

Notice of Meeting

EAST LONDON WASTE AUTHORITY

Monday, 27 September 2010 - 9:30 am
Council Chamber, Civic Centre, Dagenham

Members: Councillor S Kelly (Chairman); Councillor G M Vincent (Vice Chairman); Councillor B Tebbutt, Councillor I Corbett, Councillor R Crawford, Councillor M Dunn, Councillor G Letchford and Councillor V Tewari

Date of Publication: 17 September 2010

Paul M Taylor
Managing Director

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AGENDA

1. **Apologies for Absence**
2. **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.
3. **Minutes - To confirm as correct the minutes of the meeting held on 21 June 2010 (Pages 1 - 5)**
4. **Statement of Accounts and Auditor's Report 2009/10 (Appendix A to follow) (Pages 7 - 22)**

The External Auditor will attend to present his report.
5. **Budget Control Report to 31 August 2010 (Pages 23 - 25)**
6. **Treasury Management Outturn Report 2009/10 and Treasury Management Training (Pages 27 - 32)**
7. **Levy Methodology (Pages 33 - 38)**
8. **Future Financial Savings (Pages 39 - 41)**
9. **Amendments to the Constitution (Pages 43 - 45)**

Appendix A is included under separate cover (Supplementary 1)

- 10. Contract Monitoring - July 2010 (including ABSDP 2010/11) (Pages 47 - 55)**
- 11. Waste Management - July 2010 (Pages 57 - 61)**
- 12. Date of Next Meeting: 22 November 2010**
- 13. Any other public items which the Chair decides are urgent**
- 14. 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.

- 15. IWMS Contract - Negotiation (Appendix D to follow) (Pages 63 - 78)**
- 16. Any other confidential or exempt items which the Chair decides are urgent**

EAST LONDON WASTE AUTHORITY

Monday, 21 June 2010
(9:35 - 11:20 am)

Present: Councillor S Kelly (Chair), Councillor G M Vincent (Deputy Chair), Councillor G Letchford and Councillor V Tewari

1 Apologies for Absence

Councillors I Corbett, R Crawford, M Dunn and B Tebbutt.

2 Appointment of Chairman and Vice Chairman

We have received the Monitoring Officer's report and have appointed Councillor S Kelly as Chairman and Councillor G Vincent as Vice Chairman for the ensuing municipal year.

3 Declaration of Members' Interests

There were no declarations of Members' Interests.

4 Membership and Induction of New Members 2010/11 and July Workshop

The Chair welcomed the new Members to the Authority and, following introductions, we extended our thanks to those Members that have left the Authority. We have confirmed with the Office Manager that all new Members had been sent their Induction Pack. We have authorised Officers to prepare letters of thanks and appreciation to the outgoing Members.

The Executive Director outlined the draft programme for Members' Induction and Workshop to be held on 19 and 20 July. He offered the opportunity to visit the key facility at Frog Island as well as the Closed Landfill Sites and another Waste Disposal Authority. We have also received a draft copy of the Annual Report entitled "What happens to East London's waste and how you can help" and agreed to provide Officers with any comments we may have. We have authorised the Executive Director to approve the final version prior to publication.

5 Minutes

We have confirmed as correct the minutes of the Authority meeting on 12 April and the Appointment Panel on 18 May 2010.

6 Appointment of ELWA Limited "A" Director

Having considered a report from the Office Manager on issues relating to ELWA's directorship on ELWA Limited, we have:-

- (i) appointed Councillor Ian Corbett as ELWA's 'A' Director on the ELWA Limited Board for the 2010/11 municipal year;

- (ii) authorised the 'A' Director to act as ELWA's representative at the Annual General Meeting of ELWA Ltd;
- (iii) agreed that such appointment to take effect following prior consultation with the "B" shareholder; and
- (iv) authorised the Chairman to nominate an alternative 'A' Director should the need arise.

7 Programme of Meetings 2010/11

We have noted the agreed programme of meetings for the municipal year 2010/11 and attendance record of the Board. The Chairman has advised that the attendance record is no longer required. We have previously discussed the issues of sites visits and workshop in Minute 4 above.

8 Nominations under Section 41 of the Local Government Act 1985

In accordance with Section 41 of the Local Government Act 1985 and the Monitoring Officer's report, we have nominated and agreed the following Lead Members (Portfolio Holders) to answer questions in respect of the Authority's functions for the year 2010/11 put by other members of their constituent councils during their council's proceedings. They are:

- Councillor Barry Tebbutt, London Borough of Havering
- Councillor Michelle Dunn, London Borough of Redbridge
- Councillor Gerald Vincent, London Borough of Barking & Dagenham
- Councillor Ian Corbett, London Borough of Newham (to be confirmed).

9 The Constitution - Consequent Amendments

We have received the Executive Director's report on consequent amendments, made necessary by the Governance Review, to the Constitution. We have noted that further amendments are proposed to Parts A, B, C and G (previously reviewed) and that Part D had now been rewritten and Parts E, F & G were being reviewed in accordance with best practice. We have been offered options for reviewing the Constitution amendments with a view to final approval of the document at our September meeting. We have opted for one Member from each borough to volunteer to review the amendments at the end of the Workshop in July. The Finance Director and Monitoring Officer will talk us through the Rules at the Workshop.

10 Final Financial Outturn Report for 2009/10

We have discussed and noted the report containing an analysis of expenditure, income, contingency and reserves. The Finance Director reported that the final outturn for the year was broadly in line with revised estimates and that variances were set out in the Appendix.

He reported that there was an under spend in respect of employee costs, premises related expenditure, recycling, disposal credits and recycling initiatives and payments to Shanks. Commercial waste charges continued to fall. There was an overall under-spend of £223,000.

He has provided an update on the Heritable Bank position and has advised on the approach adopted by the finance officers with regard to investment and lending.

11 * Draft Statement of Accounts 2009/10

We have received the Finance Director's apology and agreed to consider this late report, together with draft letter, draft Financial Statements & Annual Governance Statement for the year ended 31 March 2010. The Finance Director has explained the changes in practices in relation to accounting and presentation of key information under International Financial Reporting Standards (IFRS) and the impact it will have in respect of our Private Finance Initiative and Leases. We understand that the draft Accounts reflect the variances mentioned in the Outturn Report and we have discussed and agreed the draft Accounts, subject to review and any changes made by the external auditor.

12 * Draft Annual Governance Statement 2009/10

We have been advised that the Board have considered the Annual Governance Statement and that their comments have been included in it. The Finance Director informed us of the areas of governance and internal control that required improvement. We have agreed this document and note that the external auditor, from PricewaterhouseCoopers, will attend the next meeting to report on his findings.

13 Budgetary Control Report to 30 April 2010

We have received the Finance Director's report and note that we were broadly on course with Budget. In commentary, the Finance Director advised that there was an under spend of £49,000 as set out in the Appendix. Variations on budget related to the payment to Shanks being slightly down in the first month due mainly to a reduction in insurance premium. He added that volatility in waste levels would need to be carefully monitored and remedial action taken if necessary to reduce costs. Robust monitoring of expenditure and income would be required because the Contingency sum had been allocated. Any revenue under spend would be put into Reserves.

14 Budgets and Savings - Future Strategy

We have received the joint introductory report presented by the Executive and Finance Directors in respect of a need for efficiencies and savings in future years. We have heard commentary on the necessity for keeping the Levy requirements to a minimum in future years. Support from Reserves was reducing and the impact that rising tonnages, increases in landfill tax and inflation costs had on the Levy indicated a rise of approximately 9% over the next two years. We have been advised that current support for the Levy after 2012/13 from Reserves could not be continued. The Appendix contained ELWA's main items of spending of which 95% related to contract costs of £45m, management of 4 closed landfill sites at £150,000, governance, administration (including SLA support from the constituent

councils) and employee costs making up the remainder.

We have been asked to consider a future strategy which included opening renegotiations on initiatives with the Contractor, looking at reducing contractual service with a view to creating savings for the Contractor as well, a behavioural incentivisation charging system in respect of the current Levy mechanism, the identification of new funding, long term comprehension of PFI contracts and ways of making our assets work harder.

We have been presented with and discussed the challenges ahead and are aware that ELWA will come under pressure. A reduction in waste volumes was absolutely essential as was consideration of the benefits to ELWA and the Contractor. This was the first stage of the way forward and thought would be given to lessen Levy increases as much as possible.

We have asked officers to put forward ideas for improved recycling for consideration at a future workshop.

We have agreed to consider in a much more informal way a strategy for the review of future budgets and savings at our workshop in July paying particular attention to flexibility around the Budget Head and to develop that strategy when further information is available to the boroughs on their financial positions and performance targets, over the next 3/5 years.

15 Internal Audit - Progress Report 2009/10, Audit Plan 2010/11 and Planned Audit Coverage to March 2015

We have received the Finance Director's Internal Audit Progress Report 2009/10, together with the Internal Auditor's Audit Plan for the year 2010/11 and proposed 5 year rolling audit programme. The audit during 2009/10 covered Asset Management, Recycling Performance Indicators data collation and Contract Monitoring arrangements.

He advised that internal audit was undertaken by the London Borough of Redbridge and that this was a 'good news' report with no serious issues being raised. We have noted the audit coverage for 2009/10.

We have agreed that the audit coverage for 2010/11 would be in relation to Contract Monitoring, internal control and corporate governance arrangements and reviewing the effectiveness of the new arrangements in place.

We have also agreed the Five Year Strategic Plan as set out in Appendix A to the report.

16 Waste Management - 2009/10 Summary and Report to April 2010

We have received and noted the Head of Operations' report and appendices. His report included a summary of 2009/10 waste management issues in response to our request for further clarification on the origins of contract waste and tonnages, Landfill Allowances Trading Scheme Performance and National Indicator Performances.

We have discussed the position with regard to SRF. We have agreed the need to

identify more items for recycling.

17 Date of Next Meeting: 27 September 2010

Noted.

18 Governance Review

We have been advised of the appointment of Mr Paul Taylor to the post of Managing Director with effect from 16th August.

We note that this is the last meeting attended by the Executive Director before his retirement at the end of August. We have therefore expressed our gratitude to him in recognition of his contribution to the Authority over the years. He had successfully steered ELWA through the difficult areas of setting up an extremely innovative PFI project in connection with the IWMS Contract. He leaves with our thanks and very best wishes for the future.

19 Members' Workshop

We have received a tabled draft of the agenda for the Workshop.

20 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 discussed which included information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

21 Contract Monitoring - April 2010

We have received and noted the Head of Operations' confidential report.

We have heard commentary on the report in respect of operational problems at the key facilities, concerns about reliability of the Jenkins Lane BioMrf and recycling and composting performance.

22 ELWA Limited and Project Orange

We have received the joint confidential report of the "A" Director and Executive Director and noted the Minutes of 25 January and commentary on the main topics of discussion at the meeting held on 26 April. Further reports will be forthcoming on Project Orange in the next few months.

(* The Chairman agreed that these items could be considered at the meeting as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972.)

Chair:

Dated:.....

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(Contact Officers: Richard Blakey: 020 8708 3025)

EAST LONDON WASTE AUTHORITY

27 SEPTEMBER 2010

FINANCE DIRECTOR'S REPORT

STATEMENT OF ACCOUNTS AND AUDITORS REPORT 2009/10	FOR INFORMATION
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1 Introduction

- 1.1 At the ELWA meeting in June 2010, Members approved the Authority's draft Statements of Accounts for the year ended 31 March 2010. The External Auditor, PricewaterhouseCoopers (PwC) are completing their review and audit of the Accounts. It is expected that they will give an unqualified opinion and certificate.

2 2009/10 Accounts

- 2.1 The Accounts were completed within the agreed statutory timescales and include all the additional requirements introduced by the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement of Recommended Practice 2009 in relation to the presentation of key information.
- 2.2 In overall terms, there was a favourable variance in terms of expenditure when compared to the Revised Budget for 2009/10, which was agreed by Members in February 2010. This resulted from several sources but primarily from lower contract payments to Shanks and from lower disposal credits and recycling initiatives claims from the Boroughs.
- 2.3 As a result of this, but after taking account the use of reserves of £2,279,000, the General Fund Balance has decreased by £2,053,000 to £8,104,000 at the end of 2009/10.
- 2.4 The draft accounts agreed by Members in June remain substantially unchanged. Members may recall the guidance for local government accounting has changed significantly in a number of ways. Perhaps most significantly for ELWA has been the requirement to put the Private Finance Initiative (PFI) contract with Shanks onto our balance sheet. This causes no net impact on ELWA or its accounts. However, this exercise has required significant technical valuations and accounting calculations to be done. Given the extensive and complex nature of this work, ELWA used an external consultancy firm.
- 2.5 The accounts you agreed in June relied on the input from that consultant. The clear view of our external auditors, PwC, is that whilst the net position of ELWA was correct, some composite figures needed to be corrected. Following extensive discussions between all parties over the last six weeks, I have agreed to accept PwC's proposal. The net is more detail but no net change to the figures

2.6 As a result of this recent agreement to accept PwC's proposal, changes need to be made to the income and expenditure account, notes to the accounts and the cash flow statement. To ensure that these changes are made correctly, and agreed by our External Auditors, it means that the final audited financial statements will be e-mailed to Members in advance of the meeting. Copies will also be provided on the day.

3 Auditors Report

3.1 A copy of the External Auditor's report is attached at Appendix A. It notes that they expect to issue an unqualified opinion on the Financial Statements and an unqualified value for money conclusion will be issued.

3.2 External Audit will provide a verbal update on this report at the Authority meeting.

4 Recommendation

4.1 Members are asked to:-

(a) note this report.

Geoff Pearce
FINANCE DIRECTOR

Appendices		
A	Financial Statements for the year ended 31 March 2010 (to follow)	
B	2009/10 Draft Auditor's Report to those charged with governance	
Background Papers		
07/06/10	Report & Minute Nos. 11/2010 & 12/2010	Draft Statement of Accounts 2009/10 and Annual Governance Statement 2009/10

East London Waste Authority

2009/10 Report to those charged with
governance

September 2010

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

The 'Statement of responsibilities of auditors and of audited bodies' issued by the Audit Commission in April 2008 applies to our 2009/10 audit of the East London Waste Authority under the Code of Audit Practice for Local Government Bodies issued by the Audit Commission in July 2008. A copy of the statement is available from the Chief Executive of the East London Waste Authority. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement and the Code of Audit Practice. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Executive Summary

The purpose of this report

This report summarises the results of our 2009/10 audit. It sets out:

- matters arising from our audit of the financial statements which we are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance";
- the results of our work under the Code of Audit Practice, to support the Value for Money conclusion; and
- an audit fee update.

Our work during the year was performed in line with the plan that we presented to you on 12 April 2010.

Financial Statements

We were pleased with the quality of the draft accounts and the working papers provided to support them. This ensured that the audit process itself was efficient.

No significant accounting issues arose in our audit of the 2009/10 financial statements.

Financial Standing

No issues in relation to financial standing arose from the 2009/10 audit.

We ask the Members of East London Waste Authority to:

- Consider the draft management representation letter (Appendix A) and confirm you are comfortable with the representations proposed.

Financial statements

Accounts

We have completed the audit of the Authority's accounts in line with the Code of Audit Practice and International Standards on Auditing (UK & Ireland). At the time of drafting this letter we have completed substantially all audit work on the Authority's accounts, with the exception of obtaining all bank and investment confirmations.

The draft management representation letter is attached for your consideration in Appendix A.

We anticipate issuing an unqualified audit opinion on the financial statements.

Accounting Issues

There are no misstatements identified during the course of our audit, which remain unadjusted, other than those of a clearly trivial nature. We regard misstatements less than £1,000 as clearly trivial.

Systems of internal control

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

Accounting practices

We are also required to report to you our view on qualitative aspects of the Authority's accounting practices and financial reporting. The financial statements were prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009 (the SORP). There are no such matters to bring to the attention of members.

Other matters

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

Value for Money in the Use of Resources

Work performed

We have performed work to conclude on the Authority's arrangements for achieving economy, efficiency and effectiveness in its use of resources.

Our work to support our Value for Money conclusion comprised the following elements:

- Work performed on the key lines of enquiry (KLoEs) specified by the Audit Commission as underpinning the Value for Money conclusion.
- Review of the Annual Governance Statement

Value for Money Conclusion

Under the Code of Audit Practice we are required to provide a conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. The conclusion is based on the adequacy of the Authority's arrangements to meet criteria issued by the Audit Commission. Since 2008/09, selected Key Lines of Enquiry (KLoEs) have formed the criteria for the Value for Money conclusion. These are listed in Appendix E.

We intend to issue an unqualified value for money conclusion.

Annual Governance Statement

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

CIPFA recently issued a statement on The Role of the Chief Financial Officer in Local Government 2010¹, which makes recommendations about:

- the Chief Finance Officer's position in an authority's leadership,
- their involvement in and ability to influence key business decisions
- their responsibility for promotion of good financial management,
- their role in leading and directing a finance function which is resourced to be fit for purpose, and
- the qualifications and experience required of a Chief Finance Officer.

The recommendations of the statement are expected to be consolidated into the CIPFA/Solace Framework "Delivering Good Governance in Local Governance" over the next year. In the meantime, CIPFA has recommended a voluntary "comply or explain" approach in the 2009/10 AGS. This means the AGS is expected to include either:

- a confirmation that the authority's financial management arrangements conform to the CIPFA Statement, or
- an explanation of why they do not and how the authority delivers the same impact.

The Authority has included this in the AGS. As auditors, we are not required to report on this aspect of the AGS for 2009/10.

¹ http://www.cipfa.org.uk/pt/download/role_of_CFO_in_LG_2010_WR.pdf

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

Audit plans and fee update

Audit Plan

We issued our Audit Plan for 2009/10 and presented it to Members on 12 April 2010. The plan has not been changed in any significant respect.

In this report we comment only on those areas where we believe we need to communicate with those charged with governance.

