

## **Notice of Meeting**

### **EAST LONDON WASTE AUTHORITY**

**Monday, 7 April 2008 - Civic Centre, Dagenham, 1:00 pm**

**Members:** Councillor M E McKenzie (Chair); Councillor S Kelly (Deputy Chair); Councillor P R Goody, 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.

31.03.08

R. A. Whiteman  
Managing Director

Contact Officer: Tony Jarvis  
Tel: 020 8270 4965  
Fax: 020 8270 4973  
E-mail: [tony.jarvis@lbbd.gov.uk](mailto:tony.jarvis@lbbd.gov.uk)

### **AGENDA**

- 1. Apologies for Absence**
- 2. Minutes - To confirm as correct the minutes of the meeting held on 17 March 2008 (Pages 1 - 2)**
- 3. Contract Performance - 1 April 2007 to 29 February 2008 (Pages 3 - 11)**
- 4. Budgetary Control - 1 April 2007 to 29 February 2008 (Pages 13 - 15)**
- 5. Calendar of Meetings 2008/09**

Members are asked to agree the inclusion of an additional meeting into the 2008/09 calendar of meetings, to be held on Monday 21 July 2008 at 1.00 pm at the Civic Centre, Dagenham.

- 6. Any other public items which the Chair decides are urgent**
- 7. 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.

- 8. Waste and Recycling Performance (Pages 17 - 43)**
- 9. Landfill Strategy - Closed Landfill Sites (Pages 45 - 49)**
- 10. Any other confidential or exempt items which the Chair decides are urgent**

## **EAST LONDON WASTE AUTHORITY**

Monday, 17 March 2008  
(1:15 - 2:20 pm)

**Present:** Councillor M E McKenzie (Chair), Councillor S Kelly (Deputy Chair), Councillor P R Goody, Councillor P Murphy, Councillor P Sheekey and Councillor Mrs P A Twomey

### **1551 Apologies for Absence**

An apology for absence was received on behalf of Councillors B Tebbutt and A Weinberg. An apology for late arrival was received from Councillor S Kelly (1.28pm) and Councillor P Murphy (1.35pm).

### **1552 Minutes (4 February 2008)**

We have confirmed as correct the minutes of our meeting held on 4 February 2008.

### **1553 Contract Performance - 1 April 2007 to 31 January 2008**

Received and noted the Assistant Executive Director's report and appendices. We have received commentary from the Executive Director that tonnage was more or less as expected, and the Temporary Transfer Station was now closed for the construction of the orange bag facility, requiring the diversion of Newham's bulky waste to Edmonton. The Bio Mrfs were working normally and successfully and Ilford Recycling Centre coped with extra wastes from Redbridge and the Reuse & Recycling Centres were running smoothly.

The recycling figure for the period April and January was lower than projected at 16.5%.

Diversion from Landfill is reported to be better than projected at 44.5% and the total LATS surplus is 54874 although there is no market for the sale of these at present.

We have noted the report, together with the appendices but we are concerned about recycling performance.

### **1554 Budgetary Control Report to 31 January 2008**

We have noted the Finance Director's report and received the Finance Manager's commentary that the underspend of £113,000 was mainly as a result of an underspend on revenue contingencies. He stated that there were some outstanding issues and uncertainties facing the Authority but that an underspend could result for the year and this would be fed back to Revenue Reserves at the end of the year.

**1555 Private Business**

We have resolved to exclude the public and press from the remainder of the meeting by reason of the nature of the business to be transacted that included the detailed financial proposals of Shanks.east london in respect of the IWMS Contract, which is exempt from publication by virtue of paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 as amended.

**1556 Annual Budget and Service Delivery Plan 2008/09**

In accordance with Minute 1539, we have received the Executive Director’s confidential report and appendices. The Executive Director also provided commentary on the background to the report and developments subsequent to our last meeting. Following a recent meeting between the Managing Director and Group Chief Executive of Shanks, to discuss our concerns, officers have recommended approval of the ABSDP.

We have expressed our discontent at recycling performance and our doubts about projections for 2008/09. We have sought advice from the Legal Adviser on our position and requested a report on the options available to the Authority if poor recycling performance continues.

Following lengthy discussion, we have noted the recommendations and approved the ABSDP and asked officers to provide further reports.

We have also requested that a special meeting be arranged in July to consider first quarter 2008/09 performance against the agreed ABSDP.

**1557 Waste Strategy for England 2007**

Councillor Kelly enquired about meeting the Government’s new waste strategy which included higher targets. Local targets, under the new Local Government Performance Framework, have not yet been set within the Constituent Councils. We have agreed that the Authority should prepare a plan of recycling in the future when national and local strategies have been confirmed.

Chair: .....

Dated: .....

*(Contact Officer: John Wilson- Tel. 020 8270 4997)***EAST LONDON WASTE AUTHORITY****7<sup>th</sup> APRIL 2008****ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

<b>CONTRACT PERFORMANCE – APRIL 2007 TO FEB 2008</b>	<b>FOR INFORMATION</b>
--	------------------------

**1 Purpose**

- 1.1 To report on the performance of the Integrated Waste Management Strategy (IWMS) Contract for the period April 2007 to February 2008.

**2 Tonnage Data and Contract Payments**

- 2.1 As can be seen from Appendix A the waste delivered in February was 38k tonnes, approximately 2k tonnes more than anticipated in the Annual Budget & Service Delivery Plan, however the total tonnage to date is still 2.5k below the original estimate for 2007/8.

**2.2 Site Operations**

- 2.3 The construction of the new orange bag Mrf continues as programmed. This is the last piece of the infrastructure to be built under the IWMS contract.
- 2.4 All other sites continue to operate satisfactorily.

**3 Contract Monitoring**

- 3.1 February's recycling performance improved due to the increase in glass recyclate out of the Bio Mrf's. This however will not significantly affect the end of year performance. Based upon the performance for the first 11 months, the achievement of the 22% contract recycling target for 2007/08 looks impossible. The best estimate for the full year is 17%.
- 3.2 Appendix B shows the recycling and composting performance for April 07 to February 08 compared to the agreed revised plan proposed by Shanks for 2007/08 and compared to performance for 2006/7.

**4 Diversion from Landfill**

- 4.1 The contractual target for diversion from landfill is 40% for 2007/08. This target is being exceeded with a cumulative diversion of 44.2%. This increased diversion provides the Authority with a potential Landfill Allowances Trading Scheme (LATS) benefit and landfill tax savings.
- 4.2 The performance against LATS allowances for 2007/08 is shown at Appendix C, and shows a surplus of 62244 allowances for the above period i.e. a greater diversion of biodegradable waste from landfill than was necessary to meet the government target.

## **5 Conclusion**

- 5.1 Overall waste levels for this period has increased compared to 2006/07 and is only slightly lower than projected in the 2007/8 Annual Budget & Service Delivery Plan.
- 5.2 Recycling and composting performance for the period April 07 to February 08 averaged 16.5% compared to the 22% recycling performance required under the contract. Shanks continue to suffer a loss in financial supplements arising from the lower than required recycling performance.
- 5.3 The 44.2% diversion from landfill is better than projected which reflects the continued success for the Secondary Recovered Fuel (SRF) recovery.

## **6 Recommendation**

Members are asked to note this report.

John Wilson  
**ASSISTANT EXECUTIVE DIRECTOR**

### **Appendices**

- A Contract Waste Performance 2006/07 and 2007/08
- B Contract waste recycling & composting performance 2006/07 and 2007/08
- B1 Monthly contract recycling
- C Performance against LATS target

### **Background Papers**

None

**Contract Waste 2006-7 and 2007-8**

	Contract Tonnages						Contract Sums £K		
	ABSDP		Actual Tonnage		RRC Tonnage		2006/7	2007/8	
	2006/7	2007/8	2006/7	2007/8	2006/7	2007/8	Actual	ABSDP	Actual
<b>April</b>	45511	41984	40573	42736	8178	9895	£2,658	£2,865	£2,885
<b>May</b>	43378	47106	45523	43237	8484	8205	£2,869	£3,124	£3,019
<b>June</b>	47851	49818	48144	43209	9533	8517	£2,954	£3,198	£2,956
<b>July</b>	42148	42726	41277	44372	6913	8572	£2,695	£3,759	£3,730
<b>August</b>	42771	43578	42113	45446	6963	10103	£2,732	£3,797	£3,796
<b>September</b>	45056	44385	42869	42778	7617	8807	£2,758	£3,774	£3,688
<b>October</b>	40311	40948	41114	43339	6113	7719	£2,705	£3,680	£3,768
<b>November</b>	40915	41738	40719	41001	5533	6866	£2,667	£3,656	£3,614
<b>December</b>	38838	38351	35895	36227	4418	5359	£2,471	£3,564	£3,396
<b>January</b>	38244	39116	40802	42975	4772	7255	£2,722	£3,599	£3,730
<b>February</b>	35448	35823	35087	37746	5064	6461	£2,444	£3,274	£3,459
<b>11 Months to February</b>	<b>460471</b>	<b>465573</b>	<b>454116</b>	<b>463066</b>	<b>73589</b>	<b>87759</b>	£29,675	£38,289	£38,041
<b>March</b>	40960	40872	41999		7472		£2,726	£3,677	
<b>Annual Total</b>	<b>501431</b>	<b>506445</b>	<b>496115</b>		<b>81061</b>		£32,401	£41,965	

This page is intentionally left blank



**Contract Waste Recycling & Composting Performance 2006-7 and 2007-8**

Month	Recycling		Composting		Total Recycling		Percentage
	Tonnages	Percentage	Tonnages	Percentage	Tonnages	Percentage	
	2006/7	2007/8	2006/7	2007/8	2006/7	2007/8	2007/8 Actual
April	4256	5,352	1596	2,115	5852	7,467	17.5%
May	4249	5,561	2658	1,881	6907	7,442	17.2%
June	4130	5,016	2822	2,191	6952	7,207	16.7%
July	4129	5,330	1843	2,130	5972	7,460	16.8%
August	4526	5,540	1572	1,849	6098	7,389	16.3%
September	5152	5,150	1942	2,970	7094	8,120	19.0%
October	4145	5,442	1600	1,713	5745	7,154	16.5%
November	4370	5,166	1356	1,561	5726	6,727	16.4%
December	4015	4,443	1002	605	5017	5,048	13.9%
January	5285	5,383	793	572	6078	5,955	13.9%
February	4304	5,301	883	1014	5187	6,315	16.7%
<b>11 Months to February</b>	<b>48561</b>	<b>57684</b>	<b>18067</b>	<b>18600</b>	<b>66628</b>	<b>76284</b>	<b>16.5%</b>
March	5236		1264		6500		25.7%
<b>Annual Total</b>	<b>53797</b>	<b>10.8%</b>	<b>19331</b>	<b>3.9%</b>	<b>73128</b>	<b>14.7%</b>	<b>22.0%</b>

This page is intentionally left blank



This page is intentionally left blank

**Performance against LAT'S Target**

Month	Contract Waste		LANDFILL		LATS Target	
	Tonnage	Biodegradable	Tonnage	Biodegradable	Tonnage	Difference
April	42,736	29,915	25,975	18,183	22,097	3,915
May	43,237	30,266	24,815	17,371	22,097	4,727
June	43,209	30,246	25,952	18,166	22,097	3,931
July	44,372	31,060	24,047	16,833	22,097	5,264
August	45,446	31,812	23,293	16,305	22,097	5,792
September	42,778	29,945	21,065	14,746	22,097	7,351
October	43,339	30,338	23,447	16,413	22,097	5,684
November	41,001	28,701	23,664	16,565	22,097	5,532
December	36,259	25,381	19,931	13,952	22,097	8,145
January	42,975	30,082	25,092	17,564	22,097	4,533
February	37,746	26,422	21,038	14,726	22,097	7,371
March		0		0	22,097	
<b>Accumulative Total</b>	<b>463,098</b>	<b>324,169</b>	<b>258,318</b>	<b>180,823</b>	<b>265,164</b>	<b>62,244</b>

This page is intentionally left blank

*(Contact Officers: Jay Gohil: 020 8708 5086)***EAST LONDON WASTE AUTHORITY****7th APRIL 2008****FINANCE DIRECTOR'S REPORT**

<b>BUDGETARY CONTROL TO 29<sup>TH</sup> FEBRUARY 2008</b>	<b>FOR INFORMATION</b>
---	------------------------

**1 Introduction**

- 1.1 This budgetary control report compares ELWA's actual expenditure for the eleven months ended 29<sup>th</sup> February 2008 with the revised revenue estimates approved in February 2008 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 Based on the profiled revised budget of £35,304,000 and the actual net expenditure on services of £35,214,000, the underspend for the period is £90,000 (see Appendix A).
- 2.2 The variations relate to the payment to Shanks.east london which is higher than the revised budget by £145,000 principally due to over 1,900 more tonnes requiring disposal during February 2008 than previously forecast (see Assistant Executive's separate report elsewhere on the agenda on Contract Performance for further details).
- 2.3 Also, there is the generation of additional interest receipts of £194,000 mainly as a result of better interest rates than previously anticipated because of events in the money market linked to the credit crunch.
- 2.4 Due to market conditions there have been no sale of surplus LATS allowances to date. Officers will continue to review the situation.
- 2.5 ELWA's revised Contingency sum for 2007/08 agreed in February 2008 is £210,000 and comprises of £45,000 for staff recruitment costs, £40,000 for costs relating to Orange Bag Testing Trials and specialist advice and £125,000 for costs relating to biodegradability testing at Frog Island and Jenkins Lane. The agreed total utilisation to date is £108,000.
- 2.6 Currently, there are still some issues and uncertainties faced by ELWA but overall there could be an underspend for 2007/08.
- 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 2007/08, 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 eleven months to February 2008 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 29th February 2008

Background Papers

None



**EAST LONDON WASTE AUTHORITY**  
**BUDGET MONITORING STATEMENT TO 29<sup>th</sup> FEBRUARY 2008**

<b><u>EXPENDITURE</u></b>	<b><u>Revised Budget 2007/08 £'000</u></b>	<b><u>Profiled Budget to 29.2.08 £'000</u></b>	<b><u>Total Actual to 29.2.08 £'000</u></b>	<b><u>Variance to 29.2.08 £'000</u></b>
<b><u>Employees</u></b>	412	378	361	-17
<b><u>Premises Related Expenditure</u></b>	103	94	77	-17
<b><u>Transport Related Expenditure</u></b>	5	4	2	-2
<b><u>Supplies and Services</u></b>				
Payments to Shanks.east London	41,571	37,894	38,039	145
Other (inc cost of Support Services)	504	464	464	-
<b><u>Third Party Payments</u></b>				
Disposal Credits	90	82	82	-
Recycling Initiatives	200	183	183	-
Tonne Mileage	525	481	481	-
Rent payable - property leases	215	197	197	-
<b><u>Capital Financing Costs</u></b>	285	261	261	-
<b>TOTAL GROSS EXPENDITURE</b>	<b>43,910</b>	<b>40,038</b>	<b>40,147</b>	<b>109</b>
<b><u>Income</u></b>				
Commercial Waste Charges	-3,431	-3,145	-3,145	-
Interest on Balances	-1,600	-1,467	-1,661	-194
WEEE Grant	-104	-104	-104	-
Other Income	-20	-18	-23	-5
<b>TOTAL INCOME</b>	<b>-5,155</b>	<b>-4,734</b>	<b>-4,933</b>	<b>-199</b>
<b>NET EXPENDITURE ON SERVICES</b>	<b>38,755</b>	<b>35,304</b>	<b>35,214</b>	<b>-90</b>
PFI Grant Receivable	-4,537	-4,160	-4,160	0
Transfer to PFI Contract Reserve	4,537	4,160	4,160	0
Transfer from PFI Contract Reserve	-5,500	-5,042	-5,042	0
Levy Receivable	-32,990	-30,028	-30,028	0
Contingency Allocated	210	193	108	-85
Contribution from Reserves	-1,900	-1,742	-1,742	0
<b>REVENUE SURPLUS FOR PERIOD</b>	<b>-1,425</b>	<b>-1,315</b>	<b>-1,490</b>	<b>-175</b>

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank