

AUTHORITY MINUTES: MONDAY 17 SEPTEMBER 2012 (9.30AM – 11.22AM)

Present: Councillor M McCarthy (Chairman), Councillor S Kelly, Councillor I Corbett, Councillor E. Obasohan, Councillor S Nolan, Councillor B Tebbutt and Councillor V Tewari.

Guest attendance: Ciaran McLaughlin, Matt Williams (PricewaterhouseCoopers)

14. Apologies for Absence

Councillor R. Crawford (apologies for lateness from Councillor S. Nolan & Cllr S Kelly)

15. Declaration of Members' Interests

None declared.

16. Statement of accounts and Auditor's report 2011/12

The Chairman welcomed the External Auditors to the meeting.

Members agreed to accept the late submission of Appendix A for the reasons set out in the Supplementary document. The Finance Director presented his report together with the Statement of Accounts for 2011/12 and Auditor's Report. He advised that the External Auditors were currently planning to provide an unqualified opinion and certificate, without any major issues being raised, in respect of the review and audit of the Accounts for the year ended 31 March 2012. He added that the accounts reflected information provided to Members last year and were consistent with the outturn report.

The External Auditors confirmed there were at present no matters of substance on which to report and there were no recommendations to consider. The ISO 260 report sets out findings from the work undertaken so far and they confirmed there were currently no significant issues or concerns in respect of asset valuations or budget. An unqualified opinion and certificate was expected to be provided.

Members discussed the asset valuation relating to ELWA's redundant machinery and the auditors confirmed the accounts correctly included all the main assets.

The managing director explained that ownership of the boxes, formerly used to transport waste at the railhead and no longer used, was uncertain. Solicitors for both the Authority and Shanks were resolving the position and drafting a contract variation to formally close the railhead. Once agreed, the value of the assets would be realised and apportioned accordingly.

Members also asked for clarification of the unqualified opinion relating to value for money and whether this provided assurance that the contract with Shanks represented value for money. The Auditors confirmed that providing an opinion on this was outside the scope of their work.

The Finance Director confirmed the Value for Money opinion was in relation to ELWA's financial and operational management procedures, which were found to be effective. If required, a report could be provided on the options and costs of a value for money review relating to the contract but this would need separate consideration.

Members noted and approved the Statement of Accounts and Auditor's Report 2011/12 and also agreed to receive a report about a value for money review of the contract. Also, Members asked to receive a copy of the asset register.

17. External Audit Plan 2011/12

The External Auditor provided a summary of the External Audit Plan 2011/12.

Members noted the report and anticipated fees and agreed the External Audit plan.

Members thanked the Auditor for the work undertaken on the accounts and for presenting his report. The Auditors attended for these items only.

18. Minutes – To confirm as correct the minutes of the meeting held on 14 May 2012

Members confirmed as correct the minutes of the Authority meeting on 14 May 2012

19. Delegation of Household Hazardous Waste Disposal Power to City of London

The Monitoring Officer presented his report. He explained how the agreement with the City of London fits with the contract ELWA has with Shanks. He confirmed Members were being asked to formalise arrangements that had been in place for a number of years and that there are no additional financial implications for the Authority.

Members agreed that the Authority's waste disposal function with respect to the disposal of Household Hazardous Waste as defined by law and covered by the London wide Household Hazardous Waste Collection and Disposal Service agreement (HWCDSA) with the City of London, be undertaken and performed by the City of London for the duration of the HWCDSA.

20. Budgetary Control to 31 August 2012

Members received the Finance Director's report and confirmation that the end of year projections were broadly in line with expectations but pressures may arise due to increased tonnages and decreased diversion from landfill. When the levy was set last year there were projected increases for next year of up to 10% and different scenarios for future years. The levy was contained after that by using various initiatives several of which were one off in nature. He added that as the contract makes up 95% of what is spent, it is important costs are challenged with the Contractor. An opinion was expressed that the priority must be for no or the lowest possible increase in the annual levy next year.

Members discussed whether the amount of waste generated from the Olympic and Paralympic Games in Newham met expectations. Members were advised the figures needed finalising but the London Borough of Newham would cover the full costs of this waste.

Members noted the report.

Members raised the issue of Shanks' press announcements about their contracts with Bedfordshire County Council and Bedford City Council for processing household 'black bag' waste at Frog Island. Officers indicated that ELWA became aware of this by reading the trade press and, when challenged, Shanks had provided an apology together with assurance that there will be no detrimental effects to ELWA's contract.

Members discussed robustly the potential impact on the ELWA contract and how diverted and landfilled waste is apportioned between ELWA and other waste processed on a commercial basis. The table at Agenda page 38 (para 5.6) explained how commercial waste is calculated and charged.

Members felt Shanks should be made aware of their robust discussions and the Managing Director agreed to prepare a special report to be circulated to Members by mid-October.

21. Contract Monitoring to 31 July 2012

The Head of Operations presented his usual monitoring report containing details of contract performance for July 2012 and apportionment of recycling and diversion.

Members were concerned about Shanks' performance in terms of their SRF off-take contracts and their differing explanations over time for the reductions in off-take.

Members noted the report.

22. Dates of next meeting

Members noted the dates of future meetings.

23. 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 to the Local Government Act 1972 (as amended).

24. Update on Closed Landfill Sites

The Head of Operations presented his report and commented that the aim of the report was to bring together previously agreed reports on the marketing and sale of the closed landfill sites and to confirm Members' intentions. The four closed landfill sites referred to are Gerpins Lane, Wennington Farm, Hall Farm and Aveley 1.

Members suggested officers look into the redesignation of the land at Wennington Farm in the Thurrock Local Development Framework, as this may help to increase its value. Officers confirmed any sale would include a clawback clause to ensure ELWA benefited from any future change of use designation. The Chairman said he would raise the matter with the joint Chief Executive of Barking & Dagenham and Thurrock when he met him later in the day.

Members agreed to the recommendations set out at 2.1 a) to 2.1 i) of the report.

Members noted the recommendations set out at 2.2 and 2.3.

The Monitoring Officer added a recommendation to delegate authority to the Managing Director to conclude the sales.

Members agreed authority be delegated to the Managing Director, in consultation with the Chairman, the Finance Director and the Monitoring Officer/Legal Adviser, to negotiate and agree all necessary terms, legal agreements and ancillary documentation to fully implement and effect the proposals in recommendations 2.1 a) to i).

25. ELWA Ltd Agenda

Members noted this document.

Minutes agreed as a true record.

Chairman:

Date: