

AUTHORITY MINUTES: MONDAY, 6 FEBRUARY 2012 (9:30 - 11:20 AM)

Present: Councillor M Dunn (Deputy Chair), Councillor I Corbett, Councillor R Crawford, Councillor G Letchford, Councillor B Tebbutt and Councillor V Tewari

46 Apologies for Absence

Councillor S Kelly (Chairman), Councillor M A McCarthy.

47 Declaration of Members' Interests

Councillor Ian Corbett declared a personal interest in respect of the Annual Budget and Service Delivery Plan (agenda Items 5 and 13) as the ELWA-appointed 'A' Director to ELWA Limited.

48 Minutes of previous meeting

Members confirmed as correct the minutes of the Authority meeting on 28 November 2011.

49 Budgetary Control to 31 December 2011

The Finance Director presented his regular report on Revenue Estimates and Prudential Indicators. Reduced integrated waste management strategy (IWMS) contract costs had created a projected year end under spend of £1,661,000. If Solid Recovered Fuel (SRF) diversion increases or tonnage levels continue to drop then further savings would increase the year-end under-spend position. Clarification was provided regarding waste generated by the Thames Gateway development.

Members noted the report.

50 Treasury Management Strategy 2012/13

The Finance Director presented his report on the treasury management strategy for 2012/13. Clarification was provided in respect of choice of borrowing and investment institutions as well as the need for treasury management training.

Members agreed the recommendations set out in the report as follows:

- a) the Borrowing Strategy for 2012/13 as set out in paragraph 8;
- b) the Minimum Revenue Provision Policy Statement for 2012/13 is set out in paragraph 9;
- c) the Annual Investment Strategy for 2012/13 as set out in paragraph 10;
- d) the Treasury Management Policy Statement as set out in Appendix A;

- e) the Prudential Indicators for Treasury Management as set out in paragraph 18.

51 Annual Budget and Service Delivery Plan 2012-2013

The Managing Director presented his report, together with appendices. He advised that the contractor had discussed and submitted the Plan within the agreed timetable. It takes account of current and planned waste tonnages and operational performance in determining likely recycling and diversion rates for the coming year. Additionally, the contract allows for an annual retail price index inflationary cost increase. These factors are the basis of the Plan and resulting contractual costs.

Our attention has been drawn to the difficulties the contractor expects in reaching the contractual target of 27% because of Bio-MRF fines. In the 2012-13 ABSDP they only anticipate that they will achieve 25.7%. The contractor's longer term solution to this is by the use of their anaerobic digestion plant which is currently under construction, which is due to be commissioned in September 2012 and operational in April 2013. The contractor believes that this solution will help reduce the recycling target shortfall. The contractor has committed to finding other ways of increasing recycling to meet the shortfall and has agreed to increase staffing levels at the Reuse and Recycling Centres (RRCs) in order to manually extract recyclable waste. It is anticipated the waste diversion will be 62% for 2011-12 and that the 2012-13 ABSDP diversion rate, including recycling, is set at 78%. The additional diversion is a result of increased SRF output, this material is destined to be used in European Markets which is acceptable to the Environment Agency. Contractually the figure used to calculate the annual inflation rate for the contract is Octobers Retail Price Index. The Contractual cost is £53,623,000 which also includes an increase in landfill tax of £8 per tonne making our proportion to £49.00 per tonne.

Members have heard commentary on the benefits achieved to date by supporting the communications budget with additional funding and considered whether this should continue.

Members agreed the recommendation to approve the ABSDP as set out in paragraph 2.1 a) of the report.

Members rejected the allocation of the £150,000 in support of the ELWA Partnership Communications Strategy in order to cut costs.

52 Revenue & Capital Estimates and Levy 2012/13

The Finance Director provided commentary on his report explaining that ELWA is now in a position where the overall levy can be frozen for next year. It will then continue to increase in future years. The reason for the change in the levy projection is because the solid recovered fuel initiative has gone well.

His report was positive although Members were concerned about the future and

was asking to reduce costs. The Finance Director explained that the policy on waste is unlikely to change in the short term and that the Contract makes up for 95% of costs. Members suggested meeting to discuss what the other 5% consisted of. The Managing Director proposed that this could be done at the workshop in July.

The Managing Director advised that there will soon be a change in legislation and individual boroughs may consider reducing the number of Reuse & Recycling Centres.

Members agreed to the following recommendations:

- a) The revised budget for 2011/12 totalling £53,336,000;
- b) The revenue budget for 2012/13, totalling £52,956,000 excluding contributions from reserves;
- c) The charges for commercial and industrial waste for 2012/13:
Commercial & Industrial Waste – recycled £70 per tonne
Commercial & Industrial Waste – other £117 per tonne;
- d) That on the basis of (b) and (c) above, ELWA determines its levy for 2012/13 in the sum of £44,749,000;
- e) The policy on Reserves and associated criteria;
- f) The continuation of existing arrangements for the payment of the levy and commercial and other waste charges.

53 Contract Monitoring to November 2011

Members received the Head of Operations report showing that waste tonnages continue to fall.

Controls at the Reuse & Recycling Centres are now being enforced. This is going well with few complaints and enquiries being received. Another round of communications will be going out to residents to inform them of the pending changes.

Members discussed whether there was an increase in fly-tipping because of the new system and whether fly-tippers should be prosecuted. It was felt that there was an increase in London Borough of Havering but not in the London Boroughs of Barking & Dagenham, Newham and Redbridge.

Members noted the report.

Members also received and noted a presentation by the Head of Operations on the Repeal of the Refuse Disposal (Amenity) Act 1978 and the Revised Waste Framework Directive.

54 Bulky Waste - Reuse Collections

Members received the Head of Operations comprehensive report on Bulky Waste and Reuse Collections including the waste minimisation initiative.

Containers have been installed at Reuse & Recycling Centre sites for people to use. Bulky Waste enquiries should be intercepted at call centres and the resident asked whether they have considered delivering their item to a third party organisation.

Members noted the report and agreed to recommend the introduction of a robust referral system to the boroughs' call centre scripts to divert reusable items away from the bulky waste collection stream. Members suggested advertising the contact numbers of these third party organisations on the Boroughs' websites.

55 Review of the ELWA Integrated Waste Management Strategy (IWMS)

Members received the Managing Director's report prepared at the request to consider waste disposal options post-contract.

Officers' intention is to start the review in April and use the July authority workshop as the opportunity to consult with members. Whilst the review includes consultation with wider stakeholders, the circumstances of ELWA being part-way through a long-term contract limit the likelihood of a fundamental change in direction. Therefore, officers will consider whether such wider consultation is required following the July workshop. Officers aim to produce the revised strategy for member approval by the end of the calendar year.

As ELWA are a third of the way through the contract, little can be done in terms of changing overall objectives. However, targets may be refreshed and the Managing Director will review with other Waste Authorities. The Managing Director will bring this to the Workshop in July together with waste minimisation.

Members noted the report.

56 Date of Next Meeting

Members noted that the next meeting will be held on 14 May 2012 (Annual General Meeting).

57 Private Business

We have resolved to exclude the public and press from the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

58 Annual Budget and Service Delivery Plan 2012-2013 - Appendix C

Members noted and agreed Appendix C to the Annual Budget and Service Deliver Plan report.

59 ELWA Ltd Agenda

Members received the ELWA Ltd Board papers for information.

Minutes agreed as a true record.

Chair:

Date: