed a public consultation on residual waste treatment options and have continued to engage with the Citizens Juries for waste.
- 3.9 A feasibility study and Business Plan are under development for the succession strategy for our market development programme, the Clean Merseyside Centre.
- 3.10 The Audit Commission in the Annual Audit and Inspection letter (WDA 01/05) highlighted the following key messages and actions for Members attention:

#### Authority performance

*'The authority has made good progress in implementing the principles of effective risk management. The authority should continue to strengthen these arrangements.*

*The arrangements for collecting Best Value Performance Indicator information and for publishing that as part of a Best Value Performance Plan are robust. The authority faces a challenging agenda with ambitious targets for waste minimisation and recycling set against increasing costs and volumes of household waste. Recycling performance throughout Merseyside varies significantly and it is disappointing that the overall target was not achieved for 2003/04.*

*The authority is working with local authorities across Merseyside to develop a Joint Municipal Waste Management strategy that will enable it to meet the challenging targets that it faces'.*

### Action needed by the Authority

*'We set out below the specific actions we recommend are taken to further enhance the management of waste disposal across Merseyside.*

- *Continue to lead the development of the waste strategy to enable the authority to deliver effectively against a very challenging agenda.*
- *Continue to strengthen risk management arrangements.*
- *Work closely with the other local authorities in Merseyside to minimise the impact of the significant increases in costs that will impact on the levy'.*

## **4. Proposed Corporate Plan**

4.1 The proposed Corporate Plan has been structured to identify 3 Key Aims. These are:

- To improve the sustainability of municipal waste produced on Merseyside by managing such waste using the waste hierarchy.
- To continuously improve the services we provide in terms of efficiency, effectiveness and economy
- To continue to strengthen the corporate governance of the Authority

4.1 Each Key Aim has a number of objectives, from which key projects have been identified. Performance Indicators are being developed to allow tracking of performance against objectives.

4.2 Attached at Appendix 1 is a draft Corporate Plan which highlights the proposed Aims and Objectives and includes a full listing of current major projects and their key deliverables. Each project has been given a level of priority to assist in the assignment of resources.

4.3 The intention is that this plan will be reviewed by the Director as and when new projects are identified. Before approving resources to new projects, consideration will be given to their relative benefits, priority and contribution to corporate objectives.

## **5 Information System**

5.1 An information system is being implemented as part of the ongoing development of the Authority's Performance Management System.

- 5.2 The system selected is Excelsis which has been developed by St Helens MBC and funded by the Office of the Deputy Prime Minister (ODPM). The system offers a 'golden thread' approach to performance management whereby corporate objectives can be linked from top level corporate plans through to individual work plans and objectives.
- 5.3 The software is crown copyright and is therefore available to the Authority free of charge. Additional funding has also been secured by St Helens to pilot the system with other Authorities. The Authority is part of the pilot programme and has received support in structuring corporate plans with consultants as part of the pilot programme.
- 5.4 Work is currently underway to populate the system with the Authority's corporate plan and project plans. Once fully implemented, it will provide Members and officers with a system for managing performance throughout the year.
- 5.5 The system will provide regular progress reports using traffic light icons to illustrate at a glance whether or not projects are progressing according to plan. To support this, a wide range of performance indicators are currently being developed.

## **6 Conclusion**

- 6.1 Members views are sought to on the content of the proposed Corporate Plan.
- 6.2 Members are asked to approve a Corporate Plan for 2005/06.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 – Nil.



