

SUPPLEMENTARY 1

THE EAST LONDON WASTE AUTHORITY

Tuesday, 29 September 2009

**Agenda Item 3. Statement of Accounts and Auditor's Report
2008/09 (Pages 1 - 17)**

Attached is Appendix B to this item.

**Agenda Item 12. Governance Review - Next Steps and Constitution
Update (Pages 19 - 32)**

This report is listed in the private & confidential section of the agenda but will be considered during the open session of the meeting.

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Government and Public Sector

September 2009

East London Waste Authority 2008/09 Report to those charged with governance

The Members
East London Waste Authority
Arden House
198 Longbridge Road
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London
IG11 8SY

September 2009

Ladies and Gentlemen

2008/09 Report to those charged with governance

We are pleased to present our report on the results of our audit work for 2008/09. We hope that the information contained in this report provides a useful source of reference for members.

Yours faithfully



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Encs

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2008 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’ which applies to the 2008/09 audit. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers 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.

Executive summary

The purpose of this report

This report summarises the results of our audit work from our 2008/09 audit of accounts.

It includes the issues arising from our audit of the financial statements and those issues which we are formally required to report to you under the Audit Commission's Code of Audit Practice and International Standard of Auditing (UK & Ireland) (ISA(UK&I)) 260 - "Communication of audit matters with those charged with governance".

It also includes the results of the work we have undertaken on 'Value for Money in the Use of Resources' under the Code of Audit Practice, to support our formal conclusion in this area.

Our work during the year was performed in line with the plan that we presented to you on 21 July 2008. We plan to issue two reports during the audit year, detailing the findings from our work and making recommendations for improvement, where appropriate. A list of these reports is included at Appendix A to this letter.

We have set out below the most important issues and recommendations that we have discussed with you in the course of our work.

Financial Statements

We were pleased with the quality of the draft accounts and the working

papers provided to support them. This ensured that the audit process itself was efficient.

We have commented in the Financial Statements section below on the Authority's treatment of the impairment in its investment with the Heritable Bank.

No significant accounting issues arose in our audit of the 2008/09 financial statements and at the time this report was drafted, no adjustments had been required to the draft accounts approved by Members in June 2009.

Financial Standing

No issues in relation to financial standing arose from the 2008/09 audit.

Use of Resources

Under the Audit Commission Code of Practice, we are also required to form a conclusion on the Council's Use of Resources. This is arrived at following an assessment of the Council against a set of criteria issued by the Audit Commission.

We have completed our assessment against these criteria and anticipate issuing an unqualified conclusion.

Financial statements

Accounts

We have completed the audit of the Authority's accounts in line with the Code of Audit Practice and Auditing Standards. We anticipate issuing an unqualified audit opinion on the financial statements.

Accounting Issues

There are no unadjusted misstatements for us to bring to the attention of members.

The Authority has correctly applied CIPFA's Local Authority Accounting Panel ("LAAP") Bulletin 82 to account for the impairment of its investment of £1,000,000 in the Heritable Bank. The Authority has elected to adopt a prudent approach and charge the impairment to the General Fund in 2008/09.

Systems of internal control

We are required to report to you any material weaknesses in the accounting and internal control systems identified during the audit. There are no such matters to bring to the attention of members.

Accounting practices

We are also required to report to you our view on qualitative aspects of the Authority's accounting practices and financial reporting and have set out below our observations on key issues affecting the Authority. There are no

such matters to bring to the attention of members.

Other matters

At the time of drafting this report, we have not received any electors' questions or objections relating to the financial statements.

Management representation letter

Before we issue our opinion, auditing standards require us to obtain written representations from you and management.

A draft of the management representation letter is attached at Appendix E.

Value for Money in the Use of Resources

Work performed

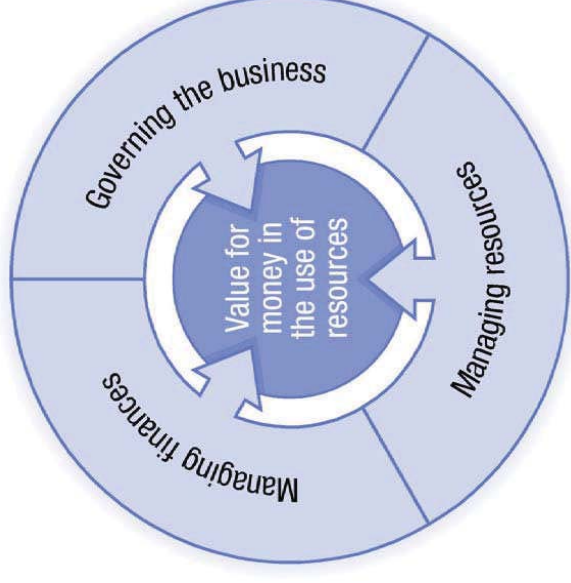
We have performed work to conclude on the Authority's arrangements for achieving economy, efficiency and effectiveness in its use of resources. Our work to support our conclusion comprised the following elements:

