

Notice of Meeting

EAST LONDON WASTE AUTHORITY

Monday, 16 October 2006 - Civic Centre, Dagenham, 1:00 pm

Members: Councillor M E McKenzie (Chair); Councillor S Kelly (Deputy Chair); Councillor P R Goody, BSc BA, Councillor P Murphy, Councillor P Sheekey, Councillor B Tebbutt, Councillor Mrs P A Twomey and Councillor A Weinberg

Declaration of Members' Interests: In accordance with the Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.

09.10.06

R. A. Whiteman
Managing Director

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AGENDA

- 1. Apologies for Absence**
- 2. Minutes - To confirm as correct the minutes of the meeting held on 19 June 2006 (Pages 1 - 5)**
- 3. Membership 2006/07 (Page 7)**
- 4. Mayor's Powers, Mayor's Strategy and the London Plan (Pages 9 - 16)**
- 5. 3 Year Service Delivery Plan 2007/08 to 2009/10 (Pages 17 - 22)**
- 6. Consideration of Additional Waste Sites for ELWA and the Constituent Councils (Pages 23 - 27)**
- 7. Recycling - Resources for Recycling Initiatives (Pages 29 - 32)**
- 8. Reuse & Recycling Centres Waste Protocol (Pages 33 - 37)**
- 9. WEEE Consultation (Pages 39 - 42)**
- 10. CIWM Conference 2007 (Pages 43 - 44)**

11. **Contract Performance 2005/6 - April 2005 to August 2006 (Pages 45 - 53)**
12. **Budgetary Control Report to 31 August 2006 (Pages 55 - 57)**
13. **External Audit - Annual Governance REport (Internal Standard on Auditing UK & Ireland (ISA) Report 260) (Page 59)**
14. **Statement of Accounts 2005-06 (Page 61)**
15. **Treasury Management Outturn Report 2005/06 (Pages 63 - 65)**
16. **Employment Arrangements for ELWA (Pages 67 - 77)**
17. **Any other public items which the Chair decides are urgent**
18. **To consider whether it would be appropriate to pass a resolution pursuant to Section 100A(4) of the Local Government Act 1972**

Private Business

The public and press have a legal right to attend ELWA meetings except where business is confidential or certain other sensitive information is to be discussed. The items below relate to the business affairs of third parties and are therefore exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended.

19. **Pipeline Easement at Aveley (Pages 79 - 80)**
20. **Other Confidential Business**

EAST LONDON WASTE AUTHORITY

Monday, 19 June 2006
(1:00 - 1:54 pm)

Present: Councillor M E McKenzie (Chair), Councillor S Kelly, Councillor P Sheekey, Councillor B Tebbutt, Councillor Mrs P A Twomey and Councillor A Weinberg

Also Present: Councillor P Murphy

1427 Appointment of Chair and Deputy Chair

We have proposed and seconded the nominations that Councillor Milton McKenzie and Councillor Stephen Kelly be appointed Chair and Deputy Chair respectively. Councillor Murphy having been made aware that, under the terms of the Constitution (Paragraph 28, Part B), he would not be able to vote during the course of the meeting.

1428 Apologies for Absence

An apology for absence was received on behalf of Councillor June Leitch and Councillor Peter R Goody.

1429 Minutes - To confirm as correct the minutes of the meeting held on 10 April 2006

We have confirmed as correct the minutes of our meeting held on 10th April 2006.

1430 Membership 2006/07

We have noted the Office Manager's report in respect of the representatives appointed to ELWA by the four Constituent Councils as follows:

Barking & Dagenham:	Cllr Milton McKenzie	Cllr Mrs Pat Twomey
Havering:	Cllr Steven Kelly	Cllr Barry Tebbutt
Newham:	Cllr Pat Sheekey	Cllr June Leitch
Redbridge:	Cllr Alan Weinberg	Cllr Peter R Goody

The Chair took the opportunity to welcome Councillor Patrick Murphy to the meeting in his non-voting capacity and representing the London Borough of Newham.

1431 ELWA Limited Directorship 2006/07

We have received the Office Manager's report and agreed the proposal by Councillor Mrs Twomey that Councillor Alan Weinberg be reappointed to the

position of ELWA Limited “A” Director for the municipal year 2006-07. . We agree the appointment take place following consultation with the “B” shareholder. We authorise the Chair to nominate an alternative “A” Director should the need arise. In addition, we authorise the “A” Director to act as ELWA’s representative at the ELWA Limited Annual General meeting. The role of “A” Director being set out in the Joint Venture Agreement and Articles of Association of ELWA Limited.

1432 Diary of Events - 2006-07

We have noted the Office Manager’s report and adopted the future meetings as follows:

Date	Time	Location	Nature of Meeting
19 June 2006	11.00 am	Shanks east london, Creek Way, Frog Island, Rainham	Informal Meeting & Site Tour
	1.00 pm		Annual General Meeting
16 October 2006	11.00 am	Civic Centre, Dagenham	Landfill Sites Tour
	1.00 pm	Civic Centre, Dagenham	
27 November 2006	1.00 pm	Civic Centre, Dagenham	IWMS Contract Annual Budget & Service Delivery Plan Approval
05 February 2007	1.00 pm	Civic Centre, Dagenham	Levy Approval
02 April 2007	1.00 pm	Civic Centre, Dagenham	

1433 ELWA Constitution

We have noted the Monitoring Officer’s report and agreed to adopt the Constitution with the proposed revisions to Members’, Officers’ and Senior Managers’ details, Contracts Guidance Notes, Contracts and Financial Rules, Contracts Code of Practice and monetary thresholds. Also noted that the document will be published on the Authority’s and London Borough of Barking & Dagenham’s websites in addition to copies being provided to all Members.

1434 Best Value Performance Plan 2006/07

We have approved the Best Value Performance Plan for 2006-07 subject to any minor amendments being authorised by the Managing Director for publication by the due date of 30 June 2006.

1435 Internal Audit Progress Report 2005/06, Audit Plan 2006/07 and Planned Audit Coverage to March 2006

Received the Finance Director’s favourable report on the Authority’s internal audit systems and procedures and his opinion that they are sound and robust and continue to adapt and respond to ever changing needs. We have discussed the process of contract monitoring and asked the Executive Director to work with the Borough experiencing difficulties.

We have noted the audit coverage for 2005-06 and the planned audit coverage for 2007-08 and agreed the audit coverage for 2006-07 of Closed Landfill Sites,

Performance Measures, Review Risk Assessment Process and Contingency arrangements.

1436 Contract Performance Outturn Report 2005/06

We have received and discussed the General Manager's report on contract monitoring, together with the Appendix setting out contract performance and monthly contract waste recycled data. Noted the tonnage data on recycling and diversion from landfill and contract payments and site operations for the year 2005-06. The General Manager responded to questions as to the anticipated opening of Jenkins Lane (Dec-Mar 2007) and the future capacity of the facility.

1437 Final Financial Outturn Report 2005/06

Noted the report containing an analysis of the contingency and reserves. Also noted the principle variation relating to the lower than anticipated waste tonnages and that the Authority's Treasury Management and Capital activities for the year remained within the set limits

1438 Draft Statement of Internal Control 2005/06

We have received the Finance Director's report setting out the basis upon which the Statement of Internal Control (SIC) was produced and approved the Statement. Noted also, Paragraph 7 of SIC, stating improvements achieved during the year as strengthening strategic review process, higher operational performances and spending within budget.

1439 Draft Statement of Accounts 2005/06

We have received the Finance Director's report on the 2005/06 Draft Statement of Accounts and noted the following:

- (a) the report on Landfill Allowances in the Balance Sheet and Revenue Account;
- (b) the Accounts are based on those in the Final Outturn report for 2005/06 (discussed separately);
- (c) the Statement of Control is to be considered separately;
- (d) the net assets of the Authority, at 31 March 2006, were £28.7m;
- (e) the systems in place are robust.

1440 Landfill Allowances Trading Scheme (LATS) 2005/06

Received and noted the General Manager's report, together with Appendices. Noted that no trading had taken place to-date in view of the low return rate available (£14 per tonne). The strategy towards trading allowances was discussed, including the rules about the carry forward of surplus allowances from one year to another. Authority to trade had been delegated to the General Manager in consultation with the Finance Director and the Executive Director.

1441 Contract Performance 2006/07

We have received the General Manager's report, together with Appendices, on Contract Monitoring including tonnage data on recycling and diversion from landfill and contract payments and site operations for the period April 2006.

1442 Budgetary Control Report 2006/07 (to 30 April 2006)

We have noted the healthy financial position and an under spend of £350,000 against estimated budget. The Finance Director drew our attention to the fact that the main variation related to the generation of additional bank interest and a lower than expected payment to Shanks.east london compared to the Annual Budget & Service Delivery Plan.

1443 Anti-Fraud & Corruption Strategy

Received the Executive Director's report that the Auditors recommend the Authority has it's own Anti-Fraud and Corruption Strategy in place, in addition to those governing staff and Councillors within the Constituent Councils. We have considered the following three policy documents (appended to the report) as follows and approve their adoption:

- PN.01 Antifraud and Corruption Strategy (Document 1) - Statement of Principles
- PN.02 Antifraud and Corruption Strategy (Document 3) - Whistleblowing Procedure
- PN.03 Antifraud and Corruption Strategy (Document 5) - Fraud Response Plan

We note that the following additional drafted documents, in the suite of 7, will be finalised following adoption of these three policy documents.

- GN.01 Guidance for Staff
- PN.02 Whistleblowing Procedure – Information for Employees and people who have dealings with the Authority
- GN.02 Whistleblowing Procedure – Information for Managers
- GN.04 Extracts from the Integrated Waste Management Contract

1444 Any other public items

External Audit – International Standard on Auditing UK & Ireland (ISA) Report 260

We have received the Finance Director's report on the External Auditor's Annual Governance Report for 2005/06 and agreed to the delegation to receive and consider this Report by the 30th September 2006 to the Finance Director in consultation with the Chair. Should the External Auditor raise any significant

unexpected issues, the Chair would convene an urgent Special Meeting of the Authority before the 30th September.

1445 Closed Landfill Sites Visit

We have agreed the General Manager's suggestion that Members might like to visit the four closed Landfill sites and have authorised Officers to make the necessary arrangements for the tour to commence at 11.00 am on Monday 16th October.

1446 CIWM Conference 12-15 June 2007

We have discussed possible attendance at the next Chartered Institute of Wastes Management Conference and agreed that accommodation arrangements would be improved upon from those of 2006 and authorised the Office Manager to make provisional hotel bookings.

Chair:

Dated:

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(Contact Officer: Shirley Gray- Tel. 020 8270 4964)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

OFFICE MANAGER'S REPORT

MEMBERSHIP 2006/07	FOR INFORMATION
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1 Purpose

1.1 To advise Members of a change in ELWA membership since the last meeting.

2 New Appointment

2.1 We have been advised by the London Borough of Newham that Councillor Patrick Murphy has been appointed to replace Councillor June Leitch for the remainder the municipal year. Councillor Murphy's appointment came into effect on 21 September 2006.

2.2 Members will recall that Councillor Murphy attended the last meeting of the Authority in June this year.

3. Recommendation

3.1 Members are asked to note this report.

Shirley-Ann Gray
OFFICE MANAGER

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(Contact Officer – Tony Jarvis – 020 8270 4965)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

EXECUTIVE DIRECTOR'S REPORT

THE MAYOR'S POWERS, THE MAYOR'S STRATEGY AND THE LONDON PLAN	FOR INFORMATION
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1. Purpose

1.1 To update Members on a number of recent developments in respect of the London-wide arrangements for waste management

2. The Proposed Changes to the Powers of The Mayor of London

2.1 The government issued a policy statement in July 2006 "The GLA: the Government's Final Proposals for Additional Powers and Responsibilities for the Mayor and the Assembly".

2.2 The government are proposing new lead roles for the Mayor in housing and adult skills, a strengthened role over planning, and additional strategic powers in a wide range of policy areas including waste, culture and sport, health, climate change and energy.

2.3 The comments below relate only to planning and waste.

2.4 It is to be noted that the government has not supported a Single London Waste Authority proposed by the Mayor.

2.5. Additional Planning Powers

2.5.1 The Mayor will have new powers that could have a significant impact on Boroughs' planning role because:

- a) The Mayor can direct changes to Local Development Schemes (these are being prepared by London Boroughs over the next few years to replace the current Unitary Development Plans).
- b) The Mayor will provide a statement to the Inspectors whether Borough draft Development Plan Documents (these are the details with a Local Development Scheme) are in general conformity with the London Plan.
- c) The Mayor will decide the most strategically important planning applications to ensure, for example, delivery of the Mayor's Waste Strategy. The Mayor would also lead on related Section 106 matters.

2.5.2 Most of the changes will be implemented through a GLA Bill and amendments to secondary legislation.

2.6. Additional Powers over Waste Management

2.6.1 The government wishes to strengthen London's ability to manage waste sustainably, without changing structures. To do this:

- a) The Mayor will have more waste planning powers (described above)
- b) Waste Authorities in the future will have to deliver their functions in "general conformity" with the Mayor's Municipal Waste Management Strategy.

2.6.2 These proposals will be part of the GLA Bill.

2.6.3 In addition the Mayor will acquire more influence via the following three new bodies:-

- a) A London wide Waste and Recycling Forum;
- b) A new London Waste and Recycling Fund (administered by the Forum);
- c) A London Waste infrastructure Development Programme (lead by DEFRA with strong GLA involvement).

2.6.4 The fund will be financed by £19m p.a. currently being paid directly to the Boroughs as Waste Performance and Efficiency Grants (WPEG) and £6m p.a. from GLA. The 2007/08 arrangements for WPEG are not affected.

2.6.5 These proposals will be taken forward immediately

3 Proposed Changes to The Mayor's Municipal Waste Management Strategy

3.1. The Mayor published his current strategy in 2003. The GLA have announced the intention to review this strategy with a timetable to publish the approved revised strategy in the Autumn of 2007. This timetable would allow for the potential implications of the government's review of the National Waste Strategy to be taken into account by the Mayor. This Mayor's review will have greater reference to the broader climate change agenda.

3.2. Any significant implications for ELWA would need to be reflected in the subsequent Service Delivery Plans agreed with Shanks east London because the Mayor will be able to require "general conformity" with his revised strategy. (see 2.6.1 above).

4 Proposed Alterations to The London Plan

4.1. The Mayor has a duty to produce a Spatial Development Strategy for London – called the London Plan – and keep it under review. Boroughs' development plans must be in 'general conformity' with the London Plan.

- 4.2. The first London Plan was published by the Mayor in February 2004.
- 4.3. Alterations to the London Plan are considered by means of a process which involves an Examination in Public (EIP) by an independent Panel. The Panel submit a report to the Mayor for his consideration when he is deciding the final form of the Alterations.
- 4.4. The Mayor's first set of proposals, the "Draft Early Alterations", were proposed in October 2005 and these proposed changes were in respect of housing, waste and minerals.
- 4.5. The Mayor's proposals in respect of waste proved to be controversial, particularly in respect to the proposed sitings, in the East London Sub Region, of multiple waste facilities to deal with Central London's waste.
- 4.6. The attached correspondence indicates the level of concern raised in East London.
- 4.7. The EIP Panel has now produced its report on the Mayor's Draft Early Alterations to the London Plan with the following outcomes;
 - a) The panel strongly endorsed the Mayor's approach to such matters as self-sufficiency, proximity and wider environmental and climate change issues.
 - b) The Panel has asked the GLA to rework its waste forecasts and produce more transparent calculations. ELWA strongly argued for this.
 - c) The Panel has taken on board the East London objections to the tables and figures in the Draft Alterations which allocated such a large proportion of London's waste to be dealt with in East London. These tables have been recommended for deletion. ELWA strongly argued for this.
 - d) The Panel supported a multi-criteria basis for the apportionment of Central London's waste. The results of this work will not be available until the Draft Further Alterations due to be published in the Autumn.
- 4.8. The Panel's report therefore broadly reflects the concerns by the stakeholders in East London.
- 4.9. However the Mayor will now make new proposals in the "Draft Further Alterations to The London Plan" which will take into consideration further work currently being undertaken on the apportionment of Central London's waste.

5 Recommendations

- 5.1. Member are recommended;
 - a) Note the significant recent developments in the planning and management of London's waste. These are likely to influence future ELWA and Borough planning and waste strategies.

- b) Note that the issue of Central London's waste is not resolved. The Mayor's Draft Further Alterations to the London Plan may repeat a previous proposal that east London provides a disproportionate number of sites to manage Central London's waste.

Tony Jarvis
EXECUTIVE DIRECTOR

Appendices

- A Letter to the Mayor of London from the four leaders 14 July 2006
- B Response to Councillor Fairbrass from the Mayor 19 September 2006

Ken Livingstone MP
Mayor of London
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14 July 2006

Dear Mayor

Re: Draft Alterations and Further Alterations to the London Plan

I am writing to you on behalf of my colleagues Cllr Michael White (Havering), Sir Robin Wales (Newham) and Cllr Alan Weinberg (Redbridge), the Leaders of the boroughs together with my own from the East London Waste Authority (ELWA).

We are jointly concerned that the submissions we have made on the proposed alterations to the London Plan, in relation to 50% surplus waste from central London being dealt with in the East London Sub-Region, are being dismissed by the GLA and GOL.

It is clear that the methodology used to apportion surplus waste is deeply flawed, using sub-regions which are not fit for purpose, and based on an unsound site investigations study. The consequences of this flawed approach are that nearly all of central London's waste would be dealt with north of the River Thames: 50% to east London, 25% to north London, 25% to west London and 0% to south London. This does not relate to an accurate assessment of available space, or to the generation of the waste, but rather appears a "fix" to reflect waste movements in centuries past.

Moreover, for east London this will create considerable community concerns and anger in our four boroughs in relation to the environmental impact of the management of the waste and its transportation. Our ambition is to seize the exciting regeneration opportunities in our area under Thames Gateway/London Riverside initiatives and change, rather than reinforce, the negative perceptions once held about east London. The proposed apportionment of central London's waste will in our view act counter to the regeneration objectives for the area as set out in the London Plan, including the provision of additional housing and harm the area's ability to attract investment and high quality employment.

Since the abolition of the GLC, ELWA has put in place ground-breaking arrangements through a £100m PFI contract to divert from landfill and maximize the processing of recyclables and manage our waste within our own area. The GLA

should be using its present powers and plans to drive through such similar improvements in other areas of London.

To preserve some element of fairness and reasonableness to the proposals we would expect that:

1. The London Plan should contain more than one scenario for waste growth. The single growth rate used in the Draft Alterations is higher than most expectations and has a particularly harsh impact on east London because of the proposed overflow from central London.
2. The London Plan should consider waste as a local service, like other borough council services. There is no need to transport untreated waste across London. Current methodologies and technologies can provide for separation and treatment of waste close to the point of collection.
3. The London Plan should provide local planning authorities more time to carry out more reliable and detailed work (so clearly missing at the moment) in their Waste Development Plan documents before coming to specific conclusions.

We would welcome a meeting with you as a matter of urgency to discuss our concerns in the hope that you will insist that your staff adopt a more sustainable methodology to the apportionment of surplus waste.

Each authority will also brief Assembly Members and Members of Parliament of our shared concerns.

Yours sincerely

Councillor C.J. Fairbrass
Leader of the Council

cc: Cllr Michael White (Havering),
Sir Robin Wales (Newham)
Cllr Alan Weinberg (Redbridge)
Rt Hon David Miliband MP, Secretary of State, DEFRA
Jim Fitzpatrick MP, Minister for London

Mayor's Office

Councillor C. J. Fairbrass

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Our ref: MGLA200706-00IS
Your ref: UF/RW/ER
Date: 19 Sep 2006

Dear Councillor Fairbrass

Draft Alterations and Further Alterations to the London Plan

Thank you for your letter of 14 July. I apologise for the delay in responding to you, but your letter was originally mistaken for a response to the consultation on the Further Alterations to the London Plan.

In relation to the points made in your letter the government, in Planning Policy Statement 10: Planning for Sustainable Waste Management, state that the London Plan should "comprise a distribution of waste tonnage requiring management, a pattern of waste management facilities of national, regional or sub-regional significance, and supporting policies." PPS10 requires that commercial and industrial and municipal waste requiring management should be apportioned by waste planning authority area, or to sub-regions comprising more than one waste planning authority where waste planning authorities have indicated through their local development schemes that they intend to work jointly on development plan documents.

At the recent Examination in Public of the Early Alterations to the London Plan, my officers agreed to undertake a new study into the apportionment of London's waste for incorporation into the Further Alterations to the London Plan. This study will fulfil the requirement in PPS10 that require tonnages of waste to be apportioned to waste planning authorities.

I should add that the London Regional Technical Advisory Body for Waste, a group which your officers attend, had agreed to examine options for such a study in February, but subsequently withdrew that offer.

I suggest that you consider implications of the new apportionment of waste study when the results are used to inform the forthcoming Public Consultation of the Further Alterations to the London Plan. If you are unhappy with the apportionment I would consider any other that you can suggest that delivers 85 per cent self sufficiency by 2020, providing that you present me with a apportionment that is endorsed by all of London's boroughs through the Association of London Government. Should you provide such an apportionment, I would be happy to meet with you and discuss the results.

In relation to your specific points:

- 1) I do not see how apportioning waste using different growth scenarios will provide any certainty to the planning system. In accordance with PPS10 the London Plan must apportion waste to be managed.
- 2) There is nothing in the London Plan that should encourage untreated waste moving across London. That it is being proposed at Belvedere is one of the reasons that I continue to object the construction of a huge incinerator in Bexley.
- 3) London's waste planning authorities have had many years to deal seriously with waste and have consistently failed to do so. Giles Dolphin wrote to all planning authorities in London in April 2004 stating that waste planning policies should be part of an early review of their development plan documents. Despite this I note that you do not intend to publish your waste development plan document until October 2008, and that your consultation programme is already behind schedule. To require the London Plan to give no strategic guidance on waste until such time as you produce your waste development plans is not consistent with PPS10.

Finally, I understand that you have concerns about the type of waste facilities that will be built in the future and I can assure you that if I have any hand in the process I will insist that they are of the highest standard as befits a world city. I hope that you will become champions for such ground breaking and exciting developments, and realise that the objectives of regeneration depend upon the sustainable management of waste as a resource.

Yours sincerely



Ken Livingstone
Mayor of London

(Contact Officer – Tony Jarvis – 020 8270 4965)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

EXECUTIVE DIRECTOR'S REPORT

3 YEAR SERVICE DELIVERY PLAN 2007/08 TO 2009/10	FOR CONSIDERATION
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1. Purpose

- 1.1 To consider the Service Delivery Plan (SDP) proposed by Shanks.east London for the period 2007/08 to 2009/10.

2. Background

- 2.1 The agreement of the SDP is necessary under the contractual arrangements between ELWA and Shanks within the Integrated Waste Management contract.
- 2.2 There is an Overall Service Delivery Plan (OSDP) for the 25 years of the Contract which was agreed at the commencement of the Contract in 2002. There are also more detailed medium term Service Delivery Plans in respect of every 3 or 5 years. The SDP is for the 3 year period commencing 1st April 2007.

3. The Proposed SDP for 2007/08 – 2009/10

- 3.1 The first draft of this SDP was discussed between Shanks, Borough and ELWA officers during July and August. The draft now submitted reflects the outcome of those discussions.
- 3.2 Appendix A sets out an Executive Summary of the SDP and highlights the important strategic points. The full document is over 200 pages in length and a printed copy will be available at the meetings when it is discussed or on request.
- 3.3 The proposed 3 year SDP conforms to the OSDP and demonstrates that Shanks is likely to meet its contractual obligations.
- 3.4 There are uncertainties, as with all forward plans, particularly concerning the pace of change in local and national waste strategies.
- 3.5 There is one major issue outstanding. This concerns the possibility of a revised specification of the recycling facilities to be built at Jenkins Lane towards the end of 2007. At the moment this SDP conforms to the original proposal in this respect. However, further discussions are taking place that might lead to these original proposals being amended over the next few months to the benefit of all parties. *(Board - please see explanatory paragraph at the end of the Executive Summary)*

4. Landfill Allowances Implications

- 4.1 The Landfill Allowances Trading Scheme (LATS) was introduced after the contract with Shanks was signed and therefore the contractual obligations in the SDP do not directly refer to LATS
- 4.2 Officers assessment is that during the period of this SDP it is likely that the amount of biodegradable waste landfilled will be less than ELWA's Landfill Allowance and therefore the Authority should have Landfill Allowances to trade.

5. Legal Implications

- 5.1 To the extent that this SDP conforms to The Overall Service Delivery Plan there are a few legal implications other than this document would replace the first 5 year SDP when the latter expires at the 31st March 2007.
- 5.2 To the extent that Shanks or ELWA propose changes in this SDP to the Overall Service Delivery Plan, the Contract "change" mechanism is brought into play. This provides the means of assessing and compensating the other party for the cost of any changes.

6. Financial Implications

- 6.1 The annual cost of these SDP's makes up over 80% of ELWA's revenue budget and is therefore a very significant part of medium term financial projections and levy calculations
- 6.2 The cost in the years 2007/08, 2008/09 and 2009/10 had been previously estimated at these levels and included in The Finance Directors previous request on medium term financial projections.
- 6.3 It should be noted that 2007/08 is the first year of the main step up in price under the Integrated Waste Management Strategy. It is in 2007/08 that all the major capital investment in the infrastructure for ELWA will be completed, including the complete reconstruction of the four CA sites into Reuse and Recycling Centres, a new transport fleet, the Bio-MRFs at Frog Island and Jenkins Lane and the recycling facilities at Ilford Recycling Centre, Frog Island and Jenkins Lane.

7. Recommendations

- 7.1 Members are recommended to:
 - a) note the importance of this Service Delivery Plan for the medium term operational and financial planning of ELWA and the Boroughs;

- b) note the main strategic points set out in the Executive Summary in the appendix;
- c) approve the 3 year SDP 2007/08 to 2009/10 (NB.- subject to considerations at Directors of Environment and Board).

Tony Jarvis
EXECUTIVE DIRECTOR

Appendices

- A Executive Summary of the 3 year Service Delivery Plan 2007/08 & 2009/10

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**ELWA/SHANKS.EAST LONDON SERVICE DELIVERY PLAN
2007/8 TO 2009/10**

OUTLINE EXECUTIVE SUMMARY

1. The Service Delivery Plan (SDP) proposed by Shanks.east London (SEL) for the period 2007/8 to 2009/10 conforms in all material matters with the Overall Service Delivery Plan. The latter was agreed in 2002 for the 25 year period of the Contract with Shanks Waste Management to deliver ELWA's Integrated Waste Management Strategy.
2. This is the second medium term plan, the first having covered the period 2002/3 to 2006/7. A further medium term plan will be prepared during 2009 to cover the subsequent period 2010/11 to 2015/16.
3. Within the period of each medium term plan there is a more detailed annual plan. This is called the Annual Budget and Service Delivery Plan (ABSDP). The ABSDP in respect of the financial year 2007/8 must be agreed by the end of November 2006 and will be considered immediately following the approval of this SDP.
4. By the end of the first year of this plan (i.e. 2007/8) SEL will have completed all the infrastructure and facilities to deliver the required services in accordance with the Contract. The new facilities include the four Reuse & Recycling Centres, Ilford Recycling Centre, the Bio MRF and general MRF at Frog Island, and the Bio MRF and Orange Bag MRF at Jenkins Lane.
5. This SDP provides reassurance that SEL will be able to manage and dispose of over 500,000 tonnes of municipal waste in each of the years of this SDP.
6. The SDP provides reassurance that SEL will achieve the following targets:
 - Average BVPI Recycling – 22%
 - National Waste Strategy Recycling – 25%
 - Diversion from landfill – 40%
7. The delivery points for the deposit of waste collected by vehicles of the four Constituent Councils will be as previously agreed. Waste collection arrangements will continue as currently in operation in 2006.
8. As in previous years a comprehensive Communications Plan will be considered each year alongside these operational proposals and the Contract includes significant resources for the delivery of the Communications Plan.
9. The cost to ELWA of the service by SEL will be, in accordance with Contractual payment mechanism is estimated to be:
 - 2007/8 - £42m
 - 2008/9 - £46m
 - 2009/10 - £48m

These estimates assume that waste volumes are as predicted , recycling and diversion from landfill targets are achieved, and penalties for poor performance continue to be minimal. The cost increases in each year relate mainly to the rising rates of landfill tax applying to residual waste being landfilled.

10. Further developments of the service are being considered by the parties to increase recycling, increase efficiencies, and increase diversion from landfill to come into effect during the period of this SDP. Proposals currently being considered include:
 - a. A draft proposal to provide additional composting facilities within the area,
 - b. A draft proposal that would incentivise the diversion of biodegradable waste from landfill,
 - c. A draft proposal to rationalise existing sites and improve services,
 - d. Various Borough proposals contained in their recently approved Waste Management strategies, mainly relating to increasing recycling performance.

11. This Plan does not specifically consider any new requirements that might be placed upon ELWA or the Constituent Councils arising from either the government's review of the National Waste Strategy (later in 2006 or in 2007) or the Mayor's review of London waste strategies (in 2007). Similarly this SDP does not include any impacts that might arise from the government's proposal to grant additional powers to the Mayor of London in respect of waste and waste planning in London (perhaps in 2008).

12. This draft SDP will be considered for approval by Shanks.east London on the 18th September for submission to the Banks and for approval by ELWA on the 16th October.

tj/23.8.06.

(Contact Officer – Tony Jarvis – 020 8270 4965)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

EXECUTIVE DIRECTOR'S REPORT

CONSIDERATION OF ADDITIONAL WASTE SITES FOR ELWA AND THE CONSTITUENT COUNCILS	FOR DECISION
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1. Introduction

- 1.1 The purpose of this report is to give some preliminary consideration to whether ELWA should investigate further waste sites for the extension of services to the public.

2. Background

- 2.1 The map attached at Appendix A identifies the current main sites used for waste recycling and disposal by ELWA, in conjunction with Constituent Councils and Shanks.east london

- 2.2 An additional site for green waste and other composting would provide a very useful additional facility which would complement existing facilities and provide a more complete disposal service.

- 2.3 The map also clearly demonstrates that in respect to public sites it is the central and southern parts of the area that are well served by the current Reuse and Recycling (RRC) sites. There are of course a large number of 'bring' sites which are distributed more evenly across the whole area.

3. Composting

- 3.1 In February 2006 Members agreed to allocate £20,000 for a feasibility study into developing an ELWA composting facility, perhaps at one of ELWA's closed landfill sites.

- 3.2 No external expenditure has yet been incurred but the feasibility study has progressed well in conjunction with Shanks Waste Management.

- 3.3 It is likely that there will be a further detailed report in the near future on a proposal which would be aimed at 3 sites across the area. Two sites would be ELWA's closed landfill sites at Aveley I (which already has a small composting facility) and Gerpins Lane. These sites can be viewed on the site visit prior to the next Authority meeting on the 16th October 2006. It has not yet been possible to identify a site in the west of the

ELWA area. Planning permissions for developments would be required in respect of any of these sites.

4. Additional Reuse & Recycling Centres

4.1 The map at Appendix A clearly identifies that the west and the North east of the ELWA area are rather remote from existing Reuse and Recycling Centres. A better, more local, service could be provided to more residents if there was to be one site to the north east (near the borders of Barking and Dagenham, Havering and Redbridge) and one site to the west, perhaps relating to the Olympic site developments, serving the densely populated areas around Stratford.

5. Cost And Performance Issues

5.1 The composting facilities are likely to significantly increase ELWA's recycling and composting performance. It is probable that at least part of the cost of constructing and managing such facilities would be met by Shanks east London because of the high cost to them of alternative waste destinations (e.g. landfill). Further information will be contained in the next report on this issue.

5.2 The cost and performance in respect of additional RRC sites are more complex. It is likely that additional RRC sites will slightly boost ELWA's overall recycling achievement, because a significant proportion of the waste should be recyclable. There could be additional cost if the RRC sites lead to an overall increase in the amount of waste received by ELWA for disposal. In other words the additional RRC sites may not just divert existing waste streams but also generate new waste streams. If an extra RRC site handled 5,000 tonnes p.a. of which 2,000 tonnes was additional waste, the cost of disposal of the latter would be approximately £100,000 p.a. Furthermore there would be site management costs. Small sites might cost, depending on the capital investment, at least £100,000 p.a. each in revenue costs. These figures exclude the cost of purchasing land on the assumption that some existing Borough owned land might be available.

6. Conclusions

6.1 The pursuit of additional local composting facilities is likely to produce a good outcome for ELWA in terms of a significant increase in recycling and diversion from landfill. The additional costs to ELWA are likely to be moderate.

6.2 The provision of additional RRC sites produces a better service to residents and slightly increased performance in terms of recycling and diversion from landfill. The additional costs could be significant in terms of waste generation and management costs but this would be dependent upon the size of site, facilities provided and the controls adopted.

7. Recommendation

7.1 It is recommended that:

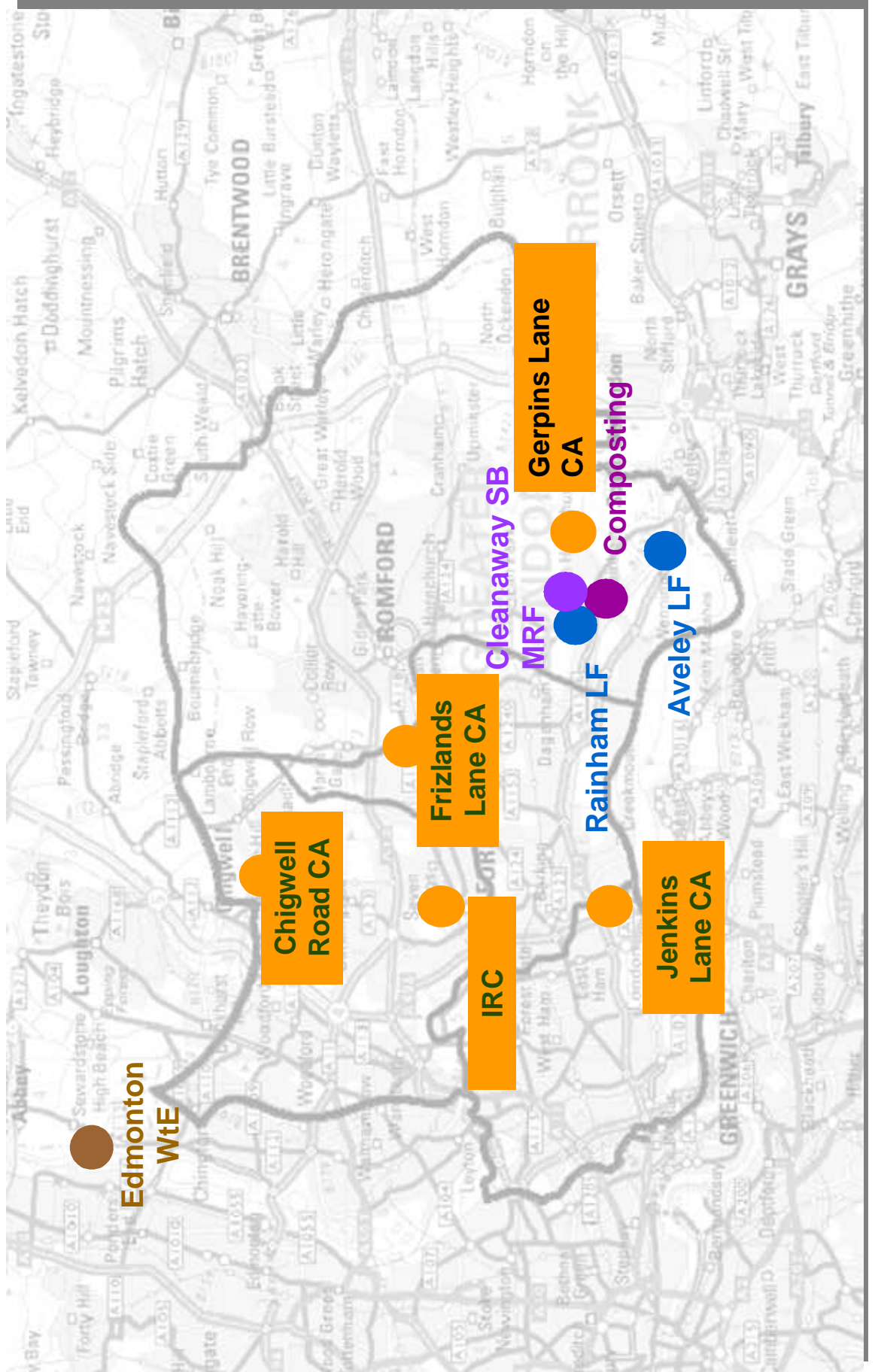
- a) the development of composting facilities is supported, subject to a further detailed report in due course;
- b) a preliminary site survey is conducted in respect of potential additional RRC sites prior to further decisions on this subject;
- c) a sum of £5,000 is withdrawn from the contingency to pursue the employment of specialist advice in respect to the preliminary site survey.

Tony Jarvis
EXECUTIVE DIRECTOR

Appendix
A Area map

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IMPLEMENTATION OF STRATEGY



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Contact Officer: Dave Hawes - Tel. 020 8270 4980)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

CONTRACT MANAGER'S REPORT

RECYCLING Resources for Recycling Initiatives	FOR APPROVAL
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1 Purpose

- 1.1 To update members on the implementation of recycling initiatives agreed at February's meeting of the Authority

2 Background

- 2.1 Recycling performance across ELWA has been steadily increasing over the last 3 years. However, further increases are required to meet the current and likely further increases in Statutory Performance Targets in ELWA and the four Constituent Councils.

- 2.2 At the Authority meeting in February, Members agreed a number of initiatives. They were:-

- a) Additional Promotional Material;
- b) Jenkins Lane Educational Centre;
- c) Recycling Containers;
- d) Longer Term Schemes;
- e) Project Management;

3 The Initiatives

a) Promotional Material

- 3.1 This proposal is to create specific promotional materials targeting each of the main recyclable items in the form of a recycling guide. The recycling guide is just being updated with the Recycle Now icons and should be ready for distribution at Libraries, Civic Centres and Reuse & Recycling Centres within a few weeks.

b) Jenkins Lane Education Centre

- 3.2 To achieve our aims and to represent what is a flag ship development for ELWA and Shanks, the original project budget for the furnishing and equipping of The Education Centre was circulated. A revised budget was produced that better reflected our requirements. The increased expenditure is primarily to increase the appeal of the Centre and to use more recycled materials in its furniture, fittings and equipment.
- 3.3 The Education Centre is due for completion by November 2006 and will be in use from the New Year.
- 3.4 The current expenditure to date, on the project, is £34,560.25 and will be completed in this financial year.

c) Provision of Recycling Containers

3.5 One of the messages received from this recent door knocking campaign was that the public see one barrier to increased performance being the number of containers supplied

3.6 To facilitate the provision of additional containers in each of the four Boroughs a provisional sum of £25,000 per borough was allocated. The actual provision of these containers was a matter for each individual borough. To date the schemes support are:-

- Barking & Dagenham used the additional funding to introduce a doorstep green garden collection.

This system is based on a booking system using biodegradable light green bags. So far the borough has supplied 156,000 biodegradable bags at a cost of £224 per 1000, with a total cost of almost £35,000.

ELWA has supported this scheme to its full allocation of £25,000.

- Havering used the funding to support the current kerbside collection scheme by augmenting the contract provision of 13 sacks per quarter to a provision of 16 per quarter.

An additional 750,000 sacks were provided at a cost of £27,075.

Again the full allocation of £25,000 was therefore provided.

- Newham used this fund to augment its provision of orange sacks. It has enabled the borough to purchase an additional 76,923 rolls (of 13) orange recycling bags which were distributed through the local service centres, the post (when requested over the phone and by email) and as part of the scheduled deliveries.

Again the full allocation of £25,000 was therefore provided.

- It is Redbridge's intention to provide additional bags and boxes for the kerbside scheme and it is therefore expected that the allocation will be fully utilised.

d) Longer Term Initiatives

3.7 There are also aspects of larger/longer term schemes that require a more in depth analysis and a profession feasibility study to bring them to fruition. These are:-

- ELWA wide composting facility, perhaps at one of ELWA's closed landfill sites.

Although funding was allocated to this feasibility study the initial work on this project has been completed by ELWA officers and Shanks.east london. This is an important project and the next stages of project development will need external support for example in preparing planning applications.

- Provision of an ELWA Educational Bus

The Feasibility study on the provision of either transport or mobile teaching facilities is linked to the use of the Educational Centre. It is considered that

this work cannot start until the Centre is operational. It is therefore envisaged that this will commence in the New Year

e) Project Management

3.8 Discussions are being held within London Remade to understand whether value for money could be achieved by entering into an agreement with them for project-based support. London Remade acts as a leading advisor and consultant to London Boroughs to improve recycling waste management. London Remade is not for profit business funded by The London Development Agency and other sponsors.

4 Conclusion

4.1 Progress on The Recycling Initiatives is as follows:

<u>Initiative</u>	<u>Progress</u>	<u>Likely Outcome</u>
a) Promotional material	On track	Completion this financial year
b) Education Centre	On track	Completion this financial year
c) Recycling Containers	On track	Completion this financial year
d) Composting facility	Subject to separate reports	Sourced internally so far
f) Bus	Linked to Visitors Centre Jenkins Lane	Expenditure requirement unlikely this financial year
e) Project Management	Being considered	Expenditure likely.

5 Implications in 2007/08

5.1 2007/08 will again be a transitional year for the implementation of the Integrated Waste Management Strategy for each of the Boroughs as the new IWMS facilities complete the final stage of development. To ensure continued momentum on these initiatives and to allow for the pump priming of other new initiatives, it is recommended that funds for recycling initiative continue for one further year.

6 Financial Implications

6.1 The provision in the Contingency for the above expenditure is sufficient for this financial year.

6.2 A further contingency sum of £200,000 would be appropriate for 2007/08, which again is a transitional year, to support new initiatives across the four Boroughs.

7 Recommendations

7.1 Members are recommended to:

- a) note this report;
- b) Continue funding the Recycling Initiatives programme for a further year.

Dave Hawes
CONTRACT MANAGER

Background Papers

1. Recycling: Resources for Recycling – Initiative report to the Authority dated 06.02.06

(Contact Officer – John Wilson – 020 8270 4997)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

GENERAL MANAGER'S REPORT

REUSE & RECYCLING CENTRES WASTE PROTOCOL

FOR APPROVAL

1. Introduction

- 1.1 To consult with Members regarding the proposed Waste Protocol to be operated by Shanks east London at the Reuse and Recycling Centres (RRC's).

2. Background

- 2.1 Under the Environmental Protection Act householders can deliver household waste free of charge to a Civic Amenity Site (now renamed Reuse and Recycling Centres). Waste arising from commercial activities is not household waste and Local Authorities are allowed to make a reasonable charge for the disposal of that waste.
- 2.2 Chigwell Road RCC, in Redbridge, does not hold a licence to receive commercial waste but the other three RCCs at Frizlands Lane, Gerpins Lane and Jenkins Lane can accept commercial waste.
- 2.3 Shanks east London manages the four RCCs in ELWA and manages the commercial waste element of the waste deposited. EL:WA does not pay Shanks for disposing of commercial waste. Shanks retain the income that arises.

3. The waste protocol of Reuse and Recycling Centres

- 3.1 Since the start of the Integrated Waste Management Strategy (IWMS) Contract in December 2002, an emphasis has been placed on controlling non-household wastes into the RRC sites. Various trials have taken place to try to find the best and fairest way of controlling waste inputs.
- 3.2 The attached document (Appendix A) has been agreed by the officers of ELWA, the Boroughs and Shanks. It is felt that this is the most balanced way of allowing genuine residents to deposit their household waste while restricting the input of commercial waste by a reasonable process of control.

3.3 Should a dispute arise about whether the waste being deposited is household waste or commercial waste, Shanks will apply the protocol, which includes reference to Borough Officers for advice.

3.4 History to date has indicated that, when residents arrive at a RRC site in a van, if they are genuine they are comfortable with these protocols.

4. Conclusion

4.1 ELWA and the Boroughs wish to finalise and agree this Protocol with Shanks.east london:-

- a) so that Shanks' operatives have a clear procedure for assessing whether waste being deposited at RRC sites is chargeable (commercial) or free (household).
- b) for ELWA and the Boroughs to be able to monitor site controls according to an agreed procedure.
- c) so that Borough officers can be involved to check the credentials of the resident if there is a dispute as to whether the waste being deposited is chargeable or free.

5. Recommendation

5.1 It is recommended that;

- a) Members approve implementation of the RRC Waste Protocol attached at Appendix A.
- b) Members receive a further report in 12 months of the operation of this Protocol

John Wilson
GENERAL MANAGER

Appendix
A Reuse and Recycling Centres Waste Protocol

Background Papers
None

RRC Waste Protocol

This protocol applies to all vehicles which are unable to comply with the entrance restrictions placed at all Reuse and Recycle Centres.

Definitions

“**non-Contract Waste**” – as defined in the Contract.

“**Vehicle(s)**” – All vehicles unable to access the site due to Restrictions deemed necessary to manage and control Contract and Non-Contract Waste which includes transits, small light vans, tippers, Luton vehicles and any vehicle towing a trailer.

“**Restrictions**” – Height, width or any other barrier designed to limit Vehicle(s) access to interface sites and to enable the inspection of waste contained on or attached to the Vehicle(s).

Safety

To ensure the safety of both the public and employees the following protocol will apply:

- Customers exhibiting threatening, abusive or violent behaviour will be denied use of the Interface Site even if they have a legitimate claim for free tipping. Such customers will be placed on a stop list and prevented from tipping in the future. Their details will be forwarded to the relevant Constituent Borough, Authorised Officer and the Authority Representative. If this behaviour persists the Police will be informed and if necessary called out as an emergency.
- In the interests of safety, Staff may judge it to be prudent to allow those who should be rejected to tip. However registration and vehicle details of these customers will be taken and the Police may be informed. This will be recorded via the TIM system as a sub-category of non-Contract Waste. No weighing will be made but an estimated weight will be entered.

Protocol

Not all persons who visit the site in a Vehicle will be delivering non contract waste. To deter those who are and especially those who wish to avoid payment or who are not registered carriers, the following steps **must** be completed. This will provide protection to those who have a legitimate right to tip.

All Vehicles that are prevented from accessing the public area of the Interface Site due to Restrictions must report to the Site Weighbridge. This access will be the only point of entry to the Interface Sites.

Once stopped at the Site Weighbridge, the driver shall be questioned about the origin of the material in or attached to the Vehicle. At this point an assessment is made by the Site Weighbridge operator as to the likelihood of the waste being non-Contract Waste based on the following factors:-

Experience – The Site Weighbridge operator will check whether the relevant vehicle has been to any of the Interface Sites operated under this contract by using the weighbridge database (TIM). The Site Weighbridge operator will also take note of the history of the dates of the Vehicle making these visits, especially the most recent. A new entry will be made regarding this visit.

Identification – The Site Weighbridge operator will ask the driver for proof of residency in the ELWA area and enquire whether this is the address from which the waste has emanated. SWS will endeavour to procure a list of Constituent Borough streets and postcodes. This will allow the Site Weighbridge operator to check that this matches the address given. The details of the address provided must be entered onto the weighbridge database. If this is the first time the vehicle has visited the Interface Site the driver would be asked for some identification that links to the address given.

The Site Weighbridge operator shall check if he knows of the driver or if the Vehicle appears on a stop list (where in operation).

Type, appearance and occupants of the vehicle – The Site Weighbridge operator shall consider among other things the following: Is the Vehicle hired? Does the Vehicle have trade advertising? What trade is carried out by the owner of the Vehicle? Does it have tools or invoices in the front? Is it sign written? Is the driver wearing site books or high visibility clothing etc?

Waste type – The driver should be asked to describe the load. The Site Weighbridge operator shall, if in any doubt, ask to see the waste to confirm it as described. If there is any discrepancy in the actual waste and that described by the driver, the Site Weighbridge operator should be alerted to a possible trader. Also Site Weighbridge staff should be aware of the nature of the material, and consider whether the material appears to have come from a domestic property. For example: Is it rubble, spoil in builders bags or are there large number of similar item – i.e. three sinks? (Is it garden waste? Is there a variety of types of green waste – i.e. cut down shrubs, small trees and or other plants?)

TIM will provide an essential tool in the assessment as to whether the visitor should be charged or not. It will allow the history of the Vehicle to be stored on the database and especially the addresses used to support their claim that access without charge should be made. It will also enable effective monitoring to take place and the resolution of any subsequent complaint or claim.

Upon completion of this assessment the Site Weighbridge operator shall take either of the options below.

Option 1 The Vehicle is assessed to hold Household Waste or is making a repeat visit, or is carrying Household Waste for which a charge can be made.

If the Site Weighbridge operator is completely satisfied that the Vehicle contains Household Waste they can be allowed to tip the contents of the Vehicle. The Vehicle shall be weighed and the driver shall be instructed where to tip the waste. No charge will be made and the transaction will be recorded as Household Waste. If they have no ID but the Site Weighbridge operator is satisfied that the driver is genuinely carrying Household Waste, the driver will be allowed to tip.

Where appropriate in order to maintain the efficiency of the traffic flows estimates will be made for the tare weights of empty vehicles based on an agreed list plus 80kg per person in the vehicle, this will negate the need for vehicles to weigh out (since ELWA pays on the total amount of CA waste weighed out, it is not absolutely necessary to weigh all public vehicles accurately). No ticket will be issued unless the driver specifically requests one.

Should the Vehicle appear to contain household waste but that the type, nature of the waste allows for a charge to be made, i.e. waste that is generally produced by a householder from Do It Yourself or home improvement activities, then if this is the first time the Vehicle has visited the site the persons name, address and vehicle registration will be recorded and the driver allowed to tip without charge. A leaflet will be given to them informing them that future loads will be chargeable unless they receive permission from the Borough in which they reside. If they are only tipping one load then no further action is required.

In addition weekly data from the TIM will be analysed by Shanks. Shanks will note any vehicles that are using the site frequently. Drivers of these vehicles (regardless of the waste type) will be given a leaflet and Shanks will inform the Borough that these vehicles will be placed on stop at all sites. If satisfied that tipping can continue the Borough will confirm this in writing to Shanks, the Borough will limit the number of loads and type of wastes that can be delivered. If the Borough decides it is not contract waste Shanks will be informed and the vehicle can be placed on the stop list at all sites. If this vehicle returns the driver will be informed of our actions and offered trade waste tipping (see below) or asked to leave without depositing waste.

Option 2 The Vehicle appears to hold Non Contract (commercial) Waste

The Site Weighbridge operator will inform the driver of the result of their assessment and that a charge will be made for the depositing of the waste. If they do not accept the price they will be advised of other local facilities licensed for non-Contract Waste and redirected to them. They should also be informed that a record of their visit to the site has been recorded and this will be available to other Interface Sites covered by this contract.

If the driver accepts a non-Contract Waste charge the vehicle will be weighed in and directed to the trade waste tipping area where they can discharge their load. On returning to the Site weighbridge they are weighed out, a cash charge made and a ticket will be issued.

In order to fulfil duty of care obligations, the details of all non-Contract Waste Vehicles will be passed to the Environment Agency unless a valid waste carriers certificate is produced. The Site Weighbridge ticket will act as the duty of care transfer note.

At all Interface Sites except Chigwell Road Site, the non-Contract Waste price per tonne will be clearly displayed at the Site Weighbridge. At the Chigwell Road Site the driver will be asked to leave and be recommended to use a nearby site, either one of the Interface Sites covered by this contract or a third party site. They should be informed that there may be a charge for the disposal of their waste.

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(Contact Officer – John Wilson – 020 8270 4997)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

GENERAL MANAGER'S REPORT

WEEE CONSULTATION	FOR APPROVAL
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1. Introduction

- 1.1 The government issued a consultation document on 25th July 2006 entitled "Implementing the Directories 2002/96/EC and 2003/108/EC on Waste Electrical and Electronic Equipment in the United Kingdom. The consultation invites the views on the Government's proposals for the draft legislation to implement directives on the Waste Electrical and Electronic Equipment ("the WEEE Directive") and on the draft non-statutory guidance.
- 1.2 Response to the consultation document is required by 17th October 2006

2. Background

- 2.1 Following earlier consultations in 2003 and 2004, the Government in December 2005 undertook a review of the implementation of the Directive which was published in March 2006. This further consultation (the government say) takes account of informal discussions held with the stakeholder community. Much of the new consultation (over 100 pages) does not differ significantly to previous drafts in relation to the collection of WEEE.
- 2.2 This is still a producer responsibility led piece of legislation which, under the EU legislation, requires producers to meet the costs of collection, treatment, recovery and recycling of a share of household WEEE delivered to authorised treatment facilities in line with their market share. Producers have to produce evidence of their own take-back performance or purchase 'vouchers' on the market place that someone else has done the take back.
- 2.3 In that it is proposed that in-store take back is still an option but rather than make individual take-back schemes mandatory it is proposed that:
- a) a national distributor take back scheme which establishes a network of Designated Collection Facilities ("DCFs") is set up;
 - b) Other producer obligations are:-
 - obligatory registration for producers through approved compliance schemes;
 - a code of practice covering the collection of WEEE from DCFs;

- authorised Treatment Facilities which will process WEEE received for treatment;
- accredited reprocessing facilities will provide evidence of reprocessing to producers;
- an end of year settlement to ensure producers are able to meet their obligations via an “exchange” system. (This will be based on a similar scheme to that for Landfill Allowances where buying and selling of quotas will take place). The Secretary of State will appoint an appropriate organisation for administer an Exchange which will establish a system which allows schemes to buy evidence or sell surplus evidence.
- a voluntary approach for producers to show the cost of handling historical WEEE.

2.4 However, the consultation still does not properly address the costs of collection for it says “Producer Compliance Schemes will manage collection treatment and reprocessing of deposited WEEE in partnership with DCFs”. This implies that DCFs are being based around the network of Civic Amenity Sites (Reuse & Recycling Centres) throughout the country and any extra cost of having to segregate the 5 main categories of WEEE at a Civic Amenity site/RRC will be met by the local authorities. The cost of providing the containers and hard standing will be met from a “one-off” payment by the British Retail Consortium to each DCF. The total sum available was being suggested as £8m with a payment per site of perhaps £6000. Ongoing revenue costs, insurance, Health & Safety, etc, will remain the responsibility of local authorities, as per the normal operation of sites. This ongoing cost appears to be the only disadvantage that local authorities will suffer. The advantages are:-

- they will get free collection of the WEEE from their sites;
- save costs of land filling of captured WEEE. Local Authorities can claim recycling performance of recycled WEEE;
- if sites are not cleared by a producer compliance scheme, the site managers will be able to recover their costs through the “exchange” system.
- Designated collection facilities such as Local Authority sites with which Producer Compliance Schemes have not contracted for collection from their sites will receive reimbursement for their costs incurred in handling WEEE. (However such sites would need to show that they had offered their WEEE to Producer Compliance Schemes before the Exchange would purchase evidence from them. The Government expect that the acceptance of the allocation arrangement for Producer Compliance Scheme will greatly reduce the need to use the Exchange).
- the legislation encourages a much more environmentally friendly system of disposal than the current landfill option.

2.5 Collection protocols from DCFs are still to be worked on but these are detail rather than principle.

3. Implications for ELWA

- 3.1 ELWA should support this advance in wastes management and, indeed, within its new infrastructure, built under our Integrated Wastes Management Strategy (“IWMS”) contract, it can offer a great advantage to managing WEEE in the east of London.
- 3.2 This consultation does not refer to the amount or application of the British Retail Consortium’s financial offer outlined in 2.4 above. The Government have encouraged local authorities to register the Civic Amenity sites /RRCs as DCFs and have outlined the perceived advantages to the local authorities but the financial ‘offer’ for the use of local authority sites does not recognise the high value of the land (particularly in London) or the continuing revenue costs of site arrangements.
- 3.3 The reason ELWA may feel disadvantaged is that, under our contract, Shanks are paid per tonne of materials managed. Using our RRC sites as DCFs, will still require ELWA to pay Shanks per tonne of WEEE received. Although Shanks will have to meet any extra management costs at the RRCs, the disposal costs no longer rest with Shanks but will be met by the Producer Compliance Scheme.
- 3.4 This does not increase the cost of the contract to ELWA but equally, it does not produce ELWA any savings that may have arisen from the waste being reduced (diverted by take back schemes). However the gain will be better environmental management of WEEE and an increase towards meeting the statutory recycling targets.
- 3.5 Another option is for ELWA not to agree that Shanks use its RRC sites as DCFs. This might provoke the retailers to have their own take back schemes or their own local facilities, but that is unlikely to occur, as many are committed to the collective scheme. The non designation of sites could cause confusion to our residents as many will not take an old TV or fridge with them when buying a new one. Residents expect to be able to deposit them at the RRC sites and not to have to take their WEEE to some other location, distinct from their other wastes.
- 3.6 However, ELWA must guard against commercial WEEE coming into the RRC (designated DCFs) as household waste. We are required by law to accept household waste free at the RRC sites. Commercial waste we are not. Commercial (Non contract waste) is the remit of Shanks and within the terms of the contract Shanks can charge their own rate and keep the income of any non contract waste delivered to the RRC sites. ELWA is not charged for this waste. If the RRC sites eventually become DCFs increased monitoring of the WEEE waste stream will be essential.

4. Conclusion

- 4.1 ELWA is generally supportive of the main thrust of WEEE consultation proposals but is surprised and concerned with the ease with which the Government has accepted that local authority facilities be used for depositing and sorting WEEE materials. This removes the need for Producers to purchase costly land (especially in London) and meet the cost of in house 'take back schemes'.
- 4.2 The Government consider using local authority facilities as the best practical option for the United Kingdom meeting its WEEE obligations.
- 4.3 ELWA's concern is therefore:
 - a) that, unless the producers operate significant 'take-back' schemes themselves (and WEEE does not therefore enter the household waste stream) much of the initial cost of collection and management of WEEE will fall on Local Authorities,
 - b) the British Retail Consortium's financial offer to Local Authorities for the provision and management of extra facilities at C.A. sites (provisionally agreed with DTI) is not considered to be sufficient to either cover the capital costs or the ongoing revenue costs likely to be incurred by Local Authorities in separately managing WEEE.

5. Recommendation

- 5.1 It is recommend that ELWA responds to the consultation along the lines of the conclusions in paragraph 4.

John Wilson
GENERAL MANAGER

Appendix
None

Background Papers

- WEEE Consultation paper.....
- Part I The Draft Implementation of Directories 2002/96/EC and 2003/108/EC on waste electrical and electronic equipment
- Part II Draft guidance to the waste electrical and electronic equipment regulation
- Part III Partial regulatory impact assessment for the WEEE regulations

Draft WEEE Regulations

(Contact Officer: Shirley-Ann Gray - Tel. 020 8270 4964)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

OFFICE MANAGER'S REPORT

CIWM CONFERENCE 2007	FOR APPROVAL
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1 Purpose

- 1.1. To consider ELWA's attendance at the 2007 Chartered Institute of Wastes Management (CIWM) Conference and Exhibition taking place between Tuesday 12th and Thursday 15th June, in Paignton, Torbay.

2 Background

- 2.1 For several years now attendance at the CIWM Conference has been open to all ELWA Members, together with the ELWA General Manager and the ELWA Contract Manager.
- 2.2 Both Members and Officers alike have reported that they have found attendance at the Conference to be a worthwhile and informative experience in that they have gained a valuable understanding of the latest issues and developments affecting the waste management industry.
- 2.3 In the past, Members have been asked to consider Conference attendance at their meeting in February. However, this is a very popular event and hotels are often booked a year ahead, resulting in Members being located at separate hotels or in an unfavourable hotel. In order to avoid a repetition this year, Members authorised officers to make provisional accommodation bookings (at the meeting on 19th June) and this has been done.

3 Financial Implications

- 3.1 In relation to conferences, the Constitution states that if the total cost is likely to exceed £3,000 the event must be approved by the Authority in advance where possible.
- 3.2 It is anticipated that the maximum cost per person attending this event will be £1,115. This covers 5 day attendance at the conference and the hotel accommodation only. It does not include any expenses (eg subsistence and travel) as these are reclaimed directly by Members from their respective Councils.
- 3.3 The Finance Director has confirmed that, if approved, budget provision will be made in the 2007/08 revenue estimates to cover the cost of attendance at the 2007 event.

4 Recommendation

4.1 Members are asked to:-

- a) Confirm ELWA's attendance at the 2007 CIWM Conference;
- b) indicate to officers which Members would like to attend. The programme of events will be circulated to Members considering attendance as soon as it becomes available.

Shirley-Ann Gray
OFFICE MANAGER

*(Contact Officer: John Wilson - Tel. 020 8270 4997)***EAST LONDON WASTE AUTHORITY****16 OCTOBER 2006****GENERAL MANAGER'S REPORT**

CONTRACT PERFORMANCE - APRIL to AUGUST 2006	FOR INFORMATION
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1 Purpose

- 1.1 To report on the Integrated Waste Management Strategy (IWMS) Contract for the period April to August 2006.

2 Tonnage Data and Contract Payments

- 2.1 Attached at Appendix A are tables showing tonnage data and contract payments for April to August 2006.

3 Site Operations

- 3.1 All Reuse and Recycling Centres (RRC) sites are being operated in accordance with Shanks' operational plans. During the summer months most of the sites coped very well with Chigwell Road being the only site to suffer penalties for queuing times. This site is inherently smaller than the others and suffers from peak attendance between 0900 and 1300hrs at week ends. Shanks have revisited the layout of the site to try to reconcile the public turnaround times with the recycling imperative with limited success.
- 3.2 Jenkins Lane - The redevelopment of the site is progressing to plan and to date is on schedule with the construction of the refining section continuing. This section deals with the output from the Bio-MRF and for example separates glass and aggregates from other outputs. Large trommel screens have to be set in place before the rest of the refining section can be completed and at the time of writing these are being installed.
- 3.3 Frog Island - The operational reliability of the RRC MRF has improved following some modifications to the lines. A trial was undertaken to operate sorting the residues from the RRC sites by day and to sort the orange bag materials at night in order to increase the plants efficiency. This has not proved successful as the plant (even after on site modifications) did not give the expected efficiency of sorting. This has meant Shanks having to deliver the orange bags materials to third party sites for processing and reconfiguring the inputs to the RRC MRF to take more of the waste closer to its design characteristics.
- 3.4 The Bio-MRF became operational at the beginning of April. Waste inputs from Havering and Barking were phased in to test the process and trial the new 'Optibag' system for separating the Orange and Black bags. As expected some problems occurred with the Optibag system which required modification to the machinery and a redesign of the springs operating the shaking mechanism. These modifications took approximately two months to complete although wastes were still being received into the Bio-MRF using the other lines not being refitted. The Optibag

system now appears to be operating as expected and commissioning trials on the Bio-MRF began on 21 August and will continue to 6 October. The main Bio-MRF element of the plant dealing with the residual waste has operated without any major events of significance and the first trial sample of the output indicates the drying and degrading performance is as or is better than expected.

- 3.5 The shredded waste is reaching the expected temperature levels of 55degrees and to date there has been no evidence of fugitive smells or flies.
- 3.6 Ilford Recycling Centre – the operational problems previously encountered with lack of capacity have been resolved with the use of a mobile screen. This has proved successful in removing the glass for recycling and thus releasing the plastic and cans for sorting at Frog Island. Operational problems have been alleviated somewhat from July with the redirection of B&D orange bag materials into Frog Island.

4 Conclusion

- 4.1 The operations at the RRC sites are now into a routine with the emphasis being put on front end recycling. To this end Shanks have employed two extra recycling ‘champions’ at each site to improve the removal of potentially recyclable materials. A facility to receive dense plastic has been introduced at all sites which is becoming increasingly popular as it is surprising how much of our waste materials now contains this plastic, which until recently had no treatment outlets. Containers for old and unused paint have also been introduced at all the RRC sites; much of the paint being sorted and reused by local charities. At Chigwell Road the bays collecting Green waste have been reconfigured to allow more public access and help speed up turnaround. The recycling rate achieved at these RRC sites is increasing slowly towards 40-50% of their input, with Jenkins Lane remaining lower than the rest but this is steadily increasing by the gradual relocating of the General Purpose Vehicles from the RRC sheds into the Temporary Transfer Station.
- 4.2 Appendix A shows overall tonnages and financial performance.
- 4.3 Appendix B shows overall Recycling and Diversion tonnages for 2006/7 and is important for the Landfill Allowances Trading Scheme (LATS) calculations.
- 4.4 The performance against LATS for April to September is shown at Appendix C, i.e. a surplus of Allowances.
- 4.5 The recycling rate has increased from 12.44% (2005/6) to an average 14.63% to date. However for the recycling rate is disappointing as it was expected that the early summer months would have been higher to compensate for the ‘poor green’ months over the winter period in order for them to reach an annual 18%. Unfortunately the dry weather has meant that the anticipated increase in green waste capture did not occur. Secondary recycling from the Bio-MRF refining section was not scheduled for this early part of the year but it is expected to increase the recycling rate in the second half by capturing the metals and glass not separately recycled.

5 Recommendation

5.1 Members are asked to:-

- i) note this report.

John Wilson
GENERAL MANAGER

Appendices

- A Contract Performance
- B Contract Waste Recycling Performance
- C Performance against LATS target

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Appendix A

Contract Performance

	Contract Tonnages						Contract Sums £K		
	ABSDP		Actual Tonnage		RRC Tonnage		2005/6	2006/7	
	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7	Actual	ABSDP	Actual
April	47849	45511	44545	40573	8983	8178	£2,514	£2,869	£2,658
May	44982	43378	42459	45523	8131	8484	£2,437	£2,746	£2,869
June	49018	47851	46924	48144	8455	9533	£2,600	£3,006	£2,954
July	46426	42148	41270	41277	6703	6913	£2,524	£2,767	£2,695
August	43667	42771	41833	42113	6460	6963	£2,562	£2,806	£2,732
September	46496	45056	44039		7131		£2,632	£2,943	
October	45482	40311	39631		5674		£2,481	£2,655	
November	39943	40915	40335		4782		£2,496	£2,688	
December	40084	38838	37062		3795		£2,395	£2,565	
January	42937	38244	37801		4169		£2,407	£2,528	
February	38371	35448	34619		4387		£2,273	£2,343	
March	42444	40960	39498		4766		£2,440	£2,698	
Total	527699	501431	490016	217630	73436	40072	£29,761	£32,614	£13,908

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Appendix B

Contract Waste Recycling Performance

Month	Recycling				Composting				Total Recycling			
	Tonnages		Percentage		Tonnages		Percentage		Tonnages		Percentage	
	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7
April	3,802	4256	8.54%	10.49%	1,809	1596	4.06%	3.93%	5,611	5852	12.66%	14.42%
May	3,629	4249	8.55%	9.33%	2,169	2658	5.11%	5.84%	5,798	6907	13.66%	15.17%
June	3,567	4130	7.60%	8.58%	2,189	2822	4.67%	5.86%	5,756	6952	12.27%	14.44%
July	3,461	4129	8.39%	10.00%	1,574	1843	3.81%	4.46%	5,035	5972	12.20%	14.47%
August	3,840	4526	9.18%	10.75%	1,672	1572	4.00%	3.73%	5,512	6098	13.18%	14.48%
September	3,543		8.04%		1,781		4.05%		5,324		12.09%	
October	3,969		10.02%		1,591		4.01%		5,560		14.03%	
November	3,784		9.38%		1,064		2.64%		4,848		12.02%	
December	3,690		9.96%		784		2.11%		4,474		12.07%	
January	3,608		9.54%		710		1.88%		4,318		11.42%	
February	3,359		9.70%		651		1.88%		4,010		11.58%	
March	3,994		10.11%		729		1.85%		4,723		11.96%	
Accumulative Total	44,246	121290	9.03%	9.78%	16,723	10491	3.41%	4.82%	60,969	31781	12.44%	14.60%

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Appendix C

Performance against LAT'S Target

Month	Contract Waste		LANDFILL		LATS Target	
	Tonnage	Biodegradable	Tonnage	Biodegradable	Tonnage	Difference
April	40,573	28,401	30,286	21,200	25,171	3,971
May	45,523	31,866	31,410	21,987	25,171	3,184
June	48,144	33,701	32,339	22,637	25,171	2,533
July	41,277	28,894	28,609	20,026	24,570	4,544
August	42,113	29,479	26,337	18,436	24,570	6134
September					24,570	
October					22,674	
November					22,674	
December					22,674	
January					22,443	
February					22,443	
March					22,442	
Accumulative Total	217630	152341	148981	104287	284,573	20,366

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(Contact Officers: Jay Gohil: 020 8708 5086)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

FINANCE DIRECTOR'S REPORT

BUDGETARY CONTROL REPORT TO 31st AUGUST 2006	FOR INFORMATION
--	------------------------

1 Introduction

- 1.1 This budgetary control report compares ELWA's actual expenditure for the five months ended 31st August 2006 with the original revenue estimates approved in February 2006 and is based on information supplied by Shanks.east london and the four Councils.
- 1.2 Budgetary control reports are presented for monitoring and control purposes.

2 Revenue Estimates

- 2.1 The actual net expenditure on services for the period was £13,082,000 compared to the profiled budget of £13,458,000 resulting in an under-spend of £376,000 for the period (see Appendix A).
- 2.2 The main variation relates to the payment to Shanks.east london which is lower than that anticipated in the Annual Budget & Service Delivery Plan by £362,000 as a result of less tonnes requiring disposal during the period April to August 2006 (see General's Manager's separate report elsewhere on the agenda on the Contract Performance for further details).
- 2.3 The commercial waste income is currently showing a shortfall of £147,000. However, the General Manager advises that some charges to Boroughs are outstanding and it is anticipated that the outturn for the year will be broadly in line with budget.
- 2.4 There is the generation of additional bank interest receipts of £129,000 as a result of stronger cash flows.
- 2.5 The tonne mileage payments are assumed to be in line with budget pending resolution of revised formula rates with Boroughs.
- 2.6 ELWA's Contingency sum for 2006/07 is £1,000,000. The agreed utilisation to date is £290,000 and comprises of £200,000 for recycling initiatives, £75,000 for testing the biodegradability of waste and £15,000 for Aveley 1 pipeline easement.
- 2.7 Any revenue under-spend and unutilised contingency for the year will be added back to Revenue Reserves at the end of the year.

3 Prudential Indicators

- 3.1 The Prudential Indicators for 2006/07, previously agreed by the Authority, covering borrowing, lending and capital expenditure limits are monitored by the Finance Director on a monthly basis. The Authority's Treasury Management and Capital activities for the period to August 2006 remain within the limits set.

4 Recommendation

- 4.1 Members are asked to note this report.

Geoff Pearce
FINANCE DIRECTOR

Appendix

A Budget Monitoring Statement to 31st August 2006

Background Papers

None

EAST LONDON WASTE AUTHORITY**BUDGET MONITORING STATEMENT TO 31st AUGUST 2006**

	<u>Original Budget 2006/07 £'000</u>	<u>Profiled Budget To 31.08.06 £'000</u>	<u>Total Actual to 31.08.06 £'000</u>	<u>Variance to 31.08.06 £'000</u>
<u>EXPENDITURE</u>				
<u>Employee and Support Services</u>	678	282	279	-3
<u>Premises Related Expenditure</u>	152	63	43	-20
<u>Transport Related Expenditure</u>	14	6	7	1
<u>Supplies and Services</u>				
Payments to Shanks.east london	32,660	14,269	13,907	-362
Other	175	73	63	-10
<u>Third Party Payments</u>				
Disposal Credits	270	112	112	-
Tonne Mileage	700	292	292	-
Rent payable - property leases	198	83	83	-
<u>Capital Financing Costs</u>	299	125	125	-
TOTAL GROSS EXPENDITURE	35,146	15,305	14,911	-394
<u>Income</u>				
Commercial Waste Charges	-3,516	-1,464	-1,317	147
Interest on Balances	-900	-375	-504	-129
Other Income	-20	-8	-8	-
TOTAL INCOME	-4,436	-1,847	-1,829	18
NET EXPENDITURE ON SERVICES	30,710	13,458	13,082	-376
PFI Grant Receivable	-4,726	-1,969	-1,969	0
Transfer to PFI Contract Reserve	4,726	1,969	1,969	0
Levy Receivable	-30,460	-13,354	-13,354	0
Contribution from Reserves	-250	-104	-104	0
REVENUE SURPLUS FOR PERIOD	-	-	-376	-376

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(Contact Officer: Jayant Gohil - Tel. 020 8708 5086)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

FINANCE DIRECTOR'S REPORT

EXTERNAL AUDIT – ANNUAL GOVERNANCE REPORT	FOR INFORMATION
--	------------------------

1 Purpose

- 1.1 To enable the External Auditor to report on certain matters arising from the audit of the 2005/06 final accounts, to “those charged with governance” as required by the International Standard on Auditing in the UK and Ireland (ISA) 260 which replaces the Statement of Auditing Standard (SAS) 610.

2 Statement Of Accounts

- 2.1 The 2005/06 Statement of Accounts (see separate agenda item) have been reviewed by the External Auditor.
- 2.2 Before issuing his audit opinion the External Auditor presented an Annual Governance (ISA 260) Report to the Authority. Under delegated authority this report was received and considered by the Finance Director in consultation with the Chair. No significant issues were raised by the External Auditor.
- 2.3 Jon Hayes (District Auditor) and Sharon Martin (Audit Manager) from the Audit Commission have been invited to attend the next meeting to present their Annual Governance Report to Members.
- 2.4 Members will be pleased to note that ELWA has received an unqualified opinion in respect of (i) its Accounts and (ii) its arrangements for securing economy, efficiency and effectiveness in the use of resources including its Best Value Performance Plan for 2005/06.

3 Recommendations

- 3.1 Members are asked to note this report.

Geoff Pearce
FINANCE DIRECTOR

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(Contact Officers: Jay Gohil - Tel. 020 8708 5086)

EAST LONDON WASTE AUTHORITY

16 OCTOBER 2006

FINANCE DIRECTOR'S REPORT

STATEMENT OF ACCOUNTS 2005/06	FOR INFORMATION
--------------------------------------	------------------------

1. Introduction

- 1.1 At the ELWA meeting in June 2006, Members approved the Authority's draft Statements of Accounts for the year ended 31 March 2006. The External Auditor, from the Audit Commission, has now completed his review and audit of the Accounts and has given an unqualified opinion and certificate without any significant issues being raised.
- 1.2 A copy of the signed Accounts will be available at the meeting.

2. Recommendation

Members are asked to note this report

Geoff Pearce
FINANCE DIRECTOR

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*(Contact Officers: Jay Gohil: 020 8708 5086)***EAST LONDON WASTE AUTHORITY****16 OCTOBER 2006****FINANCE DIRECTOR'S REPORT**

TREASURY MANAGEMENT OUTTURN 2005/06	FOR INFORMATION
--	------------------------

1 Introduction

- 1.1 By ELWA's Standing Orders, the Finance Director is responsible for all of the Authority's banking, borrowing and investment activities. Under the Authority's existing service level arrangements, the London Borough of Redbridge administers the treasury management function on behalf of ELWA.
- 1.2 Redbridge's Treasury Management function encompasses the administration and management of ELWA's loans and investments and is undertaken in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice in Treasury Management.
- 1.3 Members approved ELWA's Treasury Management Strategy and Prudential Indicators for 2005/06 in February 2005. This report set out the Authority's estimated funding requirements, debt portfolio management and investment of cash balances.
- 1.4 The main points to note from Redbridge's Treasury Management Outturn report for 2005/06 are:
- Short-term investments (i.e. less than one year) earned an average rate of 4.68% which compares favourably against the benchmark of 4.54%.
 - Long-term investments earned an average rate of 5.12% which compares favourably against the benchmark of 4.56%.
 - ELWA did not take out any new external borrowing and therefore its long-term debt portfolio remained at £2,273,000 as at 31st March 2006. All the loans are from the Public Works Loan Board (PWLB), on a fixed rate basis and the average rate of interest ranged from 8.13% to 10.00%. ELWA did not exceed its approved borrowing limits during 2005/06.
 - Cash balances have been actively managed and have outperformed their benchmark by 0.21%. Returns on the investments portfolio outperformed the London average by 0.25% and the debt portfolio outperformed the London average, when compared to outer London Boroughs. These results are from the 2004/05 Treasury Management and Capital Finance Statistics published by CIPFA.

2 Prudential Indicators 2005/06

- 2.1 In February 2005, the Authority set Prudential Indicators for limits on external debt and upper limits on fixed rate and variable rate interest rate exposures for 2005/06. These have not been exceeded during the year and the outturn figures are shown in Appendix A.

3 Recommendation

- 3.1 Members are asked to note this report.

Geoff Pearce
FINANCE DIRECTOR

Appendix

A Treasury Management Prudential Indicators 2005/06

TREASURY MANAGEMENT PRUDENTIAL INDICATORS

Authorised Limit for External Debt	2005/06 Limit £'000	31.03.06 Actual £'000
Borrowing	3,273	2,273
Other Long Term Liabilities	-	-
TOTAL	3,273	2,273

Operational Boundary for External Debt	2005/06 Boundary £'000	31.03.06 Actual £'000
Borrowing	2,273	2,273
Other Long Term Liabilities	-	-
TOTAL	2,273	2,273

Upper Limits on Interest Rate Exposures	2005/06 Limit %	31.03.06 Actual %
Fixed Rate	100	100
Variable Rate	25	-

Projected borrowing at fixed rates maturing in each period as a percentage of total projected borrowing at fixed rates		
	Limit Range	31.3.06
Under 12 months	0% to 10%	6%
12 Months and within 24 months	0% to 20%	11%
24 Months and within 5 years	0% to 40%	29%
5 Years and within 10 Years	0% to 60%	43%
10 Years and above	0% to 100%	100%

Upper Limit for Total Principal sums invested for more than 364 days	2005/06 Limit £m	31.3.06 Actual £m
Total	10	3

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*(Contact Officer – Rob Whiteman 020 8227 2137)***EAST LONDON WASTE AUTHORITY****16 OCTOBER 2006****MANAGING DIRECTOR'S REPORT**

EMPLOYMENT ARRANGEMENTS FOR ELWA	FOR DECISION
---	---------------------

1. Introduction

1.1. This paper reviews the employment arrangements of the Authority and makes specific proposals relating to staffing, issues and arrangements. The outcome sought is to:

- a) better reflect the current needs of ELWA
- b) manage the PFI contract
- c) retain leadership in the implementation of sustainable waste management
- d) simplify and clarify the personnel function within the Authority
- e) create a new context for medium term stability now that we know proposals for a single London waste authority are not being taken forward. At present ELWA operates on the basis of secondments and it is time to put this on a more sustainable footing.

1.2 ELWA is a statutory local Authority in its own right for which appropriate democratic and administrative arrangements must continue to be in place. This report sets out the Directors' proposals for ensuring this.

1.3 In preparing this report the Directors have given consideration to management reporting structures, the retention of experienced staff, and future succession planning.

2. Background information

2.1. ELWA has traditionally managed the waste disposal service by :

- a) staff secondments,
- b) the management of specific functions, through the four Constituent Councils, and
- c) the use of external advisers for peak workloads and specialist work.

- 2.2. Much of this has been carried out in a manner to meet the priorities and circumstances at the time. A small core team was established at Arden House in 2000 for the purposes of the procurement of the IWMS Contract, with additional support provided on a part-time basis from the constituent Councils. The function of the core team, following procurement, was primarily Contract management but the role has become increasingly strategic through a period of continuous and significant change in waste management legislation, including the landfill allowance regime, changes to electrical and hazardous waste, and a plethora of national and regional strategies.
- 2.3. The following sections set out the outcome of the review and the proposed change as they relate to Directors and the management structure.
- 2.4. The current structure is included in Appendix 1.

3. Role of Directors

- 3.1. ELWA is currently supported by four Directors, one nominated from each of the constituent councils. They provide support and advice on a range of issues. This arrangement has been successful in the past in that:
 - a) It enables ELWA to draw on professional advice that could not be provided within such a small Authority other than by purchasing in from the private sector.
 - b) It provides a connection at chief executive and director levels between the Constituent Councils and ELWA, and this works to the benefit of both the Councils and ELWA.
- 3.2. The role of the Directors was reviewed in 2002 and their terms of reference were re-specified. The following functional splits were agreed:

Managing Director (Barking & Dagenham)

Acts as Clerk, Secretary and Head of Paid Service, and provides the services from Barking & Dagenham of Legal Advisor and Monitoring Officer to the Authority and oversees the strategic direction of ELWA as a Waste Disposal Authority.

Finance Director (Redbridge)

To act as the Chief Finance Officer of ELWA and oversee and manage the proper administration of ELWA's financial affairs.

Technical Director (Havering)

To provide technical support and advice on waste disposal and recycling. Leading on Aveley Methane Ltd and matters related to ELWA's closed landfill sites.

Operations Director (Newham)

To oversee the operational issues relating to waste disposal and to ensure excellent relationships between ELWA and Shanks and the constituent Councils in their various roles as Waste Collection Authorities including providing HR support to the core ELWA team.

- 3.3 The Directors continue to meet bi-monthly as a Management Board in order to monitor and manage ELWA and its ability to deliver adequate waste disposal arrangements for East London. The responsibilities of the Management Board are set out in Appendix 3.
- 3.4 This arrangement has worked well at a strategic level for the Authority. In addition the Directors of the Environment from each of the Boroughs now meet on a quarterly basis to bring a more detailed waste managed focus to joint discussions. These meetings of the four professional leads have added value to the Board arrangements that have traditionally been in place.

4. The Current Staffing Arrangements

- 4.1 As the role of ELWA has evolved one aspect of the current arrangements requires revision . That is the application of a consistent and comparable personnel policy towards the full-time members of staff since they were seconded into the core team from 2000 onwards. The five full-time staff continue to be separately employed by different Boroughs with differing contracts of employment and Codes of Conduct, etc.
- 4.2 This will be a barrier to recruitment and succession planning in the future.
- 4.3 It will pose a number of complexities in the arrangements for management and supervision.
- 4.4 The other aspects of support including legal, administrative, public relations, finance, accountancy, operational and technical, will continue to benefit from the current arrangements where the Management Board can call upon the expertise within the Constituent Councils. Additionally there has been significant benefit in using external specialist support for particular pieces of work (e.g. valuing land or insurance assessments) and this is likely to continue.

