



West London Waste Authority

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West London Waste Authority

A meeting of the West London Waste Authority will be held in Committee Room 5, Harrow Civic Centre on Friday 21 September 2018 at 10.00 am

MEMBERSHIP

Councillor Graham Henson, London Borough of Harrow (Chair)
Councillor Keith Burrows, London Borough of Hillingdon
Councillor Martin Elengorn, London Borough of Richmond
Councillor Guy Lambert, London Borough of Hounslow
Councillor Mik Sabiers, London Borough of Ealing
Councillor Krupa Sheth, London Borough of Brent

AGENDA

PART I - ITEMS FOR CONSIDERATION WHILE THE PRESS AND PUBLIC ARE IN ATTENDANCE

1. Apologies for absence
2. Declarations of interest

Members are reminded that if they have a pecuniary interest in any matter being discussed at the meeting they must declare the interest. They may not take part in any discussion or vote on a matter in which they have a pecuniary interest.

3. Minutes of the meeting held on 29 June 2018 **(Pages 3 - 8)**
4. Contracts Update **(Pages 9 - 12)**
5. Operations Update **(Pages 13 - 16)**
6. Waste Minimisation Update **(Pages 17 - 18)**
7. Budget Monitoring Report Period 4 (July) **(Pages 19 - 24)**
8. Treasury Management **(Pages 25 - 28)**

PART II - ITEMS FOR CONSIDERATION AFTER THE EXCLUSION OF THE PRESS AND PUBLIC

9. Purchase of Transfer Station Sites *(Pages 29 - 30)*
10. Joint Waste Strategy *(Pages 31 - 40)*
11. WLWA Branding Exploration
Presentation
12. Item from 2017/18 Budget Monitoring Report Period 4 *(Pages 41 - 42)*

Recording and reporting on public meetings

Please note that members of public can choose to record or report in other ways, on this public meeting. If you wish to do so then please read the Authority's protocol which can be found [online](#). Copies of the protocol are also available at the meeting.

The Authority asks that you avoid recording members of the audience who are not participants at the meeting. The Authority will seek to facilitate this. However, anyone attending a public meeting does so in the knowledge that recording may take place and that they may be part of that record.

Hugh Peart
Clerk to the Authority

At a meeting of the West London Waste Authority held on Friday 29 June 2018 at 10.00 am at the Committee Room 5, Harrow Civic Centre.

Present:

Councillor Keith Burrows, Councillor Martin Elengorn, Councillor Graham Henson, Councillor Guy Lambert, Councillor Mik Sabiers and Councillor Krupa Sheth

1. Apologies for absence

No apologies were received.

2. Declarations of interest

RESOLVED: There were no declarations of interests.

3. Minutes of the meeting held on 26 January 2018

RESOLVED: That the minutes of the meeting held on 26 January 2018 be taken as read and signed as a correct record.

4. Appointment of Chair, Vice Chair, Audit Committee and Independent Member(s)

RESOLVED: That (1) Councillor Graham Henson be appointed as Chair of the Authority for the 2018/19 municipal year;
(2) Councillor Martin Elengorn be appointed as Vice-Chair of the Authority for the 2018/19 municipal year;
(3) Councillors Keith Burrows, Graham Henson and Krupa Sheth be appointed as members of the Audit Committee for the 2018/19 Municipal Year;
(4) the appointment of Andrea White as the Independent Member of the Audit Committee be re-confirmed to 30 June 2019.

5. Meetings for the Municipal Year 2018/19

RESOLVED: That the following dates of meetings of the Authority and Audit Committee be confirmed:

Friday 21 September 2018 at 10.00 am
Friday 7 December 2018 at 10.00 am
Friday 25 January 2019 at 11.00 am (Audit Committee at 10.00 am)
Friday 29 March 2019 at 10.00 am
Friday 28 June 2019 at 11.00 am (Audit Committee at 10.00 am)
Friday 20 September 2019 at 10.00 am
Friday 6 December 2019 at 10.00 am

6. Annual Internal Audit Report

The Committee received the Annual Internal Audit Report and Opinion Statement 2017/18.

Muir Laurie, Internal Auditor, advised that the delivery of the plan was 100% complete, there were no significant control weaknesses and no qualifications to the opinion

statement. Sarah Hydrie, Internal Auditor, added that there had been a review of the follow up recommendations and an improvement on the 2016/17 performance. In 2018/19, Internal Audit would focus on delivery of a high quality service.

In response to questions in relation to the limited assurance on contract monitoring and that this appeared to be a recurring theme, the Internal Auditor reassured Members that this area had been reviewed and those with a limited assurance had management action in place and that previous recommendations had been implemented. Emma Beal, Managing Director, explained that a significant proportion of this historical issue related to a contract let in 2009.

A Member commented that, in terms of structure/layout, moving forward it would be helpful to detail the risks at the beginning of the report.

RESOLVED: That the report be noted.

7. External Audit Report

The Committee received the Authority's Audit results report for the year ended 31 March 2018 and welcomed Helen Thompson and Jo Taylor, External Auditors, Ernst & Young, to the meeting.

Helen Thompson outlined the content of the report stating that it was expected that an unqualified audit opinion on the financial statements and that there were no matters to report in terms of value for money. Subject to the Authority approving the accounts, a certificate could be issued and the accounts forwarded to the National Audit Office.

Helen Thompson reported that the auditors had considered the valuation of property, plant and equipment and would keep the way lease of sites was recorded on the balance sheet under review. She added that CIPFA had indicated that the Authority had complied with disclosure requirements but that this may need to be reviewed next year. In terms of the Management representation letter which was set out at Appendix B to the report, Ms Thompson advised that there were no particular issues to draw to Members' attention.

RESOLVED: That (1) the report be noted; and
(2) the Management Representation letter attached at Appendix B to the report be approved and signed.

8. Risk Register

Members received a report which provided the Authority's updated risk register.

