

EAST LONDON WASTE AUTHORITY

Monday, 1 February 2010
(9:37 - 11:45 am)

Present: Councillor S Kelly (Chair), Councillor B Tebbutt (Deputy Chair), Councillor I Corbett, Councillor M Dunn, Councillor P Murphy, Councillor Mrs V Rush and Councillor G M Vincent

43 Apologies for Absence

An apology for absence was received from Councillor E Norman.

44 Declaration of Members' Interests

There were no declarations of Members' interests.

45 Minutes (23 November 2009)

The minutes were noted and agreed. There were no matters arising.

46 Governance Arrangements - Constitution Review

We have received the Monitoring Officer's report and appendices, commentary and tabled version of Appendix B showing the changes made. We have approved the amendments as drafted by the Monitoring Officer and Managing Director to Parts A, B, C and G of the Constitution thereby reflecting the decisions taken at our meeting in September 2009. We note that further amendments and updates will be brought to us for approval. We have asked the Monitoring Officer to include the revised start time for our meetings. We have offered our thanks to the Officers concerned for the work carried out.

47 Budgetary Control to 31 December 2009

We have discussed and noted the Finance Director's report and the under spend of £181,000, against estimated budget, for the 9 months' period. The Finance Director reported that lower waste tonnages had contributed to the savings, as well as reduced tonne mileage payments, employee and support costs and a general cost efficiency drive. Income receivable was reduced in the areas of Commercial Waste and interest rates. Other income had generated a positive outcome with receipt of a royalty and rent payment. The recession had impacted on trends.

48 Revenue & Capital Estimates and Levy 2010/11

The Finance Director set out the key issues of the report and drew Members' attention to them. He highlighted the budget issues including reserves and their levels, various risks, pressures on the Authority and the necessity to balance strategy and prudence.

He was aware of the need for affordability and reported that the projected 2010/11

Levy had been reduced to 5.6% resulting from improved estimated cost savings and closure of the composting operation. Future Optibag savings would be used to reduce the Levy or subsidise additional waste collections in three of the Constituent Councils and provide for a recycling grant for the other.

We have considered the report concerning the estimates and the levy for 2010/11 and the underlying cost pressures, legal background, need for transparency and levy apportionment, together with the particular issues that apply. We have also considered the issues relating to contingencies and reserves, including the risk analysis.

We have considered ways to cut costs in readiness for Levy projections in 2011/12 and 2013. The Managing Director has been asked to identify areas of recycling for discussion by Members at a workshop. He should also look at the LATS/commercial waste aspect and incentives relating to this. We have agreed the recommendations.

49 Treasury Management Strategy 2010/11 and Prudential Code Indicators 2010/11 to 2012/13

We have received and noted the Finance Director's report and appendices and have agreed the recommendations in respect of minimum revenue provision policy statement, authorised limit and operational boundary for external debt, upper limits on interest rate exposures and total principal sums invested for more than 364 days; amount of projected fixed rate borrowing that is maturing in each period as a percentage of total projected borrowing that is fixed rate and that we adopt the revised CIPFA Treasury Management in the Public Services Code of Practice as revised in November 2009.

We have been offered Treasury Management training should we feel it necessary.

The Chair commented that the report showed a relatively cautious approach and this was a good policy to adopt.

(At this point in the meeting, Councillor Mrs Rush left the proceedings and was not involved in consideration or discussions of the following items.)

50 Risk Strategy - Update for 2010/11

We have received the Executive Director's report and appendices, together with commentary on updating the strategic risks and operational risks registers.

We have noted the Risk Strategy, approved the updated Strategic Risks and Operational Risks registers with a minor change to increase risk level(s), noted the Net Risk Matrix and agreed to review the position in six months' time. The breakdown in performance at Jenkins Lane was causing concern and following discussion, the proposed reduction of Strategic Risks 4 and 12 were not agreed.

51 Contract Monitoring to November 2009

We have received the Assistant Executive Director's report and appendices providing us with details on the monitoring, outcomes and actions taken with regards to the management of the IWMS Contract for the period of November

2009.

We have received commentary on and noted the continuing onsite monitoring by ELWA, Borough and London Remade Officers as set out in the report; the continued reliability problems with the optibag separation system at key facilities and that the Contractor had implemented maintenance changes in this respect. Noted also that, penalties had been levied on the Contractor for operational non-conformance; contract recycling and composting performance was above target at 25.8% and diversion from landfill high at 60%.

Following our reliability and fit for purpose discussions, Officers have been asked to provide us with a specific report on processing at Jenkins Lane.

We recommend that procedures at Reuse & Recycling Centre (RRC) sites for commercial waste depositors are reviewed and possibly tightened, although it was appreciated that this is likely to increase the need for Boroughs to support the procedures when queries and disputes arise.

52 Waste Management to November 2009

Received and noted the Assistant Executive Director's report and appendices on general waste management issues for the period to November 2009. He provided us with commentary on NI 191 and advised that waste volumes were significantly lower than projected; next steps being taken in respect a proposal for near entry door bring site system at flats report commissioned from WRAP; waste processing capacities and the Mayor's draft Municipal Waste Management Strategy and the Greater London Authority strategy. With regard to London Waste and Recycling Board, we have requested further information on the structure of the deal with ELSEF (East London Sustainable Energy Facility).

53 Frizlands Lane Reuse & Recycling Centre Site Lease

In response to the Executive Director's report, appendices and commentary, we have agreed that a Deed of Variation between London Borough of Barking & Dagenham (LBBD), the Authority and ELWA Limited is entered into to vary the existing Lease between the parties, plans and land demised, relating to the Frizlands Lane RRC site. We have been advised that LBBD will meet the majority of costs incurred by the parties involved and that the new lease is compatible with the Integrated Waste Management Services contract.

54 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 paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

55 Service Delivery Plan 2010/11 to 2014/15 (5 Year)

We have received commentary and discussed at length the issues arising out of this confidential report. In particular, commentary was provided on development of the SDP and progress with achieving ELWA's conditions contained in the Overall Service Delivery Plan; closure of the optibag process; the Contractor's 5 years'

plan proposals and Officers' concerns and the need for ongoing negotiations with the Contractor. In accordance with the recommendations, we have agreed to defer our decision on the Annual Budget Service Delivery Plan and 5 Year Service Delivery Plan and to receive a further report at our next meeting or at an additional meeting to be held on or around 15 March.

56 ELWA Limited

We have received an update from the Executive Director on his restricted circulation paper and noted the Minutes of the meeting dated 14 October 2009 and Agenda dated 25 January 2010 attached. We have agreed to receive a further report the next time we meet.

57 Employment - Staffing Update

Report received from the Managing Director on the staffing implications of the new management structure set out in Agenda Item 4.

Arising from this we have agreed:

- a) the salary for the Managing Director.
- b) the arrangements proposed in the Managing Director's report for implementing the new structure;
- c) that a Personnel Panel comprising one member from each Constituent Council will be empowered to determine all appeals and other matters in connection with the implementation of the new management structure; and
- d) that the final interview for the appointment of Managing Director will be at a meeting of the Authority convened for that purpose.

(This item was considered in the presence of the Members, Managing Director and Finance Director only.)

Chair:

Dated:.....