



BEST VALUE
PERFORMANCE
PLAN

2001/2002
Response to Detailed Audit Report (June 2001)

GMWDA
July 2001

GREATER MANCHESTER WASTE DISPOSAL AUTHORITY

AUDIT OF BEST VALUE PERFORMANCE PLAN 2001/02

BACKGROUND

1. In accordance with their statutory obligations, the Authority's external auditors have completed an audit of the Authority's Best Value Performance Plan for 2001/02.
2. The purpose of the audit is;
 - to establish that the Plan has been prepared and published in accordance with statutory requirements;
 - where appropriate, to recommend how the Plan should be amended so as to accord with statutory requirements; and
 - to recommend
 - where appropriate, procedures to be followed in relation to the Plan;
 - whether the Audit Commission should carry out a best value inspection of the Authority (Section 10 Local Government Act 1999); and
 - whether the Secretary of State should give a direction under Section 15 of the Local Government Act 1999.
3. Copies of the auditor's reports are available for inspection at local libraries and Council offices, alongside this Authority's response. The documents can be found on the internet at www.oldham.gov.uk/gmwda.

OPINION

4. The auditors have issued an unqualified opinion that the Authority has complied with the legislative and statutory guidance in all significant respects.

RECOMMENDATIONS

5. The auditors have made specific recommendations in respect of the areas set out below.
6. The recommendations have been presented to the Authority and the Authority proposes to address the auditor's recommendations, as indicated, and to take into account the highlighted key points to be considered in responding to each recommendation.

RECOMMENDATION	TIMESCALE	RESPONSE AND ACTION
<p><u>Recommendation 1</u></p> <p>The Authority should:</p> <p>a) ensure that the requirements of the Best Value Accounting Code of Practice (BVACOP) are implemented during 2001/2002, to ensure the validity of all cost-based performance information;</p> <p>b) ensure that all the required national BVPIs are included in the 2002/2003 performance plan.</p>	<p>Ongoing</p> <p>-</p> <p>2001/02</p> <p>2001/02</p>	<p>Information utilised in the calculation of the cost-based performance indicators is compliant with the provisions of BAVCOP.</p> <p>The application of those provisions will be monitored in respect of each national and local cost-based performance indicator.</p> <p>The Authority is exempt from publishing the following Best Value Performance Indicators for 2000/01 and 2001/02 -</p> <p>BVP1 3 The percentage of citizens satisfied with the overall service provided by their authority.</p> <p>BVP1 4 The percentage of those making complaints satisfied with the handling of those complaints.</p> <p>It is not clear how indicator BVP1 3 can be applied to this Authority's services. The main front line service for members of the public involves civic amenity sites, for which there is a separate indicator (referred to below). For the future, this is a common feature for all six Joint Waste Disposal Authorities and this issue will be taken up with those peer authorities.</p> <p>The main source of complaint received from members of the public relates to the imposition of height barriers at the entrance to civic amenity sites. The Authority's policy and the impacts of that policy, including the levels of complaint, will be reviewed as part of the Best Value Review of the civic amenity service to be carried out during 2001/02.</p>

<p><u>Recommendation 2</u></p> <p>The Authority should ensure that a formal performance management framework is adopted in 2001/2002 which includes regular monitoring and reporting of performance across all service areas.</p>	<p>2001/02</p> <p>September 2001</p>	<p>The Authority has omitted to publish performance indicators for 2000/01 which relate to customer satisfaction with civic amenity sites.</p> <p>The relevant information is as follows:-</p> <p>BVPI 90</p> <table data-bbox="1029 487 1816 600"> <tr> <td>% very satisfied and fairly satisfied</td> <td>74%</td> </tr> <tr> <td>% neither</td> <td>19%</td> </tr> <tr> <td>% fairly dissatisfied and very dissatisfied</td> <td>7%</td> </tr> </table> <p>The survey related to nine Greater Manchester districts i.e. excluding Bolton but including Wigan.</p> <p>The results of the survey will be fed into the BV review of this service during 2001/02.</p> <p>A formalised performance management framework is to be introduced incorporating -</p> <ul data-bbox="1029 990 1816 1177" style="list-style-type: none"> • elected Members requirements • a quarterly review of headline indicators linked to the Authority's strategic objectives and targets • financial management information (revenue and capital) • progress on individual Best Value Reviews <p>The quarterly performance reports are to be presented in September, December and March, with year-end actuals being reported in August.</p>	% very satisfied and fairly satisfied	74%	% neither	19%	% fairly dissatisfied and very dissatisfied	7%
% very satisfied and fairly satisfied	74%							
% neither	19%							
% fairly dissatisfied and very dissatisfied	7%							