### DRAFT CORPORATE PLAN 2005/06

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
1. To improve the sustainability of municipal waste produced on Merseyside by managing such waste using the waste hierarchy.	1.1 To provide services and facilities which directly contribute to the implementation of the Joint Waste Management Strategy for Merseyside (JMWMS)  PIs/Targets – 3 new HWRCs and existing refurbished or replaced	South Sefton Recycling Park	High	<ul style="list-style-type: none"> <li>To develop use of the Bulking Shed</li> <li>To improve recycling performance.</li> </ul>
		North Liverpool HWRC	High	<ul style="list-style-type: none"> <li>To provide additional recycling facilities for public use.</li> <li>To improve recycling performance.</li> </ul>
		Bidston Integrated Waste Management Facility	High	<ul style="list-style-type: none"> <li>To provide a WTS by Aug 05.</li> <li>To provide a MRF capable of processing 30k tonnes/year by Mar 06.</li> <li>To provide IVC facilities capable of processing 10.4k tonnes/year of household kitchen/green garden waste by Mar 06.</li> <li>To provide Education Visitors Centre by March 2006.</li> <li>To provide revamped HWRC by March 2005.</li> </ul>
		Gillmoss IVC	High	<ul style="list-style-type: none"> <li>To provide IVC facilities capable of processing 15.6k tonnes/year of household kitchen/green garden waste by Mar 06.</li> </ul>
	DEFRA New Technologies	Medium	<ul style="list-style-type: none"> <li>To contribute towards the diversion targets for biodegradable waste.</li> <li>To demonstrate new technologies.</li> </ul>	
	1.2 To optimise waste <b>reduction</b> in line with the JMWMS.	Implementation of HWRC Best Practice re waste minimisation	Medium	<ul style="list-style-type: none"> <li>To implement fixed height barriers and permit scheme by July 2005.</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
	<p>PIs/Targets – as per strategy</p>	<p>Implement the Waste Minimisation Strategy</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• To reduce the level of municipal waste arisings to below the English average by 2006/07</li> <li>• To reduce residual municipal waste to below the English average by 2010</li> <li>• To reduce the growth in waste to 2% by 2010 and 0% by 2020</li> </ul>
	<p>1.3 To optimise waste <b>re-use</b> where reduction is not possible and in line with the JMWMS. PIs/Targets – as per strategy</p>	<p>To develop a Re-Use Strategy as part of the JMWMS</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• To implement re-use actions as part of the JMWMS</li> </ul>
	<p>1.4 To optimise waste <b>recycling and composting</b> where re-use is not possible and in line with the JMWMS. PIs/Targets – as per strategy and BVPIs</p>	<p>Implementation of HWRC Best Practice re re-use</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• To implement the requirements of the waste minimisation strategy in relation to reuse at HWRCs.</li> </ul>
		<p>Clean Merseyside Centre</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• To recycle or compost 30% of all waste at HWRCS by September 2006</li> <li>• To divert from landfill 45% of all waste at HWRCS by September 2006</li> <li>• To arrange for at least twelve site visits per year to HWRCs by community groups.</li> </ul>
			<p>Medium</p>	<ul style="list-style-type: none"> <li>• To divert 50K tonnes from landfill by Jan 2006</li> <li>• To create 2 new businesses by Jan 2006</li> <li>• To assist 25 SME's by Jan 2006</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
		Implement Waste Minimisation and Recycling Awareness Campaign	Medium	<ul style="list-style-type: none"> <li>To work with local districts to develop a partnership approach to communications, education and awareness in relation to recycling and waste minimisation.</li> <li>To develop Authority specific communications and awareness approaches for recycling and waste minimisation.</li> <li>To develop communications and publicity about new sites and services as required.</li> </ul>
		WRAP Green Waste Project	High	<ul style="list-style-type: none"> <li>To compost an additional 2,400 tonnes of green waste (above 2003 levels) from St Helens HWRCS by April 2006</li> </ul>
	<p>1.5 To optimise waste <b>recovery</b> where actions higher up the waste hierarchy are not practicable and in line with the JMWMS.</p> <p>PIs/Targets – as per strategy and BVPIs</p>	Bidston Methane Exit Strategy	Medium	<ul style="list-style-type: none"> <li>To assess cost/income generation assessment of remaining commercial capacity</li> <li>Assessment of Post Commercial Infrastructure Options and requirements for continued active gas extraction</li> <li>Implement appropriate strategic consultation with Planning Authorities regarding existing Planning Obligations and other statutory responsibilities</li> </ul>
	<p>1.6 To only landfill waste where actions higher up the waste hierarchy are not practicable in line with the JMWMS.</p> <p>PIs/Targets – as per strategy and LATS allowances</p>	Implement LATS Strategy	High	<ul style="list-style-type: none"> <li>To set budget for LATS provision in 2005/06</li> <li>To update Waste Data Flow on a quarterly basis</li> <li>To arrange for sufficient allowances to be available in 2005/06 through borrowing or purchase from other Authorities</li> </ul>



AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
<p>2. To continuously improve the services we provide in terms of efficiency, effectiveness and economy</p>	<p>2.1 To lead the development of a Joint Municipal Waste Management Strategy for Merseyside</p> <p>PIs/Targets – Sign up to MoU, Strategy in place, planning approvals</p>	<p>Establish Joint Municipal Waste Management Strategy</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• To submit a Waste Strategy position statement to DEFRA by 31<sup>st</sup> March 2005</li> <li>• To produce a first draft Joint MWMS by April 2005</li> <li>• To finalise a Joint MWMS by June 2005</li> <li>• To complete Merseyside Waste Strategy BPEO Modelling by 31<sup>st</sup> July 2005 to be aligned with the final waste strategy production programme</li> </ul>
		<p>Develop a Waste Local Development Framework</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Produce a Joint WLDD for adoption by all Merseyside Authorities by end of 2007</li> <li>• Undertake a broad site search to identify areas of land suitable for the establishment of waste management facilities by May 2005</li> <li>• To provide a final broad sites search report by May 2005 to inform the LDD Process and Waste Strategy Procurement.</li> </ul>
		<p>Develop Joint Working Arrangements (MoU)</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• To ensure co-ordinated delivery of the final Joint MWMS Strategy.</li> <li>• MoU to be ratified by all Merseyside District Councils before the end of June 2005</li> <li>• Work towards developing a more detailed Inter Authority Agreement before the end of December 2005</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
	2.2 To deliver waste services to the required performance levels  PIs/Targets – Contract Performance / compliance levels	Waste Contract Management	High	<ul style="list-style-type: none"> <li>• To ensure waste management services contracts and performance levels are maintained</li> <li>• To ensure a controlled waste direction is issued to each constituent waste collection authority before 1st April each year</li> <li>• To carry out at least four client monitoring inspections at each HWRC and delivery point per month.</li> </ul>
	2.3 To review all services at least every five years and implement improvement programmes  PI's/Targets – Completed BVRs, surveys, complaints	BVR Programme	Medium	<ul style="list-style-type: none"> <li>• To complete a review on sustainability by November 2005</li> <li>• To complete a review of Clinical Waste by March 2005</li> <li>• To complete a review of HWRC's by December 2006</li> <li>• To complete a review of Waste Minimisation and market development by December 2006</li> <li>• To complete a review of the JMWS by January 2008</li> <li>• To complete a review of Establishment by July 2008</li> </ul>
		Monitor and review Complaints System	Medium	<ul style="list-style-type: none"> <li>• To establish a system of monitoring complaints</li> <li>• To report performance quarterly from 2005/06</li> </ul>
	2.4 To manage sites and facilities in a safe and environmentally responsible manner	Environmental Management	Medium	<ul style="list-style-type: none"> <li>• To ensure the Authority's statutory and legal obligations are met.</li> <li>• To improve Corporate Social Responsibilities performance</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
	<p>PIs/Targets – pollution levels within statutory guidelines</p>	Billinge LFS	Low	<ul style="list-style-type: none"> <li>• To complete site capping works to comply with EA instructions.</li> <li>• To restore and landscape the site to comply with planning conditions.</li> <li>• To obtain lease and planning approvals to secure long term access to the site.</li> </ul>
		Sefton Meadows LFS 3 Access Improvements	Low	<ul style="list-style-type: none"> <li>• To provide safe and suitable means of access to maintain existing site infrastructure.</li> </ul>
		Red Quarry LFS Long Term Management	Low	<ul style="list-style-type: none"> <li>• To investigate the potential to develop the long term management of the site within the Forestry Commission Newlands Programme.</li> <li>• To complete restoration of the site to a community woodland and open the site as a public open space, in line with planning conditions.</li> </ul>
		Bidston Moss LFS Long Term Management.	Low	<ul style="list-style-type: none"> <li>• Development of an appropriate long term management structure to manage the site within the Forestry Commission Newlands Delivery Programme by June 2005</li> <li>• For the site to be locally managed in the interests of public enjoyment, community education and landscape enhancement.</li> <li>• To develop and finalise an appropriate land transfer Agreement and Lease between MWDA and the Forestry Commission to manage the Community Woodland by April 2005</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
	2.5 To improve access to information and profile PIs/Targets – website hits, positive press coverage, service levels re WMIS, electronic services BVPI	Website Development	Medium	<ul style="list-style-type: none"> <li>• To relaunch the MWDA Website by March 2005</li> <li>• To implement a Content Management System by March 2005</li> <li>• To further develop the website to provide a wider and more detailed range of information to key audiences</li> </ul>
		Implement a Waste Management Information System	Medium	<ul style="list-style-type: none"> <li>• To install a WMIS by April 2005</li> <li>• To import waste data for 2004/05 into the system</li> <li>• To launch the system and develop MWDA and WCA access to the system by September 2005</li> </ul>
		Implement PR and Communications Strategy	High	<ul style="list-style-type: none"> <li>• To deliver a marketing campaign to key audiences using a variety of media and communication channels based on the Authority's key messages in relation to waste management, recycling and waste minimisation.</li> <li>• To formulate a flexible overarching communication action plan for the Authority encompassing its key projects and developments.</li> <li>• To improve and develop the Authority's corporate communications and lobbying with local and national key audiences including all elected members, MP's and MEP's.</li> </ul>

AIMS	OBJECTIVES	KEY PROJECTS	PRIORITY	KEY DELIVERABLES
<p>3. To continue to strengthen the corporate governance of the Authority</p>	<p>3.1 To procure goods and services in accordance with best practice  <i>PIs/Targets – as per project milestones</i></p>	<p>To procure waste management services and facilities to meet the requirements of the JMWMS</p>	<p>High</p>	<ul style="list-style-type: none"> <li>To dispatch contract notices to OJEU by July 2006</li> <li>To appoint service provider by April 2008</li> <li>To commence new service contracts on 1st October 2008</li> </ul>
	<p>3.2 To continue to develop the Authority as a fair, open, honest and inclusive organisation  <i>PIs/Targets – Unqualified opinion from AC</i></p>	<p>Continue to seek agreement to a change in the Levy Apportionment</p>	<p>High</p>	<ul style="list-style-type: none"> <li>To gain unanimous agreement from the WCA's by June 2005</li> <li>To change the levy apportionment for 2006/07</li> </ul>
		<p>Publish BVPP each year</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>To publish summary information by February 2005</li> <li>To publish BVPP 2005/06 by June 2005</li> </ul>
		<p>Publish Final Accounts each year</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>To publish accounts by July 2005</li> <li>To receive an unqualified opinion from the Audit Commission</li> </ul>
		<p>Implement an effective Risk Management Strategy</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>To produce a Corporate Risk Register by June 2005</li> </ul>
		<p>Implement an effective Performance Management Framework</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>To approve Corporate Aims and Objectives by April 2005</li> <li>To implement Excelsis by July 2005</li> <li>To record and monitor performance by December 2005</li> </ul>
	<p>3.3 To develop and support our staff and Members  <i>PIs/Targets – Corporate BVPIs, surveys, recruitment and retention levels, training and development deliverables</i></p>	<p>Implement a Member Training &amp; Development Plan each year.</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>To agree a Training and Development Plan for 2005/06 by July 2005</li> <li>To conduct at least 3 workshops in 2005/06</li> </ul>