Jay Patel, Head of Finance, outlined the content of the report advising that risks were kept under review and that the one amber residual risk related to the risks the Authority would face when putting in place infrastructure to meet future needs.

In response to a Member's concerns in relation to the prevalence of fires at recycling sites, Ken Lawson, Contracts Manager, advised that SUEZ had made considerable investment in fire detection software/ equipment. However, following a recent fire at Transport Avenue the system was being reviewed. Disposable barbecues were a particular risk in the current hot weather and specialised bins had been put out at sites to receive these from residents.

RESOLVED: That the Risk Register attached at appendix 1 to the report be noted.

9. Assurance Statements

Members received assurance statements which formed part of the overall governance framework and supported approval of the annual Statement of Accounts.

RESOLVED: That the Assurance Statements attached at Appendix 1 to the report be noted.

10. Draft Statement of Accounts 2017/18

Jay Patel, Head of Finance, introduced the report which presented the 2017/18 Statement of Accounts.

In response to a question as to the robustness of the check on property, Members were advised that external valuers were commissioned to carry out a valuation every five years. In the intervening years, officers discuss how to assess whether the valuation is correct and a desktop valuation in consultation with the external auditor is carried out.

Members asked questions in relation to the pension fund valuation, future contribution rates and the resulting impact. Jay Patel responded that employee and pension costs were minimal but that the best time to look at the 'cash picture' was when considering the long term plan/ 30 year business plan. He added that the Authority had a strong treasury management policy and was currently earning a good rate of interest.

RESOLVED: That (1) the 2017/18 Statement of Accounts be approved;
(2) the 2017/18 out-turn figures be approved.

11. Business Plan 2017-2020

The meeting, having adjourned at 10.40am, reconvened at 10.53am.

Emma Beal, Managing Director, outlined the content of the report which provided details of the Authority's Business Plan for the year 2018/19 and provided a list of key activities commenced in 2017.

In response to a question as to whether consideration had been given to the relationship between different waste authorities HRRCs with a view to avoiding residents travelling further/ crossing borough boundaries to deposit waste, Emma Beal confirmed that there was collaboration within North London Waste Authority (NLWA). The NLWA charged according to where the residents depositing waste at their sites travelled from and if WLWA adopted the same methodology, cross border cooperation was a possibility. Implementation of a policy, for example charging residents for the collection of garden waste in one constituent Borough, would impact on another that did not make such a charge.

In terms of plastic waste and the high profile that this was currently receiving in the media, Emma Beal reported that industries had been set targets to reduce the weight of packaging. New composite materials were more difficult to recycle. A report appeared elsewhere on the agenda setting out the Authority's response to a recent government consultation on tax incentives for plastics. Keith Townsend, Chief Technical Adviser, added that DEFRA had indicated that a deposit return scheme on plastic bottles was likely to be introduced. Following a comment in relation to increased use of water foundations to reduce the number of plastic bottles purchased, Emma Beal confirmed that this research was contained within the waste minimisation plan.

RESOLVED: That (1) the progress made in 2017 be noted; and
(2) the updates in the Business Plan 2017/18 be approved.

12. Joint Municipal Waste Management Strategy Development

Emma Beal, Managing Director, introduced a report which provided details of the development of a new Joint Municipal Waste Management Strategy for the Authority and its constituent boroughs for the years 2020-2035 and also a response to the recent government consultation on tax incentives for plastics.

RESOLVED: That (1) the progress to date be noted; and
(2) the direction of travel be approved.

13. Health and Safety: Review 2017- 2018 and Plan 2018-2019

Ken Lawson, Contracts Manager, introduced the report which reviewed the Authority's Health and Safety arrangements for the year 2017/18 and the presented the Authority's Health and Safety Plan for 2018/19.

Ken Lawson clarified staff numbers stating that there were 17 operatives, managers and administrators on site at Brent HRRC with the remaining 17 of the 34 staffing complement made up of managers and administrative staff based at Hounslow Civic Centre. In response to a question about the lack of vibration testing this year he advised that no shredding had taken place on site and the tracked excavator had not been used. This would, however, be kept under review.

RESOLVED: That (1) the report and actions taken in the Health and Safety action plan for 2017/18 (Appendix 1 refers) be noted; and
(2) the Authority's Health and Safety Plan for 2018/19, as attached at Appendix 2 to the report, be agreed.

14. Annual Procurement Plan 2018/19

Members received a report which provided details of the Authority's Annual Procurement Plan for the year 2018/19 and a list of the contracts that would require action in year. In addition, the report updated the Authority's Contract Register for publication on the Authority's website and/ or other suitable media in order to discharge the Authority's transparency requirements.

RESOLVED: That (1) the Annual Procurement Plan for 2018/19 be approved; and
(2) the publication of the Contracts Register for 2018/19 on the Authority's website be noted.

15. Waste Minimisation - The proposed Waste Minimisation Plan for 2018/20

Mildred Jeakins, Waste Minimisation Manager, introduced the proposed Waste Minimisation Plan for 2018/20 and tabled a schedule detailing the aims and objectives of the Plan and the seven material streams.

Members requested an electronic copy of the tabled document and were advised that the regular updates would provide more detail. The Chair advised those Members newly appointed to the Authority that the newsletter issued by the officers was helpful.

RESOLVED: That (1) the Waste Minimisation Plan 2018/20 be approved; and (2) the waste minimisation project activities to date be noted.

16. Contracts Update

Members received a report which provided an update on the Authority's various waste treatment arrangements and procurements, noting that there was a confidential appendix.

RESOLVED: That the report be noted.

17. Operations Update

Ken Lawson, Contracts Manager, introduced the report which provided an update on the Authority's operations.

In response to questions from Members officers advised:

- a timescale for the review of HRRCs would be reported to the next meeting;
- air quality made a good reason for residents to use their closest HRRC;
- pressure on sites had increased, partly due to the introduction of charges for the removal of garden waste.

RESOLVED: That (1) the report be noted; and (2) a report outlining recommendations regarding future Household Re-use and Recycling Centre (HRRC) provision be submitted to a future meeting.

18. Budget Monitoring Report Period 2

Members received a report which outlined financial and operational matters and noted that there was also a confidential appendix.

RESOLVED: That (1) the current financial position and forecast for 2018/19 be noted; (2) the Key Performance Indicators for 2018/19 be approved; (3) the financial decisions taken under the Scheme of Delegation to Officers be noted; and (4) the virement (transfer) of £170,000 from the contracts budget to the project budget be approved.

19. Items for consideration after the Exclusion of the Press and Public

RESOLVED: That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following items for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
19.	Budget Monitoring Report Period 2 – Appendix 3	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
20.	Acquisition of transfer station sites update	Information under paragraph 3 (contains information relating to the financial or business affairs of any

particular person (including the authority holding that information).

21. Contracts Update – Appendix 1

Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

20. Budget Monitoring Report Period 2 - Appendix 3

RESOLVED: That the appendix be noted.

21. Acquisition of transfer station sites update

Members received a confidential report which outlined the proposal to purchase the freeholds of the Transport Avenue and Victoria Road sites.

RESOLVED: That (1) the freehold acquisition of the Transport Avenue and Victoria Road sites for the price set out in the report be approved;
(2) the additional Stamp Duty and the professional fees, as set out in the report, be approved;
(3) the use of the cash balances detailed in the report be noted;
(4) it be noted that the balance of funds would be borrowed from the Public Works Loans Board (PWLB); and
(5) the Chair, following consultation with Authority Members, be authorised to sign the contract for the purchase of the sites.

22. Contracts Update - Appendix 1

RESOLVED: That the appendix be noted.

The meeting finished at 11.57 am.

The minute taker at this meeting was Alison Atherton.

Contracts Update

SUMMARY

This report provides an update on the Authority's various waste treatment arrangements and procurements.

RECOMMENDATION(S)

- 1) *The Authority is asked to note the information within this report.*

1. Introduction

The waste treatment contracts managed by WLWA deliver Policy 6 of the Authority's Joint Municipal Waste Management Strategy - "West London Waste Authority and constituent boroughs will seek a residual waste management solution in accordance with the waste hierarchy that presents value for money and offers reliability in the long term".

2. West London Energy Recovery Ltd contract

Fires

Since the end of June there have been three fires at the waste transfer stations (WTS) operated by Suez on behalf of the Authority:

26th June – At around 22:00 (3 hours after processing finished) a fire started in the bulky waste shed at Transport Avenue WTS. The Fire Brigade attended site and after extinguishing the fire and maintaining a fire watch the site was returned to use. There were no personal injuries but there was a lot of physical damage to the shed itself. A structural survey since the fire has determined the structure is still sound. It needs re-wiring, replacement doors, cladding and new fire and dust suppression systems. The timetable for these works is being co-ordinated and will be agreed shortly.

3rd August – This fire began in one of the outdoor bays at Transport Avenue WTS and included the burning of approximately 150 tonnes of dry mixed recyclables from trade sources. There were no personal injuries or property damage.

24th August – At around 21:00 (2 hours after processing finished) smoke was spotted in the bay of shredded material at Victoria Road WTS. There were no personal injuries or property damage.

These fires were not caused by mechanical failures or arson. It is believed that items in the waste pile e.g. BBQ coals or batteries (either alone or in an item) combusted but the items have burned alongside the rest of the waste.

Suez have comprehensive fire watch and emergency action plans in place to ensure that their response meets or exceeds all requirements to protect the environment, local people and our operations to minimise disruption to boroughs and contractors. Environment Agency visits after each occasion have praised the actions taken to ensure that the local environment is not polluted as a result of chemicals in the waste or in the firewater run off reaching local watercourses. The Environment Agency can give scores to operators when they feel there has been a breach of regulations, no scores have been issued to Suez as a result of these fires.

The Authority was informed quickly about the fires and diversions of waste were put in place to ensure boroughs services could run with minimal disruption. Alternative arrangements for tipping bulky materials are still in place at Transport Avenue until the shed has been re-instated.

Waste fires are a hot topic in the industry, Suez's Industrial Risk Team are using their technical expertise gained through the whole company to look at instances of waste fires and see what areas need to be addressed and processes/procedures changed for the whole company and wider sector. Since the first fire, Suez have upgraded the fire alarm system to link through to the CCTV control centre so if the alarm rings the fire brigade will be called by the control centre. Whilst repairs are underway a night security guard has been introduced to add an extra layer of monitoring.

SERC

There are now two bee hives installed at the site. The local environment is perfect for bees, local experts will be overseeing the colonies.

The annual maintenance of the plant took place for two weeks in July. It included works to install new rams on Line 2 to help reduce downtime as a result of blockages caused by non-conforming items. These have now been used twice and saved a significant number of non-working hours.

Also during this period works were carried out to the stacks on site to change the design and prevent further oscillations. The installation of the dampers followed the shutdown plan so no delays and without any incidents. Oscillations of the stacks have caused approx. 25 working days to be lost over the last 2 years. The following pictures show the change to the design.



Dampers and side panels at ground level

Installation

Dampers and side panels in place

The side panels are part of the vortex shedding devices to help stable the stacks. Dampers were also installed. All the ropes have now been removed and the stacks have been stable since the end of the shutdown. The whole shutdown period went very well. The flows of waste from the WTS was also very closely managed to ensure no disruption to service.

3. Procurement Plan

In accordance with the 18/19 procurement plan the Authority will be going to market to investigate the best options for mattress recycling and abandoned vehicle disposal.

4. Risk

Any risks associated with a contract are recorded on the Authority's risk register. This is reviewed by the WLWA Officers and reported to the Audit Committee.

5. Financial Implications

There are no financial issues arising from this report

6. Staffing Implications

There are no direct staffing issues arising from this report.

