

AUTHORITY REPORT: CONTRACT MONITORING TO NOVEMBER 2011

1. Confidential Report

1.1 No

2. Recommendations:

2.1 Note this report

3. Purpose

3.1 To provide an update on the monitoring, outcomes and actions taken with regards to the management of the IWMS contract for the period to November 2011.

3.2 To provide an update on the closed landfill sites.

4. Contract Performance

4.1 The waste collected by the ELWA constituent boroughs, and waste arising at the RRCs continues to fall below the levels budgeted in the ABSDP. The cumulative contract waste tonnage to the end of November was 298,987 tonnes; this is 26,210 tonnes below budget resulting in significant financial savings to the Authority.

4.2 There is a particular focus on the diversion of waste from landfill as, alongside waste reduction, this is viewed as the second largest contributor to financial savings through the avoidance of landfill tax payments. The cumulative diversion from landfill performance stood at 62%, slightly above the ABSDP budget of 60%.

4.3 To further bolster diversion from landfill the contractor has completed the installation of the bailer and wrapper at the Frog Island facility for the export of SRF under the new agreement. The equipment finished being commissioned in November and to date and additional 1,000 tonnes of SRF has been exported. The forecast provided by the contractor is that the end of year diversion performance is likely to be in the region of 65%.

4.4 The cumulative contract recycling performance to November is 29%, slightly higher than the ABSDP profile of 28.7%. The profile of recycling reduces this time of year due to the absence of green waste in the waste streams. Despite the problems relating to the BioMRF fines, officers are forecasting an end of year recycling performance achieving the 27% contract target.

4.5 An overview of the contract performance is provided at Appendix A.

5. Landfill Allowance Trading Scheme

5.1 The LAT scheme is still in operation until the end of the 2012/13 target year. With the decrease in waste tonnages and the level of diversion from landfill currently being achieved, the Authority should not have any concerns about being within its allocation.

5.2 At the end of November 2011 the profiled allocation for the period to November was 126k tonnes. The Authority used up approximately 75k tonnes of its allowance; therefore a surplus of 41k tonnes exists.

6. Potential Legislative Changes and Potential Effect on Borough Recycling Performance

6.1 There are a number of outstanding policies / legislative changes that are awaiting confirmation from Defra. Those that impact the Authority are primarily the repeal of the RDA, the review of the CWR and the interpretation of the rWFD specifically the recycling calculation. The details of these changes were the subject of previous reports to the Authority and can be found in background papers.

6.2 In relation to recycling, the two changes that are of particular interest to the Authority are the repeal of the RDA and the interpretation of the rWFD. Defra are overdue releasing the required information but it is hoped that between the time of writing this report and the Authority meeting, the information will be available to update Members at the meeting.

7. Closed Landfills

- 7.1 Wennington Farm (Approximately 37 acres) and Hall Farm (Approximately 49 acres)
- 7.2 Officers are currently seeking advice from advisors on an appropriate strategy.
- 7.3 Aveley 1 (Approximately 67 acres)
- 7.4 The sale of Aveley 1 closed landfill site is still progressing albeit at a relatively slow pace. The Head of Operations is in regular contact with Infinis (JV partners for AML) and the agents for the potential purchasers. All parties are working towards a completion of sale by the end of the 2011/12 financial year.
- 7.5 Gerpins Lane (Approximately 19 acres)
- 7.6 The District Valuer has begun work on the valuation of the site in preparation for the transfer in the ownership of LBH. There has been a significant number of questions raised relating to historical access rights and boundaries. Officers are working to answer these queries to progress this transfer.

8. Relevant officer:

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9. Appendices attached:

Appendix A – November monthly bulletin report

10. Background Papers:

Minute 1623 Waste Management – September 2008

Minute 45 Waste Management – September 2010

11. Legal Considerations:

11.1 None

12. Financial Considerations:

12.1 Tonnage levels and landfill tax liabilities are the main cost driver of the IWMS contract. The reduced tonnages therefore have led to a financial saving for the Authority in this period. Also improved contract recycling and diversion performance has financial benefits to the Authority as it means that there is a reduced landfill tax liability.

13. Performance Management Considerations:

As specified in the report.

14. Risk Management Considerations:

None

15. Previous Reports:

Previous contract monitoring reports can be found at each agenda.

16. Follow-up Reports:

At the next meeting of the Authority

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

None

18. Glossary:

ABSDP = Annual Budget & Service Delivery Plan

AML = Aveley Methane Ltd

BioMRF = Biodegradable Materials Recycling Facility

CWR = Controlled Waste Regulations

ELWA = East London Waste Authority

IWMS = Integrated Waste Management Strategy

JV = Joint Venture

LBH = London Borough of Havering

MRF = Material Recycling Facility

RRC = Reuse and Recycling Centres

RDA= Refuse Disposal Amenity Act 1978

rWFD = Revised Waste Framework Directive

WDF = Waste Data Flow

19. Approved by management board

23 January 2012

20. Confidentiality:

Not applicable