- Use of Resources assessment, supported by our conclusions on the key lines of enquiry (KLoEs) as specified by the Audit Commission.
- Review of the Annual Governance Statement.

Use of resources

Under the Code of Audit Practice (the Code), auditors are required to give a value for money (VFM) conclusion in their statutory audit report as to whether they are satisfied that the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources

The introduction of the new Comprehensive Area Assessment (CAA) framework from 2009 has prompted the Commission to review the VFM conclusion criteria for all audited bodies. As a result of this review, the previous VFM conclusion criteria are being replaced by the set of key lines of enquiry (KLoE) that will be used to arrive at a scored use of resources assessment for local authorities, fire and rescue authorities, police authorities and primary care trusts for the purposes of CAA. These KLoE are generic and designed to be equally applicable to any audited body in an area in order to promote consistency



Value for Money Conclusion

Under the Code of Audit Practice we are required to provide a conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. This conclusion is reached by assessing the Authority's arrangements against a set of criteria issued by the Audit Commission. From 2008/09 the Key Lines of Enquiry for the scored use of resources assessment also form the criteria for the Use of Resources conclusion. They are listed in Appendix C.

Auditors are required to apply a yes/no judgement against the criteria to indicate whether the audited body has proper arrangements in place or not.

We intend to issue an unqualified value for money conclusion.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS) which is consistent with guidance issued by CIPFA / SOLACE. The AGS was included in the financial statements.

We reviewed the AGS to consider whether it complied with the CIPFA / SOLACE guidance and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Audit plans and fee update

Audit Plan 2008/09

We issued our Audit Plan for 2008/09 and presented it to Members on 21 July 2008.

We have performed appropriate reporting procedures for each of the risks identified in our Audit Plan of 2008/09. In this report we comment only on those areas where we believe we need to communicate with those charged with governance.

Audit fees update for 2008/09

We reported our fee proposals as part of the Audit Plan for 2008/09.

Our fee proposal was based on the 2007/08 fee charged by the Audit Commission. While the total final fee remains unchanged, we have altered the costs of the two elements of our work to reflect the time taken on these elements.

	2008/09 Outturn	2008/09 Fee proposal
Accounts	£26,000	£19,000
Use of Resources	£10,200	£17,200
Total	£36,200	£36,200

Appendix A: Audit reports issued in relation to the 2008/09 audit year

Other than this report to those charged with governance, we plan to issue the following audit report in relation to the 2008/09 audit year:

- Annual Audit Letter

Appendix B: Summary of unadjusted misstatements [and material adjusted misstatements]

We have not identified any errors during our audit of the financial statements that exceeded the £100,000 threshold agreed by those charged with governance at the meeting of the ELWA Board on 22 June 2009.

Appendix C: Value for Money Conclusion

The Audit Commission publishes Code of Practice criteria on which auditors are required to reach a conclusion on the adequacy of an audited body's arrangements for economy, efficiency and effectiveness in its use of resources.

We are currently in the process of completing our 2009 Use of Resources assessment.

The use of resources assessment considers how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people. The assessment comprises three themes that focus on:

- sound and strategic financial management;
- strategic commissioning and good governance; and
- the management of natural resources, assets and people.

Managing Finances

Key Lines of Enquiry		Adequate? Yes / no / N/a
1.1	Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	Yes
1.2	Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	Yes
1.3	Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	Yes

Agenda Item 3 - Appendix B

Governing the Business

Key Lines of Enquiry		Adequate? Yes / no / N/a
2.1	Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	N/a
2.2	Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	N/a
2.3	Does the organisation promote and demonstrate the principles and values of good governance?	N/a
2.4	Does the organisation manage its risks and maintain a sound system of internal control?	Yes

Managing Resources

Key Lines of Enquiry		Adequate? Yes / no / N/a
3.1	Is the organisation making effective use of natural resources?	N/a
3.2	Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	Yes
3.3	Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	N/a

Appendix D: Summary of recommendations contained in this letter

We have no recommendations to raise on the financial statements or Value for Money elements of our work.

Appendix E: Representation letter

(ELWA letterhead)

[Date]

PricewaterhouseCoopers LLP
80 Strand
London
WC2R 0AF

This representation letter is provided in connection with your audit of the Statement of Accounts of the East London Waste Authority for the year ended 31 March 2009. The details provided are to the best of my knowledge and beliefs and subject to the materiality threshold which I understand to be £0.490 million.

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts presents fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the East London Waste Authority as at 31 March 2009 and its income and expenditure and cashflows for the year then ended.

My responsibilities as Finance Director for preparing the Statement of Accounts are set out in the Statement of Responsibilities for the Statement of Accounts. I am also responsible for the administration of the financial affairs of the Authority. I also acknowledge that I am responsible for making accurate representations to you I believe to be accurate.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of the East London Waste Authority with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation, to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief and having made the appropriate enquiries, the following representations:

Accounting records

I have taken all the steps that I believe I ought to have taken in order to make myself aware of any relevant audit information and to establish that you (the Authority's auditors) are aware of that information, including that:

- All the accounting records, whether for the purposes of financial reporting or any other purpose, have been made available to you for the purposes of your audit and all the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records.

- All other records and related information which might affect the fair presentation of, or necessary disclosure in, the Statement of Accounts, including minutes of the Board and Authority and relevant management meetings, have been made available to you and no such information has been withheld.

So far as I am aware, there is no relevant audit information of which you are unaware.

Accounting policies

I confirm that I have reviewed the Authority's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the Statement of Accounts are the most appropriate to present fairly the Authority's particular circumstances, as required by the 2008 Code of Practice on Local Authority Accounting in the United Kingdom (A Statement of Recommended Practice (the SORP)).

Related Party Transactions

I confirm that Authority has disclosed all related party transactions relevant to the Authority and that I am not aware of any other such matters required to be disclosed in the Statement of Accounts under the requirements of the 2008 SORP.

Employee benefits

I confirm that the Authority has made you aware of all employee benefit schemes in which employees of the Authority participate.

Bank Accounts

I confirm that we have disclosed all bank accounts to you.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the Authority with third parties of which I am aware have been properly reflected in the accounting records or, where material (or potentially material) to the Statement of Accounts, have been disclosed to you.

Laws and regulations

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Authority conducts its business and which are central to the Authority's ability to conduct its business or that could have a material effect on the financial statements.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

Fraud

I acknowledge responsibility for the design and implementation of internal control to prevent and detect material fraud.

I have disclosed to you:

- i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- ii) my knowledge of fraud or suspected fraud affecting the Authority involving:
 - members
 - management
 - employees who have significant roles in internal control, or others

where the fraud could have a material effect on the Statement of Accounts;

- iii) my knowledge of any material allegations of fraud, or suspected fraud, affecting the Authority's Statement of Accounts communicated by members, employees, former employees, regulators or others.

Misstatements detected during the audit

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect material error. I confirm that to the best of my belief the financial statements are free from material misstatement, including omissions.

Taxation

To the best of my belief I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest.

In particular:

- In connection with any tax accounting requirements, I am satisfied that to the best of my belief our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.
- I have to the best of my belief submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken the Authority's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Authority for whose taxation liabilities the Authority may be responsible.

Subsequent events

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

As minuted by the Authority at its meeting on 29 September 2009

.....

Finance Director

Date

For and on behalf of

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The East London Waste Authority