<b>AIMS</b>	<b>OBJECTIVES</b>	<b>KEY PROJECTS</b>	<b>PRIORITY</b>	<b>KEY DELIVERABLES</b>
		Implement the Staff Development Programme each year	Medium	<ul style="list-style-type: none"> <li>• To conduct first round staff development interviews by May 2005</li> <li>• Produce training plan for all employees by June 05</li> <li>• Progress staff development reviews to be undertaken by November 2005</li> </ul>

**LINKS TO OTHER STRATEGIES:**

- EU Landfill Directive
- Waste Strategy 2000 – Revised
- North West Regional Waste Strategy
- Sustainability (AFS)
- Gershon / Best Value
- Merseyside Strategic Agenda

**BIDSTON MOSS – LEASE AGREEMENT BETWEEN THE AUTHORITY AND THE FORESTRY COMMISSION**  
**WDA/14/05**

**Recommendation**

That:

- i) Members note the progress in establishing the Community Woodland at Bidston Moss
- i) Members approve that the Authority enters into a 99 year lease with the Forestry Commission for long-term management of the Community Woodland
- ii) Members approve the Director of Waste Disposal to finalise the lease as appropriate
- ii) Members approve a controlled opening of the Community Woodland to the Public during 2005, subject to Authority finalising the Risk Management and Health and Safety issues at the site



**BIDSTON MOSS – LEASE AGREEMENT BETWEEN THE AUTHORITY AND THE FORESTRY COMMISSION**  
**WDA/14/05**

Report of the Director of Waste Disposal

1. Purpose of the Report
  - 1.1 To inform Members of progress in the development of the Community Woodland at Bidston Moss
  - 1.2 To seek members approval for the Authority to enter into a 99 Year lease with the Forestry Commission for Long term Management of the Community Woodland.
  - 1.3 To seek Members approval for the Director of Waste Disposal to finalise the lease as appropriate
  - 1.4 Members approve a controlled opening of the Community Woodland to the Public during 2005, subject to Authority finalising the Risk Management and Health and Safety issues at the site
  
2. Background
  - 2.1 The Authority through the development of a strong partnership, has successfully completed the physical restoration of Bidston Moss Closed Landfill Site to a Community Woodland
  - 2.2 The aspirations for Bidston Moss are to centre on developing strategic partnerships and funding opportunities to unlock the full potential of the site to go beyond the physical restoration work, to complete and to provide a new recreational facility which will ensure maximum local community benefits and a long term sustainable future for the site
  - 2.3 The Bidston Moss Community Woodland Long Term Management Programme has key overriding objectives, they are:
    - For the site to be locally managed in the interests of public enjoyment community education and landscape enhancement
    - To provide environmental education services for local people and visitors
    - Further enhance the site infrastructure for community benefit

- Benefit from public and private sector funding opportunities
- The development of co-ordinated community communication
- To develop and finalise an appropriate land transfer Agreement and Lease between MWDA and the Forestry Commission to manage the Community Woodland
- To ensure that MWDA's liabilities in terms of landfill site environmental management and pollution control are discharged as appropriate
- Development of an appropriate long term management structure to manage the site within the Forestry Commission Newlands Delivery Programme

2.4 The key driver which will influence the direction of the project is for the effective transfer of the community woodland to the Forestry Commission under a long term lease agreement to manage the site for the benefits of the community and stakeholders

### 3. Current Situation

3.1 In order to deliver an effective long term management opportunity for the site, the Authority has implemented the following programmes:

- i) Entered into a Service Level Agreement with Groundwork Wirral in order to implement key deliverables which include the establishment of a Community Development Trust to manage the Community Woodland on behalf of the Partnership, by 30<sup>th</sup> June 2005
- ii) Working with the Forestry Commission through the NEWLANDS programme to deliver long term aspirations for the Community Woodland as part of a regional programme of community woodland development and long term funding opportunity
- iii) Established a Project Management Board, through the Authority, to implement the key objectives in developing the aspirations of NEWLANDS and long term site management for the site
- iv) Implemented a programme to finalise a lease agreement with the Forestry Commission, in order to effectively release long- term financial opportunity for the site through the NEWLANDS initiative.
- v) Implemented a programme of work to potentially open the site to the general public during 2005, subject to the finalisation of all Risk Management/Health and Safety Issues at the site
- vi) The establishment of an over-arching Community Communications Plan to integrate the promotion of the site together with the Bidston Integrated Waste Management Facility – bringing together best practice through established partnership working

3.2 In order to release the potential of the partnership with the Forestry Commission and NEWLANDS, the Authority needs to complete a lease agreement with the

Forestry Commission as soon as possible. This agreement will release the Capital and Revenue spend from the NEWLANDS to effectively commence the longer term delivery programme and in addition contribute the finalisation of the Community Development Trust in June 2005.

### 3.3 The Lease Agreement with the Forestry Commission

3.3.1 In order to proceed with the transfer of the Community Woodland to the Forestry Commission, negotiations have taken place with a view to the Authority granting a 99 year lease at a peppercorn rent.

3.3.2 It has been provisionally indicated that a surface lease would be granted to the Forestry Commission subject to the main terms and conditions highlighted for Members persual at Appendix 1

3.3.3 Members are requested to approve that the Authority enters into a lease with the Forestry Commission and that the Director of Waste Disposal finalises the lease as appropriate

### 4 Implications for the Authority

4.1 The Authority will retain ownership of the site, and will retain its statutory responsibility for environmental management and pollution control from the former landfill site.

4.2 The Authority's current joint venture through Bidston Methane Limited for commercial extraction of landfill gas for power generation will continue, the partnership with the leasee will ensure that the infrastructure on the site will continue to be regularly maintained and secured once commercial viability ceases through appropriate environmental control measures stipulated by existing planning conditions.

4.3 The Authority will enter into a 'Pie-Crust' lease with the Forestry Commission, whereby responsibility for the management of the Community Woodland will transfer to the Forestry Commission.

4.4 The establishment of a Community Development Trust will ensure that an effective partnership develops to deliver the aspirations of all stakeholders through the overall Newlands programme.

### 5 Financial Implications

5.1 Long- term financial implications for site management and potential contributions to the proposed Community Development Trust within the NEWLANDS project by all potential partners will be confirmed by the end of June 2005. This will be reported back to Members at the appropriate time.

5.2 Members will note that establishment of a Long Term Management Structure for the site and the transfer of responsibility for the Community Woodland to the Forestry Commission, will ensure that the Authority can effectively concentrate

on its statutory responsibility for environmental monitoring and control whilst still having a role to play in potentially a regionally important community facility.

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Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972 – nil.

## **APPENDIX 1**

### **SUMMARY**

#### **TERMS AND CONDITIONS - LEASE AGREEMENT BETWEEN THE AUTHORITY AND THE FORESTRY COMMISSION – BIDSTON MOSS COMMUNITY WOODLAND**

<b><u>Area to be leased</u></b>	The surface of the landfill site to a depth of 2.5 meters including the whole of the pond but excluding the area of the bridge which crosses the railway line
<b><u>Term</u></b>	99 years
<b><u>Rent</u></b>	One peppercorn (if demanded)
<b><u>Maintenance/repairs</u></b>	With regard to the leased area (including the boundary fencing) all maintenance/ repairs lessee. The exception to this will be any Maintenance/repairs, which are required to the Authority's and Bidston Methane Ltd infrastructure.
<b><u>Use</u></b>	All purposes of the tenant acting under the Forestry Acts including public access and the construction of facilities in connection with such together with cycling and fishing
<b><u>Opening times</u></b>	To be agreed
<b><u>Break clause</u></b>	An area of not more than 5% of the total may be excluded from the tenancy at any time. A claw back provision will be activated if the break clause is implemented.
<b><u>Access</u></b>	The tenant will be allowed to access the site from Wallasey Bridge Road and the footbridge. The landlord reserves rights of access over the entire demise
<b><u>Health and Safety</u></b>	Lessee to comply with all health and safety requirements
<b><u>Indemnity</u></b>	The lessee to indemnify the landlord against claim which may arise out of its occupation of the site
<b><u>Alienation</u></b>	The lease may not be transferred or sublet without the Authority's consent. The exception to this being a transfer to a successor body
<b><u>Costs</u></b>	Each part to bear their own
<b><u>Landlord and Tenant Act</u></b>	The lease to be contracted out

**AUDIT PLAN 2005/06**  
**WDA/16/05**

**Recommendation**

That Members consider the content of the Audit Plan for 2005/06.

## **Report of the Director**

### **1. Purpose of the Report**

To seek Members' views on the content of the Audit Plan to be undertaken by the Audit Commission in 2005/06.

### **2. Background**

- 2.1. The Authority agrees an Audit Plan with the Audit Commission each year.
- 2.2. The audit plan for 2005/06 has been developed under the Audit Commission's new Code of Audit Practice and is guided by the new International Standards on Auditing (ISAs) as they apply to the Audit Commission's work from 2005/06.

### **3. Audit Plan 2005/06**

- 3.1. The Audit Plan for 2005/06 identifies the following key objectives:
  - To provide an opinion the Authority's financial statements
  - To produce a conclusion on the Authority's use of resources
  - To produce a report on the Authority's best value performance plan (BVPP)
- 3.2. It should be noted that the 2005/06 plan covers new areas of review in line with the new Code of Practice. This will involve collecting evidence to form an opinion on a wide range of the Authority's arrangements – from strategic planning, through performance and risk management, to financial management and internal controls.

- 3.3. The full Audit Plan 2005/06 is attached at Appendix 1 and includes a full explanation of the risk based approach used to determine the areas for review and also lists the planned outputs throughout the year.
- 3.4. Members are asked to consider the content of the Audit Plan.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.



# Audit and Inspection Plan

## Merseyside Waste Disposal Authority

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<b>Reference:</b>	Merseyside waste disposal authority
<b>Date:</b>	March 2005

## Introduction

This plan sets out the audit work that we propose to undertake in 2005/06. The plan has been drawn up from our risk-based approach to audit planning and reflects:

- the impact of the new Code of Audit Practice which comes into effect in April 2005;
- your local risks and improvement priorities;
- current national risks relevant to your local circumstances; and
- the impact of International Standards on Auditing (UK and Ireland) (ISAs).

Judith Tench as your District Auditor and relationship manager will continue to help ensure further integration and co-ordination with the work of other inspectorates.

## Our responsibilities

In carrying out our audit and inspection duties we have to comply with the statutory requirements governing them. In particular we have regard for the Audit Commission Act 1998 and the Code of Audit Practice (the Code) with regard to audit. We also consider the requirements of the Local Government Act 1999 with regard to best value, inspection and audit.

The Code has been revised with effect from 1 April 2005. The key changes include:

- the requirement to draw a specific conclusion regarding the Authority's arrangements for ensuring value for money in its use of resources; and
- a clearer focus on overall financial and performance management arrangements.

Such corporate performance management and financial management arrangements form a key part of the system of internal control and comprise the arrangements for:

- establishing strategic and operational objectives and determining policy and making decisions;
- ensuring that services meet the needs of users and taxpayers and for engaging with the wider community;
- ensuring compliance with established policies, procedures, laws and regulations including the general duty of best value;
- identifying, evaluating and managing operational and financial risks and opportunities, including those arising from involvement in partnerships and joint working managing its financial and other resources, including arrangements to safeguard the financial standing of the authority;
- monitoring and reviewing performance, including arrangements to ensure data quality; and
- ensuring that the authority's affairs are managed in accordance with proper standards of conduct, and to prevent and detect fraud and corruption.

The authority is responsible for reporting on these arrangements as part of its annual Statement on Internal Control.

Further details for the new Code are set out in Appendix 1.

## The fee

The total fee estimate for the audit and inspection work planned for 2005/06 is £32,677 (2004/05: £38,105). The fee is based on the Audit Commission's fee guidance and the reduction reflects its approach to strategic regulation.

Further details are provided in Appendix 2 including the assumptions made when determining the fee.

Changes to the plan and the fee may be necessary if our risk assessment changes during the course of the audit. We will formally advise you of any changes if this is the case.

## Summary of key audit and inspection risks

This section summarises our assessment and the planned response to the key audit risks which may have an impact on our objectives to provide:

- an opinion on your financial statements;
- a conclusion on your use of resources;
- a report on the authority's best value performance plan (BVPP).

Our planned work takes into account information from other regulators, where available. Where risks are identified that are not mitigated by information from other regulators, or your own risk management processes, including internal audit, we will perform work as appropriate to enable us to provide a conclusion on your arrangements.

The expected outputs from this work are outlined in Appendix 3.

## Use of resources

The new Code of Audit Practice requires us to issue a specific conclusion on whether you have proper arrangements in place for securing economy, efficiency and effectiveness in the use of your resources. In meeting this responsibility, we will review evidence that is relevant to the authority's corporate performance management and financial management arrangements.

Using our cumulative knowledge and experience, including the results of previous work and other regulators' work, we have identified the following areas of audit risk to be addressed.

SUMMARY OF USE OF RESOURCES AUDIT RISKS	
Audit risk	Response
Under the new Code of Audit Practice we are required to give a specific conclusion on whether you have put in place 'proper arrangements' to secure economy, efficiency and effectiveness in 2005/06 in accordance with set criteria.	<p>The specific pieces of work identified in this plan will inform our overall conclusion. To provide sufficient evidence to support our conclusion we will also need to assess your arrangements for ensuring:</p> <ul style="list-style-type: none"> <li>• strategic and operational objectives are established</li> <li>• the effectiveness of performance and risk management frameworks</li> <li>• your financial administration is in line with good practice</li> <li>• compliance with best value</li> </ul>

	<ul style="list-style-type: none"> <li>• compliance with policies, procedures, laws and regulations</li> <li>• your affairs are managed in accordance with proper standards of conduct, and to prevent and detect fraud and corruption</li> <li>• you achieve value for money in the provision of services.</li> </ul>
Effective performance management will be key to ensuring the you deliver on the significant waste agenda that you face in the medium term	We will carry out an overview of your performance management arrangements.
Partnership working is central to the delivery of the waste strategy in the medium and long term. The authority is committed to procuring new waste disposal facilities which will require close working with constituent authorities and other partners.	Building on our partnership diagnostic work in 2004/05 we will support the authority in its efforts to ensure an effective procurement process in embedded.

We will seek to complete the performance projects during the first half of the year so that you can build on any improvement opportunities identified.

### Financial statements

We will carry out our audit of the 2005/06 financial statements and have regard to the newly introduced ISAs.

We are also required to review whether the Statement of Internal Control has been presented in accordance with relevant requirements and to report if it does not meet these requirements or if the Statement is misleading or inconsistent with our knowledge of the Authority.

On the basis of our preliminary work to date we have identified the following audit risks.

SUMMARY OF OPINION RISKS	
Opinion risks	Response
The implementation of a suite of new financial systems.	We will assess the evidence that systems controls are designed to be adequate, that they are in place and that they are operating effectively.
The deadline for the authority's approval of the accounts is June 2006 and we are required to issue our audit opinion by the end of September 2006. You have worked well towards earlier closure of accounts but we need to review with you how we can ensure we can give our opinion in an earlier timeframe.	We will review closedown plans and agree where early testing can be used to provide assurance for the accounts.
The Whole of Government accounts and the convergence of accounting standards means that CIPFA's Statement of Recommended Practice (SORP) will continue to change over time.	We will work alongside accountants to ensure the impact of any changes is evaluated and implemented appropriately.
The complexities of the PFI finance and accounting regime will present challenges as the authority moves towards completion on the waste disposal contracts.	We will work alongside officers to ensure any accounting issues raised are assessed and agreed at an early stage.

However, we have yet to undertake the audit of the 2004/05 financial statements and our 2005/06 financial statement audit planning will continue as the year progresses. This will take account of:

- the 2004/05 opinion audit;
- our documentation and initial testing of material systems; and
- our assessment of the 2005/06 closedown arrangements.

When we have finalised our risk assessment in respect of your financial statements, we will update our plan in advance of the audit detailing our specific approach, including any impact on the fee quoted above.

The impact of the ISAs in 2005/06 will mean that we have to consider the design, application and operating effectiveness of your material systems to support our work on your financial statements. In doing this we will seek to rely on the work of your internal auditors, as we have done in previous years. If your internal auditors are already reviewing the authority's material systems in detail then the impact of the ISA audit approach will be less significant. Where internal audit are not able to review systems and we are unable to rely on their work we will have to carry out our own review. We are already working effectively with internal audit to ensure the impact of the ISAs is minimised.

## Grant claim certification

We will continue to certify the authority's grant claims, currently two each year. We will apply the Audit Commission's new approach to take assurance from the control environment and to minimise the level of testing required.

## Voluntary improvement work

We have not identified any areas of voluntary improvement work. We will continue to work with the authority and if opportunities for for this type of work are identified will consider whether we are best placed to provide support.

## The team

Name	Title
Judith Tench	District Auditor and Relationship Manager
Peter Williams	Audit Manager
Peter Forrester	Area Performance Lead
Michael Foote	Audit Team Leader

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.

In relation to the audit of your financial statements we will comply with the Commission's requirements in respect of independence and objectivity as set out at Appendix 4.

## Future audit plans

As part of our planning process, we have taken the opportunity to look at potential issues for future years' programmes. Key areas identified include:

- PFI procurement

- Contract management
- Partnerships in waste options.

We will discuss these in more detail as the audit year progresses.

## Status of our reports to the Authority

*Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to Members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.*

*ISA 260 ('Communication of audit matters to those charged with governance') requires us to report relevant matters relating the audit to those charged with governance. For the Council, we have previously agreed that this responsibility will be discharged by reporting relevant matters to the governance committee.*

## The new Code of Audit Practice

### The Audit Commission's objectives in revising the Code

The Commission's objectives in revising the Code are to achieve the following key outcomes:

- a more streamlined audit targeted on areas where auditors have most to contribute to improvement;
- a stronger emphasis on value for money, with a focus on audited bodies' corporate performance and financial management arrangements; and
- better and clearer reporting of the results of audits.

The new Code has been developed on the basis of the Commission's model of public audit, which defines auditors' responsibilities in relation to:

- the financial statements of audited bodies; and
- audited bodies' arrangements for securing economy, efficiency and effectiveness in their use of resources.