5. The Proposed Staffing I Arrangements

5.1 It is proposed that:

- a) the ELWA becomes an employing Authority with effect from 1st April 2007
- b) the full-time staff currently seconded from the Constituent Councils would be permanently placed into the ELWA structure and the TUPE process would apply to this,
- c) The London Borough of Barking & Dagenham would be requested to take on the role of the lead Borough for all personnel issues and issue new Contracts of Employment on behalf of ELWA. The London Borough of Redbridge would be requested to take on the responsibility for payroll services. The London Borough of Redbridge would also be requested to accept these employees within their pension scheme as an Admitted Body under the relevant regulations,
- d) prior to the transfer, the five posts would be reviewed by the Head of Human Resources at LBBD, acting on behalf of ELWA, in accordance with Borough custom and practice and recommendations made to the Managing Director, ELWA Management Board and Members as appropriate.
- e) as an interim step ELWA would provisionally adopt the personnel policies and practices of London Borough of Barking & Dagenham until such times as specific ELWA policies and practices could be established.

5.2 The proposed management structure in Appendix 2 would be very similar to the existing structure but the current secondment arrangements from the different Constituent Councils would be replaced by a permanent ELWA structure.

5.3 The proposed management structure set out in Appendix 2 also identifies the continuing linkages into the Constituent Councils and the support that they provide through the four Directors

6. Conclusion

6.1 These proposals set out to improve the personnel arrangements within ELWA. Members' agreement to these proposals will provide more certainty about continuity, the retention of expertise and the application of standard personnel policies and these proposals will address the weaknesses of the current arrangements set out in paragraph 4.

7. Consequential Amendments to the Authority's Constitution

7.1 Amendments to the Constitution would be required to reflect:

- a) In Sections A & G - a permanent staffing structure for the Authority to replace the existing agency and secondment arrangements
- b) In Section C & D the transfer of the personnel and related functions to a lead Council in respect of the full-time members of staff.

8. Financial Implications

- 8.1 The application of a standardised evaluation and grading scheme within the new structure will lead to revised terms and conditions for individual members of staff, for their consideration, but it is unlikely that existing budgets for 2006/07 will be exceeded.
- 8.2 Should there be any longer term implications arising from the structure, or the revised Service Level Agreements with the Boroughs in respect of personnel, payroll or pension services or other support services, which cannot be met from existing budgets, the Finance Director will report back on these.
- 8.3 As a direct employer of staff ELWA could face some risks that previously might have been shared with the Constituent Councils with whom staff are currently employed. These risks mainly relate to the costs of compensation arising out of the misapplication of personnel policies or the costs of early termination of employment. Generally these risks can be mitigated by the adoption of relevant policies and the holding of reserves.

9. Recommendation

- a) note the reason and purpose of review of internal management structure of ELWA set out in paragraphs 4 and 5 of this report
- b) agree the principle that ELWA becomes an employing Authority with effect of 1st April 2007
- c) agree to carry out the necessary consultations and procedures to facilitate a transfer to ELWA of the five full time members of staff at Arden House who are currently employed by Constituent Councils.
- d) delegate to the Managing Director in conjunction with ELWA Management Board, the agreement of the new staffing structure for full-time members of staff within ELWA, subject to Member consideration of any long term financial implications and the approval of the Chief Officer post within the structure.
- e) delegate to the Managing Director personnel matters arising from the new structure, and delegate to the Finance Director the payroll and pension issues arising from the new structure.

- f) adopt the personnel policies where appropriate, of the London Borough of Barking & Dagenham on a provisional basis.
- g) Agree the consequential changes to the Constitution as set out in paragraph 7 and delegate the detailed drafting to the Managing Director.

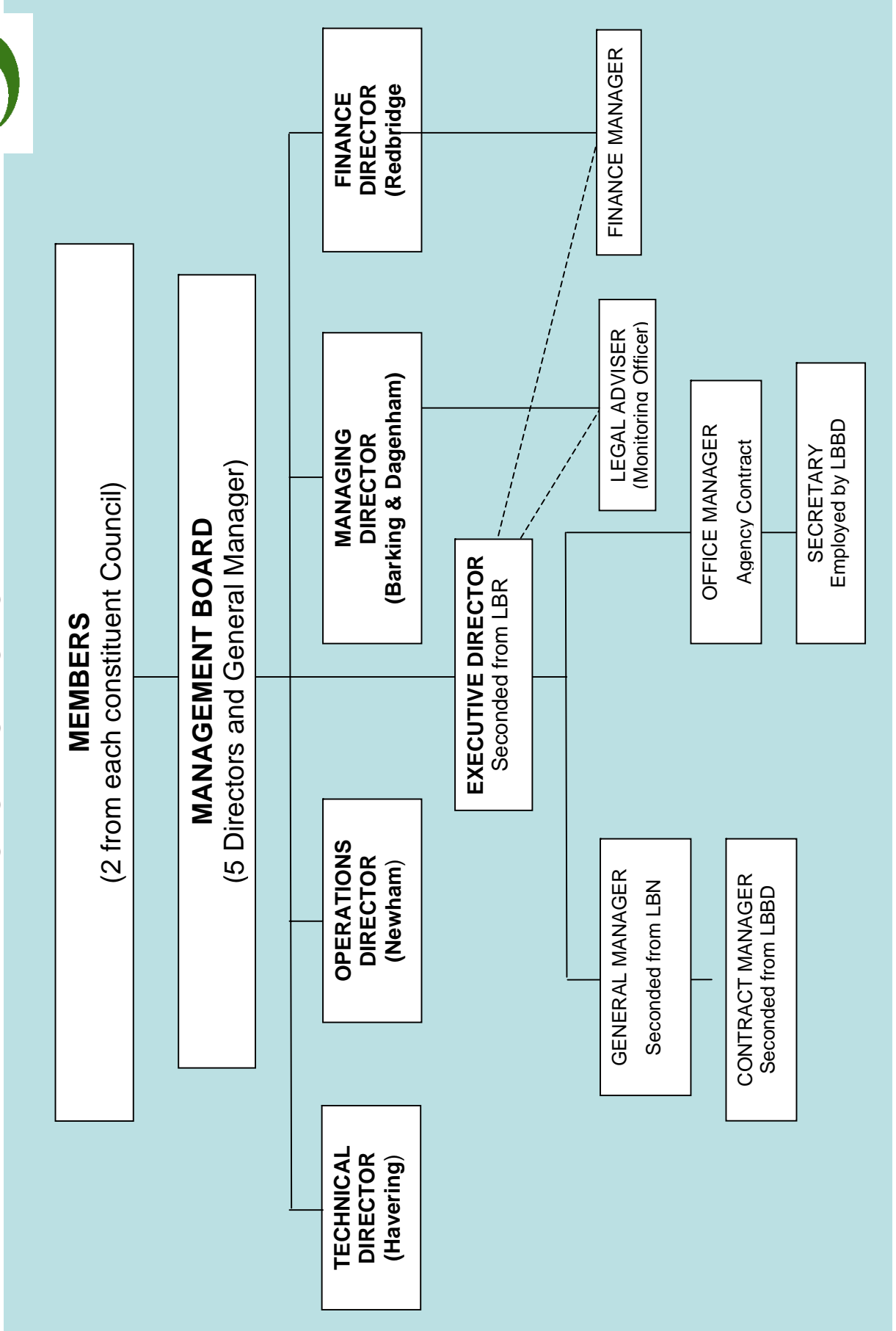
Rob Whiteman
MANAGING DIRECTOR

Appendices

- A Current organisation chart
- B Proposed organisation chart
- C Role of The Management Board



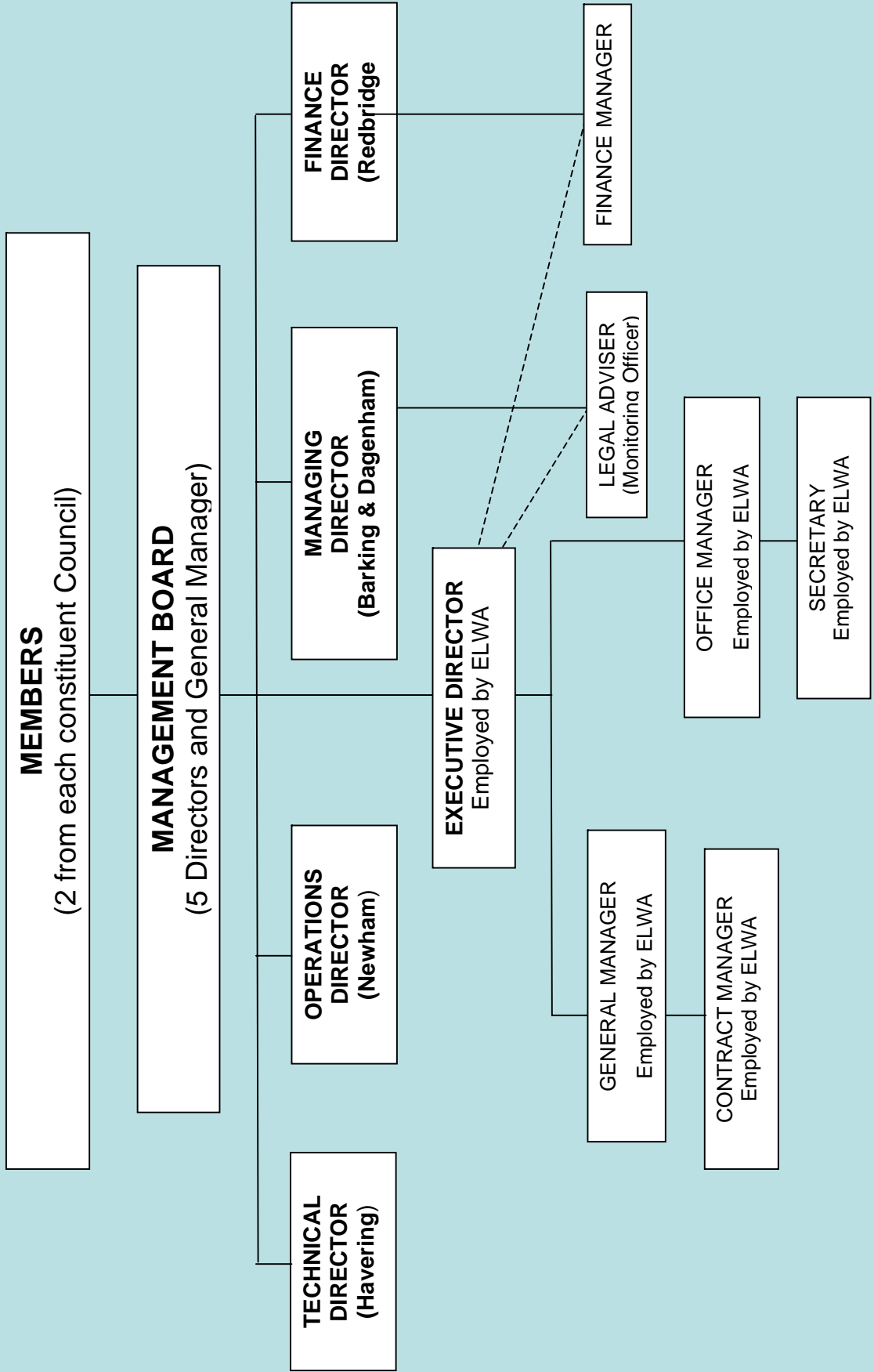
ORGANISATION CHART



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ORGANISATION CHART



ELWA MANAGEMENT BOARD

1. The ELWA Management Board is responsible for:
 - Ensuring the strategies and policies of the Authority are consistently applied across the ELWA area.
 - Working with Members to listen and take forward their ideas and policies for waste disposal.
 - Providing leadership and direction for the Authority.
 - Providing advice on forward planning and ensuring that policies, plans and programmes are in place in order to achieve outcomes.
 - Maximising the efficient use of Authority resources – its people, finance, information and assets.
 - Creating a working environment where the Authority's requirements are clearly communicated, where employees are committed to work positively on behalf of the Community and strive to continually improve performance.

2. The ELWA Board consists of:
 - a) Managing Director
 - b) Finance Director
 - a) Operations Director
 - b) Technical Director
 - c) Executive Director
 - d) General Manager

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