7. Health and Safety Implications

None

8. Legal Implications

None

9. Joint Waste Management Strategy Implication

The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies listed below:

Policy 5: West London Waste Authority and its constituent Boroughs will reduce biodegradable municipal waste landfilled with regard to the Landfill Allowance Trading Scheme.

Policy 6: West London Waste Authority and constituent Boroughs will seek a residual waste management solution in accordance with the waste hierarchy, that presents value for money and that offers reliability in the long term.

Policy 7: The West London Waste Authority and constituent Boroughs will seek to provide waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: The West London Waste Authority and constituent Boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims.

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Operations Update**SUMMARY**

This report provides an update on the Authority's operations.

RECOMMENDATION(S)

The Authority is asked to:

Note the information within this report.

- 1. Introduction** – This report sets out day to day operations and business plan activities being undertaken by the Operations Team. The role of the team is to ensure the day to day running of WLWA's contracts and the operation of the waste transfer station and Household Re-use and Recycling Centre (HRRC) in Brent in line with the Authority's values of leadership, efficiency, partnership and good communications.
- 2. Fire prevention** – As detailed in the Contract report, there have been 3 fires at the Waste Transfer Stations (WTS) since June. Going forward, WLWA will be working closely with Suez, the Household Re-use and Recycling Centres (HRRC) and collection services to see what can be done to encourage separation of hot wastes such as barbeque coals or fire ashes and batteries/electrical items from the mixed residual waste stream. Examples of initiatives could include more separate collections of waste electrical and electronic equipment (WEEE) such as the bring events and Harrow kerbside scheme run with the Waste Minimisation Team and improved signage and education at HRRC's.
- 3. Food waste and green waste** – The new contracts operated by BioCollectors, West London Composting and CountryStyle continue to deliver the level of service expected.
- 4. Transport** – The service provided by J Shorten & Sons to transport general waste from the HRRC's to the waste transfer stations (WTS) continues to be excellent. This service is very reliable and there have been no problems with this haulier. The new contract for transporting waste and recycling in roll on roll off vehicles was awarded to Suez Resource and Recovery, this commenced in June. This contract moves a range of items for recovery and recycling from the HRRC's including hardcore and wood. This service is currently being delivered by a sub-contractor on Suez/s behalf until new vehicle arrive.
- 5. Twyford WTS and HRRC** – The recycling rate (in accordance with the National Indicator 192 definition) for the HRRC from April until the end of July 2018 was 41%. This is the same as the same period in 2017/18. In addition to the items sent for recycling, materials are also sorted to be diverted from the residual waste contract. When these are taken in to account the HRRC has a recovery rate of 66%, in 2017/18 the recovery rate was 64%.
- 6. Since 2nd July the site has been managed by a Suez Manager seconded on an agency basis to WLWA. A number of changes have been implemented to improve performance and efficiency at the site. Officers are currently investigating alternative service delivery models for the future operation of Twyford which would include financial savings to LB Brent which pays for the site.**

7. On 9th August the Environment Agency made an unannounced visit to the site. No breaches or scores were given. The Inspector requested additional documentation to be sent to them following the visit and suggested changes to the weighbridge procedures and software to ensure best practice for Duty of Care was being undertaken at all times.
8. **West London HRRC's** – Since the June meeting Officers from WLWA have been speaking with Officers from the boroughs to understand the whole life costs of the HRRC services and obtain data about the operation of the sites to increase understanding and explore opportunities.
9. LB Ealing and LB Richmond-upon-Thames have new HRRC contracts beginning in 2020, this provides an opportunity for closer working and in order to make the most of this possibility clarity around costs is needed.
10. **Health and Safety** – Appendix 1 shows the progress made against the actions agreed in WLWA's annual health and safety action plan. Good progress is being made.
11. **Risk** – There are no risks associated with this report.
12. **Financial Implications** – There are no risks associated with this report.
13. **Staffing implications** – There are no staffing implications associated with this report.
14. **Health and Safety Implications** – There are no health and safety implications associated with this report.
15. **Legal implications** - There are no legal issues arising from this report.
16. **Impact on Joint Municipal Waste Management Strategy** – Operations activities are in line with the following policies:

Policy 5: West London Waste Authority and its constituent Boroughs will reduce biodegradable municipal waste landfilled with regard to the Landfill Allowance Trading Scheme.

Policy 6: West London Waste Authority and constituent Boroughs will seek a residual waste management solution in accordance with the waste hierarchy, that presents value for money and that offers reliability in the long term.

Policy 7: The WLWA and constituent boroughs will seek to provide waste management services that offer good value. That provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: The WLWA and constituent boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims.

Background Papers	None
Contact Officers	<p>Sarah Ellis, Operations Manager 020 8825 9414 sarahellis@westlondonwaste.gov.uk</p> <p>Emma Beal, Managing Director 020 8825 9468 emmabeal@westlondonwaste.gov.uk</p>

Appendix 1 - Health and Safety Action Plan 2018/19 quarter 1 update

Ref	Action	Responsible person(s)	Target timescale	Status	Update
1	Review all H&S policies including the main policy statement and intent document.	Senior Contracts Manager	March 2019	Green	On schedule.
2	Develop a procedure for ensuring all staff are aware of current policies, consulted on policy changes and made aware of any agreed and implemented changes.	Senior Contracts Manager	March 2019	Green	On schedule.
3	Introduce H&S checks to the procedure vetting new suppliers, where appropriate	Head of Finance and Performance	March 2019	Green	On schedule.
4	Development of detailed H&S systems for the new office location	Head of Finance and Performance	March 2019	Green	On schedule.
5	Complete an unscheduled HSE style visit and inspection at both Twyford WTS & HRRC and the corporate offices	H&S Advisor	Random date within the year	Green	On schedule.
6	Complete the works to repair the fire damage at the Abbey Road waste transfer station and implement all fire risk assessment recommendations.	Site Manager	March 2019	Green	Further inspections and excavations around the WTS structure have taken place and the engineering contractors are currently drawing up a project timetable.
7	Develop a new emergency plan for the Abbey Road site	Site Manager	July 2018	Green	Actioned to be complete for October.
8	Encourage shared best practice between all the HRRC and WTS	Operations Manager	March 2019	Green	Work is ongoing.

On-going/regular items

Ref	Item	Responsible person(s)	Status	Update
A	Deliver training as per the training matrix	Line Managers	Green	Two staff have completed first aid courses with another due to complete a refresher in September.
B	Risk assessment reviews	All Supervisors and Managers	Green	Almost 40 risk assessments have been updated and are with the GMB representative for comments.
C	Health surveillance	Head of Finance and Performance	Green	Scheduled for quarter 4.
D	Drug and alcohol testing	Head of Finance and Performance	Green	Random date within the year to be chosen.
E	Driving licence testing	Head of Finance and Performance	Green	Will happen in quarter 3.
G	Regular maintenance - Organise for small works as identified by site inspections and other monitoring/testing on site as well as changes that may be identified during risk assessment and review	Site Manager	Green	<p>A number of items have been addressed so far this year:</p> <ul style="list-style-type: none"> ▪ A new hand rail and fence has been installed on the walkway between the WTS and HRRC ▪ Grass cutting and clearing of weeds from the whole site has been completed ▪ A new border fence is being installed after two trees on neighbouring land came down on it in the January storms ▪ Rubbish behind the WTS has been removed ▪ Bin stops have been installed on the HRRC to prevent containers rolling during loading ▪ A new fuel bowser has been ordered to replace one that was leaking
H	<p>Routine testing</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ Legionella testing every 3 months ▪ Dust monitoring as appropriate ▪ Vibration testing as appropriate ▪ Lifting Operations Lifting Equipment Regulation (LOLER) testing ▪ Fire equipment 	Site Manager	Green	Testing is following the schedule as planned.
I	Site inspections	Site Manager	Green	A new site inspection sheet is now in place with daily, weekly and monthly checks.

Waste Minimisation Update**SUMMARY**

This report provides an update on the Authority's Waste Minimisation activities.

RECOMMENDATION(S)

The Authority is asked to:

Note the information within this report.

1. **Introduction** – The Waste Minimisation Team delivers the campaigns which focus on minimising the seven key waste streams of food, textiles, waste electrical and electronic equipment, nappies, bulky household waste, plastics and dry mixed recycling. The team is also responsible for the Authority's website, intranet, social media, and media communications.

2. Key waste streams**2.1. Food Waste**

2.1.1. A project aiming to increase food waste tonnage and participation commenced on the 18th of June 2018 targeting 6800 properties across two low performing collection rounds in Ealing. Activities include door-stepping, leaflet, and indoor caddy and compostable liner delivery. The objective is to boost participation and to increase tonnage to properties which already have food waste recycling but only has an outdoor food waste recycling bin. Intervention for Round 4 completed on the 18th of July and Round 5 interventions began on the 6th of August. The face to face contact rate is 17% with just over 350 23L outdoor caddies delivered. Of the residents where engagements were made and indicated they rarely or never recycle food waste, 37% of them stated as having lack of equipment / recycling receptacles as their main barrier to recycling food waste.

2.1.2. To boost food waste collections from flats, we have confirmed 450 flats across seven sites, working with four different managing agents in Richmond to participate in the food waste recycling trial starting with communication with residents on the 17th of September and delivery of the food waste receptacles from 24th of September. Collections will begin after the 6th October.

2.2. Dry Mixed Recycling

2.2.1. The team is working closely with Hounslow to develop a project on improving Dry Mixed Recycling quality for flats.

2.2.2. The Hillingdon Team is developing of a borough wide waste and recycling communications campaign. This will tie in with a communication improvement and monitoring project which WLWA will assist to increase of dry mixed recycling volume and participation for low performing flats.

2.3. WEEE

2.3.1. A new kerbside WEEE collection trial covering 11000 properties in Harrow, funded by DEFRA commenced in June 2018. The pilot will run for six months to encourage diversion of electrical items from the general residual stream. Each property was provided with a branded reusable bag for collection with eligibility of one free collection across the whole duration of the project. Further intervention including leaflet dropping which commenced during the week of the 27th of August, application of bin stickers and door-stepping (commencing during the week of 9th of September) and increased social media promotion.

2.3.2. The Waste Minimisation team just completed a week of WEEE collection at Richmond Civic Centre and Gayton Library in Harrow.

2.4. Textiles

2.4.1. Traid has started to carry out on request, door-to-door collection in Richmond. The aim of the project is to effectively divert residual tonnage and costs and Traid has run two swishes and one talk, including one in Uxbridge on the 14th July.

2.4.2. Working in partnership with the Global Fashion Exchange, WLWA ran one of the London's largest clothes swapping event and textiles knowledge exchange at the Victoria and Albert Museum on Sunday 01 July 2018. The event attracted 500 attendees, exchanging over 500 items and diverted 260kg of textile from the general waste stream. The overall reach of the event across various social media platforms was just under one million people.

2.4.3. The Waste Minimisation Team hosted a textile workshop for a group 70 of sixteen-year olds from NCS Ealing around recycling textiles attitudes. A similar workshop will be hosted in August targeting a large teenage group in Hounslow.

2.5. General

2.5.1. The team attended 29 events with 11 remaining to complete. Events include public roadshows, workshops and library tours across West London.

