

AUTHORITY MINUTES: MONDAY 25 NOVEMBER 2013 (9.40AM – 10.42AM)

Present:

Councillor A Choudhury, Councillor H Collins, Councillor I Corbett, Councillor R Crawford, Councillor S Kelly, Councillor K Prince (Vice Chairman) and Councillor B Tebbutt.

31. Welcome & Apologies for Absence

In the absence of the Chairman, Councillor Prince (Vice Chairman) took the Chair. He welcomed Councillor H (Bert) Collins to his first meeting of the Authority.

An apology for absence was received from Councillor M McCarthy (Chairman).

32. Declaration of Members' Interests

There were none declared.

It was proposed and agreed that future Agenda be amended to show Declarations of Interest at Item 2. Officers would take this forward.

33. Minutes of previous meeting (09/09/13)

Members confirmed as correct the minutes of the Authority meeting held 09 September 2013.

34. Financial Projection and Budget Strategy 2014/15 to 2016/17

Members received the Finance Director's report. He confirmed that the main aim had been to smooth sharp increases over the next three years and reduce the levy to more acceptable sums bearing in mind the financial pressures on the four constituent councils. The projected under spend in 2013/14 had been partly used to offset the levy increases now projected at 2.1% year 2014/15, 5.3% year 2015/16 and 5.0% year 2016/17 having reduced from the projections set in February.

He confirmed that the levy will be based upon the updated tonnages figures provided by the four constituent councils and band D properties.

He stressed that future levy increases can only be mitigated if the Authority's savings programme delivered significant ongoing results.

Members raised the issue of non contract waste and officers have indicated that this will be reported transparently in future reports.

Members noted the report.

35. Programme of Meetings 2014/15

Members received the Office Manager's report setting agreed and suggested meeting dates to approve key matters in compliance with the Authority's legal or contractual obligations.

Members confirmed and agreed the following dates for future Authority meetings. 10/02/14 (Levy), 24/06/14 (AGM), 15/09/14 (Annual Governance & Statement of Accounts), 24/11/14 (Annual Budget & Service Delivery Plan), 09/02/15 (Levy) and 22/06/15 (AGM). Informal workshop: to be confirmed - between 6-17 October.

36. Annual Audit Letter 2012/13

Members have received and noted the Annual Audit Letter confirming the unqualified opinion and value for money conclusion of the Auditors. Members noted that officers would put in place arrangements in preparation for the revaluation of the MRF assets in 2014 and componentise all of ELWA's assets for the 2014/15 Statement of Accounts.

Members thanked the Finance Director and Acting Managing Director for securing a 'clean bill of health' for the Authority.

37. Budgetary Control to 31 October 2013

The Finance Director presented his regular budgetary control report comparing actual expenditure with the original revenue budget approved by Members in February 2013. He reported a net under spend of £545k to date with a year-end net expenditure projection of £924k under budget. This sum would be used as part of the levy setting process. The main variation was that waste tonnages were lower than expected. Income was expected to be in line with budget.

Members were reminded of the trial enforcement regime operating at the Reuse & Recycling Centres and the Acting Managing Director confirmed that this was contributing to reduced tonnages.

Members noted the report.

38. Treasury Management Mid Year Strategy Review 2013/14

The Finance Director presented his regular mid-year statutory report containing details of the current portfolio position, borrowing requirements/capital programme and prudential indicators. He confirmed that the Authority has managed its treasury management arrangements in accordance with the strategy set in February and had kept within boundaries. All investment was carried out in accordance with the approved creditworthiness criteria. He responded to a question about loan repayment and the cost of borrowing.

Members noted the report.

39. Review of the Corporate Risk Register

Members received the Acting Managing Director's report and appendix on the annual review of operational and strategic risks. In commentary he confirmed that two minor changes had been made to strategic risks. They were (1) upgrade to the likelihood of a breakdown in relationship with the contractor as a result of ongoing discussions in relation to the Annual Budget & Service Delivery Plan and (2) downgrade of viability of Aveley Methane Ltd because no changes were anticipated during the next twelve months. He added that this reflected the stable nature of operations at the closed landfill sites. Operational risks had remained unchanged.

Members noted the report.

40. Contract Monitoring to 30 September 2013

Members received the Contract Manager's positive report summarising the first half year's performance.

Downward trends included tonnages, green and contract waste (226,880t). Upward trends included Reuse & Recycling Centres' waste and kerbside collected household waste. Increases had remained within budget. Tonnage forecast for the year is 422,000t against a budgeted figure of around £428,000.

Diversion from landfill had been impressed upon the contractor at all levels and had resulted in a 10% improvement on last year. Slightly disappointing recycling figures (25.9%) are mitigated by increased diversion (75.1%). Diversion forecast for the year is 72%. Alternative off-takers for the Solid Recovered Fuel generated during the cement kilns' non operational periods were being sought.

Members were asked to note that the Board was conscious of keeping tonnage costs down but this had an effect on recycling performance results. The Board was trying to influence trends with new enforcement methods.

Members noted the report.

41. Dates of next meetings

Members noted the dates for the next two meetings as 10 February 2014 (Levy) and 23 June 2014 (AGM) with a possible additional meeting between now and February.

42. 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).

43. Contract Renegotiation and Options for Savings

The Acting Managing Director presented his confidential report and Appendices. He advised Members that the staff restructure had been implemented at 1st October, generating the expected savings (£115k).

He outlined progress for savings in the communications budget. A revised 3 years communications plan with Wastewatch/Keep Britain Tidy dated October 2013 would generate considerable savings. The new plan placed a primary focus on an education programme and campaign & business development support.

Members agreed recommendation (1): the implementation of the communications plan at a net cost of £50k.

Members discussed and agreed recommendation (2) to terminate the procurement of the consultant negotiator/negotiating team.

Members discussed the position relating to the Railhead variation and potential claim on some of the assets. The Acting Managing Director responded to questions about the cessation of the railhead operations and added that the funder's technical advisers were looking into the position and awaiting approval of the terms. On cessation, ELWA would receive an annual reduction in contact costs from the Contractor.

Members requested regular updates on the assets prior to the next meeting.

Members received commentary on investigations into alternative uses for the Aveley closed landfill sites. These consisted of alternative energy generation, utilization of the existing grid connection from Aveley Methane Ltd (AML) using either photovoltaic (PV) or other wind technology; use of fines materials from the BioMRFs to enhance the soils for further planting and restoration; and, using the site to generate revenue from activities such as growing biomass for fuel. The risks involved in pursuing these options were outlined as were planning consent timescales. Should the alternative uses not prove viable then sale of the land was still an option.

Terms of a revised sale offer were provided and the Acting Managing Director was authorised to take the matter forward as outlined in the report.

The Acting Managing Director updated Members on future liability clauses, insurance costs and limitations, potential savings and the possibility of improving Gerpins Lane with a fines/soil mix and the growing of short rotation crops.

The intricacies of the Defra review were discussed following additional commentary from the Acting Managing Director and Legal Adviser/Monitoring Officer and receipt of a tabled legal briefing note. It was considered that a second opinion would be advantageous.

Members rejected recommendation (3) and agreed that officers should bring another in-depth report to the Authority, by way of a special meeting before February if necessary, with the results of their further investigations.

Members noted the positions as set out in recommendations (4) and (5).

44. ELWA Limited 29/10/13 Board Agenda

Members noted the content of the Agenda pack.

45. Other Confidential Business

None.

Minutes agreed as a true record.

Chair: *[Signature]*

Date: 10/2/14.