Audit fees update for 2009/10

We reported our audit fee proposals in the Audit Plan. Our actual fees were in line with our proposals.

Our fees charged were:

	2009/10 Outturn	2009/10 Fee proposal
Financial Statements	£27,800	£27,800
Governance / VFM conclusion	£10,200	£10,200
Total audit fee	£38,000	£38,000

Appendix A: Draft management representation letter

To PricewaterhouseCoopers LLP

80 Strand
London
WC2R 0AF

Your audit is conducted for the purpose of expressing an opinion as to whether the financial statements of the authority give a true and fair view of the state of affairs of the authority as at 31 March 2010, of its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

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

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

I confirm, to the best of my knowledge and belief and having made the appropriate enquiries, the following representations regarding the preparation of the Statement of Accounts that properly presents in all material respects the financial position of the East London Waste Authority:

Accounting records

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

- All the accounting records, whether for the purposes of financial reporting or any other purpose, have been made available to you for the purposes of your audit and all the transactions undertaken by the authority have been properly reflected and recorded in the accounting records.
- All other records and related information which might affect the fair presentation of, or necessary disclosure in, the financial statements, including minutes of the Authority and relevant management meetings, have been made available to you and no such information has been withheld.

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

Accounting policies

I confirm that I have reviewed the Authority's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the authority's particular circumstances, as required by the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

Related party transactions

I confirm that the Authority has disclosed all related party transactions relevant to the Authority and that I am not aware of any other such matters required to be disclosed in the financial statements under the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2009.

Employee benefits

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

Contractual arrangements/agreements

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

Laws and regulations

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

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

The pension fund has not made any reports to the Pensions Regulator nor am I aware of any such reports having been made by any of our advisors. I confirm that I am not aware of any late contributions or breaches of the payment schedule that have arisen which I considered were not required to be reported to the Pensions

Regulator. I also confirm that I am not aware of any other matters which have arisen that would require a report to the Pensions Regulator.

There have been no other communications with the Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.

Fraud

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

I have disclosed to you:

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

where the fraud could have a material effect on the financial statements.

- iii) my knowledge of any allegations of fraud, or suspected fraud, affecting the authority's financial statements communicated by members, employees, former employees, analysts, regulators or others.

Misstatements detected during the audit

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect error.

I confirm to the best of my belief that the financial statements are free from material misstatement, including omissions.

Taxation

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

In particular:

- In connection with any tax accounting requirements, I am satisfied that to the best of my belief our systems are capable of identifying all material tax liabilities and transactions subject to tax and have

maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.

- I have to the best of my belief submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken the authority's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the authority or any associated company for whose taxation liabilities the authority may be responsible.

Bank accounts

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

Subsequent events

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

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Finance Director

Appendix B: Summary of unadjusted misstatements and material adjusted misstatements

We have not identified any unadjusted misstatements during our audit of the financial statements that exceeded the £100,000 threshold agreed by those charged with governance at the meeting of the Authority on 12 April 2010. No material adjustments have been made to the accounts presented to the Authority on 21 June 2010.

Appendix C: Value for Money conclusion criteria

The Audit Commission publishes Code of Practice criteria on which auditors are required to reach a conclusion on the adequacy of an audited body's arrangements for economy, efficiency and effectiveness in its use of resources. The criteria are linked to Key Lines of Enquiry (KLoEs). The Commission specifies which KLoEs will form the 'relevant criteria' for the VFM conclusion for each type of body each year. The table below shows the KLoEs specified for the conclusion in 2009/10 and 2008/09.

Managing Finances

Key Lines of Enquiry		Specified in 2009/10	Specified in 2008/09
1.1	Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	✓	✓
1.2	Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	✓	✓
1.3	Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	✓	✓

Governing the Business

Key Lines of Enquiry		Specified in 2009/10	Specified in 2008/09
2.1	Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	x	x
2.2	Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	x	x
2.3	Does the organisation promote and demonstrate the principles and values of good governance?	x	x
2.4	Does the organisation manage its risks and maintain a sound system of internal control?	✓	✓

Managing Resources

Key Lines of Enquiry		Specified in 2009/10	Specified in 2008/09
3.1	Is the organisation making effective use of natural resources?	✓	x
3.2	Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	x	✓
3.3	Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	x	x

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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(Contact Officer: Janice Mansfield: 020 8708 3010)

EAST LONDON WASTE AUTHORITY

27 SEPTEMBER 2010

FINANCE DIRECTOR'S REPORT

BUDGETARY CONTROL REPORT TO 31 AUGUST 2010	FOR INFORMATION
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1 Introduction

- 1.1 This budgetary control report compares ELWA's actual expenditure for the five months ended 31st August 2010 with the original revenue estimates approved in February 2010 and is based on information supplied by Shanks East London and the four Constituent Councils.
- 1.2 Budgetary control reports are presented for monitoring and control purposes.

2 Revenue Estimates

- 2.1 Based on the profiled budget of £21,658,000 and the actual net expenditure on services of £21,814,000, the over spend for the period is approximately £160,000 (see Appendix A).
- 2.2 The main variation relates to the payment to Shanks East London, which as advised is higher than that anticipated in the Annual Budget & Service Delivery Plan due to higher delivered tonnages from the boroughs (approximately 1% for the period) and reduced diversion performance [further details are within the contract management report]. As reported earlier in the financial year this is partly mitigated by the actual insurance premium charged for 2010/11 being £50,000 less than budget and this was as a result of effective negotiations with Shanks East London to minimise the extent of any increase in our premium. There has also been adverse variation in respect of interest receivable. This is because cash flow was lower than expected.
- 2.3 ELWA's Contingency sum for 2010/11 of £150,000 has already been allocated for the year. It is important that there is robust monitoring of the financial position throughout the year so as to ensure that remedial action can be swiftly taken. Such action may become necessary particularly if the current trend on delivered tonnages continues.

3 Prudential Indicators

- 3.1 The Authority sets Prudential Indicators covering borrowing, lending and capital expenditure limits. These are monitored by the Finance Director on a monthly basis and the Authority remains within the limits set by the Prudential Indicators.
- 3.2 Members approve the Treasury Management Strategy, including borrowing and investment strategies, on an annual basis. Members agreed the current Treasury Management Strategy at your meeting in February 2010. Within this, the investment strategy defines a comprehensive and rigorous range of credit rating criteria.

3.3 Since your meeting in February, officers have continued to work to ensure that the highest quality of institutions are used when investing. This is to ensure the focus is on security.

3.4 In order to maintain flexibility in an environment where investment opportunities are limited, the lending list is reviewed regularly. Lending limits for the highest rated counterparties have been increased in order to allow us to take advantage of slightly higher interest rates for deposits with terms of 6 months to one year. In addition Officers have looked at opportunities to extend the lending list to include a few very secure foreign banks in order to increase the lending options for the Council during 2010/11. No breaches of Treasury strategy occurred during the period and a prudent lending policy is operated on a day to day basis.

4 Recommendation

4.1 Members are asked to:-

(a) note this report.

Geoff Pearce
FINANCE DIRECTOR

Appendices	
A	Budget Monitoring Statement to 31st August 2010
Background Papers	
None	

EAST LONDON WASTE AUTHORITY
BUDGET MONITORING STATEMENT TO 31st AUGUST 2010

	Original Budget 201011 £'000	Profiled Budget to 31.08.10 £'000	Total Actuals to 31.08.10 £'000	Variance to 31.08.10 £'000
<u>EXPENDITURE</u>				
<u>Employee and Support Services</u>	530	221	221	0
<u>Premises Related Expenditure</u>	107	44	37	(7)
<u>Transport Related Expenditure</u>	5	2	1	(1)
<u>Supplies and Services</u>				
Payments to Shanks East London	50,471	21761	21888	127
Other (inc cost of Support Costs)	720	300	294	(6)
<u>Third Party Payments</u>				
Disposal Credits	50	21	21	0
Recycling Initiatives	210	88	88	0
Tonne Mileage	525	219	219	0
Rent payable - property leases	267	111	111	0
<u>Capital Financing Costs</u>	229	96	96	0
TOTAL GROSS EXPENDITURE	53,114	22,863	22,976	113
<u>Income</u>				
Commercial Waste Charges	(2,688)	(1,120)	(1,120)	0
Interest Receivable	(396)	(127)	(84)	43
Other Income	(260)	(108)	(108)	0
TOTAL INCOME	(3,343)	(1,355)	(1,312)	43
Contingency Allocated	150	150	150	0
NET EXPENDITURE ON SERVICES	49,920	21,658	21,814	156
PFI Grant Receivable	(4,014)	(1,673)	(1,673)	0
Transfer to PFI Contract Reserve	4,014	1,673	1,673	0
Levy Receivable	(40,825)	(10,206)	(10,206)	0
Transfer from PFI Contract Reserve	(7,117)	(2,965)	(2,965)	0
Contribution from Reserves	(1,978)	(824)	(824)	0
REVENUE SURPLUS FOR PERIOD	0	7,663	7,819	156

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*(Contact Officer: Clive Dundon - Tel. 0208 708 3290)***EAST LONDON WASTE AUTHORITY****27 SEPTEMBER 2010****FINANCE DIRECTOR'S REPORT**

TREASURY MANAGEMENT OUTTURN REPORT 2009/10	FOR INFORMATION
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1 Introduction

- 1.1 The Treasury Management Strategy including borrowing and investment strategies is approved by Members on an annual basis. The current Strategy was agreed in February 2009 and this report details the outturn against the background of this Strategy.
- 1.2 Under ELWA's Constitution the Finance Director is responsible for all the Authority's banking, borrowing and investment activities. The Treasury Management function is carried out by the London Borough of Redbridge on behalf of ELWA.
- 1.3 The Authority's activities are regulated by statutory requirements, ELWA's Constitution, and a professional code of practice, the CIPFA Code of Practice on Treasury Management. The Authority has adopted this code as part of its Financial Rules. The Code recommends that Authorities produce an annual report on Treasury Management after the year-end, which would include Treasury Management indicators.
- 1.4 This report is presenting to Members the Treasury Outturn for 2009/10 and covers all borrowing and investment activities undertaken during the last financial year.

