

NOTICE OF ANNUAL GENERAL MEETING

Monday, 27 June 2011 - Civic Centre, Dagenham - 9:30 am

Members

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

Date of Publication: 17 June 2011

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.

Paul M Taylor
Managing Director

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E-mail: paul.taylor@eastlondonwaste.gov.uk

AGENDA

- 1. Appointment of Chairman, Vice Chairman and ELWA Limited "A" Director for the year 2011/12**
- 2. Apologies for Absence**

Items for Decision

- 3. Nominations Under Section 41 of the Local Government Act 1985 (Pages 1 - 2)**
- 4. Minutes - To confirm as correct the minutes of the meeting held on 11 April 2011 (Page 3)**
- 5. Internal Audit Progress Report 2010/12, Audit Plan 2011/12 and Planned Audit Coverage to March 2016 (Pages 5 - 16)**

Items for Information

- 6. Final Financial Outturn for 2010/2011 (Pages 17 - 21)**
- 7. Budgetary Control to 30 April 2011 (Pages 23 - 27)**
- 8. External Audit Plan 2010/11 (Pages 29 - 48)**



9. **Contract Monitoring to April 2011 (Pages 49 - 58)**
10. **Date of next meeting: 26 September 2011**
11. **Any other public items which the Chair decides are urgent**
12. **To consider whether it would be appropriate to pass a resolution pursuant to Section 100A(4) of the Local Government Act 1972**

Confidential 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.

Confidential items for decision

13. **Contract Options (Pages 59 - 65)**
14. **Closed Landfill Strategy - Option Agreement with Thurrock TGDC (Pages 67 - 80)**

Confidential items for information

15. **Funders' Consent to Contractual Performance Target Changes (Pages 81 - 83)**
16. **Any other confidential or exempt items which the Chair decides are urgent**

AUTHORITY REPORT: NOMINATIONS UNDER SECTION 41 OF THE LOCAL GOVERNMENT ACT 1985**1. Confidential Report**

No

2. Recommendations:

- 2.1 In accordance with Section 41 of the Local Government Act 1985, the Authority is recommended to nominate from its membership, one Member from each of the Constituent Councils, to answer questions on behalf of the Authority, put by other Members of the Constituent Councils in the course of council proceedings, pertaining to the discharge of the Authority's functions for the year 2011/12.

3. Purpose

- 3.1 To seek nominations from ELWA as to which Members shall be responsible for answering questions on behalf of ELWA at their respective constituent council proceedings.

4. Background

- 4.1 Section 41 of the Local Government Act 1985 requires that, as a statutory Waste Disposal Authority, ELWA should make arrangements (whether by standing orders or otherwise) for enabling questions on the discharge of the functions of a joint authority to be put in the course of the proceedings of any constituent council by members of that council for answer by a member of it who is also a member of the authority and is nominated by the authority for that purpose. What this means is that ELWA, as a joint authority, must nominate from its membership, a Member from each of the four Constituent Councils as the person who will, on behalf of ELWA, answer questions put by other Members of the Constituent Councils in the course of council proceedings, pertaining to the discharge of ELWA's functions. This is a mandatory statutory requirement.

5. Conclusion

- 5.1 ELWA may wish to consider nominating ELWA Members who are the respective council's lead Member for Environment/Waste to answer questions on behalf of ELWA

6. Relevant officer:

Eldred Taylor-Camara / e-mail: eldred.taylor-camara@lbbd.gov.uk / 020 8227 3344

7. Appendices attached:

None

8. Background Papers:

Local Government Act 1985

9. Legal Considerations:

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

10. Financial Considerations:

There are no additional financial implications for ELWA arising from the recommendation in this report.

11. Performance Management Considerations:

None

12. Risk Management Considerations:

None

13. Follow-up Reports:

None

14. Websites and e-mail links for further information:

None

15. Glossary:

Constituent Councils = London Boroughs of Barking & Dagenham, Havering, Newham and Redbridge.
ELWA – East London Waste Authority

16. Approved by Management Board:

No

17. Confidentiality:

Not applicable

East London Waste Authority

AUTHORITY MINUTES: MONDAY, 11 APRIL 2011 (9:02 - 9:28 AM)

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

67 Apologies for Absence

Councillor B Tebbutt

68 Declaration of Members' Interests

There were no declarations of interest.

69 Minutes of previous meeting

We confirmed as correct the minutes of the Authority meeting on 07.02.11.

70 Date of Next Meeting

27.06.11 (Annual General Meeting) - noted.

71 Confidential Business

We 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).

72 Annual Budget and Service Delivery Plan (ABSDP) 2011/12

Approved the proposed ABSDP for 2011/12.

73 Contract Variation : Performance Targets

We discussed and agreed the recommendations as set out in the Managing Director's report.

Minutes agreed as a true record.

Chairman:

Dated:.....



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AUTHORITY REPORT: INTERNAL AUDIT PROGRESS 2010/11, AUDIT PLAN 2011/12 & PLANNED AUDIT COVERAGE TO MARCH 2016

1. Confidential Report

No

2. Recommendations:

- 2.1 Note the audit coverage for 2010/11 as outlined in Section 3.
 - 2.2 Agree the audit coverage for 2011/12 as outlined in Section 4.
 - 2.3 Agree the Five Year Strategic Plan set out in Appendix A.
-

3. Purpose

- 3.1 To advise Members of the progress of Internal Audit coverage and findings arising during 2010/11.
- 3.2 To seek Members' comments and agreement to the proposed Internal Audit Plan for 2011/12 and the five-year rolling programme attached at Appendix A.

4. Background

- 4.1 The objective and responsibility of the Internal Audit function is to provide Members and management with an independent view and assurance concerning the robustness of the systems and procedures within ELWA and in particular for the effective management of the contract with Shanks East London Ltd (SEL), thereby safeguarding assets from fraud and wastage. Internal Audit coverage has and will continue to concentrate on reviewing systems and procedures within ELWA to ensure the effective management of the contract.
- 4.2 The Internal Audit strategy / plan was agreed on 22 June 2010. The purpose of the strategic plan is to ensure total audit coverage of the key systems / areas of activity within ELWA's unique operational environment. It is intended to fulfil this responsibility by working in conjunction with the External Auditor in keeping with the principles of "Managed Audit" advocated by the Audit Commission and aims to avoid any duplication of audit effort. Where the External Auditor can place reliance upon the work of internal audit, this can assist in minimising the number of days (and cost) of external audit work.
- 4.3 The Internal Audit function is provided by the London Borough of Redbridge (LBR) and reports directly to the Finance Director (ELWA) who is the Section 151 Officer and who subsequently reports on Audit matters to the Authority.
- 4.4 This report provides Members with:-

- a. a brief summary of the audit coverage for 2010/11;
- b. a list of the Audit Areas due to be undertaken during 2011/12;
- c. Details of the proposed five-year rolling audit plan, which sets out the coverage at a strategic level for the following five years (2011/12 to 2015/16).Text

5. Internal Audit Coverage During 2010/11

- 5.1 The main focus of Internal Audit activity during this year has been to undertake the planned review of Corporate Governance. Following discussion with the Managing Director, the planned audit of Contract Management was replaced with an audit of Financial Management involving detailed substantive checks of the Integrated Waste Management Strategy (IWMS) Contract invoices. Previously Contract Management has been audited annually and during 2010/11 we did follow up on previous recommendations made. Of the seven outstanding recommendations, six relate to the introduction of hand-held monitoring devices which are currently being tested and will be introduced during 2011/12. Overall we considered effective systems and controls are now in place, although these need to be embedded, and therefore it was considered that more value would be added by deferring this assignment and undertaking more in-depth reviews of the IWMS invoices. Both audits; Corporate Governance and Financial Management have now been finalised.
- 5.2 Based upon the audit work undertaken during 2010/11, Internal Audit has reached the opinion that the Authority's overall control / governance framework is generally sound. Core financial systems continue to operate effectively. There has been no reported fraud or irregularity during the year. As no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance, this statement is intended to provide reasonable assurance. The main findings of the audits undertaken during 2010/11 are set out below.
- 5.3 In addition to the audit assignments above, we were asked to review and update ELWA's Constitution, including its Financial Regulations and Contract Standing Orders, in consultation with the Authority's Management. The revised Constitution was approved by the Authority on 27 September 2010.

Audit of Corporate Governance

- 5.4 Overall, we are satisfied that the systems in place are generally sound although we did find some gaps in those arrangements. ELWA reviewed its management structure in August 2010 making it better placed to deal with governance issues and it recognised the need for an effective performance management system; a finding that emerged as our major concern from this audit.
- 5.5 It was evident that the majority of the policies and procedures required for effective

governance are in place, including the IWMS, the annual budget & service delivery plan and the annual report, all which set out how the Authority intends to achieve its aims and objectives, and it also the required codes of conduct. However, as many of these policies and procedures are derived from those of the four constituent boroughs they do require some amendments to make them more suitable for ELWA's operations. There is both a whistleblowing policy and an anti-fraud & corruption policy published on the web site but these are somewhat buried within the constitution and it is considered that there should be direct links to both of these documents.