### The main changes being made through the introduction of the new Code

The main changes being introduced through the new Code are:

- auditors' three responsibilities under the old Code, in relation to the financial aspects of corporate governance, the accounts and performance management, will be replaced by two responsibilities in relation to the accounts and use of resources, thereby mirroring their statutory responsibilities under the Audit Commission Act 1998. Auditors' work in relation to the financial aspects of corporate governance will in future largely be covered by their work on the accounts – reflecting recent developments in auditing standards – with audit work in relation to financial standing carried out as part of the work in relation to the use of resources;
- a clear focus, in auditors' work on audited bodies' arrangements for the use of resources, on overall financial and performance management arrangements. This work supports a new requirement for an explicit annual conclusion by the auditor in relation to audited bodies' arrangements for securing value for money in the use of their resources;
- a more explicit focus on improvement (through the risk assessment process) and on the need for auditors to have regard to the risks arising from audited bodies' involvement in partnerships and joint working arrangements and, where appropriate, to 'follow the public pound' into and across such partnerships;
- an emphasis on clearer, more timely reporting based on explicit conclusions and recommendations; and
- a new style narrative audit report to meet statutory and professional requirements.

## Audit and inspection fee

Audit area	Plan 2004/05	Plan 2005/06
Accounts	*	22,874
Use of resources	*	9,803
<b>Total audit fee</b>	38,105	32,677
Inspection	0	0
<b>Total audit and inspection fee</b>	38,105	32,677
Grant claim certification	1,580	1,628
Voluntary improvement work	0	0

\* Comparative information is not available for 2004/05 due to the change in the Code of Audit Practice which has reduced the three areas under the old Code to two areas.

The total audit fee compared to the indicative fee banding equates to 16% per cent above mid point reflecting the challenges facing the authority.

The fee (plus VAT) will be charged in 12 equal instalments from April 2005 to March 2006.

## Assumptions

In setting the fee we have assumed:

- you will inform us of significant developments impacting on our audit;
- Internal audit meets the appropriate professional standards;
- Internal Audit undertakes appropriate work on all material systems that provide figures in the financial statements sufficient that we can place reliance for the purposes of our audit recognising the shift in requirements introduced by the International Standards on Auditing;
- officers will provide:
  - good quality working papers and records to support the accounts;
  - requested information within agreed timescales; and
  - prompt responses to draft reports.

Where these requirements are not met, we will be required to undertake additional work which is likely to result in an increased audit fee.

Changes to the plan will be agreed with you. These may be required if:

- new risks emerge; and
- additional work is required of us by the Audit Commission or other regulators.



## Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee.

Planned output	Start date	Draft due date	Key contact
Audit plan*	February 2005	31 March 2005	Audit Manager
Interim audit memorandum	February 2006	April 2006	Audit Manager
BVPP opinion and PI audit memorandum	July 2005	September 2005	Audit Manager
Report to those charged with governance (ISA 260)	August 2006	September 2006	Audit Manager
Final accounts memorandum	1 July 2006	October 2006	Audit Manager
Performance management	To be agreed	To be agreed	Performance Lead
Partnerships	To be agreed	To be agreed	Performance Lead
Annual audit and inspection letter	October 2006	December 2006	District Auditor and Relationship Manager

\* To be revisited during the year to reflect outcome of 2004/05 final visit and 2005/06 interim visit.

## The Audit Commission's requirements in respect of independence and objectivity

Auditors appointed by the Audit Commission are subject to the Code of Audit Practice (the Code) which includes the requirement to comply with ISAs when auditing the financial statements. ISA 260 requires auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. Ethical standard 1 also places requirements on auditors in relation to integrity, objectivity and independence.

The ISA defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case the appropriate addressee of communications from the auditor to those charged with governance is the Governance Committee. The auditor reserves the right, however, to communicate directly with the Authority on matters which are considered to be of sufficient importance.

Auditors are required by the Code to:

- carry out their work with independence and objectivity;
- exercise their professional judgement and act independently of both the Commission and the audited body;
- maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
- resist any improper attempt to influence their judgement in the conduct of the audit.

In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Authority invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under s 35 of the Audit Commission Act 1998.

The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- any staff involved on Commission work who wish to engage in political activity should obtain prior approval from the Partner or Regional Director;
- audit staff are expected not to accept appointments as lay school inspectors;
- firms are expected not to risk damaging working relationships by bidding for work within an audited body's area in direct competition with the body's own staff without having discussed and agreed a local protocol with the body concerned;
- auditors are expected to comply with the Commission's statements on firms not providing personal financial or tax advice to certain senior individuals at their audited bodies, auditors' conflicts of interest in relation to PFI procurement at audited bodies, and disposal of consultancy practices and auditors' independence;
- auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission;

- auditors are expected to comply with the Commission's policy for both the District Auditor/Partner and the second in command (Senior Manager/Manager) to be changed on each audit at least once every five years with effect from 1 April 2003 (subject to agreed transitional arrangements);
- audit suppliers are required to obtain the Commission's written approval prior to changing any District Auditor or Audit Partner/Director in respect of each audited body; and
- the Commission must be notified of any change of second in command within one month of making the change. Where a new Partner/Director or second in command has not previously undertaken audits under the Audit Commission Act 1998 or has not previously worked for the audit supplier, the audit supplier is required to provide brief details of the individual's relevant qualifications, skills and experience.