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Budget Monitoring Report Period 4 (July)

SUMMARY

This report provides an update on financial and operational matters

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the current financial position in 2018/19 and Key Performance Indicators
- 2) Note the financial decisions taken under the Scheme of Delegation to Officers
- 3) Note the internal control update

1. Financial position – high level summary

A summary of the financial performance for the period and forecast to the end of the year is provided below:

High level summary

	P4	P4	P4	Year	Year	Year
	Budget	Actual	Variance	Budget	Forecast	Variance
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Expenditure						
Employees	641	605	-36	1,923	1,857	-66
Premises	857	1,595	738	2,571	3,710	1,139
Waste Transport & Disposal	15,141	15,093	-47	45,422	44,216	-1,206
Other supplies	326	167	-159	977	929	-48
Depreciation	2,867	2,782	-84	8,600	8,346	-254
Financing and Other	2,083	1,628	-455	6,250	5,398	-852
Concession Adjustment	-1,355	-1,380	-25	-4,065	-4,139	-74
	20,559	20,491	-68	61,678	60,318	-1,360
Income						
Levies	-19,950	-20,382	-432	-59,850	-60,377	-527
Trade and other	-609	-733	-124	-1,828	-2,038	-210
	-20,559	-21,115	-556	-61,678	-62,415	-737
(Surplus) / Deficit	0	-624	-624	0	-2,098	-2,098

The summary shows how financial performance compares to the budget for both the period in question and the forecast for the year. The overall performance for the period and forecast for the year are both showing favourable variances (i.e. overall underspends) – £0.6 million for the period and £2.1 million for the year's forecast.

The most notable cause of variances in budgets results from the purchase of transfer station sites. The budget was set on the assumption that the transfer station sites would have been purchased before the commencement of 2018/19. The forecast now assumes the purchase will take place at the end of December. Therefore the related budgets will see variances forecast for the year i.e. we will continue paying rents for 9 months resulting in an overspend (£1.1 million) in the premises budget and we'll have no financing costs for 9 months resulting in an underspend in the financing budget (£0.9 million). An update on the transfer station purchase is reported separately in today's agenda.

Another notable forecast variance is for waste transport and disposal (£1.2 million). The forecast anticipates savings resulting from the food and green waste procurement (£0.8 million) where prices have been achieved which are significantly lower than both budget and the current price. However, it is important to note that waste volumes can change significantly from month to month and these savings could be easily eroded by higher than budgeted volumes of waste. The forecast will therefore be continually updated over the course of the year.

The standard breakdown can be found in Appendix 1. This separates out the main types of waste streams and distinguishes between PAYT and FCL activities and provides commentary on the variances.

2. KPIs for 2018/19

The KPI table (Appendix 2) illustrates the performance across a wide range of key activities.

Please note that there are three KPI targets that we've slightly modified.

KPI10 and KPI11 – RIDDOR rates for contractor run sites and our own site. It has not been possible to identify suitable industry wide measures or targets. Therefore we have changed this back to the previous measure – the number of incidents with a target of zero.

KPI16 – training days. The approved target was for an average of 4 training days per person. For clarity and practical purposes this has been slightly modified to show a simple number of training days based on staff numbers i.e. 4 days per person x 32 employees = 128 day target.

Most indicators are on target however there is one significant exception – KPI16 the number of training days. This is a due to a very busy start to the year resulting from a number of projects and organisational change. This has meant only a limited amount of training has been delivered. The priority of business plan projects means that it is unlikely that the target will be achieved this year. This is a challenge which is more pertinent to small organisations with limited numbers of employees where many are involved in projects.

The other KPIs worth noting are:

KPI3 – The Site Manager is taking steps to increase the recycling rate at Twyford.

KPI4 – Residual waste growth has been higher than expected across the boroughs. Two sites have low recycling rates which brings down the average across all the sites.

KPI10 – RIDDOR incidents at contractor run sites. The incident recorded related to a third party HGV driver at Transport Avenue falling from height after he had finished sheeting his

trailer resulting in the driver injuring his ankle. All hauliers have been reminded that their drivers must adhere working at procedure.

KPI12 – EA reported incidents at contractor run sites. This relates to the fire at Transport Avenue which was reported to the last Authority meeting.

3. Delegated decisions

To provide further transparency of operational arrangements, this standard section of the budget monitoring report summarises any significant financial decisions made by the Director and/or Chief Officers under the Scheme of Delegations to Officers since those reported to the last Authority meeting.

There are no delegated decisions to report:

4. Internal Control Update

This is detailed in Appendix 3 which can be found in Part II of the agenda.

5. Financial Implications – These are detailed in the report.

6. Legal Implications – There are no legal implications as a result of this report.

7. Impact on Joint Waste Management Strategy – Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

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Appendix 1

Pay As You Throw	Period 4				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Comments	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Waste - Residual	8,104	7,802	-301		24,311	24,043	-268	
Waste - Residual: EfW Bulked	2,441	1,883	-558		7,324	6,396	-929	more waste direct delivered reducing bulking cost
Waste - Residual: EfW Delivered	1,334	2,130	796		4,002	4,829	827	
Waste - Food	225	114	-111		674	288	-386	lower procured contract price
Waste - Mixed Organic	243	354	111		729	816	87	higher rates than expected
Waste - Green	372	393	21		1,117	910	-207	lower procured contract price
Waste - Other	92	144	52		276	431	155	large amounts of trade wood and rubble
Financing Costs	1,429	1,280	-149		4,288	4,335	47	
Depreciation - SERC	2,318	2,252	-66		6,955	6,757	-198	reduced indexed asset value per audit 18-19
Premises - SERC	431	425	-6		1,292	1,275	-17	
Concession Accounting Adjustment	-1,167	-1,189	-21		-3,502	-3,566	-64	
PAYT Levy income	-15,879	-16,311	-432		-47,636	-48,163	-527	
PAYT Net Expenditure	-57	-722	-665		-170	-1,650	-1,480	

Fixed Cost Levy	Period 4				Forecast			
	Budget £ 000s	Actual £ 000s	Variance £ 000s	Comments	Budget £ 000s	Estimate £ 000s	Variance £ 000s	Commentary
Employees	641	605	-36		1,923	1,857	-66	
Premises	426	1,170	744		1,279	2,435	1,156	unbudgeted rent - transfer stations
Waste - Residual	1,452	1,529	78		4,355	4,384	29	
Waste - Green	208	157	-52		625	356	-269	lower procured contract price
Waste - Wood	323	312	-11		970	937	-33	lower procured contract price
Waste - Other	346	275	-71		1,039	828	-211	
Other Supplies	326	167	-159		977	929	-48	
Depreciation	548	530	-18		1,645	1,589	-56	
Financing	426	348	-78		1,278	842	-436	less borrowing interest than expected - transfer stations
Revenue Funding of Debt	228	0	-228		684	221	-463	half year effect - transfer stations
Concession Accounting Adjustment	-188	-191	-3		-563	-573	-10	
Trade Waste and Other Income	-609	-733	-124		-1,828	-2,038	-210	expected higher recyclables and trade waste income
FCL Levy income	-4,071	-4,071	0		-12,214	-12,214	0	
Fixed Cost Levy Net Expenditure	57	98	41		170	-447	-617	

Appendix 2

KPI No	Measure	2018/19 Target	Forecast	Apr	May	Jun	Jul	Comments
Efficiency								
KPI1	Total WCA waste handled by Authority (tonnes, +/- 5% of budget)	+/- 5% i.e. 511,929 to 565,816 tonnes	556,221	42,809	50,036	47,957	44,605	
KPI2	Total kgs WCA waste per dwelling	853	880	813	882	891	880	
KPI3	CA household reuse, recycling, composted % (Twyford)	45%	41%	40%	42%	42%	39%	Residual waste has growth has been higher than expected through HRRCs.
KPI4	Borough HRRC Average CA household reuse, recycling, composted %	45%	32%	29%	35%	33%	32%	Residual waste has growth has been higher than expected through HRRCs.
KPI5	Trade debt as proportion of non levy income	Max of 8% (1 month)	3.1%	1.5%	2.2%	4.1%	4.7%	
KPI6	Average days to pay creditors	Max of 30 days	23	30	21	21	21	
KPI7	Number of audit actions or recommendations overdue	0	0	0	0	0	0	
Service Delivery								
KPI8	Residual waste landfill diversion rate	96%	96%	100%	100%	99%	86%	In July SERC was offline for two weeks to rectify stack issues.
KPI9	Recycling rate for residual waste (Suez contract only)	2.00%	3%	2.97%	3.27%	3.57%	1.36%	
Safety								
KPI10	RIDDOR incidents at rail transfer stations	0	1	0	1	0	0	A BioCollector driver jumped from height and injured his ankle whilst sheeting trailer.
KPI11	RIDDOR incidents at Twyford	0	0	0	0	0	0	
Environment								
KPI12	EA reported incidents at rail transfer stations	0	1	0	0	1	0	The fire at Transport Avenue in July required the Environment Agency to be notified.
KPI13	EA reported incidents at Twyford	0	0	0	0	0	0	
Education								
KPI14	Number of people engaged at events	6,000	6,000	734	551	630	656	
KPI15	Engagement on social media	8,000	8,000	253	444	812	611	
KPI16	Number of Training days per WLWA employee	128 days over the year across all employees	64.0	2.0	5.0	5.5	1.0	A busy start to the year has resulted in limited training.
KPI17	Number of visitors to our website	60,000	60,000	7,193	7,780	7,453	7,379	

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Treasury Management

SUMMARY

This report provides an update on the treasury management activities

RECOMMENDATION(S)

The Authority is asked to:-

- 1) Note the treasury management out-turn for 2017-18
- 2) Note the update for the current year including the treasury management and prudential indicators

1. Background

1.1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. A key function of treasury management is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk instruments commensurate with the Authority's low risk appetite, providing adequate liquidity before considering investment return.

1.2 Another key function of treasury management is the funding of the Authority's capital plans. These capital plans identify the borrowing need of the Authority which can involve arranging long or short term loans, refinancing or using longer term cash flow surpluses.

1.3 This report outlines the 2017/18 out-turn and treasury management activities so far this year.

2. Treasury Management Activity

2.1 The Authority's scale and variety of treasury management activities has been limited to the simple, low risk and essential operations identified below in accordance with the annual plan approved by the Authority in January.

2.2 Excess funds are invested through the London Borough of Ealing under a service level agreement. Local Authorities have a high security/credit rating and are a risk averse option. Interest is paid annually based on the average return achieved by the borough over the year. The service level agreement also gives the opportunity for the Authority to place money with the borough for fixed periods to enjoy higher rates.

2.3 The average interest rate for 2017/18 was 0.4% returning £57,000 of investment income. The amount held with the London Borough of Ealing has ranged from £10 million to £17 million during the year. At the end of the year a total of £17.0 million was placed with the

borough. Prompt access to funds without the loss of any interest is a strong feature of this arrangement.

2.4 So far, in 2018/19 operations have been steady and excess cash balances remain at £17 million, most of which will be used in the acquisition of the transfer station sites freehold.

2.5 The Authority has loan facilities from 4 London boroughs which financed the construction of the Energy from Waste Recovery Centre (SERC). The loans are of a repayment type with half yearly instalments including an element of both interest and loan repayment.

2.6 For 2017/18 the Authority commenced the year with a total of £66.7 million of loans from the 4 London boroughs. During 2017/18 the Authority borrowed the final sum of £0.9 million in total from the borough loan facilities for its final payment for the construction of the new plant. The half yearly payments repaid principle amounting to £1.0 million leaving loan balances at the end of 2017/18 of £66.6 million.

2.7 It is worth noting that the contractor's contribution to the construction of the SERC is approximately double that of the Authority. By the end of 2017/18 the contractor contributed £124 million.

2.9 The interest on the loans accrues from the date of each drawdown at a fixed rate of 7.604% and payments commenced when the plant came into full service, in December 2017/18. The year saw £5.1 million interest paid.

3. Prudential indicators

3.1 A new Prudential Code was recently published by CIPFA resulting in only very minor changes to the current reporting, now incorporated. The key requirements of the prudential code are for authorities to ensure that capital expenditure plans are affordable, prudent and sustainable.