- 5.6 The Authority has a risk management framework in place that sets out ELWA's main risks as well as their mitigating controls. It was considered that the framework could be enhanced by evidencing any residual risks together with an action plan identifying how the risks are to be reduced further if appropriate. Our audit identified a significant risk that the authority had failed to recognise within its risk register; the lack of a business continuity plan (BCP). We were informed that officers would relocate to LBBD offices to carry on working but the BCP needs to go a lot deeper than that as many arrangements would need to be made and officers would need to know quickly what is expected of them. Without such a plan in place many of these could be missed and the Authority may find that it is unable to function effectively.
- 5.7 ELWA have arrangements in place for health & safety but these rely heavily on LBBD and this has led to gaps in these arrangements. The appointment of a health & safety officer and a first aid officer would go a long way to addressing these issues and help identify any omissions that exist and ensure that ELWA takes more responsibility for its health & safety arrangements and obligations.
- 5.8 Financial arrangements, including budgetary control, are generally effective although it is felt that more than one officer should have access to Agresso, as is currently the case. It was of concern that problems were being encountered in setting up a petty cash system but since the completion of our review a system has been put in place which the authority hoped will enable the petty cash float to be replenished through a local bank.
- 5.9 It was our opinion that because of the lack of both an effective performance management system and a business continuity plan that we can only provide limited assurance for this review.

Audit of Financial Management

- 5.10 Our in-depth review of a sample of individual sections of invoices for the Integrated Waste Management Service contract has identified that the invoices paid are generally accurate and that ELWA's own checking routines are sufficiently robust to

detect the vast majority of errors and omissions.

5.11 Whilst the original invoices submitted by SEL contain errors in half of those examined, the checking procedures in place at ELWA were sufficiently robust to detect and correct these. Performance penalties were correctly applied and claims by SEL to omit any excessive turnaround time penalties due to extenuating circumstances, were only allowed where they were supported by adequate documentary evidence.

5.12 The one area where we felt checking routines could be enhanced was the introduction of sample checking for abnormally high tonnages; a test we undertook that identified a number of collections that raised queries, primarily incorrect waste classifications at the weighbridge together with one over-statement. The potential consequences of incorrect classification or data error are overstating the tonnage collected, charging domestic waste as trade waste, increased cost to ELWA and understating recycling figures.

5.13 It was our opinion, based upon the areas examined during the audit, that controls in place for approving the IWMS invoices were effective and therefore substantial assurance is given for this review.

6. Internal Audit Coverage for 2011/12

6.1 The annual plan is structured to react to changing circumstances while considering the strategic implications / risk management issues for the Authority. The annual audit plan is formulated from discussions with the Finance Director / Section 151 Officer and the Managing Director and is based on an annual risk assessment process so that identified concerns are assessed and evaluated to determine the impact on the Authority. The risk assessment process takes into consideration the risks identified in the Authority's risk register, but also considers other factors such as previous audit findings, materiality, volume and value of transactions, complexity and stability of systems, contract compliance and level of irregularities. This ensures the plan is responsive to the needs of the Authority. Based on Internal Audit's previous work, foremost amongst those aspects, which need to be regularly reviewed, are the arrangements for the management and monitoring of the Integrated Waste Management Contract.

6.2 To enable Internal Audit to target its resources most effectively, coverage has been set at a more strategic level and forms part of a rolling five-year plan, a copy of which is attached at Appendix A.

6.3 The main area of focus for 2011/12 will be contract monitoring and management, particular attention will be paid to the introduction and use of the hand-held monitoring devices by both ELWA and the constituent boroughs. The financial management audits which involves the detailed checks of the IWMS invoices is now

planned as an annual review and this will be the subject of our second review.

6.4 It is also intended to continue to carry out follow up work to ensure that actions agreed by management have been implemented and to seek explanations where recommendations have not been implemented in the appropriate time scales. Internal Audit will annually report to the Authority on the progress made by management on the implementation of high risk recommendations.

7. Internal Audit Coverage for 2011– 2016

7.1 As stated in paragraph 6.2 above, it is proposed that the updated rolling five-year plan be adopted for future audit coverage with the areas for review set at a higher, strategic level. This plan is attached for Members approval. The updated plan will enable greater flexibility and mean that Internal Audit will be able to respond to changing priorities and the concerns of Members and Management. Like the previous plan this has been risked assessed and enables internal audit resources to be targeted accordingly.

8. Performance and Effectiveness of Internal Audit

8.1 The requirements of the Accounts & Audit Regulations (Amendment) 2006 provide the necessary assurance to Members and Management as to the adequacy of the Internal Audit function. It is important that the effectiveness of the work of Internal Audit is monitored and reported, to do this, a range of performance criteria is closely monitored by the Chief Auditor throughout the year. It is also essential that Internal Audit obtain the views of ELWA regarding the service it delivers and the value it adds to ELWA's business objectives. Another important measure of the effectiveness of Internal Audit is the reliance that can be placed on its work by the External Auditors. It is encouraging that the External Auditors continue to place reliance on Internal Audit's work.

8.2 As the Authority's Section 151 Officer I have undertaken a review of the Internal Audit process and its effectiveness. This has included regular briefings to me by the Chief Auditor / Audit Manager and the External Auditor. My view based upon my experience of the Internal Audit Section's advice and performance, external guidance on Internal Audit and the feedback received, is that the Authority has a sound and robust system of Internal Audit, which continues to adapt and respond to the changing needs of the Authority.

9. Conclusions

9.1 Based upon the audit work undertaken during 2010/11 and, where appropriate, the relevant assurances provided by the constituent boroughs, Internal Audit has reached the opinion that the Authority's overall control framework is generally sound and the core financial systems continue to operate effectively and there are

no fundamental breakdowns in control resulting in material discrepancy. This view is re-enforced by the Authority's External Auditors.

9.2 Notwithstanding the above the following areas identified from recent audits should be considered for inclusion within the Annual Governance Statement;

- a. Contract Management – embedding best practice and monitoring performance outcomes with the introduction of the had-held devices.
- b. Performance Management – The implementation of a performance system.
- c. Business Continuity Planning – The formulation of a business continuity plan
- d. The introduction of which will strengthen existing governance arrangements.

9.3 I feel confident that through this process and the assurances received, notably from Internal Audit, External Audit and other sources, I will be well placed to provide an opinion as to the overall adequacy and effectiveness of the Authority's internal control environment to Members and Management.

10. Relevant officer:

Geoff Pearce, Finance Director & Section 151 Officer /
e-mail: finance@eastlondonwaste.gov.uk / 020 8708 3588

11. Appendices attached:

Appendix A: 5 Year Strategic Plan

12. Background Papers:

21 June 2010: Report & Minute 2010/15

13. Legal Considerations:

None

14. Financial Considerations:

Covered by Service Level Agreement – no additional costs.

15. Performance Management Considerations:

None

16. Risk Management Considerations:

16.1 ELWA has an agreed risk management strategy and register that is reviewed on a regular basis. Internal Audit acts as one of the key tools to assess whether the controls that have been put in place to mitigate risks are working effectively.

16.2 The findings from Internal Audit's work should inform the Authority's risks

management process and, where appropriate, impact upon the scoring of specific risks facing the Authority.

17. Previous Reports:

None

18. Follow-up Reports:

Annual

19. Websites and e-mail links for further information:

None

20. Glossary:

ELWA = East London Waste Authority

SEL = Shanks.east london

BCP =Business Continuity Plan

21. Approved by Management Board:

13 June 2011

22. Confidentiality:

Not applicable

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ELWA - 5 year Strategic Plan 2007/08 - 2011/12

Aspect	Risk Impact	Likelihood	Risk Rating	Frequency	Audit Plan -												
					2003/04	2004/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Internal Control and Corporate Governance																	
Review of Constitution / CSO's / Financial Regs	1	1		1 When Req'd													
Review of Corporate Governance arrangements Review of High Level Controls and Roles & Responsibilities					20					10		10			10		
Risk Assessment & Business Continuity Planning	5		2	10 5 yearly					10				10				
Anti Fraud Arrangements	1		3	3 5 yearly			10										
Personnel Arrangements	1		1	1 When Req'd									5				
Internal IT Systems (B&D)	1		1	1 When Req'd													
Contract Management / Monitoring / Compliance																	
ELWA Monitoring Arrangements	7		3	21 2 yearly						5		5		5	5		
Borough Monitoring of Contract (for ELWA)	3		5	15 2 yearly			5		5		5		5		5		
Monitoring of Boroughs by ELWA	3		3	9 4 yearly													
Payments to Contractor	9		2	18 3 yearly					5				5		5		
Performance Measures	3		3	9 3 yearly						6			5		5		
TIM'S System	4		3	12 3 yearly			10			6			5		5		
Weighbridge System	5		4	20 2 yearly				5					5		5		
Financial Management																	
Financial Management	3		3	9 4 yearly			10			10				10			
Waste Data Flow	4		4	16 3 yearly													
Borough Recycling PI's	5		4	20 3 yearly								10		10			
Borough Waste Disposal Cost Allocations	4		4	16 4 yearly									10		10		
Landfill Allowance Trading	5		3	15 When Req'd									10				
Asset Management																	
Landfill Sites	2		3	6 5 yearly				10				10		10			
Follow Up Provision																	
									3	3		3	3				
Total days					20	30	15	25	28	25	43	38	33	30	30	15	

ELWA - 5 year Strategic Plan 2007/08 - 2011/12

5 year Audit Plan

Aspect	Risk Impact	Likelihood	Risk Rating	Frequency	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Internal Control and Corporate Governance Audits in this area will include Review of Constitution, CSO's Financial Regs, corporate governance, Risk assessment and Business Continuity Planning, Anti Fraud Arrangements, any other matters arising (IT / Personnel Issues), it would be intended to cover all the above over a 5 year period	5	2	10	2 yearly	10			10		10		10	
Contract Management / Monitoring / Compliance Audits in this area will include reviews of ELWA's Monitoring Arrangements for the contract, Borough's Monitoring arrangements, Payments to the contractor, Performance Measures, TIM system and the weighbridge. It would be intended to cover all the above over a 5 year period	9	3	27	yearly		15	12	10	15	15	15	15	15
Financial Management Audits in this area will include reviews of Financial Management and Waste Data Flow. Each audit would be done once over a 4 year period	5	3	15	2 yearly			10		10		10		10
Asset Management Audits in this area will review the management of the Authorities assets (predominantly the Landfill Sites) and will undertaken once every 5 years	2	3	6	4 yearly			10						10
Reporting / Administration / Other						3	3	3	5	5	5	5	5
Total days					18	35	33	20	30	30	30	20	40

Agenda Item 5 - Appendix A

ELWA - 5 year Strategic Plan 2007/08 - 20011/12
5 year Audit Plan

Aspect	Risk Impact	Likelihood	Risk Rating	Frequency	07/08	08/09	09/10	10/11	11/12
Internal Control and Corporate Governance Audits in this area will include Review of Constitution, CSO's, Financial Regs, corporate governance, Risk assessment and Business Continuity Planning, Anti Fraud Arrangements, any other matters arising (IT / Personnel Issues), it would be intended to cover all the above over a 5 year period	5	2	10	2 yearly	10			10	
Contract Management / Monitoring / Compliance Audits in this area will include reviews of ELWA's Monitoring Arrangements for the contract, Borough's Monitoring arrangements, Payments to the contractor, Performance Measures, TIM system and the weighbridge. It would be intended to cover all the above over a 5 year period	9	3	27	yearly	15	12	10	15	15
Financial Management Audits in this area will include reviews of Financial Management and Waste Data Flow. Each audit would be done once over a 4 year period	5	3	15	2 yearly		10			10
Asset Management Audits in this area will review the management of the Authorities assets (predominantly the Landfill Sites) and will undertaken once every 5 years	2	3	6	4 yearly		10	10		
Reporting / Administration / Other					3	3	3	5	5
Total Days					28	35	33	30	30

ELWA - 5 year Strategic Plan 2011/12 - 2015/16

Audit Areas	Risk Impact	Likelihood	Risk Rating	Frequency	Actual		5 year Audit Plan				
					10/11	11/12	12/13	13/14	14/15	15/16	
Internal Control and Corporate Governance Audits in this area will include Review of Constitution, CSO's, Financial Regs, corporate governance, Risk assessment and Business Continuity Planning, Anti Fraud Arrangements, any other matters arising (IT / Personnel Issues), it would be intended to cover all the above over a 6 year period	5	2	10	3 yearly	10		10				10
Contract Management / Monitoring / Compliance Audits in this area will include reviews of ELWA's Monitoring Arrangements for the contract, Borough's Monitoring arrangements, Payments to the contractor, Performance Measures, TIM system and the weighbridge. It would be intended to cover all the above over a 5 year period	9	3	27	2 yearly		15		15			15
Financial Management Audits in this area will include reviews of Financial Management and Waste Data Flow. Each audit would be done once over a 4 year period. In addition sample compliance checks on the content within the monthly IWMS contract invoice will be carried out monthly or bi-monthly.	9	3	27	yearly	7	12	12	12	12		6
Asset Management Audits in this area will review the management of the Authorities assets (predominantly the Landfill Sites) and will undertaken once every 4 years	2	3	6	4 yearly						10	
Reporting / Administration / Follow Up / Other					12	3	3	3	3		3
Total Days					29	30	25	30	25		34

AUTHORITY REPORT: FINAL FINANCIAL OUTTURN REPORT FOR 2010/2011

1. Confidential Report

No

2. Recommendations:

- 2.1 To note this report.
- 2.2 To agree the carry forward of £100,000 into 2011/12 to cover service pressures.

3. Purpose

- 3.1 To provide a summary of the financial outturn for ELWA for the year 2010/11.

4. Background

- 4.1 This report compares ELWA's final out-turn for the year ended 31 March 2011 with the revised revenue budget approved in February 2011 and is based on information supplied by SEL and the four Constituent Councils.
- 4.2 Budgetary control reports are presented for monitoring and control purposes.

5. Revenue Estimates

- 5.1 Members have received budgetary control reports throughout 2010/11 containing explanation of the major variances of actual expenditure and income against the estimates for 2010/11.
- 5.2 Based on the Revised Budget of £49,920,000 and the final outturn figure for net expenditure and transfers to/from reserves of £49,455,000, the revenue expenditure under spend for 2010/11 is £465,000. A detailed analysis is presented at Appendix A to this report. The main variances are noted below:
- 5.3 As mentioned in previous budgetary control reports, payments to SEL have been lower than expected due to lower delivered tonnages from the boroughs. This has resulted in a current favourable variance of £320,000.
- 5.4 Commercial Waste has exceeded its income target by £151,000. Members will be aware from previous budgetary control reports that commercial waste income is above target due to LBH and LBBD having continued to use this facility but not being included within the original budget owing to their request to withdraw from the service.
- 5.5 The main areas of pressure throughout the year were Bank Interest Receivable and Employee and Support Services. Bank interest receivable has under recovered by £52,000. This is because interest rates have remained lower than those estimated when the budget was agreed. A significant part of the employee and support services overspend relates to additional costs resulting from the departure of the Executive Director and the appointment of the Managing Director as well as the Authority's pension costs commitment. Information relating to these additional costs were only provided by LBBD available towards the end of the financial year making it difficult for action to be taken to minimise any overspend. Work is ongoing to improve the information flows in this area.
- 5.6 In 2010/11, £30,000 was earmarked for furniture and fittings with regard to the move to new premises. Members will be aware that this move has yet to occur but is likely to do so sometime in 2011/12.
- 5.7 As part of the levy setting process a contingency is set and this amounted to £150,000. As agreed by ELWA this has been utilised in 2010/11 and 2011/12 for the transitional arrangements to support the improvement in recycling performance. Recognising that the existing contingency is largely committed in 2011/12 and given the under spend in 2010/11 the Managing Director/Directors consider it prudent that £100,000 of the 2010/11 under spend is carried forward into 2011/12 to cover

potential pressures and risks facing the Authority and Members are therefore requested to approve this.

- 5.8 The final revenue under-spend for the year will be moved to reserves and be used to help minimise any levy increase for 2012/13.
- 5.9 The effect of the levy, net expenditure and transfers to reserves in 2010/11 on working balances is summarised below (before the £100,000 transfer if agreed):

	£'000
Working Revenue Balance at 1.4.2010	8,103
Transfer 10/11 to support the levy	(1,978)
Final Revenue Surplus in 2010/11	<u>465</u>
Final Working Balance at 31.3.2011	<u><u>6,590</u></u>

- 5.10 The year-end balance on the PFI Contract Reserve is £7,664,000 and on the Capital Reserve is £400,000.

6. Prudential Indicators

- 6.1 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.
- 6.2 The prudential indicators are reviewed on a regular basis and all activities have been contained within the indicators as shown in the table below.

Authorised Limit for External Debt	Revised Limit 2010/11 £'000	Actual to 31/03/11 £'000
Borrowing	13,010	1,610
Other Long Term Liabilities	105,000	99,664
TOTAL	118,010	101,274

Operational Boundary for External Debt	Revised Limit 2010/11 £'000	Actual to 31/03/11 £'000
Borrowing	5,000	1,610
Other Long Term Liabilities	105,000	99,664
TOTAL	110,000	101,274

- 6.3 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.

7. International Financial Reporting Standards

- 7.1 The financial year 2010/11 is the first year in which the statement of accounts must be fully compliant with International Financial Reporting Standards, although Members will be aware that compliance against IFRS began in the 2009/10 financial statements.
- 7.2 This process is a particularly complex one and will result in lengthier and more detailed financial

statements. However, we remain on course to complete a set of financial statements by the statutory deadlines.

8. Changes to the statutory audit and accounts regulations

8.1 The statutory legislation underpinning the production of local authority accounts was amended in March 2011 and come into force from the 31st March 2011. One of the principal changes to these regulations is around the signing, approval and publication of accounting statements.

8.2 In previous years, the Authority has had to approve a set of draft financial statements by the 30th June 2011. This is no longer required and it is now the responsibility of the ‘responsible financial officer’ to

- a. sign and date the statement of accounts, and
- b. certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body’s income and expenditure for that year.

8.3 By the 30th September, a final, audited set of financial statements must be presented to the Authority and signed by the Chairman of the Authority. Following this meeting, the Statement of Accounts must be published on ELWA’s website in a timely manner.

9. Conclusion

9.1 The production of ELWA’s financial statements is ongoing but remains on course to be completed by the 30th June 2011. The Finance Director will provide an up-to-date summary of our progress at your meeting.

10. Relevant officer:

Geoff Pearce, Finance Director / e-mail: finance@eastlondonwaste.gov.uk / 020 8708 3588

11. Appendices attached:

Appendix A: Budget Monitoring Statement to 31 March 2011

12. Background Papers:

Budgetary Control Reports for the financial year 2010/11

13. Legal Considerations:

None

14. Financial Considerations:

As outlined in this report

15. Performance Management Considerations:

None

16. Risk Management Considerations:

None

17. Follow-up Reports:

A final, audited set of financial statements by the 30th September

18. Websites and e-mail links for further information:

None

19. Glossary:

Constituent Councils = London Boroughs of Barking & Dagenham, Havering, Newham and Redbridge.

ELWA = East London Waste Authority

IFRS = International Financial Reporting Standards

LBBD = London Borough of Barking & Dagenham

LBH = London Borough of Havering

LBN = London Borough of Newham

LBR = London Borough of Redbridge

SEL = Shanks.east london

20. Approved by Management Board:

13 June 2011

21. Confidentiality:

Not applicable

EAST LONDON WASTE AUTHORITY
BUDGET MONITORING STATEMENT TO 31st MARCH 2011

	Revised Budget 2010/11 £'000	Profiled Budget to 31.03.11 £'000	Total Actual to 31.03.11 £'000	Variance to 31.03.11 £'000
<u>EXPENDITURE</u>				
<u>Employee and Support Services</u>	480	480	577	97
<u>Premises Related Expenditure</u>	107	107	83	(24)
<u>Transport Related Expenditure</u>	5	5	2	(3)
<u>Supplies and Services</u>				
Payments to Shanks.East London	50,471	50,471	50,151	(320)
Other (inc cost of Support Costs)	720	720	630	(90)
<u>Third Party Payments</u>				
Disposal Credits	50	50	50	0
Recycling Initiatives	210	210	200	(10)
Tonne Mileage	525	525	497	(28)
Rent payable – property leases	267	267	269	2
<u>Capital Financing Costs</u>	229	229	229	0
TOTAL GROSS EXPENDITURE	53,064	53,064	52,688	(376)
<u>Income</u>				
Commercial Waste Charges	(2,668)	(2,668)	(2,819)	(151)
Bank Interest Receivable	(306)	(306)	(254)	52
Other Income	(320)	(320)	(310)	10
TOTAL INCOME	(3,294)	(3,294)	(3,383)	(89)
Contingency Allocated	150	150	150	0
NET EXPENDITURE ON SERVICES	49,920	49,920	49,455	(465)
PFI Grant Receivable	(4,014)	(4,014)	(4,014)	0
Transfer to PFI Contract Reserve	4,014	4,014	4,014	0
Levy Receivable	(40,825)	(40,825)	(40,825)	0
Transfer from PFI Contract Reserve	(7,117)	(7,117)	(7,117)	0
Contribution from Reserves	(1,978)	(1,978)	(1,978)	0
REVENUE SURPLUS FOR PERIOD	0	0	(465)	(465)

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AUTHORITY REPORT: BUDGETARY CONTROL TO 30 APRIL 2011

1. Confidential Report

No

2. Recommendations:

2.1 To note this report.

3. Purpose

3.1 This budgetary control report compares ELWA's actual expenditure for the month ended 30 April 2011 with the original revenue estimates approved in February 2011 (minute 2010/57) and is based on information supplied by SEL and the four Constituent Councils.

3.2 Budgetary control reports are presented for monitoring and control purposes.

4. Background

Revenue Estimates

4.1 Based on the profiled budget of £4,135,000 and the actual net expenditure on services of £3,637,000, the under spend for the period is £498,000 (see Appendix A). The main cause of this is the one off receipt of £500,000 from Shanks payable as part of the negotiations for the sale of ELWA shares as detailed in paragraph 4.5 below.

4.2 The principal activity driver on ELWA's budget is the level of waste tonnage delivered from the constituent councils. The general trend during 2010/11 was that waste levels were below that expected but this is an area that remains susceptible to fluctuation and will need to continue to be closely monitored throughout the financial year.

4.3 Other costs consist of Service Level Agreement costs for all four boroughs, recycling initiatives, office and administration costs, rates, pumping, trade effluent charges and various other expenses. Costs are profiled evenly throughout the year and actual costs incurred have been lower than the profiled monthly budget figure for April. Income is slightly below profiled budget.

4.4 ELWA's Contingency sum for 2011/12 is £150,000. In February 2009 (minute 1638) it was agreed to provide additional transitional financial support to LBR to improve recycling performance as LBR is unable to benefit from the distribution of savings provided through the Optibag scheme. Most of the contingency (£144,000) has been allocated for this purpose. Elsewhere on the agenda is the report on the 2010/11 outturn position and one of the recommendations in that report is to carry forward £100,000 of the under spend as an additional resource to cover potential budget pressures and any unforeseen developments. Should Members agree this recommendation there would therefore be £106,000 remaining as a contingency.

4.5 Members will recall the agreement to Shanks disposing of its 'B' and 'C' shares. This was linked to the requirement of Shanks agreeing to improved performance targets. In addition it was agreed that Shanks would pay £500,000 to ELWA if their funders' agreement to this was not obtained by 31st March 2010. In the event this deadline was not met and the £500,000 has now been paid to ELWA and is included in the statement under other income in Appendix A.

4.6 As Members will be aware, I reported in the 2011/12 levy setting report, presented to you in February 2011, that levy increases in the order of 10% over the next three financial years could not be avoided without either a reduction in the cost of the contract or in the amount of waste to be disposed of. I also highlighted that these levy increases were being mitigated by an unsustainable use of our reserves and that in the medium term, attention would be needed to build these reserves back up to deal with risks the Authority faces at the end of the life of the contract. Therefore, the use of this £500,000 needs to

be considered during the 2012/13 Budget Strategy and levy setting process in the context of best managing the pressures we face in restraining short term levy increases and the need in the longer term to restore the level of reserves that ELWA holds.

- 4.7 The importance of robust monitoring of the financial position throughout the year remains and it is essential that remedial action can be swiftly taken on areas of over spend or insufficient income collection.

Prudential Indicators

- 4.8 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.

5. Conclusion

- 5.1 Excluding the issue regarding the sale of shares the over spend for the period is £2,000. This is the first month of the new 2011/12 financial year and therefore it is too early to identify whether there will be pressures in key areas that impact on the ability to maintain spend within budget.

6. Relevant officer:

Geoff Pearce, Finance Director / e-mail: finance@eastlondonwaste.gov.uk / 020 8708 3588

7. Appendices attached:

Appendix A: Budget Monitoring Statement to 30 April 2011

8. Background Papers:

7 February 2011 - Revenue & Capital Estimates and Levy 2011/12 report & minute 2010/57

12 February 2009 - IWMS Contract – Service Delivery Plan 2010/11 to 2014/15 (5 Year) (Implementation of the Joint Municipal Waste Management Strategy) – Confidential report & minute 2009/39

9. Legal Considerations:

None

10. Financial Considerations:

As outlined in this report

11. Performance Management Considerations:

None

12. Risk Management Considerations:

Current position results in no change to present risk profile.

13. Follow-up Reports:

Yes, next meeting

14. Websites and e-mail links for further information:

None

15. Glossary:

Constituent Councils = London Boroughs of Barking & Dagenham, Havering, Newham and Redbridge.
ELWA = East London Waste Authority
LBR = London Borough of Redbridge
SEL = Shanks.east london

16. Approved by Management Board:

13 June 2011

17. Confidentiality:

Not applicable

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EAST LONDON WASTE AUTHORITY

BUDGET MONITORING STATEMENT TO 30th APRIL 2011

	Budget 2011/12 £'000	Profiled Budget to 30.04.11 £'000	Total Actual to 30.04.11 £'000	Variance to 30.04.11 £'000
EXPENDITURE				
<u>Employee and Support Services</u>	530	44	43	(1)
<u>Premises Related Expenditure</u>	107	9	7	(2)
<u>Transport Related Expenditure</u>	5	0	0	0
<u>Supplies and Services</u>				
Payments to Shanks.east London	54,033	4,503	4,503	0
Other (inc cost of Support Costs)	720	121	121	0
<u>Third Party Payments</u>				
Disposal Credits	50	4	4	0
Recycling Initiatives	210	18	18	0
Tonne Mileage	525	44	41	(3)
Rent payable – property leases	267	22	23	1
<u>Capital Financing Costs</u>	229	19	19	0
TOTAL GROSS EXPENDITURE	56,676	4,784	4,779	(5)
Income				
Commercial Waste Charges	(2,965)	(741)	(735)	6
Bank Interest Receivable	(275)	(23)	(21)	2
Other Income	(350)	(29)	(530)	(501)
TOTAL INCOME	(3,590)	(793)	(1,286)	(493)
Contingency Allocated	150	144	144	0
NET EXPENDITURE ON SERVICES	53,236	4,135	3,637	(498)
PFI Grant Receivable	(3,991)	(333)	(333)	0
Transfer to PFI Contract Reserve	3,991	333	333	0
Levy Receivable	(44,749)	(3,729)	(3,729)	0
Transfer from PFI Contract Reserve				
Reserve	(5,987)	(499)	(499)	0
Contribution from Reserves	(2,500)	(208)	(208)	0
REVENUE SURPLUS FOR PERIOD	0	(301)	(799)	(498)

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AUTHORITY REPORT: EXTERNAL AUDIT PLAN 2010/11

1. Confidential Report

1.1 No

2. Recommendation:

2.1 To accept the Audit Plan for 2010/11 prepared by PriceWaterhouseCoopers (PWC).

3. Purpose

3.1 To consider the external auditor's Audit Plan which sets out their audit approach for 2010/11, including the 2010/11 final accounts.

4. Background

4.1 The Audit Plan, attached at Appendix A, has been discussed with Officers and it is considered to be reasonable.

4.2 Work is in hand at the present time to meet the Auditor's timetables and requirements.

4.3 There will be a report at the next Authority meeting on matters arising from the Audit.

5. Relevant officer:

Geoff Pearce, Finance Director / finance@eastlondonwaste.gov.uk / 020 8708 3588

6. Appendices attached:

Appendix A: Audit Plan 2010/11

7. Background Papers:

None

8. Legal Considerations:

None

9. Financial Considerations:

The cost of the audit fee is met from ELWA's revenue budget.

10. Performance Management Considerations:

The audit would be undertaken in accordance with the appropriate legal and regulatory

requirements and auditing standards

11. Risk Management Considerations:

Risk considerations would be taken account of in the audit programme/approach.

12. Follow-up Reports:

Yes - report to 26 September meeting..

13. Websites and e-mail links for further information:

None

14. Glossary:

PWC = PriceWaterhouseCoopers

15. Approved by Management Board:

13 June 2011

16. Confidentiality:

None

East London Waste Authority

2010/11 Audit Plan

June 2011



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

June 2011

Dear Member

Audit plan 2010/11

We are pleased to present to you our Audit Plan, which includes an analysis of key risks, our audit strategy, reporting, audit timetable and other matters. Discussion of our plan with you ensures that we understand your concerns and that we agree on our mutual needs and expectations to provide you with the highest level of service quality. Our approach is responsive to the many changes affecting East London Waste Authority.

We would like to thank Members and officers of the Authority for their help in putting together this Plan.

If you would like to discuss any aspect of our Audit Plan please do not hesitate to contact Ciaran McLaughlin or Debbie Tilson.

Yours faithfully

PricewaterhouseCoopers LLP

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In March 2010 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’. It is available from the Chief Executive of each audited body and on the Audit Commission’s website.

The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas.

Our reports are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Introduction

The purpose of this plan

Our Audit Plan has been prepared to inform the officers and Members of East London Waste Authority (the Authority) about our responsibilities as your external auditors and how we plan to discharge them.

We issued our audit fee letter, setting out our indicative fees for 2010/11, on 30 April 2010 in accordance with Audit Commission requirements. This plan sets out in more detail our proposed audit approach for the year.

Every Authority is accountable for the stewardship of public funds. The responsibility for this stewardship is placed upon the Members and officers of the Authority. It is our responsibility to carry out an audit in accordance with the Audit Commission's Code of Audit Practice (the Code).

Based upon discussion with management and our understanding of the Authority and the local government sector, we have noted in the next section recent developments and other relevant risks. Our plan has been drawn up to consider the impact of those developments and risks.

Period covered by this plan

This plan outlines our audit approach for the period 1 April 2010 to 31 March 2011, including the 2010/11 final accounts audit which we will undertake in July 2011.

Code of Audit Practice and Statement of responsibilities of auditors and of audited bodies

We perform our audit in accordance with the Audit Commission's Code of Audit Practice (the Code) which was last updated in March 2010. This is supported by the Statement of Responsibilities of auditors and of audited bodies (the Statement) which was updated in March 2010. Both documents are available from the Chief Executive or the Audit Commission's **website**.

Risk assessment

Planning of our audit

We have considered the Authority’s operations and have assessed the extent to which we believe there are potential business and audit risks that need to be addressed by our audit. We have also considered our understanding of how your control procedures mitigate these risks. Based on this assessment we have determined the extent of our financial statements and use of resources audit work.

It is your responsibility to identify and address your operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. In planning our audit work, we assess the significant operational and financial risks that are relevant to our responsibilities under the Code and the Audit Commission’s Standing Guidance. This exercise is only performed to the extent required to prepare our Plan so that it properly tailors the nature and conduct of audit work to your circumstances. It is not designed to identify all risks affecting your operations nor all internal control weaknesses.

In this plan we detail those areas which we consider to be significant risks relevant to our audit responsibilities and our response to those risks. Significant risks are those risks requiring special audit attention in accordance with auditing standards.

In addition, we also identify other risks affecting the Authority and our response to those risks.

Our response includes details of where we are intending to rely upon internal controls, other auditors, inspectors and other review agencies and the work of internal audit, if applicable.

Risk assessment results

The following table summarise the results of our risk assessment and our planned response.

Risks	Audit approach
Significant Risks	
<p>Revenue and expenditure recognition</p> <p>We are required by International Standards on Auditing (ISAs) to specifically consider the risk of material misstatement in relation to revenue recognition. We have also considered the risk of material misstatement in relation to expenditure recognition. There is a risk that the Authority could adopt accounting policies or treat income and expenditure transactions in such a way as to lead to material misstatement in the reported income and expenditure position. Due to their nature, we do not consider the receipt of levy income and PFI grant income to be a significant risk and these income streams will therefore be excluded from this category. However, the recognition of commercial waste income is considered to be a significant risk. There are no other sources of material income. The Authority is likely to be experiencing increased pressures on many of its budgets as a result of the recent economic conditions. Budget holders may feel under pressure to try to push costs into future periods.</p>	<p>We will understand and evaluate controls relating to commercial waste income recognition and expenditure recognition. We will consider the accounting policies adopted by the Authority and subject commercial waste income and expenditure to the appropriate level of testing to identify any material misstatement. We will carry out cut off testing on commercial waste income and expenditure at year end to ensure that expenditure has been recorded in the correct financial year.</p>
<p>Fraud and Management Override of Control</p> <p>The primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement of departmental policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud.</p>	<p>We are required to make inquiries of those charged with governance in respect of your oversight responsibility for:</p> <ul style="list-style-type: none"> • Systems for monitoring risk, financial control and compliance with the law; and • The entity’s assessment of the risks of fraud and of the internal controls the entity has established to mitigate specific risks of fraud that it has identified.

Under International Standard on Auditing (UK and Ireland) 240, there is a presumed significant risk of management override of the system of internal controls. Our audit is designed to provide reasonable assurance that the 2010/11 Accounts are free from material misstatement, whether caused by fraud or error. We are not responsible for preventing fraud or corruption, although our audit may serve to act as a deterrent. We consider the manipulation of financial results through the use of journals and management estimates, such as provisions and accruals as a significant fraud risk.

2010/11 – the first year of reporting under IFRS

The transition to IFRS involves both new and considerably revised financial statements and an increase in the depth of disclosures required in the notes to the accounts. There is a risk of material errors in the restatements and reclassifications required in preparing the accounts in their new format and of material omissions of information required to be disclosed by the new Code of Practice on Local Authority Accounting.

In particular:

Leases

IFRS requires building and land elements of leases to be analysed separately, increasing the possibility that the land element may need to be classified separately as an operating lease. The lease accounting rules have also been extended to cover arrangements that have the substance of a lease even though they do not have the legal form of a lease. There is a risk that relevant agreements might not be identified and classified correctly and that income and expenses relating to the agreements might be accounted for inappropriately.

Component Accounting

The new Code requires the separate depreciation of components of an item of Property, Plant and Equipment whose cost is significant in relation to the total cost of the item and which have a shorter useful life than the item as a whole. Where items have been insufficiently broken down into their component parts, there is a risk that depreciation charges might be materially understated.

Accruals for Employee Benefits

The new Code has more rigorous requirements for the accrual of employee benefits earned during a year but untaken by the year-end (particularly leave entitlements and flexitime) and for the disclosure of termination benefits.

We will review material management estimates for provisions and accruals and evaluate the accuracy, completeness and relevance of the data and the underlying assumptions used to produce the estimate, taking account of the new Clarity ISA requirements on estimates.

We will also perform targeted procedures on high-risk areas, such as journals, and on unusual material transactions. In line with ISA requirements, we will also perform unpredictable procedures to provide reasonable assurance that the Accounts are free from material misstatement.

We are continuing to work closely with the Finance team to ensure that you are aware of the main differences between IFRS and UK GAAP and to resolve any accounting issues raised with us on a timely basis.

We will perform a review of the restated 2009/10 statements to identify disclosure issues.

We will understand and evaluate accounting policies adopted by the Authority for leases against Code requirements. We will perform detailed testing to establish the completeness of leases and lease type arrangements including minute review and review of contracts. We will also perform testing of lease classification and accounting entries. We will perform detailed testing around component depreciation and the employee benefit accrual calculations, considering the methods used to result in the accounting entries and ensuring that these are in line with Code guidance.

At the final audit stage we will perform an independent 'hot review' of the financial statements and disclosures.

VfM Conclusion related risks

Risks

Increased pressures on budgets

Local government bodies are expected to make significant efficiency savings over the next three years as a result of the Comprehensive Spending Review 2010 and the local government financial settlement. There is a risk that savings plans may not be robust or based on sustainable solutions which could result in short term actions to ensure that spending targets are met. The London Boroughs that contribute to East London Waste Authority may look to reduce their costs by seeking ways of reducing their levy payments to the Waste Authority.

In addition, it will be important for authorities to be able to demonstrate that they are allocating resources to areas of priority within their tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity. There is a risk that the Authority will not be able to demonstrate its achievements in this area.

Audit approach

We will consider the Authority's arrangements to ensure that it has:

- Robust systems and processes to manage its financial risks and opportunities effectively, and to secure a stable financial position. The organisation's financial position should enable it to continue to operate for the foreseeable future.
- Adequate arrangements to demonstrate the achievement of cost reductions and by improving efficiency and productivity.

To do this we will consider the Authority's medium term financial plans and consider their robustness. The 'foreseeable future' has been defined for the purposes of the financial resilience criterion as 12 months from the date of the auditor's report on the relevant set of financial statements.

We will review the Authority's budget monitoring processes to identify any areas of concern. We will also bear any risks in mind when carrying out cut-off testing.

We will also consider the accounting implications of any savings plans and would welcome early discussion of any new and unusual proposals. In particular, we will consider the impact of the efficiency challenge on the recognition of expenditure as detailed above.