Tuesday 29 September 2009

REPORT OF THE MANAGING DIRECTOR

Title: Review of ELWA's Constitution	For Decision
<p>Summary: This report completes the review of ELWA's organisation arrangements and makes recommendations about the future governance and management of the Authority.</p> <p>Members have previously agreed to review the arrangements for appointing the Chair and Vice Chair of the Authority together with the role of the Managing Director. The attached report from Stanton Marris sets out the options which are summarised below in the recommendations.</p>	
<p>Staffing Implications: Decisions on the future management structure may have implications for some of ELWA's senior staff. These implications will be set out in a further report following Members decisions.</p>	
<p>Financial: There are no financial considerations associated with changes to the appointment of the Chair and Vice Chair.</p> <p>Should Members decide to appoint a full time Managing Director it is expected that the financial implications would be minimal as the role of the Executive Director would be deleted. There is however a need to strengthen the policy and strategy role of ELWA at an estimated cost of £55,000.</p> <p>At present ELWA pays £10,000 to £15,000 each to constituent borough for the notional services of its Environment Director as an appointed officer of ELWA. It is recommended that these payments cease with effect from 31 March 2010 with the exception of payments to the London Borough of Redbridge in respect of the role of Financial Director.</p> <p>This would make the proposal broadly cost neutral and reflect the changing roles of the Environment Directors i.e. as advisors rather than functional managers of ELWA.</p> <p>There is the possibility of redundancy costs arising from these proposals. These will be assessed and included in a future report if appropriate.</p>	

Legal:

Any changes to the appointment of the Chair and Vice Chair, the role of the Managing Director, the Environment Director (as appointed officers) and the Executive Director will require amendment to the Constitution.

Member's views are sought on the timing of the change to allow for adequate consultation within the boroughs.

An amended Constitution reflecting the changes approved by Members will in due course be presented for approval by the Authority.

Recommendation(s)

Members are asked to decide

1. Whether they wish the arrangements for appointing the Chair and Vice Chair of the Authority to change and, if so, whether
 - a. The Chair and Vice Chair should be from the same or different boroughs
 - b. The appointment of Chair and Vice Chair should be for one year as at present or for a longer period i.e. two, three or four years
 - c. The Chair and Vice Chair appointment should be staggered to ensure that both do not change at the same time in future
 - d. Whether the appointments mentioned above should be by rotation
2. Whether the role of Managing Director should
 - a. Continue as at present to vest in the London Borough of Barking & Dagenham or rotate around the constituent boroughs for fixed periods
 - b. Be established as a full time salaried position in the employ of the Authority
3. Environment Directors should become members of the Management Board of ELWA without specific operational or functional roles. Board members would be expected to chair and lead working groups and support the strategic activities of ELWA with the Managing Director. The Managing Director would continue to chair the Board

Conclusion

Members had previously agreed to make changes to the Constitution of ELWA in order to facilitate a more strategic and engaging approach to the Authority's future work.

Members decisions will be translated into a revised Constitution; organisational and governance structure and, if appropriate, arrangements for appointing the future Managing Director.

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David Woods

Title:

Managing Director

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ELWA Governance Review Next Steps

Background

The recent review of governance and management structures and processes of the East London Waste Authority underlined a need for change.

Since the ELWA/Shanks Waste Services Ltd contract was agreed in 2002, the priorities for waste management have changed, especially with respect to the increased need for improved recycling performance.

The existing governance and management structure, though serving ELWA and the Boroughs well in the past, has been recognised as needing to change. The review recommended a number of key changes:

- o Rotating roles of Chair, Vice Chair and 'A' Director
- o Managing Director role to be redefined and, with larger scope, options for filling the role set out
- o Appointment of all four Borough 'Environment' officers to the Board
- o Leaders and Chief Executives of the four Boroughs to be engaged in regular partnership forum
- o Project Team remit to be tightened create in a more effective operational management group
- o Establishing a high level Strategic Negotiating Group across the Borough and ELWA to review IWMS contract.

At the Authority meeting on 22 June, a short term recommendation was agreed, namely to appoint all four Chief Officers with accountability for waste matters in their Boroughs to the Board, to appoint the London Borough of Barking and Dagenham (LBBD) Director of Environment as interim Managing Director and the Chief Executive of LBBD stepped down from the Board.

Outstanding key issues remain, and this short paper sets out the different options for the ELWA Management Board and, in particular, how options for the Managing Director role could work

Options for Managing Director role

The Managing Director role is critical to advising and supporting members, driving ELWA's strategic performance and working closely with the four Boroughs. Three options were explored.

1. Managing Director role rotates around the Borough Chief Officers (who all sit on the Board)
2. Managing Director role is a remunerated 'independent' appointment
3. Managing Director role rotates around the Chief Executives of the four Boroughs

The third option has been rejected, not least by the Chief Executives, as not viable. The two remaining options (options 1 and 2) are being carried forward for exploration:

The key questions to address include:

- o Should the Managing Director be one of the Chief Officers, or should he/she be someone who does not have a role as one of the strategic Directors of one of the Boroughs but is perceived to be independent?
- o What are the implications on the Executive Director role of the above options?
- o Should the MD be from the same Borough as the Chair and/or Vice Chair?
- o How should the rotation work, e.g. should the Chair, Vice Chair and MD to rotate at the same time?

