

AUTHORITY MINUTES: MONDAY 10 JUNE 2013 (9.44AM – 10.48AM)

Present:

Councillor M McCarthy (Chairman), Councillor A Choudhury, Councillor I Corbett, Councillor R Crawford, Councillor S Kelly, Councillor E Obasohan and Councillor K Prince (Vice Chairman).

1. Welcome & Apologies for Absence

The Vice Chairman welcomed Members, officers, Councillor Aziz Choudhury and Andrew Firth (External Auditor) to the meeting. Councillor McCarthy was unable to be present at the beginning of the meeting and the Vice Chairman, Councillor Prince, took the chair for items 1-7. On his arrival Councillor McCarthy assumed the chair.

An apology for absence was received from Councillor Tebbutt.

2. Membership 2013/14

Members received the office manager's report setting out details of the constituent councils' appointments to the Authority for the coming municipal year.

Members noted that, with the exception of the appointment of Councillor Aziz Choudhury in place of Councillor Tewari (London Borough of Redbridge), membership remained the same.

3. Appointment of Chairman, Vice Chairman and ELWA Limited 'A' Director for the year 2013/14

Members received the Monitoring Officer's report and requested amendment to the recommendation for the inclusion of the words "and alternate" at the end of the sentence.

Councillor McCarthy, Councillor Prince and Councillor Kelly were appointed to the roles of Chairman, Vice Chairman and ELWA Limited 'A' Director respectively. The appointment of Alternate to the ELWA Limited 'A' Director was awarded to the Authority's Managing Director.

4. Declaration of Members' Interests

There were no declarations of Members' interests.

5. Nominations under Section 41 of the Local Government Act 1985

Members received the Monitoring Officer's report.

Members agreed to appoint Councillors McCarthy, Prince, Kelly and Corbett as the lead Members for Environment/Waste who will, on behalf of ELWA, answer questions put to them by other Members of their own Constituent Council.

6. Minutes of previous meeting (04.02.13)

Members confirmed as correct the minutes of the Authority meeting on 4 February 2013.

7. Internal Audit Progress Report 2012/13, Audit Plan 2013/14 and Planned Audit Coverage to March 2018

The Finance Director presented his report & appendix setting out coverage for 2012/13, 2013/14 and to March 2018. The audit looked at systems and procedures to ensure effective management of the contract.

Work undertaken for 2012/13 related to IWMS contract management, risk management, business continuity plan and financial management. Core financial systems were generally sound with improvements required in the area of risk management and business continuity planning. No major issues had been found and Members received clarification on the following issues: risk management, the business continuity plan, the Ilford Recycling Centre weighbridge procedure mentioned at paragraph 5.11 and petty cash.

The audit for 2013/14 would continue to look at contract management.

Members agreed the audit coverage for 2013/14 and the Five Year strategic Plan as set out in the Appendix and noted the audit coverage for 2012/13. They have requested the fully documented and detailed business continuity plan be completed by April next year.

8. External Audit Plan 2013/14

Members received and noted the commentary from the external auditor's representative from PriceWaterhouseCoopers (PWC) relating to the contents of the 2012/13 Audit Plan. Members' attention was drawn to the audit fee saving of £30,450, communications plan and timetable. The Chairman thanked the external auditor for attending.

Members accepted the audit plan for 2012/13 as presented.

9. Contract Monitoring Review of the Year 2012/13 and Monitoring to 31 March 2013

The Acting Managing Director presented the Contract Manager's report on Borough and contract performance for 2012/13 and contract performance for March 2013. He reported that contract waste tonnage was 19% below forecast and recycling was lower than expected both were due to the climate conditions in March. A surge in green waste was expected in April & May as weather conditions improve. Diversion was projected to be 10% lower than the ABSDP figure.

Members discussed the consequences to ELWA of land fill, the Landfill Allowance Trading Scheme and its cessation, SRF markets generally, recycling performance and communication campaigns. It was reported that the Board's focus was to contain costs and achieve value for money.

Members noted that despite the disappointing diversion performance, controls at the Reuse & Recycling Centres and reduced waste generally put the Authority in a good financial position insofar as contract expenditure. Detailed negotiations were continuing in respect of contract performance and other service delivery options with a view to increase the contract viability and value for money.

10. Provisional Financial Outturn Position 2012/13

The Finance Director presented his report containing provisional figures for the financial year 2012/13. In summary he stated that a reduction in integrated waste management services (IWMS) contract costs of lower than expected tonnages, economies in non contract running costs and higher levels of income had contributed to the net under spend of £1.3million. He confirmed that part of this saving would help offset levy increases in future years.

Members noted the report.

11. Budgetary Control to 30 April 2013

The Finance Director presented his regular revenue estimates and prudential indicators report. He advised that there was a net under spend for the period of £74,000 and the final projected outturn at year end was expected to be £50,000 under budget. The position was broadly on course subject to green waste surges.

He and the Assistant Managing Director responded to detailed questions regarding the impact on calculations of 3rd party waste and its processing.

Members noted the report.

12. Dates of next meetings

Members noted the future meeting dates for 2013 as being 09 September (Annual Governance & draft Statement of Accounts) and 25 November (Approval of the Annual Budget & Service Delivery Plan). Members were asked by the Vice Chairman to ensure that the meeting on 10 February 2014 (Approval of the Levy) was quorate.

13. Private Business

Members 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 or by virtue of paragraphs 1, 3, 4 and 8 respectively of part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

14. Contract Renegotiation and Options for Savings

The Acting Managing Director presented his confidential report and Appendix drawing members' particular attention to the paragraphs relating to mutually beneficial savings, indicative timescales and proposed application to the Department for Communities and Local Government (DCLG) for funding support.

The potential savings and the outline for funding support as set out in the report and Appendix A were discussed in depth.

Members also discussed the possible use of Aveley closed landfill site to divert 'fines' away from landfill. The Chairman agreed to speak to the joint Chief Executive of Barking & Dagenham and Thurrock councils in this respect. Havering Council would also be approached.

Members agreed submission of the outline bid to the DCLG and noted the report. Officers were asked to produce a study of the closed landfill option for members' consideration at a future meeting.

15. Minutes of previous meeting (06.03.13)

Members agreed the confidential minutes of the Extraordinary meeting held on 6 March 2013.

16. Management of the Authority

Members noted the Finance Director's report setting out the actions taken under the delegated powers agreed on 6 March 2013.

17. Other Confidential Business

None.

Minutes agreed as a true record.

Chair: *[Signature]*

Date: 9/9/13