Relationship with Shanks Waste Management Ltd and contract management

It is crucial that the Authority continues to maintain a good working relationship with Shanks to ensure that the objectives of the Integrated Waste Management Service Contract are met.

The primary targets concern meeting the National and Municipal Waste Strategy targets for recovery and recycling. Management has a number of controls in place, including partnership interfaces at all levels, contract monitoring procedures, governance arrangements and dispute resolution procedures.

We will discuss the Authority's governance arrangements regarding Shanks with the Finance Director and other relevant officers. The arrangements will be scrutinised in detail as part of our VfM Conclusion work.

Our approach to the audit

Code of Audit Practice

Under the Audit Commission's Code there are two aspects to our work:

- Accounts including a review of the Annual Governance Statement; and
- Use of Resources.

We are required to issue a two-part audit report covering both of these elements.

Accounts

Our audit of your accounts is carried out in accordance with the Audit Commission's Code objective, which requires us to comply with International Standards on Auditing (ISAs) (UK & Ireland) issued by the Auditing Practices Board (APB). These standards have recently been fully updated and revised to improve their clarity and in some cases this is accompanied by additional audit requirements. We are required to comply with them for the audit of your 2010/11 accounts.

We plan and perform our audit to be able to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. We use professional judgement to assess what is material. This includes consideration of the amount and nature of transactions.

For planning purposes our overall materiality for the Authority is estimated as 2% of gross expenditure in 2009/10. This will be updated when gross expenditure for 2010/11 is known. Overall materiality represents the level at which we would consider qualifying our audit opinion,

However, ISA (UK&I) 450 (revised) requires that we record all misstatements identified except those which are "clearly trivial". Matters which are clearly trivial are matters which we expect not to have a material effect on the financial statements even if accumulated. When there is any uncertainty about whether one or more items are clearly trivial, the matter is considered not to be clearly trivial. We propose to treat misstatements less than £100k as being clearly trivial.

Our audit approach is based on a thorough understanding of your business and is risk-driven. It first identifies and then concentrates resources on areas of higher risk and issues of concern to you. This involves breaking down the accounts into components. We assess the risk characteristics of each component to determine the audit work required.

We plan our work to have a reasonable expectation of detecting fraud where the potential effects would be material to the financial statements of the Authority. Based on the level of management's control procedures, we consider whether there are any significant risks of fraud that may have a material impact on the financial statements and adapt our audit procedures accordingly. We also consider the risk of fraud due to management override of controls and design our audit procedures to respond to this risk.

Our audit approach is based on understanding and evaluating your internal control environment and where it is appropriate and efficient to do so, validating these controls, for example, IT general controls. This work is supplemented with substantive audit procedures, which include detailed testing of transactions and balances and suitable analytical procedures.

We also aim to use the work done by internal audit to inform our risk assessment. We will ensure that a continuous dialogue is maintained with internal audit throughout the year. We receive copies of all relevant internal audit reports, allowing us to understand the impact of their findings on our planned audit approach.

Our Risk Assurance specialists will undertake a review of the general IT controls. The scope of this review will be to understand, evaluate and validate the IT controls in place over the general ledger.

Work on the Whole of Government Accounts consolidation pack is included in the scope of the accounts audit.

Use of Resources

Our Use of Resources Code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether you have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

In accordance with guidance issued by the Audit Commission, in 2010/11 our conclusion will be based on the following criteria:

- Does the organisation plan its finances effectively to depiver its strategic priorities and secure sound financial health?
- Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?
- Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?
- Does the organisation manage its risks and maintain a sound system of internal control?

We are required to apply a yes/no judgement against the criteria to indicate whether you have proper arrangements in place or not having regard to the relevant guidance produced by the Audit Commission in respect of the VFMconclusion criteria.

Should our planned work for the year indicate that there are additional specific risks to the Authority we will consider the need to undertake additional work. Should we feel that this is necessary we will discuss the implications with the Director of Finance and Resources and communicate with you as we continue with our audit process.

Our team and independence

Audit Team	Responsibilities
Engagement Director Ciaran McLaughlin 020 721 35253 ciaran.t.mclaughlin@uk.pwc.com	Responsible for independently delivering the audit in line with the Code of Audit Practice, including agreeing the Audit Plan, ISA (UK&I) 260 report and Annual Audit Letter, the quality of outputs and signing of opinions and conclusions. Also responsible for liaison with the Chief Executive and Members.
Engagement Manager Debbie Tilson 020 780 40506 debbie.e.tilson@uk.pwc.com	Manager on the assignment responsible for ensuring delivery to timetable, delivery and management of targeted work and overall review of audit outputs. Completion of the Audit Plan, ISA (UK&I) 260 report and Annual Audit Letter. Responsible for coordinating the use of resources audit programme including preparing and presenting reports.
Audit Manager: Accounts Aaron Winter 020 7213 3285 aaron.j.winter@uk.pwc.com	Responsible for managing our accounts work, including the audit of the statement of accounts, and governance aspects of the use of resources.

Our team members

It is our intention that wherever possible staff work on the East London Waste Authority audit each year, developing effective relationships and an in depth understanding of your business. We are committed to properly controlling succession within the core team, providing and preserving continuity of team members.

We will hold periodic client service meetings with you, separately or as part of other meetings, to gather feedback, ensure satisfaction with our service and identify areas for improvement and development year on year. These reviews form a valuable overview of our service and its contribution to the business. We use the results to brief new team members and enhance the team's awareness and understanding of your requirements.

Independence and objectivity

We have made enquiries of all PricewaterhouseCoopers' teams providing services to you and of those responsible in the UK Firm for compliance matters. There are no matters which we perceive may impact our independence and objectivity of the audit team.

Relationships and Investments

Senior officers should not seek or receive personal financial or tax advice from PwC. Members who receive such advice from us (perhaps in connection with employment by a client of the firm) or who also act as director for another audit or advisory client of the firm should notify us, so that we can put appropriate conflict management arrangements in place.

Independence conclusion

At the date of this plan we confirm that in our professional judgement, we are independent accountants with respect to the Authority, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Communicating with you

Communications Plan and timetable

ISA (UK&I) 260 (revised) 'Communication of audit matters with those charged with governance' requires auditors to plan with those charged with governance the form and timing of communications with them. We have assumed that 'those charged with governance' are the Audit Committee. Our team works on the engagement throughout the year to provide you with a timely and responsive service. Below are the dates when we expect to provide the Audit Committee with the outputs of our audit.

Stage of the audit	Output	Date
Audit planning	Audit Fee letter	Apr 2010
	Audit Plan	March 2011
Audit findings	ISA (UK&I) 260 report incorporating specific reporting requirements, including: <ul style="list-style-type: none"> • Any expected modifications to the audit report • Uncorrected misstatements, i.e. those misstatements identified as part of the audit that management have chosen not to adjust • Material weaknesses in the accounting and internal control systems identified as part of the audit • Our views about significant qualitative aspects of your accounting practices including accounting policies, accounting estimates and financial statements disclosures. • Any significant difficulties encountered by us during the audit; • Any significant matters discussed, or subject to correspondence with, Management; • Any other significant matters relevant to the financial reporting process; and • Summary of findings from our use of resources audit work to support our value for money conclusion. 	Sept 2011
	Audit reports	Financial Statements including Use of Resources
Other public reports	Annual Audit Letter A brief summary report of our work, produced for Members and to be available to the public.	Dec 2011

Audit budget and fees

The Audit Commission has provided indicative audit fee levels for Local Authorities for the 2010/11 financial year, which depend upon the level of expenditure and potential risk. Based on your expenditure, the indicative fee scale for audit for the Authority is £35,000, which is broken down as follows:

	2010/11	2009/10
Accounts	£24,800	£27,800
Use of Resources	£10,200	£10,200
Total	£35,000	£38,000

We have based the fee level on the following assumptions:

- Officers meeting the timetable of deliverables, which we will agree in writing;
- We are able to place reliance, as planned, upon the work of internal audit;
- We are able to draw comfort from your management controls;
- We are able to place reliance on the work of inspectors and internal audit in respect of our use of resources conclusion;
- No significant changes being made by the Audit Commission to the use of resources criteria on which our conclusion will be based;
- An early draft of the Annual Governance Statement being available for us to review prior to 31 May 2011; and
- Our use of resources conclusion and accounts opinion being unqualified

If these prove to be unfounded, we will seek a variation order to the agreed fee, to be discussed in advance with you.

Appendix

Other engagement information

The Audit Commission appoint us as auditors to East London Waste Authority and the terms of our appointment are governed by:

- The Code of Audit Practice; and
- The Standing Guidance for Auditors

There are six further matters which are not currently included within the guidance, but which our firm's practice requires that we raise with you.

Electronic communication

During the engagement we may from time to time communicate electronically with each other. However, the electronic transmission of information cannot be guaranteed to be secure, virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.

PwC partners and staff may also need to access PwC electronic information and resources during the engagement. You agree that there are benefits to each of us in their being able to access the PwC network via your internet connection and that they may do this by connecting their PwC laptop computers to your network. We each understand that there are risks to each of us associated with such access, including in relation to security and the transmission of viruses.

We each recognise that systems and procedures cannot be a guarantee that transmissions, our respective networks and the devices connected to these networks will be unaffected by risks such as those identified in the previous two paragraphs. We each agree to accept the risks of and authorise (a) electronic communications between us and (b) the use of your network and internet connection as set out above. We each agree to use commercially reasonable procedures (i) to check for the then most commonly known viruses before either of us sends information electronically or we connect to your network and (ii) to prevent unauthorised access to each other's systems.

We shall each be responsible for protecting our own systems and interests and you and PwC (in each case including our respective directors, members, partners, employees, agents or servants) shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between us and our reliance on such information or our use of your network and internet connection.

The exclusion of liability in the previous paragraph shall not apply to the extent that such liability cannot by law be excluded.

Appointed auditor

Ciaran McLaughlin, a director in the firm, will discharge the responsibilities of the appointed auditor and in doing so will bind the firm even though Ciaran is not a partner.

Access to audit working papers

We may be required to give access to our audit working papers to the Audit Commission or the National Audit Office for quality assurance purposes.

Quality arrangements

We want to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If, for

any reason, you would prefer to discuss these matters with someone other than that partner, please contact Paul Woolston, our Audit Commission Lead Partner at our office at 89 Sandyford Road, Newcastle Upon Tyne, NE1 8HW, or Richard Sexton, UK Head of Assurance, at our office at 1 Embankment Place, London, WC2N 6RH. In this way we can ensure that your concerns are dealt with carefully and promptly. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales or to the Audit Commission.

Events arising between signature of accounts and their publication

ISA (UK&I) 560 (revised) places a number of requirements on us in the event of material events arising between the signing of the accounts and their publication. You need to inform us of any such matters that arise so we can fulfil our responsibilities.

If you have any queries on the above, please let us know before approving the Audit Plan or, if arising subsequently, at any point during the year.

Freedom of Information Act

In the event that, pursuant to a request which East London Waste Authority has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. East London Waste Authority agrees to pay due regard to any representations which PwC may make in connection with such disclosure and East London Waste Authority shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, East London Waste Authority discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for the East London Waste Authority. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

In the event that, pursuant to a request which the East London Waste Authority has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), the East London Waste Authority is required to disclose any information contained in this report, it will notify PwC promptly and will consult with PwC prior to disclosing such report. The East London Waste Authority agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, the East London Waste Authority discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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AUTHORITY REPORT: CONTRACT MONITORING

1. Confidential Report

No

2. Recommendations:

- 2.1 Note the ongoing issues with BioMRF fines material and the effects on contract recycling, LATS performance and associated potential costs to the Authority.
 - 2.2 Note the improvement in contract recycling and diversion performance.
 - 2.3 Note the effects of the successful implementation of controls at the RRC sites.
-

3. Purpose

- 3.1 To provide a summary of the contract performance for the 2009/10 contract year.
- 3.2 To provide an update on the monitoring, outcomes and actions taken with regards to the management of the IWMS contract for the period to 30 April 2011.

4. 2010/11 Contract Performance

- 4.1 Overall the contract performance for the year end was disappointing. Whilst there was an increase in recycling performance over previous years it remained short of contractual targets and the reasons for this have been documented frequently in previous reports.
- 4.2 In addition to this, and more concerning, is that the diversion from landfill performance whilst above contract levels, fell short of ABSDP targets resulting in increased costs to the Authority due to higher reimbursement of landfill tax payments. Again the reasons for this have been previously reported and largely relate to the performance of the BioMRFs and the lack of markets for Solid Recovered Fuels (SRF).
- 4.3 The financial impact of this was mitigated by the reduction in waste tonnages as reported elsewhere on the agenda. The actual tonnage of contract waste for 2010/11 was 457,171 tonnes, 7,470 tonnes lower than budget.
- 4.4 The issue of low recycling performance and low diversion from landfill performance was compounded after an investigation was carried out relating to the final destination of the compostable fines material from the output of the BioMRFs.
- 4.5 Prompted by the EA (after information was provided to them from a third party) ELWA officers took issue with SEL and asked them to confirm the final destination and end use of this material. The response was a confirmation that this material

had been sent to Sita (via Countrystyle, operators of the in-vessel composting plant and original destination of the fines material) and used for landfill restoration. This response is in line with the audit outcomes undertaken by ELWA officers of Countrystyle in June 2009.

- 4.6 ELWA officers insisted on further proof of this in order to satisfy the EA and upon further investigation by SEL, it was confirmed that this material had in fact been used for daily cover of the landfill operations and not landfill restoration. This use does not satisfy the requirements for composting and therefore cannot be counted towards contract recycling or NI192.
- 4.7 A further impact is the effect on the Authority's (LATS allocation. Fortunately, as can be seen in paragraph 4.10 below, the Authority is still within its allocated tonnage for this scheme year.
- 4.8 The action I have taken so far is to inform SEL that
- a. The contractual performance for 2008/09 and 2009/10 will be amended to reflect lower recycling and diversion from landfill performance;
 - b. A financial reimbursement from SEL will be required for performance supplements paid by the Authority relating to composting and diversion from landfill for the tonnages landfilled;
 - c. There is a requirement for SEL to review their own audit procedures and advise of the actions that will be taken to prevent a recurrence.
- 4.9 The net result should be that whilst there is a reduction in contract and NI192 performance there should be no negative financial impact to the Authority as a result of these past activities. However an alternative market has not yet been established for this material and it is envisaged that this material will be landfilled in the meantime. If no market can be found for this material, this could result in increased contract costs of £340,000 for this current year, because overall contract diversion from landfill performance could reduce as a result.

Landfill Allowance Trading Scheme

- 4.10 The Authority's allowance for the amount of biodegradable waste that could be sent to landfill for 2010/11 was 188,263 tonnes. Taking into account the BioMRF fines material that went to landfill as outlined above the actual amount of waste that was sent to landfill used 178,306 tonnes of allowances, therefore the Authority operated within its allowance. As the allowance reduces year on year the Authority's allowance for this scheme year is 164,644 tonnes.
- 4.11 It is expected that Defra will confirm the future of LATS when they outline their waste policy review in June. Although no formal announcement has been made it is

expected that the scheme will not continue beyond 2012/13.

5. Update on Performance for 2011/12 Contract Year

- 5.1 Since LBN rolled out their separate collection of residual waste and dry recyclates, the actual tonnage of material sent for recycling on LBN's dry recyclate scheme has increased from an average of 283 tonnes per month to 898 tonnes in March and 822 tonnes in April.
- 5.2 From the detailed report data provided by SEL it would also appear that the issues with the Frog Island BioMRF have been resolved and the performance of this facility for diversion has improved. The overall diversion from landfill performance for April was 61% which is marginally above ABSDP projections
- 5.3 The recycling performance of each facility can be seen in the table below. It should be noted that the performance of the BioMRFs is significantly lower than expectations as a result of the ongoing issue with fines material as reported in paragraph 4.4 to 4.6 above.

	Apr-11			
Recycling	Tonnages			
Facility	Recycling	Input	Performance	ABSDP
Jenkins Bio MRF	592	11,636	5.1%	27%
Frog Island Bio MRF	313	7,725	4.1%	27%
Bring sites	581	544	106.9%	100%
Direct Deliveries	0	448	0.0%	0%
Frog RRC MRF	935	3,263	28.7%	20%
IRC	948	1,010	93.9%	100%
Jenkins Lane OB MRF	2,263	2,905	77.9%	84%
Frizland RRC Site	1,045	2,353	44.4%	62%
Gerpins RRC Site	1,846	4,042	45.7%	64%
Jenkins RRC Site	932	3,034	30.7%	45%
Chigwell RRC Site	1,778	2,866	62.0%	76%
Sub Total	11,233	39,825	28.2%	29.1%
Diversion				

	Apr-11			
Recycling	Tonnages			
Facility	Recycling	Input	Performance	ABSDP
SRF	5,433		13.6%	13%
Other	7,608		19.1%	17.50%
Total Diversion From Landfill	24,274		61.0%	59.6%

Borough N192 performance

5.4 Although it is no longer a statutory requirement to submit N192 performance figures, Members have requested that this data is still provided as part of this report. The table below provides an overview of the performance for 2010/11 and the month of April 2011; however both figures are subject to ratification by Defra.

N192	Full Year 2010/11	Year to Date 2011/12
LBBD	28%	33%
LBH	31%	34%
LBN	15%	21%
LBR	27%	35%

6. Update on Reuse and Recycling Centres

6.1 Members received a briefing note in May 2011 updating them on the changes to documentation required at the RRC sites, and the impact of the introduction of controls in relation to contract tonnages. Appendix A provides Members with the latest data available.

6.2 Whilst the timeframe in which this data is compiled is relatively short, the changes are clearly having the desired effect in reducing the number of vehicles using the site and the tonnage being brought into the contract. So far the savings as a result of these changes are in the region of £101,000 and if this was to continue, allowing for some increase in seasonal usage, the annual savings could be in the region of £1m.

6.3 So far, the total expenditure for the Authority to implement these changes is approximately £16k. A thorough review will be carried out over the summer and any modifications to the scheme will be recommended for approval by Members at the next Authority meeting. It is anticipated that further communications activities

will be necessary to either communicate the changes or reinforce the existing system if no changes are deemed necessary.

7. Conclusion

7.1 Contract performance for the previous year was disappointing. Current year performance is showing an improvement but achievement of ABSDP targets remain s a challenge. On a more positive note, the changes to RRC operations have so far proved successful.

8. Relevant officer:

Mark Ash, Head of Operations / e-mail: mark.ash@eastlondonwaste.gov.uk / 020 8270 4997

9. Appendices attached:

Appendix A – RRC site tonnage and vehicle flow data

10. Background Papers:

None

11. Legal Considerations:

None

12. Financial Considerations:

12.1 This report provides Members with information on performance against the IWMS contract. Section 4 of the report outlines the 2010/11 performance. The budgetary implications of this are shown within our 2010/11 financial outturn report, which is presented elsewhere on the agenda.

12.2 Section 6 of the report provides Members with an update on the decision to make changes to the amount of documentation required to use the RRC sites. It is important to stress that the analysis of potential savings arising from this change is based on results from a very short timeframe and therefore any potential savings can only be considered as rough estimates at this stage.

12.3 It is important that ELWA officers continue to use the management information at their disposal to monitor the financial and non-financial consequences arising from this change in policy.

13. Performance Management Considerations:

14. Risk Management Considerations:

15. Previous Reports:

16. Follow-up Reports:

17. Websites and e-mail links for further information:

None

18. Glossary:

ABSDP = Annual Budget & Service Delivery Plan

BioMRF = Biodegradable Materials Recycling Facility

EA = Environment Agency

ELWA = East London Waste Authority

IWMS = Integrated Waste Management Strategy

LATS = Landfill Allowance Trading Scheme

LBN = London Borough of Newham

NI192 = National Indicator (Household Waste Recycled or Composted)

RRC = Reuse & Recycling Centre(s)

SRF = Solid Recovered Fuel

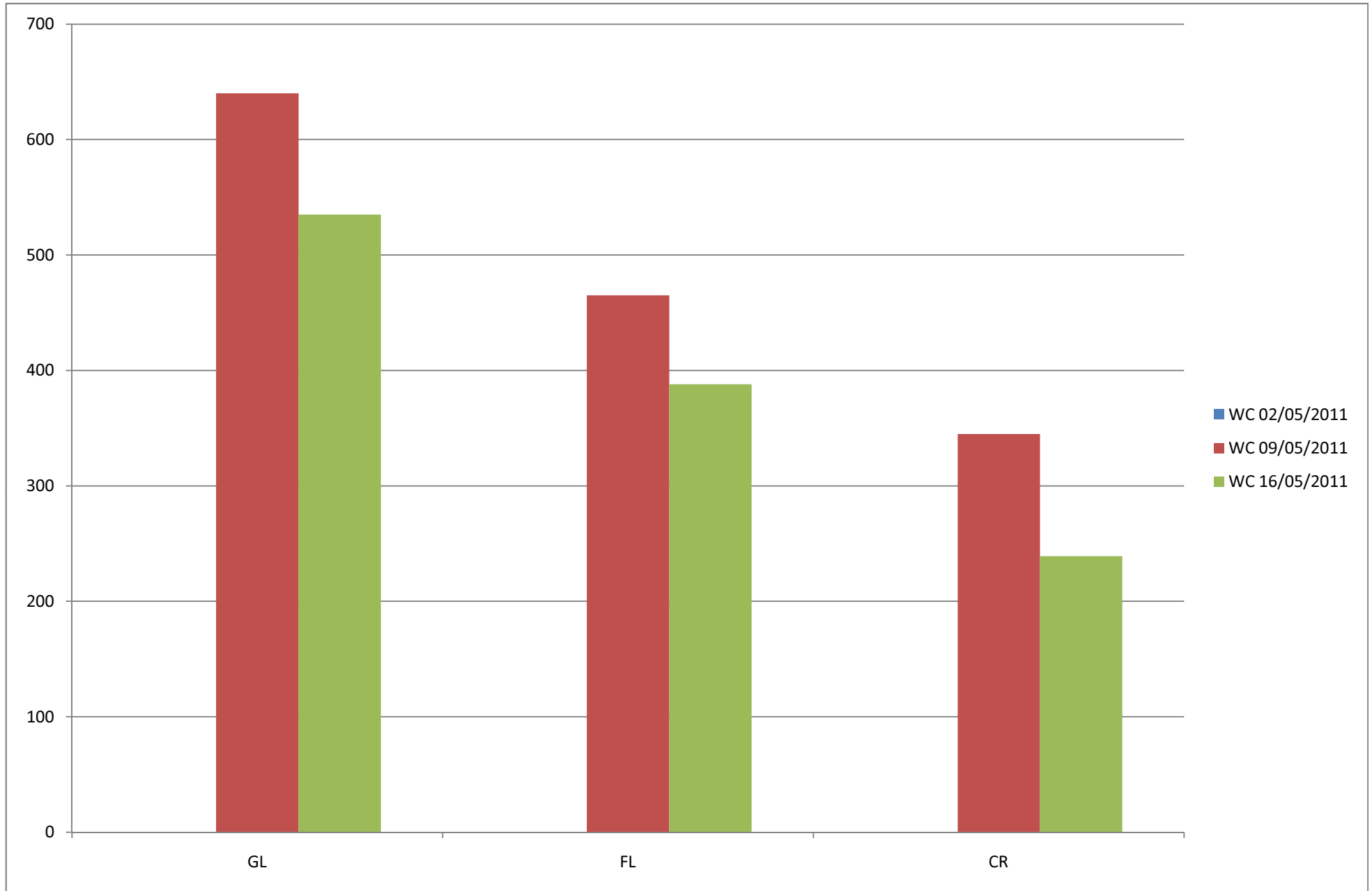
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19. Approved by Management Board:

13 June 2011

20. Confidentiality:

Not applicable



Agenda Item 9 - Appendix A

Pre-change	Tonnage processed 19/4/10 - 25/4/10	Tonnaged processed 18/4/11 - 24/4/11	Tonnage difference	% difference
Gerpins Lane	806	754	-52	-6%
Frizlands Lane	679	533	-146	-22%
Chigwell Road	424	419	-5	-1%
Overall	1,909	1,706	-203	-11%

Pre-change	Tonnage processed 26/4/10 - 2/5/10	Tonnaged processed 25/4/11 - 1/5/11	Tonnage difference	% difference
Gerpins Lane	829	1039	210	25%
Frizlands Lane	515	578	63	12%
Chigwell Road	440	399	-41	-9%
Overall	1,784	2,016	232	13%

Pre-change	Tonnage processed 3/5/10 - 9/5/10	Tonnaged processed 2/5/11 - 8/5/11	Tonnage difference	% difference
Gerpins Lane	653	850	197	30%
Frizlands Lane	500	600	100	20%
Chigwell Road	310	430	120	39%
Overall	1,463	1,880	417	29%

Post change	Tonnage processed 10/5/10 - 17/5/10	Tonnaged processed 9/5/11 - 16/5/11	Tonnage difference	% difference
Gerpins Lane	714	539	-175	-25%
Frizlands Lane	522	346	-176	-34%
Chigwell Road	333	249	-84	-25%
Overall	2,202	1450	-435	-20%

Post change	Tonnage processed 17/5/10 - 23/5/10	Tonnaged processed 16/5/11 - 22/5/11	Tonnage difference	% difference
Gerpins Lane	765	535	-230	-30%
Frizlands Lane	583	388	-195	-33%
Chigwell Road	389	239	-150	-39%
Overall	1,737	1,162	-575	-33%

Post change	Tonnage processed 24/5/10 - 30/5/10	Tonnaged processed 23/5/11 - 29/5/11	Tonnage difference	% difference
Gerpins Lane	867	560	-307	-35%
Frizlands Lane	558	382	-176	-32%
Chigwell Road	456	263	-193	-42%
Overall	1,881	1,205	-676	-36%

Comparison Week	Chigwell Road		Frizlands Lane		Gerpins Lane		Overall	
	Tonnage difference	% difference	Tonnage difference	% difference	Tonnage difference	% difference	Tonnage difference	% difference
1 (w/c 10/5/10 against w/c 9/5/11)	-105	-23%	-175	-28%	-472	-43%	-752	-34%
2 (w/c 17/5/10 against w/c 16/5/11)	-150	-39%	-195	-33%	-230	-30%	-575	-33%
3 (w/c 24/5/10 against w/c 23/5/11)	-233	-46%	-184	-31%	-266	-31%	-683	-36%
Average	-163	-36%	-185	-31%	-£323	-35%	-670	-34%

Corresponding week	Gerpins Lane				Frizlands Lane				Chigwell Road				Overall			
	10-11	11-12	Tonnage change	% change	10-11	11-12	Tonnage change	% change	10-11	11-12	Tonnage change	% change	10-11	11-12	Tonnage change	% change
Week -3: 18/4/11 - 24/4/11	806	754	-52	-6%	679	533	-146	-22%	424	419	-5	-1%	1,909	1,706	-203	-11%
Week -2: 25/4/11 - 1/5/11	829	1039	210	25%	515	578	63	12%	440	399	-41	-9%	1,784	2,016	232	13%
Week -1: 2/5/11 - 8/5/11	653	850	197	30%	500	600	100	20%	310	430	120	39%	1,463	1,880	417	29%
Tonnage saved to date			14,408				-547				-427				- 1,686	
Week 1: 9/5/11 - 15/5/11	714	539	-175	-25%	522	346	-176	-34%	333	249	-84	-25%	1,569	1,134	-435	-28%
Week 2: 16/5/11 - 22/5/11	765	535	-230	-30%	583	388	-195	-33%	389	239	-150	-39%	1,737	1,162	-575	-33%
Week 3: 23/5/11 - 29/5/11	867	560	-307	-35%	558	382	-176	-32%	456	263	-193	-42%	1,881	1,205	-676	-36%

Vehicle counts	GL	JL	FL	CR	Total
WC 02/05/2011	13,640	2,838	6,111	6,621	29,210
WC 09/05/2011	9,724	2,083	4,445	5,140	21,392
WC 16/05/2011	9,423	1,991	4,564	4,974	20,952

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