Options, Job Descriptions and key success criteria

Management Board Options

Option 1	Rotating MD 'Environment' Directors from 3 remaining Boroughs Executive Director Finance Director
Option 2	'Independent' remunerated MD 'Environment' Directors from 4 Boroughs Executive Director Finance Director

Headline cost implications:

It is recognised that there are implications for both these options.

Option 1. There would be opportunity costs in option 1 as each Borough is giving up around half a Chief Office / Director of Environment for the rotation period.

Option 2. The cost implications for option 2 would be the cost of a full or part time MD and, the possible cost of the employment status of the Executive Director.

We recommend that Option 2 is run initially for two years on a fixed term full time contract, beyond which the options should be reconsidered.

Key assumptions:

- o If Option 1, with the rotating MD is chosen, then the MD and Chair should be from the same Borough in order to facilitate working together. The Vice Chair should be from a different Borough in order to maintain balance across the Boroughs
- o Terms and Conditions for all the officer roles in ELWA to be aligned with at least one Borough for simplicity
- o Regardless of the Option chosen, ELWA Management Board members are accountable for working collectively and corporately in the interests of ELWA
- o Regardless of the Option chosen, consideration must be given to the strategic, technical and operational capabilities required by ELWA
- o The Finance Director role is expected to remain as is.

Job Descriptions Option 1

Position title:	Managing Director (Rotating)
<p>It is essential that the post holder will:</p> <ul style="list-style-type: none"> o Commit sufficient time to the role of MD of ELWA o Prioritise their effort to where they will add most value 	
Purpose:	
	<ul style="list-style-type: none"> o Providing good advice and support to the Authority o Driving ELWA's success, working with the members and ELWA staff
Main accountabilities:	
Strategic	<ul style="list-style-type: none"> o Developing a medium and long-term strategy for ELWA which is aligned with the medium and long-term strategy for waste management in the 4 Boroughs o Connecting the development of ELWA, and its external focus, with the development of the London-wide and national waste management strategy o Leading a review of the performance and targets under the contract o Delivering a strategy and business plan for the Authority o Sustaining the effective governance of the Authority o Providing a clear sense of purpose and direction which motivates employees and stakeholders to achieve high performance for ELWA o With the Authority, setting parameters for the commercial management of the contract o Contributing to a process of swift and effective decision making

<p>Organisational</p>	<ul style="list-style-type: none"> o Acting as Clerk, Secretary and Head of Paid Service to the Authority o Assembling the right capabilities and skills within the ELWA team to undertake the tasks required for excellence in delivery o Acting as the 'Authority Representative' for the purposes of the IWMS Contract o Exercising authority on all matters relating to the overall administrative and legal arrangements of the Authority other than those reserved to Authority meetings o Exercising legal responsibility and duty of care to employees o Signing on behalf of the Authority orders, letters, licences, notices, certificates or any other documents unless authority is specifically reserved, or delegated to, to other Officers o Agreeing minor changes to this Constitution and any of its Parts (e.g. the correction of typographical errors, minor amendments required by new legislation and other matters of a purely administrative nature)
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Operational	<ul style="list-style-type: none"> o Driving the commercial management of the contract to create an exemplar of relationship management, performance and public value o Exercising accountability for monitoring performance against targets and reporting to the Authority o Driving improvement to ELWA's recycling performance o Enabling the transfer of learning and good practice across the 5 Authorities
Key relationships:	
	<ul style="list-style-type: none"> o Establishing strong working relationships across the Boroughs at the top level including engaging the Leaders and Chief Executives of the 4 Boroughs in regular partnership fora o Establishing corporate and collective working in the ELWA Board o Establishing strong working relationships with the key functional and technical officers in the Boroughs o Building effective relationships with the Chair, Vice Chair and Members o Providing effective support to Members

Position title:	Board Director
<p>It is essential that the post holders will:</p> <ul style="list-style-type: none"> o Demonstrate commitment to their ELWA Board role by preparation, attendance at meetings and contribution to ELWA o Develop good and open working relationships with Management Board colleagues 	
Purpose:	
	<ul style="list-style-type: none"> o Supporting the MD and other ELWA Officers and providing advice for the Members of the Authority o Exercising corporate leadership for ELWA
Main accountabilities:	
Strategic	<ul style="list-style-type: none"> o Contributing to the successful development of ELWA's strategy o Contributing to the collective development of opportunities and resolution of problems for ELWA o Contributing to a process of swift and effective decision making
Organisational	<ul style="list-style-type: none"> o Bringing experience and expertise as senior managers to drive success for ELWA o Taking on corporate and internal responsibilities as agreed with the MD

Operational	<ul style="list-style-type: none"> o Helping ELWA to attain the necessary technical, strategic and operational expertise o Actively supporting the development of strong working relationships between relevant officers in their Borough and ELWA e.g. encouraging participation at the right level in joint ELWA/Borough working groups o Exercising collective responsibility for the successful monitoring and delivery of ELWA's strategy and plans
Key relationships:	
	<ul style="list-style-type: none"> o Supporting strong and effective working relationships and communications between ELWA and the 4 Boroughs o Representing ELWA's case to Borough peers, Chief Executive and Members and helping ELWA collectively to understand their Borough perspective o Managing tensions, where they arise, between ELWA and their Boroughs' interests and to work towards a resolution

Position title:	Executive Director
Purpose:	
	<ul style="list-style-type: none"> o Supporting the MD and Management Board, as agreed with them, to ensure the success of ELWA (it is envisaged that the key focus of this role will be on commercial management of the contract and management of the ELWA establishment)
Main accountabilities:	
Strategic	<ul style="list-style-type: none"> o Supporting the development of policy and strategy o Delivering strategic and business plans o Providing intelligence and advice from a commercial and operational perspective
Organisational	<ul style="list-style-type: none"> o Leading on the internal management responsibilities that are agreed with the MD, for example: <ul style="list-style-type: none"> • Corporate management • Office and Personnel administration • Financial administration • Democratic services and governance

Operational	<ul style="list-style-type: none"> o Leading on the operational management responsibilities that are agreed with the MD, including: <ul style="list-style-type: none"> • Commercial management of the contract • Performance management of the contract • Operational management (including Aveley 1 and other closed landfill sites) • Developing environmental and regeneration services for the four constituent Boroughs that make up ELWA • Securing good working and contribution from the ELWA/Borough working groups such as the re-focused Project Team
Key relationships:	
	<ul style="list-style-type: none"> o Having good relationships with the MD, Finance Director and other Board Directors o Fostering good relationships with Heads of Service and technical and operational officers within the Boroughs

Job Descriptions Option 2

'Independent' remunerated MD

Option 2 for this role will include all matters listed above in Option 1, however the expectation is that the post holder will take on more of the strategic development and commercial management role and will have more time for the internal management of ELWA.

The Board Directors of the 4 Boroughs

Option 2 for these roles will include all matters listed above in Option 1.

Executive Director

The post holder will be accountable to the MD and for supporting him/her in the successful delivery of those aspects of the role which will be determined between the MD and the Executive Director.

Under option 2 the MD will take more direct personal responsibility for aspects of the strategy, operations and organisation of ELWA. This may mean that some aspects of the Executive Director role, as currently understood, may be undertaken by the MD. In our view, however, a new MD role particularly under option 2 is an expanded role taking on more work that will be required to move ELWA and its working relationships with the Boroughs on. The role of the MD in this new world will be larger than it currently is.

Options consideration

Summarising the pros and cons for the Options

Option	Pro	Con
Option 1 Rotating MD	<p>MD with existing experience and functional responsibility for waste matters</p> <p>Creates strong mutual interest in cooperation between the Boroughs</p> <p>Low cash cost</p>	<p>Risk that post holder cannot give sufficient time to the role</p> <p>Risk that post holder does not have sufficient interest/commitment to the role</p> <p>Changes take longer to institute</p> <p>High opportunity cost to one Borough (even more so to Redbridge if, as envisaged, they continue to provide the FD)</p>
Option 2 Independent MD	<p>MD with time and energy to make things happen</p> <p>Perceived independence of MD</p> <p>Better 'balance; of commitment across 4 Boroughs and puts ELWA on more equal footing as authority in own right</p> <p>Lower opportunity cost of senior Borough officer time</p>	<p>Risk of recruitment (lower in current economic climate)</p> <p>Weaker mechanism for mutual cooperation between Boroughs</p> <p>Cash cost</p>

After taking account of these considerations, we still recommend that Option 2 is run initially for two years on a fixed term full time contract, beyond which the options should be reconsidered.