<p><u>Recommendation 3</u></p> <p>The Authority should seek to strengthen its approach to the challenge and compete elements of its best value review process in 2001/2002. In particular the following issues should be addressed:</p> <p>a) Challenge – the Authority should seek to strengthen its approach to external challenge as part of the review process; and</p> <p>b) Compete – the Authority should develop a procurement strategy and ensure that it establishes processes to demonstrate the competitiveness of its services</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>The appropriateness of external challenge will be considered in the context of the service area under review. With the exception of the review addressing civic amenity site services, the inclusion of external representation for example, from the voluntary and private sectors as part of the current programme of reviews, is not appropriate. The process of external challenge for the civic amenity site services review will be addressed in the early stages of the review (due to commence in September 2001).</p> <p>There are two elements to the Authority's approach to procurement.</p> <p>Work will continue during 2001/02 on the Authority's service objectives and targets, particularly in relation to service provision following the expiration of the main waste management services contracts in 2006. That work will include the application of BV principles to the preparation of a procurement strategy to be implemented during 2002/03.</p>
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	October 2001	<p>In order to meet its existing operational requirements, the Authority will address its current arrangements for procurement of services, supplies and works, in line with the approach being developed by Oldham MBC.</p> <p>A set of principles will be laid down, as indicated in the Plan, that will be supported by comparison with other authorities and service providers, by direct competition and by reference to environmental performance and the principle of the Best Practicable Environmental Option.</p>
<p><u>Recommendation 4</u></p> <p>The Authority should consider reducing further the total number of best value reviews it has programmed over five years and, as part of this process, review the level of resources assigned to support the programme.</p>	September 2001	<p>Whilst recognising the nature of the services it provides and its existing contractual arrangements, the Authority will be invited to repackage its programme of Best Value reviews in the light of the advice received from the Auditors.</p> <p>The repackaging will further address the issues of reducing the number of programmed reviews, the priority afforded to service improvements, resource allocation, the adoption of 'SMART' reviews and the involvement of elected Members.</p>
<p><u>Recommendation 5</u></p> <p>The Authority should improve its approach to the identification of efficiency savings and ensure that next year's plan contains a quantified statement highlighting the targeted efficiencies expected from individual best value reviews.</p>	Ongoing	<p>The Authority, in partnership with its contractors and the Waste Collection Authorities, has adopted a programme of fundamental changes to the methods of collection, treatment and recycling of waste (eg separate collection of newspapers and magazines, the centralised facilities for the extraction of metals and the production of soil making materials and the separate processing and use of green waste). Those measures are aimed at reducing the quantities of waste that are landfilled and improving the environmental performance of the services. The production and use of soil forming materials also result in savings in avoided landfill costs.</p> <p>The programme of activity is being consolidated during 2001/02 and the forecast impacts have been reflected in the Authority's revenue budget and represent a saving of approximately £1.0m.</p>

		<p>This saving is more than offset by the continued increase in waste arisings and the impact of the landfill tax.</p> <p>The overall levels of performance of the waste management services are to be comprehensively reviewed in partnership with the Waste Collection Authorities, starting in September 2001.</p> <p>The operational and other efficiencies introduced by the Authority's wholly owned company, GM Waste Limited, have contributed to a level of dividend of £3.3m during 2000/01 and an anticipated £2.9m in 2001/02.</p> <p>The issue of efficiency savings will be addressed as part of the individual reviews to be completed during 2001/02, and other initiatives, and the planned programme of reviews for 2002/03. The Authority's overall approach to efficiency savings will need to be done without disclosure of confidential financial information (eg contract terms).</p>
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POINTS OF CONTACT

7. If you wish to comment upon any aspect of the auditor's reports or this response, please contact –

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You may contact the Authority direct or free via the freepost service by sending your letter in an envelope addressed "freepost GMWDA".

A translation service can be made available. Please contact the Authority at the above address.

GMWDA
July 2001