

AUTHORITY MINUTES: MONDAY 14 SEPTEMBER 2015 (09.38 AM–10.40 AM)

Present:

Councillor K Clark, Councillor S Kelly (Chair) and Councillor L Rice, Councillor Jeff Wade. Councillor B Nijjar (in attendance).

14. Appointment of Chair

In the absence of the Chair and a Vice Chair, Members agreed that Councillor S Kelly should Chair the meeting. The meeting was confirmed as quorate.

15. Welcome & Apologies for Absence

An apology for absence was received on behalf of Councillor I Corbett, Councillor R Benham & Councillor S Bain.

16. Declaration of Members' Interests

There were none declared.

17. Minutes of previous meeting (22/06/15)

Members confirmed as true and accurate the minutes of the Authority meeting held on 22 June 2015 and the Chair was authorised to sign the same.

18. Membership and Appointment of Vice Chair for the Year 2015/16

Members have received and noted the Managing Director's report on a change in membership which had affected the position of Vice Chair. The London Borough of Redbridge had recently appointed Councillor Nijjar to replace Councillor Athwal as their representative at the Authority. Members were advised that, by law, Councillor Nijjar could not take up office for one month from formal notification nor would she be able to vote at this meeting. Under the Constitution, she was able to attend as a non member and participate in discussion with the lead of the Chair.

Members discussed the options available and **agreed** that Councillor Nijjar take up the office of Vice Chair with effect from the November meeting.

19. Statement of Accounts and Auditor's Report 2014/15

Members agreed to receive the Interim Finance Director's report on the Statement of Accounts for 2014/15, together with Statement of Accounts (Supplementary 1) and the tabled Auditor's report.

External Auditors, PricewaterhouseCoopers (PwC) attended the meeting and presented commentary and detail on the report to those charged with governance. An apology for the late delivery of the audit report was received.

Members were advised that the majority of the audit work had been completed and that Auditors expected to issue an unqualified opinion on the Statement of Accounts on 30 September 2015. Work had yet to be finalised on the review of detailed disclosures in the post audit version of the Statement of Accounts; approval of the Statement of Accounts and Letters of Representation; completion procedures including subsequent events review and confirmation from the Blackrock Bank investment as at 31 March 2015.

Members noted that a revised process for the collection of declaration forms from exiting Members at time of exit was recommended and will be implemented by management.

Members' attention was drawn to the issues at pages 10 to 15. The audit approach had focused on fraud & management override of procedures, risk of fraud in recognition of income and expenditure, valuation of MRF and landfill sites, fire at Frog Island and related insurance claim, complex supplier arrangements and fly tipping and contingent liability at landfill sites; pension valuation and component accounting.

A value for money conclusion was anticipated. Audit fees were expected to reduce to approximately £20,270.

Members were informed that the Accounts had been adjusted to include a provision of £250,000 for increased costs to cover ELWA's share of the accumulated losses from the joint venture company Aveley Methane Ltd should that company be dissolved.

Members were reminded of their role in approving the financial statements before 30 September 2015 and that once approved, the Annual Governance Statement would be sent for signature by the Chair and Managing Director.

Members considered the draft letter of representation **and approved** the Annual Governance Statement and draft Statement of Accounts.

Members asked for a letter of thanks to be sent to the External Auditors.

Members discussed the late submission of reports and requested that complete report packs be delivered to them prior to one week of the meeting in order for them to receive due consideration. It was confirmed that timings would be improved.

20. Treasury Management Outturn 2014/15

Members received the Interim Finance Director's Treasury Management report and Appendix setting out details of external borrowing, investments, borrowing requirements/capital programme 2014/15 and prudential indicators. Members were advised that the Authority had managed its treasury management arrangements in accordance with the strategy, kept within its prudential indicators and all investment had been carried out in accordance with the approved creditworthiness criteria. Total borrowing at 31 March 2015, amounted to £1,250,000 and consisted of Public Work Loans Board (PWLB) loans on a fixed rate basis.

With regard to the Heritable Bank investment, the Interim Finance Director recollected a recent dividend being agreed. This would be checked and additional information supplied following the meeting should this be the case.

Members noted the report and **requested** a breakdown of the PWLB figure for the purposes of review and possible replacement if rates were high.

21. Budget Control & Contract Monitoring Review to 21 July 2015

Members received the Interim Finance Director's and Contract Manager's joint report and Appendix which compared actual expenditure with the original revenue budget. The report also contained information on the Integrated Waste Management Services Contract performance for the period to 31 July 2015.

Actual net expenditure showed an under spend on services of £217,000 to date and reduced tonnages mitigated reported cost pressures in relation to the Integrated Waste Management Services Contract. A £250,000 net overspend was projected at year end in this respect.

There were two main items to note. The new diversion agreement entered into to incentivise the operator to maximize diversion over 67% and provide ELWA with a guaranteed saving this year of £275,000 irrespective of performance. The Authority was now protected financially from the volatility of gate fees in the Refuse Derived Fuel market. Members received an explanation of diversion rates and the Landfill Tax position and effect on the Contractor and the Authority.

Tonnage levels and recycling performance were lower than expected at 24% as a result of industrial action at London Borough of Barking & Dagenham during May and June, the fire at Frog Island BioMRF and weather conditions affecting green waste collections. Officers believed the next six months should show increased levels as the weather improved. Also to be borne in mind was that two Easter holidays fell into the current year.

Members noted the report.

22. Introduction of Automatic Number Plate Recognition (ANPR) System at Reuse & Recycling Centers (RRCs)

Members received the Waste and Recycling Officer's report, Appendices and commentary from the Managing Director on progress and introduction of ANPR systems at the RRC sites in February

2016. It was anticipated that the presence of cameras and prominent signage would lead to a reduction in fraudulent use of the sites and associated costs.

Members received an explanation of the process and procedures and were advised that the additional benefits of the new protocol would inform traffic management plans, introduce efficiencies for constituent councils, provide mediation evidence in the event of disputes involving site users and site operatives as well as introduce increased efficiencies in the sites management.

Consideration was being given to protect stakeholders by securing a data sharing agreement for the retention of data, storage, method and duration in order to avoid breach of the Data Protection Act. This Agreement was being drawn up with advice from the Legal Department at London Borough of Barking & Dagenham. It was confirmed that the Authority will not have access to the Driver & Vehicle Licensing Agency (DVLA) database.

Members discussed at length the implications for residents, enforcement by the Constituent Councils and the processes included in the ANPR protocol and communications plan.

Members agreed the proposed date for the launch of February 2016 together with the wording of the Stage 1, 2 and 3 letters.

Officers were authorised to proceed with the communications campaign prior to the implementation date at a cost not to exceed the budget of £6,000.

23. Joint Waste Disposal Authority (JWDA) Working Group

Members received the Managing Director's report and commentary on the intense activity in Europe as the European Union legislates towards a circular economy and how it affected the Authority and its Constituent Councils. The Circular Economy would have a direct impact on the Authority or would influence outlets for waste materials. Members were advised that this would not be a high priority for Department for Environment Food & Rural Affairs (DEFRA) given their low priority for waste and Officers wished to join forces with other Joint Waste Disposal Authorities to provide an evidence base on which to influence and shape the development of waste management policy and regulation. ELWA's share of the costs for the study will be met from the revenue budget.

Members noted that officers from the six Joint Waste Disposal Authorities (JWDAs) had established a working group to investigate implications of emerging policy for waste disposal and to provide a practitioners' lobbying position to help shape final proposals of the European Commission for the Circular Economy. **Members requested** that Officers actively seek to broaden the group to increase pressure on DEFRA.

Members agreed that ELWA partners with the other JWDAs (and other professional and private waste bodies) to commission a study of the impact of the EC proposals for the Circular Economy.

24. Dates of Next Meetings

Members noted the dates for future meetings.

Members asked Officers to arrange for an informal workshop to be held in December.

25. 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 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

26. ELWA Limited 06/08/15 Board Agenda

Members noted the content of the confidential Agenda pack and briefly discussed reinstatement of some equipment and expenditure under the betterment clause and installation of the ferrous metals separator.

Minutes agreed as a true record.

Chair: *Ken Collett*

Date: 23.11.2015