2 Current Portfolio PositionExternal Borrowing

- 2.1 The external borrowing position is summarised below:

	31.03.10 £000's	Average Rate	31.03.09 £000's	Average Rate
Public Works Loans Board	1,610	9.6%	1,610	9.6%

- 2.2 These loans were taken out many years ago when interest rates were much higher than they are today. Early repayment/rescheduling has been considered but given the PWLB redemption rates, the cost of early repayment would be prohibitive.

Investments

- 2.3 The Authority is required to produce an Annual Investment Strategy that sets out the Authority's policies in managing its investments. This was approved by Members as part of the Treasury Management Strategy at your meeting in February 2009.

- 2.4 The main objective of the investment strategy is to ensure the security of investments the Authority makes and also to maintain the liquidity of its investments in order to meet known liabilities. To meet this requirement the Authority has approved creditworthiness criteria which must be strictly adhered to when making investment decisions.
- 2.5 Against the background of the earlier credit crisis in international markets and the continued uncertainty during 2009/10, a restricted lending list was in place together with monetary and sector limits to manage counterparty exposure risk. The maturity date of all investments during 2009/10 was restricted to 364 days.
- 2.6 The Finance Director kept the lending list under review throughout the year and considered opportunities officers to broaden the list to include a few very highly rated overseas banks. In addition, the Authority was able to take advantage of slightly higher rates for deposits with terms of 6 months to a year.
- 2.7 In 2008, Heritable Bank went into administration. Ernst & Young LLP, the administrators of Heritable Bank, have reassessed the amount recovered by creditors and dividends are now expected to be not less than 84.98p in the pound as opposed to initial estimates of 70-80p in the pound. The total repayment received, as at 31st March was £369,000.
- 2.8 The summary position for the Authority in terms of investments at 31st March 2010 is as follows: -

	31.03.09 £000's	31.03.10 £000's
Long Term	2,619	283
Short Term	23,051	21,231
	25,670	21,514

3 Borrowing Requirements/Capital Programme 2009/10

- 3.1 In February 2009 the Authority was advised that the estimated total borrowing at 31st March 2009 was £1,610,000 consisting of Public Work Loans Board (PWLB) loans on a fixed rate basis and that the financing of future capital expenditure would be via the temporary use of cash balances or to raise loans via the PWLB and capital markets. The Authority was also advised that ELWA might need to make arrangements to finance capital expenditure in 2009/10 as a result of the ongoing review of landfill sites. Taking account of borrowing at 31st March 2009 it was recommended that a borrowing requirement of £400,000 was set for 2009/10.
- 3.2 As reported to your meeting in June 2010, no capital expenditure was incurred.

4 Prudential Indicators

- 4.1 The Authority is required by regulation to give due regard to the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities, and set Prudential Indicators for Treasury Management prior to the start of the financial year. Prudential Indicators cover borrowing, lending and capital expenditure levels and these are monitored on a monthly basis by the Finance Director.

- 4.2 In the Finance Director's report of 2nd February 2009, Prudential Indicators for 2009/10 were agreed. Actual performance against these is detailed in Appendix A.
- 4.3 Appendix A shows that the limit for Authorised Limit for External Debt was exceeded during 2009/10. As Members will be aware from agreeing the draft financial statements at the June Authority meeting, there have been significant changes to accounting standards during 2009/10 that the Authority has had to comply with. One of these requirements has been to make accounting entries to bring ELWA's PFI scheme onto the balance sheet. Calculating the correct assets and corresponding liabilities has been an extremely complex piece of work and the precise values were not known until after year-end. The effect of this accounting change is to add £102.8m to the Authority's liabilities in recognising the PFI lease deal. This matched by bringing PFI assets onto our balance sheet too.
- 4.4 It is important to stress that there is no material net impact to the Authority as a result of the change in accounting treatment of our PFI asset
- 4.5 This required change in accounting standards occurred after the setting of the prudential indicator limits for 2009/10.

5 Recommendations

- 5.1 Members are asked to note the report.

Geoff Pearce

FINANCE DIRECTOR

Appendices		
A	Prudential Performance Indicators (please provide)	
Background Papers		
21.06.10	Report & Minute No 49/2009	Treasury Management Strategy 2010/11 and Prudential Code Indicators 2010/11 to 2012/13
21.06.10	Report & Minute No 10/2010	Final Financial Outturn Report for 2009/10

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EAST LONDON WASTE AUTHORITY

**TREASURY MANAGEMENT PRUDENTIAL INDICATORS
2009/10 OUTTURN**

Authorised Limit for External Debt	Limit 2009/10 £'000	Actual 2009/10 £'000
Borrowing	12,533	1,610
Other Long Term Liabilities	-	102,818 * -
TOTAL	12,533	104,428

* This is an accounting change required by regulation in bringing the PFI asset on balance sheet.

Operational Boundary for External Debt	Limit 2009/10 £'000	Actual 2009/10 £'000
Borrowing	7,033	1,610
Other Long Term Liabilities	-	
TOTAL	7,033	1,610

Adopt the CIPFA Code of Treasury Management

ELWA has adopted the CIPFA code of Practice in Treasury Management in the Public Services as part of its Financial Standing Orders.

Upper Limits on Interest Rate Exposure (based on net principal outstanding)	Limit 2009/10 £m	Actual 2009/10 £m
Fixed Rate	12.5	1.6
Variable Rate	(27.0)	(21.5)

Projected borrowing at fixed rates maturing in each period as percentage of total projected borrowing at fixed rates			
	2009/10 Upper Limit	2009/10 Lower Limit	2009/10 Actual
Under 12 months	20%	0%	0%
12 months and within 24 months	20%	0%	8%
24 months and within 5 years	60%	0%	15%
5 years and within 10 years	80%	0%	0%
10 and within 20 years	100%	0%	54%
20 years and within 35 years			23%
35 years to 50 years			0%
Upper Limit for Total Principal sums invested for more than 364 days		Limit 2009/10 £m	Actual 2009/10 £m
Total		3.0	0.6

(Contact Officer: Richard Blakey - Tel. 020 8708 3025)

EAST LONDON WASTE AUTHORITY

27 SEPTEMBER 2010

FINANCE DIRECTOR'S REPORT

ALTERNATIVE METHODOLOGIES FOR CALCULATING THE ELWA LEVY	FOR INFORMATION
--	------------------------

1 Executive Summary

- 1.1 This report summarises the existing method by which the East London Waste Authority (ELWA) levy is set and looks at options as to how this methodology could be altered in order to use more current data and how the levy can be used to incentivise good practice. This report has been compiled after seeking the views of ELWA officers of the potential options.
- 1.2 Whilst this report identifies alternatives to the existing methodology, constituent councils are reminded that altering the apportionment of the levy is a zero sum game in that any reduction in the levy allocation to one borough is corresponded to an increase in the levy for one or more of the remaining boroughs.
- 1.3 The principal way in which constituent councils can have a definitive impact on the size of the levy is through reducing the amount of waste that is sent to ELWA for disposal. There is already an incentive for Councils to increase proportions of recycling as this is disposed of at a cheaper cost than waste that is directed to landfill.
- 1.4 Reaching a position where all four constituent councils agreed to a revised levy methodology will require time for local analysis and discussion. In addition, the nature of the waste flows to ELWA, and their treatment, is changing. Given this, time should be allowed for changes in waste management to be completed and then review how further incentives might be built into the levy scheme.
- 1.5 Therefore it is recommended that the Authority considers the existing and alternative methodologies outlined in the report but agrees to wait until the 2013/14 levy setting process to formally review the methodology.

2 Current basis of Levy Apportionment.

- 2.1 ELWA recommended and its constituent Councils unanimously agreed to the following levy apportionment arrangements with effect from 2002/03:
 - (a) A levy based on waste tonnage for costs attributable to Household Waste;
 - (b) A levy based on Council Tax Band D to apportion other costs attributable to, for example, Reuse and Recycling Centres, and the Aveley I landfill site.