3.2 It is worth noting that the Authority demonstrates this in its long term financial plans (25 years) which are approved together with the budget at every January Authority meeting. The plans show that the Authority has balanced budgets over the period and that all debt is repaid, all capital expenditure is ultimately recovered through levies and that the growth in the levies is significantly less than inflation. Appendix 1 is an extract of the plan outputs.

3.3 The Prudential Code also prescribes a range of indicators to report. These are probably more pertinent to organisations with complex treasury management arrangements and that are too complex to produce long term plans. However the indicators and a brief explanation of what they illustrate are provided in Appendix 2. The construction of the £190 million Energy from Waste plant accounts for the majority of the figures in this table.

3.2 CIPFA has also published a new Treasury Management Code. Once again only minor changes are needed and will be incorporated into the next policy update in January.

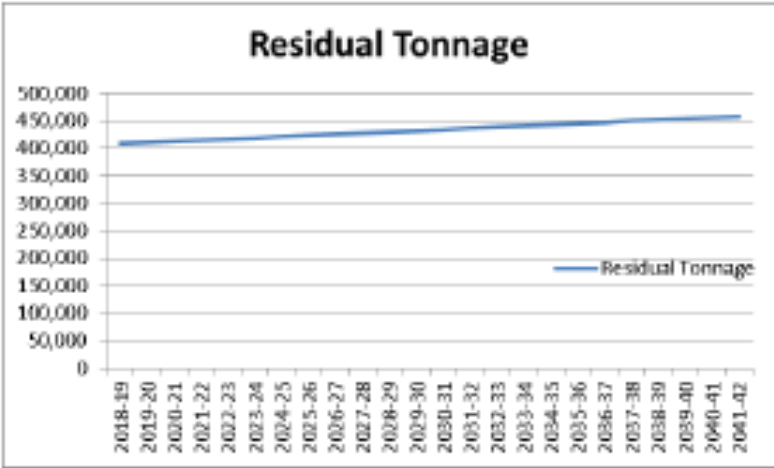
4. Financial Implications – These are detailed in the report.

5. Legal Implications – There are no legal implications as a result of this report.

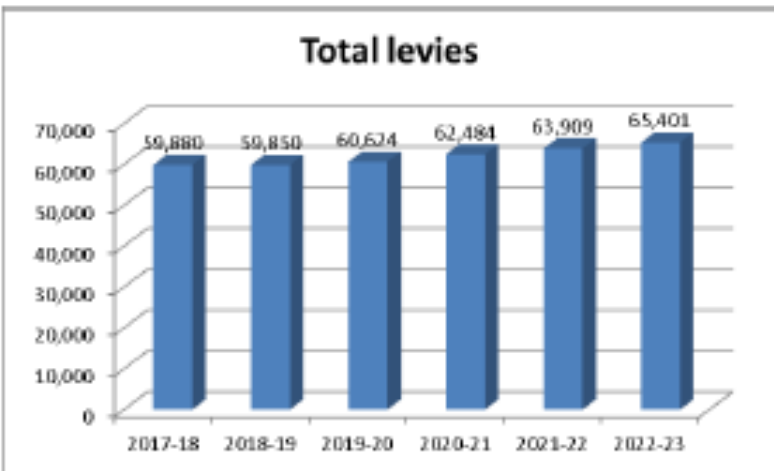
6. Impact on Joint Waste Management Strategy – Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

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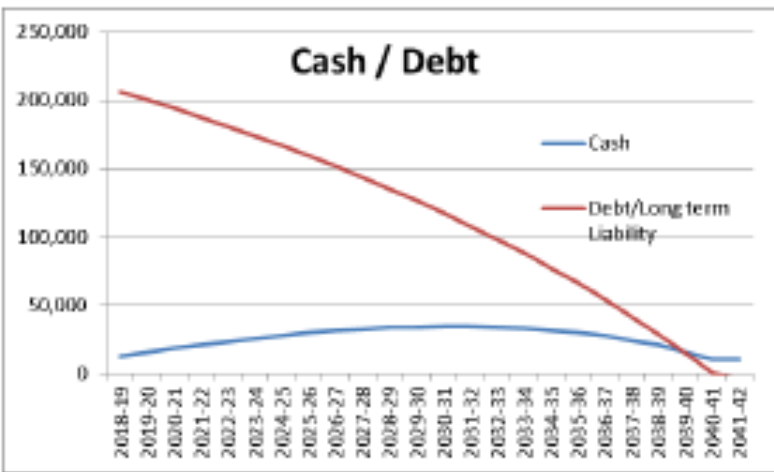
Appendix 1



The plan assumes 0.5% waste volume growth per year and 4.0% inflation per year.



This chart shows the resulting growth in levies dampened by the PPP contract pricing mechanism



The Authority will be debt free at the end of the PPP contract term and will hold healthy cash balances to manage liquidity risk throughout the term

More details about the long term financial plan can be found in the published December 2017 and January 2018 Authority papers

Appendix 2

Prudential Indicator	New Prudential code	Description	2017/18 Estimate £000s	2017/18 Actual £000s	2018/19 Estimate £000s	2018/19 Actual £000s	2019/20 Estimate £000s	2020/21 Estimate £000s
Ratio of financing costs to net revenue stream	73/74	This is an indicator of affordability of plans	15%	9%	9%	8%	9%	8%
Capital expenditure	48/50	This is a summary of the Authority's capital spending plans	270	174	31,000	21	0	0
Capital financing requirement (CFR)	51/54	This is a measure of the Authority's underlying borrowing need	180,519	170,424	216,807	165,904	208,407	200,006
Operational boundry for external debt	56	This is a projection of debt supporting the capital financing requirement	184,670	183,195	206,108	181,684	200,061	193,826
Authorised limit for external debt	55	This provides headroom for debt to deal with any unusual cash movements	194,670	183,195	216,108	191,684	210,061	203,826
Gross debt (new Prudential Indicator replaces net debt)	60/62	This reflects the amount of gross debt	No target set	N/A	206,108	204,597	200,061	193,826

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