3 Legal background to the methodology of apportioning the Levy

- 3.1 The Joint Waste Disposal Authorities (Levies) (England) Regulations 2006 is the statutory instrument that sets out when and how the levy should be apportioned and issued to constituent councils.

- 3.2 It states that the amount to be levied from each of the constituent councils shall be determined by apportioning the total amount to be levied between councils by either.
- (a) Such proportions as all the constituent councils may agree
 - (b) In the absence of such agreement, by a combination of the following proportions;
 - (i) the costs incurred in the disposal or treatment of household waste shall be apportioned in proportion to the tonnage of household waste delivered by each of these councils within the last complete financial year for which data is available
 - (ii) the costs incurred in the disposal or treatment of business refuse shall be apportioned between the constituent councils in proportion to the tonnage of business refuse deposited within the area of each of these councils within the last complete financial year for which data is available
 - (iii) all other costs shall be apportioned between the constituent councils by reference to the relevant proportion.
- 3.3 Therefore, it can be seen that ELWA's current approach to apportioning the Levy across the constituent councils is broadly in line with method b as the vast majority of costs relates to household waste. Which is apportioned in line with the method b i).

4 Reviewing the levy apportionment

- 4.1 There have been recent discussions between ELWA Officers and constituent councils around reviewing the adequacy of the methodology behind setting the levy. This paper provides options for approval and summarises the benefits and challenges that their introduction may create. Options are not exclusive of each other unless highlighted in the report.

5 Options

Following the approach laid out by the 2006 Regulations

- 5.1 ELWA and the constituent councils may choose to apportion the levy in line with that proscribed by the regulations, highlighted in section 3 of this report. This would lead to minor changes in the way business waste and other costs are apportioned but there would be no change in the way in which general household waste, the largest element of the cost within the levy, is calculated.
- 5.2 Such an approach would not resolve the issues raised by officers in 4.1 about the need to use more up to date data and to identify ways in which we can incentivise notable professional practices.

Using more up to date waste tonnage figures

- 5.3 One criticism of the existing Levy calculation is that it uses tonnage data that is historic and doesn't reflect the current position within the constituent councils. For example, when setting the 2010/11 levy in November 2009, 2008/09 data was used, which was the latest full year figures available.
- 5.4 An option to enable more up-to-date tonnage information is to use a rolling programme of the latest 4 quarterly tonnage figures. Therefore, when setting the 2011/12 levy towards the end of 2010, the tonnage data to be used would be
- 2009/10 Quarter 3 Tonnage
 - 2009/10 Quarter 4 Tonnage
 - 2010/11 Quarter 1 Tonnage
 - 2010/11 Quarter 2 Tonnage
- 5.5 However, clearly a change such as this now would alter the split of the levy between boroughs creating winners and losers.
- 5.6 Equally, constituent Councils may wish to go a step further in using the latest data by using a combination of actuals and estimates and base this element of the levy solely on 2010/11 data. As this would be an approach outside those laid down by the 2006 regulations, all constituent Councils would have to agree.
- 5.7 The disadvantages of using more up to date data is that there would be an increased risk that we would be using figures from constituent councils that would later turn out to be inaccurate. Inaccurate figures would impact on the apportionment calculation and ELWA would not be able to correct the apportionment until the following year. In-year upward adjustments to the levy cannot be made. A mechanism may need to be set up to review the accuracy of any estimates used, which would create an additional bureaucratic cost.

Using the levy methodology to incentivise recycling

- 5.8 Currently, the household waste element of the levy is based purely on a constituent council's proportion of general household waste. This approach could be amended by basing levy allocation on a total calculated by general household waste minus collected recycling levels.
- 5.9 This would ensure that constituent Councils that have a comparatively low level of collected recycling within the general household tonnage levels would be penalised through an increase in their apportionment. This is shown in the table below.

Table 1:

Example of how constituent council Levy apportionments would change if recycling performance became a factor in its calculation

Description	Borough A (tonnes)	Borough B (tonnes)	Borough C (tonnes)	Borough D (tonnes)	ELWA (tonnes)
Household general	38,700	57,300	89,200	62,800	248, 000
Household Bulky	1,300	1,350	3,200	980	6,830
Street Cleansing	3,000	3,800	12,400	3,400	22,600
Fly Tipping	2,600	2,400	9,000	600	14,600
Other Household	10	380	200	10	600
Clinical Waste	30	90	60	350	530
Collected recycling	12,500	20,800	12,200	18,100	63,600
MRF rejects	200	310	100	150	760
Sub Total general Household	58,340	86,430	126,360	86,390	357,520
General Waste Levy Apportionment (Current Approach)	16.3%	24.2%	35.3%	24.2%	
Sub Total – general Household Waste – Collected recycling	45,840	65,630	114,160	68,290	293,650
Revised Levy Apportionment	15.6% ▼	22.3% ▼	38.9% ▲	23.3% ▼	

TO NOTE: These figures are for illustrative purposes only.

5.10 This approach provides a financial incentive to constituent Councils to improve their levels of recycling, which is consistent with the financial incentive ELWA has within its payment contract with Shanks. However, this approach would need the support of all the constituent Councils. As outlined by the example above and in paragraph 1.2, any change in the way in which the levy is apportioned will create winners and losers. This needs to be considered as any change to the Levy methodology outside that described within the 2006 regulations needs agreement from all constituent councils.

5.11 There are other approaches to incentivising which could be considered including developing a differential charging mechanism that provides lower charges for recycling than that charged for general household waste. Such an approach is shown in the table below where general household waste is charged at a fixed price (£30 in this example) and a lower charge is set for collected recycling (£15 in this example)

Description	Borough A	Borough B	Borough C	Borough D	ELWA (tonnes)
General Waste Levy Apportionment (Current Approach)	16.3%	24.2%	35.3%	24.2%	
Sub Total – general Household Waste – Collected recycling (tonnes)	45,840	65,630	114,160	68,290	293,650
Total Household Waste Charge (£30)	£1,375,200	£1,968,900	£3,424,800	£2,048,700	
Collected recycling (tonnes)	12,500	20,800	12,200	18,100	63,600
Collected Recycling Charge	£187,500	£312,000	£183,000	£271,500	
Total Charge	£1,562,700	£2,280,900	£3,607,800	£2,320,200	£9,771,600
Revised Levy Apportionment	16% ▼	23.3% ▼	36.9% ▲	23.8% ▼	

Alternative costs drivers to Band D data

- 5.12 The existing Levy apportionment uses Band D data to apportion the other costs attributable to, for example, Reuse and Recycling Centres and Aveley I landfill site. The reasoning behind this is that the number of properties within each borough is a robust cost driver to use to apportion all of the other costs.
- 5.13 More relevant cost drivers could be identified for each of these additional costs so as to more accurately apportion them across the constituent councils. For example, the costs of commercial waste could be apportioned by the number of business addresses in the borough or the cost of gully detritus by the scale of the constituent council's highway network. However, this approach would create significant amount of additional work and constituent councils will have to trade off between increased accuracy of apportionment techniques and the additional cost of carrying this work out.
- 5.14 When considering other options to amend the levy methodology, there may be significant impacts to a particular Council, which may mean that a revised approach is undesirable in the short term. To counter this, gains and losses could be capped or phased into the levy over a period of time so as to ensure that no Council faces large levy increases immediately.

6 Conclusion

- 6.1 This report provides options for discussion as to how the Levy can be apportioned across the four constituent Councils. Any decision to amend the basis of the Levy needs to be agreed in time for the 2011/12 levy to be set, a process that begins in November and culminates in a report that will be presented at the ELWA Authority on the 7th February 2011. The last time the levy methodology changed, it took a

significant amount of time to reach agreement across all boroughs. Given the potential for significant differences in opinion across the four boroughs, Members must consider whether an agreement to change the methodology can be made within the timescales outlined.

- 6.2 Whilst this report identifies different ways in which the levy methodology can be altered, the key priority is to maintain ELWA's financial health and predictability of income. Any change in the methodology that impacts on either of these factors will not be in the best interests of the Authority.
- 6.3 Any methodology for apportioning the levy that differs from those outlined within the 2006 regulations must be agreed by all constituent Councils. Once agreed, there can be no in year upward adjustments to the levy charge. One Council could enforce the statutory position
- 6.4 It is important to continue to recognise that the apportionment of the levy is a 'zero sum game'. Any changes in the apportionment of the levy will mean that constituent Councils are competing against themselves. An improved position for one will automatically create a worse position for one or more of the others.
- 6.5 In order to identify ways in which all four constituent Councils can minimise its levy on a sustainable basis, the main area of focus should be on how waste can be minimised in the first instance as it is the level of waste sent to ELWA for disposal that is the principal driver of cost.
- 6.6 Previous experience of amending the levy methodology found that reaching unanimous agreement across all four constituent councils is a time consuming process. This would certainly be the case if the methodology would try to be amended in time for the setting of the 2011/12 levy. This would affect the ability for effective analysis and discussion to be undertaken by Members and officers of each of the constituent Councils.

7 Recommendation

7.1 Members are recommended to:

- (a) note this report; and
- (b) agree to wait until the 2013/14 levy setting process to formally review the methodology.

Geoff Pearce
FINANCE DIRECTOR

Appendices		
None		
Background Papers		
12/09/01	Report & Minute No. 1111	Levy Methodology

*(Contact Officer: Paul Taylor - Tel. 020 8270 4965)***EAST LONDON WASTE AUTHORITY****27 SEPTEMBER 2010****MANAGING DIRECTOR'S REPORT**

FUTURE FINANCIAL SAVINGS	FOR CONSIDERFATION
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1 Purpose

- 1.1 To provide an update on the identified financial savings and consider additional savings options.

2 Background

- 2.1 ELWA is under pressure to make financial savings in order to assist the Constituent Councils in meeting their financial targets. Members received a report on the future strategy for budgetary savings, at the June meeting of the Authority, which outlined the financial pressures facing the Authority. The report identified six areas of potential savings:

- (a) Looking at parts of contractual services that can be reduced.
- (b) Re-opening negotiations with the Contractor concerning incentives.
- (c) Looking again at the current levy mechanism.
- (d) Identifying new funding.
- (e) Ensuring the position on long term PFI contracts is understood.
- (f) Making ELWA's assets 'work harder'.

- 2.2 This report expands and provides updates on these and other options.

3 Current Status

- 3.1 It is worth noting that ELWA was at the forefront of achieving financial savings in waste management by embarking on the PFI contract. Therefore, the most significant savings have been achieved already. The Constituent Councils would be spending an additional £7.1million/annum in landfill tax payments if the diversion performance had remained at the pre-contract level.

- 3.2 Progress on the savings identified at 2.1 are as follows:

- (a) Looking at parts of contractual services that can be reduced.
 - (i) Initial discussions have taken place between ELWA and borough officers with the intention of identifying where operational savings could be made. Savings are dependant upon how each borough sees the future for their waste management services.
- (b) Re-opening negotiations with the Contractor concerning incentives.

- (i) Discussions are progressing well with the contractor and are tied to the Project Orange negotiations. In summary, the contractor has agreed to the introduction of penalty payments for non-achievement of recycling targets and reward payments for the achievement of increased targets for diversion from landfill of up to 80%. Further details can be found at agenda item 5b.
- (c) Looking again at the current levy mechanism.
 - (i) See report at agenda item 4d.
- (d) Identifying new funding.
 - (i) Scope for new funding is limited to support for projects that comply with funding stream requirements.
 - (ii) ELWA officers have made a bid for money from the London Waste and Recycling Board for flats recycling (see waste management report, agenda item 6)
 - (iii) There may be scope to apply for funding from Capital Ambition, once a suitable scheme is identified. The Management Board may consider it appropriate to hold a workshop to identify potential schemes.
- (e) Ensuring the position on long term PFI contracts is understood.
 - (i) Officers recently attended a meeting of DEFRA's Waste Infrastructure Delivery Programme (WIDP). Current indications are that there are no plans for the government to make changes that will adversely impact on existing PFI projects.
- (f) Making ELWA's assets 'work harder'.
 - (i) ELWA's main assets are the closed landfill sites. Advisors are providing information on how we may obtain best value through the disposal of these sites. Further details are included in the waste management report (Agenda item 5b).
 - (ii) We explored the possibility of realising value from the property assets under the PFI contract, associated with the Frog Island and Jenkins Lane sites. However, advice from WIDP is that such a realisation would be unusual, with no benchmark to help determine the asset value at this stage of the PFI contract. Consideration could be given to such a proposal when the contract is within a few years of termination.

4 Other potential budget savings

4.1 On reviewing of the ELWA budget, we have identified a number of further savings options:

- (a) A previous decision was taken to change the manner of funding and delivery of communications across the Constituent Councils. The original funding of

approximately £200k/annum was supplemented for three years by an amount of £150k. This three-year period ends in March 2012, thus releasing the supplementary amount as a potential budget saving in future years.

- (b) The budget includes an amount of £155k for recruitment costs, which should not be fully required in future years.
- (c) Any other savings would have an impact on one or more of the constituent boroughs' income targets, so are not deemed appropriate to investigate further at present.

5 Recommendations

5.1 The Board is recommended to:

- (a) note the progress made on achieving financial savings at 3 above; and
- (b) take decisions about the options identified at 4 above.

Paul Taylor
MANAGING DIRECTOR

Appendices		
None		
Background Papers		
07/06/10	Report & Minute No.14/2010	Budgets and Savings – Future Strategy

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(Contact Officer: Eldred Taylor-Camara- Tel. 020 8227 3344)

EAST LONDON WASTE AUTHORITY

27 SEPTEMBER 2010

MONITORING OFFICER'S REPORT

AMENDMENTS TO THE ELWA CONSTITUTION	FOR APPROVAL
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1 Purpose

- 1.1 To propose amendments to the Authority's Constitution to reflect changes agreed by the Authority.

2 Background

- 2.1 In February 2009, the Authority commissioned consultants to conduct a review of the Authority's governance structure with a view to bringing the Authority in line with its current developmental stage as an established waste disposal business. It was felt the Authority needed to review its structures to ensure they were fit for purpose going into the future. Following the review, proposals were made for changes to ELWA's structure and constitution.
- 2.2 At its meeting held on 29th September 2009, the Authority gave support to the general recommendations in the consultants' report and agreed to make certain amendments to its Constitution to reflect the organisational and governance changes recommended by the consultants.
- 2.3 Part H of the Constitution makes the Monitoring Officer responsible for monitoring and reviewing the operation of the Constitution and in pursuance of the Authority's decision, the Monitoring Officer drafted amendments to the Constitution, which amendments were approved by the Authority at its meeting in February 2010 (Minute 46).
- 2.4 The Monitoring Officer, in consultation with the Financial Director and the Executive Director, has further reviewed the Constitution and has made further proposals for amendment to bring the rest of the Constitution, including the Financial and Contract Rules, in line with the governance change amendments approved in February 2010, and to ensure that the Constitution is updated and made fit for its current purpose.
- 2.5 The proposed amendments were brought before the Authority at its meeting in June 2010, and the detailed description of them set out in the accompanying report. The Authority decided it would further consider the proposals at a Workshop held in July 2010. At the Workshop Members fully considered and approved the proposals and made recommendations that they be presented to the Authority at its next meeting for final approval.

- 2.6 The Monitoring Officer has made the requisite amendments and is submitting the amended Constitution (appended to this report as Appendix A) to the Authority for final approval.
- 2.7 Members' attention is particularly drawn to clause 5.2 (Committees) of Article 1 of Part B. The text of this clause did not appear in full amongst the draft amendments presented to Members at the Authority Workshop.
- 2.8 At the Workshop, Members suggested the Constitution be amended so that for a quorum of any committee set up by the Authority to be effective, there should be at least four Members consisting of at least one Member from each Constituent Council.
- 2.9 In making the amendments the Monitoring Officer noticed that if this amendment were made it would result in a conflict between the clauses. Clause 5.2 provides for the Authority to set up any committee and its terms of reference, powers and functions. Clause 13.3 provides for a quorum of the Authority to consist of at least four Members consisting of Members from at least three Constituent Councils. Given that the Authority consists of only eight Members, the suggested amendment for committees would appear to be more demanding than that for meetings of the full Authority. Further, Members may take the view that a requirement for at least four Members representing each of the Constituent Councils to make a committee quorate could restrict the ability of the Authority to set up a small working group of say two or three Members, whose terms of reference could require the committee to report back to the full Authority for final approval.
- 2.10 Members are therefore asked to consider the implications of the above and provide any further guidance to the Monitoring Officer as to how the composition of committees should be reflected in the constitution.

3 Legal Implications

- 3.1 This report was prepared by the Monitoring Officer & Legal Adviser to the Authority and the legal implications are set out in body of the report.

4 Recommendations

- 4.1 Members are recommended to:
- (a) Approve the proposed amendments to the Authority's Constitution as set out in Appendix A, subject to any further amendments as may be agreed by the Authority.
 - (b) Delegate power to the Monitoring Officer, in consultation with the Managing Director, to make any further amendments as the Authority may agree, together with any other minor administrative or typographical corrections

- (c) Adopt the new revised version of the Constitution effective from 1st October 2010.

Eldred Taylor-Camara
MONITORING OFFICER

Appendices		
A	Draft	Proposed Amended Constitution
Background Papers		
01/02/10	Report and Minute 46/2009	ELWA Constitution - Proposed amendments following the Governance Review
07/06/10	Report and Minute 9/2010	The Constitution – Consequent Amendments

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*(Contact Officer: Mark Ash - Tel. 020 8270 4997)***EAST LONDON WASTE AUTHORITY****27 SEPTEMBER 2010****HEAD OF OPERATIONS' REPORT**

CONTRACT MONITORING – JULY 2010	FOR INFORMATION
--	------------------------

1 Purpose

- 1.1 To provide an update on the monitoring, outcomes and actions taken with regards to the management of the IWMS contract for the period to July 2010.

2 Monitoring by ELWA and Borough staff

- 2.1 All contract monitoring requirements of the bring sites by Borough and ELWA Officers were completed satisfactorily in July. Any non conformances raised against the contractor (Shanks) were rectified within the periods allowed under the contract and as a result no penalties were applied in relation to the bring sites.
- 2.2 All contract monitoring requirements of the Reuse and Recycling Centres by Borough and ELWA Officers were completed satisfactorily in July. No non conformances were raised during these site audits.
- 2.3 All contract monitoring requirements of the Key Facilities by ELWA Officers were completed satisfactorily in July. No non conformances were raised during these site audits.

3 Notifications received from Shanks

- 3.1 There were four notifications received from Shanks in relation to the breakdowns at Jenkins Lane that resulted in a loss of recycling. Two of these breakdowns were as a result of large pieces of metal from the waste becoming jammed in the infeed conveyors causing them to snap. As a result of these breakdowns approximately 460 tonnes of commingled material could not be processed through the optibag units.
- 3.2 There were two public complaints in July. Both of these complaints have been investigated by Shanks and have been satisfactorily concluded.
- 3.3 There were no accidents involving the public in July.

4 Issues arising out of monitoring

- 4.1 The contractual recycling performance is stable but remains 1% below the contractual target of 27%.
- 4.2 The survival bag MRF at Jenkins Lane continues to perform well and in line with expectations, as does the Borough recycling collections and green waste in particular. However there are a number of areas that fall short of expectations and in particular the performance of the Biological Materials Recycling Facility (BioMRF) at Frog Island.

4.3 To illustrate the point in 4.2 the table below provides an illustration of a comparison of the Jenkins Lane BioMRF against the Frog Island BioMRF and in particular glass and stone.

Output Type	Jenkins Lane (Output as a % of input)	Frog Island (Output as a % of input)
Metals	2.2%	3.9%
Glass & Stone	2.7%	0.2%
Compost	6.3%	5.3%

4.4 Frog Island BioMRF continues to have problems with two of the lines not drying the waste adequately. As previously reported to the Authority this wet material causes problems in the refinement section as the ‘wet’ waste can not be mechanically separated into the correct fractions. This has a detrimental effect on diversion performance and also the recycling performance as glass & stone and fines fraction for composting could not be generated in sufficient quantities.

4.5 The contractor has provided assurances that they have now fully resolved the issue however the outputs of the refinement section at Frog Island do not reflect this.

4.6 Diversion from landfill performance is also below targets by 7% for year to date. This is of particular concern as it results in increased landfill tax payments and creates a budgetary pressure. Shanks are exploring additional markets for SRF and have provided assurances that the annual diversion from landfill performance will be met.

4.7 Remedial actions following Monitoring.

- (a) Financial penalties invoked - Appendix C shows the penalties levied on Shanks as per the payment mechanism for contractual non conformances. Penalties were levied for failing to achieve turnaround times for collections vehicles and unusually a penalty was levied for a material breach of health and safety procedures. The total financial penalty levied for specific non conformances for the month was approximately £2,649.

5 Conclusion

5.1 Monitoring of the facilities by Borough and ELWA officers is being carried out to a satisfactory level and remedial actions are being taken in accordance with rectifications periods by the contractor.

5.2 Recycling performance remains below contractual target levels as does diversion from landfill performance.

5.3 Other avenues for increasing the supply of Solid Recovered Fuel (SRF) are being explored by the contractor.

6 Recommendations

6.1 Members are recommended to:-

- (a) note this report.

Mark Ash
HEAD OF OPERATIONS

Appendices	
A	Facility Monitoring indicators
B	Recycling, composting and diversion indicators
C	Contract monitoring and performance deduction indicators
Background Papers	
None	

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FACILITY MONITORING INDICATORS

			KEY			Performance acceptable			✓
						Improvement Required			✗
			Quarter 1			Quarter 2			
Indicator Number	IWMS - Facility Monitoring Indicators <small>(arising from Borough and ELWA monitoring)</small>	Required No. of inspections	APR	MAY	JUN	JUL	AUG	SEP	Month on Month
	Bring Sites								
1	Number of completed audits against planned audits (ELWA)	4	4	4	4	4			✓
2	Number of completed audits against planned audits (constituent councils)	4	4	4	4	4			✓
	RRC Sites								
3	Number of completed audits against planned audits (ELWA)	8	7	7	8	8			✓
4	Number of completed audits against planned audits (constituent councils)	8	6	7	8	8			✓
	Key Facilities								
5	Number of completed audits against planned audits (ELWA)	6	2	5	6	6			✓

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RECYCLING, COMPOSTING & DIVERSION INDICATORS

Recycling, Composting & Diversion Indicators																KEY	Target achieved or bettered		✓ ✓
																	Less than target but within 10%		✓
																	More than 10% below target		✗
		Quarter 1- 2010/11						Quarter 2- 2010/11						YTD		YTD Performance			
		APR		MAY		JUN		JUL		AUG		SEP		YTD		See key			
Indicator Number	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
1	Contract waste tonnage (tonnes)	41,773	43,166	40,479	39,463	41,763	44,227	42,517	41,654	37,892		41,371		166,533	168,510	✗			
2	% Shanks primary recycling and primary composting	27%	24.5%	28%	26.5%	28%	26.0%	27%	25.9%	27%		26%		27%	25.7%	✓			
3	% Shanks Contract waste Diversion from landfill	59%	50%	59%	50%	59%	54%	59%	57%	61%		58%		60%	53%	✗			
4	LATS performance (tonnes) Against allowance	16,070	17,399	18,266	16,349	16,881	16,584	17,413	18,000	15,917		16,191		68,630	68,331	✓			
5	Bring Site Recyclate (tonnes)	718	700	696	630	718	588	731	632	652		711		2,864	2,550	✗			
6	Orange Bag Recyclate (tonnes)	1,921	1,875	1,861	1,710	1,920	1,912	1,955	2,163	1,742		1,902		7,657	7,660	✓ ✓			
7	Ilford Recyclate (tonnes)	1,040	850	1,010	770	1,040	964	1,054	863	967		1,033		4,145	3,447	✗			
8	Borough Recycling (Green, Fridges etc) (tonnes)	173	1,800	170	1,990	173	2,570	175	1,710	164		172		691	8,070	✓ ✓			
9	RRC Recyclate Processed (tonnes)	3,719	3,600	3,710	3,300	3,818	3,419	3,783	3,184	3,284		3,284		15,029	13,503	✗			
10	RRC Mrf Recycling Tonnage (tonnes)	425	170	415	540	425	231	430	238	396		422		1,695	1,179	✗			
11	BioMRF - Metals (tonnes)	753	470	730	475	753	480	766	330	684		746		3,001	1,755	✗			
12	BioMRF Glass & Stone (tonnes)	649	130	630	180	649	229	660	382	590		643		2,588	921	✗			
13	Bio Mrf Composting (tonnes)	1,554	990	1,510	865	1,554	1,108	1,581	1,285	1,412		1,539		6,199	4,248	✗			
14	Bio Mrf Residual recycling (tonnes)	458	0	458	0	458	0	458	0	458		458		1,834	0	✗			
15	Total NI 192 Recycling	11,410	10,585	11,190	10,460	11,507	11,502	11,594	10,787	10,350		10,910		45,702	43,334	✗			

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2010 / 11			Quarter 1			Quarter 2			Quarter 3			Quarter 4			
Indicator Number	Performance Deduction Indicators <small>(arising from payment mechanism in contract)</small>	Rectification period	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	YTD
A1	Failure to accept contract waste delivered by WCA	None	0	0	0	0									0
A2	Failure to accept contract waste delivered by the public.	None	0	0	0	0									0
A3	Failure to accurately distinguish, weigh and record waste.	None	0	0	0	0									0
A4	Failure to achieve turnaround times for WCA vehicles.	None	39	22	21	41									123
A5	Failure to achieve turnaround times for WCA detritus vehicles.	None	0	0	0	0									0
A6	Failure to weigh an authorised vehicle within 10 minutes of arrival.	None	0	0	0	0									0
A7	Failure to achieve turnaround times for public vehicles	None	0	0	0	0									0
A8	Failure to prevent a queue at entrance to RRC sites.	None	20	10	8	8									46
A9	Failure to prevent tipping of commercial / industrial waste at RRCs.	None	0	0	0	0									0
A10	Failure to prevent unauthorised tipping of waste at RRC sites.	None	0	0	0	0									0
A11	Minor infringement of H&S procedures.	30 Mins	0	0	0	0									0
A12	Material breach of H&S precedures.	None	0	0	0	1									1
A15	Failure to empty or service a bring site in accordance with spec.	1 Day	6	0	0	0									6
A16	Non provision of CELO (rectification period applies)	2-3 Months	0	0	0	0									0
A17	Failure to provide welfare facilities for representatives of ELWA	None	0	0	0	0									0
A18	Failure to provide a contractor representative.	None	0	0	0	0									0
A19	Failure to deliver orange bags in accordance with the ABSDP.	2 Weeks	0	0	0	0									0
A20	Failure to deliver orange bags to a household.	1 Week	0	0	0	0									0
B1	Failure to transport contract waste in enclosed containers.	None	0	0	0	0									0
B2	Failure to maintain corporate livery markings on waste vehicles.	5 Days	0	0	0	0									0
B3	Use of non conforming containers / vehicles.	5 Days	0	0	0	0									0
B4	Failure to observe any H&S related procedures relating to transportation of waste.	5 Days	0	0	0	0									0
C1	Failure to rectify breaches of planning or licencing conditions.	2 Weeks	0	0	0	0									0
C3	Acceptance of waste not covered by the site licence conditions	None	0	0	0	0									0
C3	Failure to take reasonable efforts to limit fugitive emissions.	None	0	0	0	0									0
D	Failure to comply with any administrative requirement (D1-D9).	Various	0	10	0	0									10

2010 / 11			Quarter 1			Quarter 2			Quarter 3			Quarter 4			
Indicator Number	IWMS - Contract Monitoring Indicators <small>(arising from self monitoring information from shanks and ELWA targeted monitoring)</small>		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	YTD
	Self monitoring information from Shanks														0
1	Number of Environmental non conformances		0	0	0	0									0
2	Number of Accidents involving Members of Public		0	3	1	0									4
3	Number of Public complaints received		2	0	1	2									5
4	Number of occurrences of unavailability of sites.		0	0	0	0									0
5	Weighbridge tare weights checked														0

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*(Contact Officer: Mark Ash - Tel. 020 8270 4997)***EAST LONDON WASTE AUTHORITY****27 SEPTEMBER 2010****HEAD OF OPERATIONS' REPORT**

WASTE MANAGEMENT – TO JULY 2010	FOR INFORMATION
--	------------------------

1 Purpose

- 1.1 To report on the general waste management issues concerning the Authority and Boroughs for the period to July 2010.

2 2010/11 Performance against New National Performance Framework

- 2.1 The table below shows the four Boroughs' individual performance against the National Indicator Targets for NI 191 Residual household waste per household for the month of July 2010.

- 2.2 Points to note are :

- (a) NI 191 Residual household waste per household – Whilst Havering were the only Constituent Council to set a target with the Government Office for London (GOL) for NI 191 the table below provides a comparison of all ELWA Constituent Councils' performance for July 2010.

Borough	Full Year NI 191 Target	July 2010 NI 191 Target (Kg)	July NI 191 Actual (Kg)
LBBD	Local target 720 kg	Local target 66 kg	75 kg
LBH	776 kg	71 kg	61 kg
LBN	Local target 972 kg	Local target 89 kg	80 kg
LBR	Local target 700 kg	Local target 64 kg	61 kg

- (b) All constituent councils were required to agree targets with GOL for National Indicator 192 and the table below shows the performance for July for NI 192 Household waste recycled and composted.

- (c) All figures shown in this table are provisional figures and may be subject to change following ratification by Borough Officers.

Borough	NI 192 Target (%)	NI 192 Actual (%)
LBBD	31%	31.4%
LBH	33%	33.4%
LBN	27%	21.2%
LBR	30%	33.8%

- (d) 57% of the Authority's municipal waste was diverted from landfill in July. This is 3% lower than the budget figure. The reasons for the lower than anticipated performance is outlined in the contract management report elsewhere on the Agenda.

3 Background information

- 3.1 Waste arisings in July were in the region of 41.6k tonnes compared to a budgeted projection of 42.5k tonnes. The year to date contractual tonnage remains above budget and is primarily due to higher commercial waste volumes.

4 Markets for Recyclates

- 4.1 There have been no significant changes to the markets for recycled materials since the last report to the Authority. Further markets are being sought for SRF as outlined in the Contract Monitoring report elsewhere on the Agenda.

5 Landfill Allowance Trading Scheme (LATS) performance

- 5.1 ELWA's permitted 2010/11 LATS allowance allocation is 188,263 tonnes. The increased tonnages and lower than anticipated diversion from landfill performance is putting pressure on the LATS allocation. However, greater diversion performance is expected in the coming months.

6 Other Waste Management Issues.

London Borough of Redbridge cardboard collection trials.

- 6.1 Redbridge are currently operating a six month co-mingled paper and cardboard trial collection in two areas (high and low performing) of the borough. The purpose of the trial is to ascertain whether this type of collection, the most feasible way to incorporate cardboard into Redbridge's collection stream, would be sustainable if rolled out to all properties. The key considerations will be determining the available tonnage from the kerbside and the associated financial implications to both Redbridge and the contractor.
- 6.2 The trial began in June 2010 and after a significant initial rise in all recycling across both sites, the tonnages have dropped off but still show an increase in excess of what was expected. The latest figures to date show that the low performing area maintains a 32% increase on the pre-trial paper tonnages and the high performing

area is up 16%, with the plastic, glass and cans stream up 9% and 8% respectively. This may be due to the extra capacity provided by a second box or possibly just a short term reaction to the start of the trial – a longer term view will be needed to establish whether such an increase could be maintained across the borough.

London Waste and Recycling Board (LWARB)

- 6.3 The LWARB has allocated £5m of funding specifically to facilitate improved recycling for flats. There are two rounds of funding and are split £2m and £3m respectively.
- 6.4 An application has been submitted (lead by officers from Havering) for funding for LWARB to be included in the first round for funding to improve the recycling service offered to flatted properties and estates.
- 6.5 Further reports will be provided to update Members on the progress of this application.

7 Closed Landfills Update

Wennington Farm

- 7.1 Members will recall that the Authority has entered into an option agreement with Thames Thurrock Gateway Development Corporation (TTGDC) for the potential sale of Wennington Farm.
- 7.2 Should this sale progress (which is dependant on TTGDC obtaining planning consent for the proposed development) then this should realise a potential £5m for the Authority.

Aveley 1

- 7.3 Officers have engaged advisors with regards to promoting and achieving best value for the Aveley 1 site.
- 7.4 At present Thurrock Council are progressing with their Local Development Framework process and representations have been made for consideration of the inclusion of the Aveley 1 site.
- 7.5 An Examination in Public (EiP) of submitted representations will be held in September 2010 and the Inspectors report is expected in October 2010.
- 7.6 In addition to this Officers are also considering other strategies for the disposal of the site.
- 7.7 Future reports will update Members on the outcome of the EiP and progress in relation to this site disposal.

Gerpins Lane

7.8 Discussions are continuing between ELWA and London Borough of Havering Officers for the transfer of this land.

Hall Farm

7.9 No further update is available on the progress of for the disposal of the site since the last meeting of the Authority.

8 Recommendations

8.1 It is recommended that Members:

- (a) note this report.

Mark Ash
HEAD OF OPERATIONS

Appendices	
A	National Indicator Table
Background Papers	
None	



		Target achieved or bettered														✓ ✓
		Less than target but within 10%														✓
		More than 10% below target														✗
		Quarter 1- 20010/11						QTR 2 2010/11								
		April		May		June		July		August		September		Cumulative YTD		YTD Performance
Indicator Number	Indicator	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
1	NI 191 Residual Household waste per household (LBBD)	61.5	77.6	69.9	70.3	64.6	76.3	66.6	75.1	60.9		61.9		263	300	✗
2	NI 191 Residual Household waste per household (LBH)	66.3	66.7	75.3	56.6	69.6	66.5	71.8	61.8	65.6		66.8		283	252	✓ ✓
3	NI 191 Residual Household waste per household (LBN) (See Note 1 below)	83.0	89.2	94.3	80.4	87.2	92.4	89.9	80.3	82.2		83.6		354	316	✓ ✓
4	NI 191 Residual Household waste per household (LBR)	59.8	64.5	67.9	58.5	62.8	67.9	64.8	61.7	59.2		60.2		255	253	✓ ✓
5	NI 192 Household waste recycled and composted (LBBD)	31.0%	29.6%	31.0%	31.9%	31.0%	31.2%	31.0%	31.4%	31.0%		31.0%		31.0%	31.5%	✓ ✓
6	NI 192 Household waste recycled and composted (LBH)	33.0%	34.8%	33.0%	37.4%	33.0%	36.1%	33.0%	33.4%	33.0%		33.0%		33.0%	35.4%	✓ ✓
7	NI 192 Household waste recycled and composted (LBN)	27.0%	15.9%	27.0%	19.1%	27.0%	17.9%	27.0%	21.2%	27.0%		27.0%		27.0%	18.6%	✗
8	NI 192 Household waste recycled and composted (LBR)	30.0%	32.9%	30.0%	34.7%	30.0%	33.9%	30.0%	33.8%	30.0%		30.0%		30.0%	33.8%	✓ ✓
9	NI 193 Municipal waste landfilled (ELWA) See Note 2 below	40.0%	50.0%	40.0%	50.0%	40.0%	54.2%	40.0%	43.2%	40.0%		40.0%		40.0%	47.2%	✗

All data subject to ratification from Waste Data Flow

Note 1 - Local target based on Waste Strategy 2007

Note 2 - Local target based on Joint Waste Management Strategy.

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