

**ANNUAL GENERAL MEETING MINUTES:
29 JUNE 2018 (9.32 AM–10.15 AM)**

Present:

Councillor D Akwaboah, Councillor J Asser, Councillor S Bain, Councillor R Benham, Councillor O Dervish, Cllr J Howard and Councillor R Tripp.

Introductions were received.

1. Appointment of Chair, Vice Chair and ELWA Limited 'A' Director and alternate 'A' Director for the year 2018/19

Councillor Sheila Bain (Vice Chair 2017/18) opened the meeting by requesting nominations, from the membership as set out in the Monitoring Officer's report, for the posts of Chair, Vice Chair & ELWA Limited A-Director for the municipal year 2018/19.

Members nominated and agreed the following appointments for the year 2018/19:

Chair:	Councillor Osman Dervish	London Borough of Havering
Vice Chair:	Councillor James Asser	London Borough of Newham
Elwa Limited A-Director:	Councillor Dorothy Akwaboah	London Borough of Barking & Dagenham

Councillor Dervish then took office and continued the meeting.

2. Apologies for Absence

An apology for absence was received on behalf of Councillor Syed Ghani (London Borough of Barking & Dagenham).

3. Declaration of Members' Interests

There were none declared.

4. Minutes of previous meeting (05 February 2018)

With confirmation from the remaining 2017/18 Members, **Members were able to confirm as true and accurate** the minutes of the meeting on 05 February. The Chair was authorised to sign the same.

5. Minutes of previous meeting (08 March 2018 EGM)

Members were also able to confirm as true and accurate the minutes of the Extraordinary General meeting on 08 March 2018. The Chair was authorised to sign the same.

6. Nominations under Section 41 of the Local Government Act 1985:

Members received the Monitoring Officer's report on the statutory requirement to nominate from the membership, one Authority Member from each of the Constituent Councils to answer questions on behalf of the Authority put by other elected members of their Constituent Councils during council proceedings pertaining to the discharge of the waste functions by the Authority for the year 2018/19.

Members nominated and agreed that the following Members, who are also their respective Constituent Councils' Cabinet Member for environment/waste matters, namely:

London Borough of Barking & Dagenham:	Councillor Syed Ghani
London Borough of Havering:	Councillor Osman Dervish
London Borough of Newham:	Councillor Rachel Tripp
London Borough of Redbridge:	Councillor John Howard

7. Final Financial Outturn Position and Contract Monitoring for the year 2017/18

Members received the joint report from the Managing Director and Finance Director, together with Budget Monitoring Statement to 31 March 2018 (Appendix A - submitted under Supplementary 1 documents). This report compared actual expenditure with the revenue budget agreed in February 2017. The report provided information on Revenue Budget, Reserves, Prudential Indicators, Contract monitoring tonnages, performance, sites monitoring and communications.

The Finance Director provided in-depth commentary stating that the Authority's financial position was lower than anticipated at the start of the year when a £2.5m underspend had been expected.

An underspend of £4.385m had been achieved as a result of lower tonnages received (444,004t - 5.3% under budget) and insurance premium (underspend £0.679m), additional income (£1.370m) and the underspent contingency budget. The underspend would be transferred to Reserves along with the budgeted contribution of £1.350m.

The Finance Director explained that there had been no call on the Contingency budget.

The Reserves position was set out in paragraph 5 and contained detail of the Strategy Reserve (post 2027 waste disposal arrangements), Revenue Reserve (£3m – unplanned/unavoidable costs), Business Risk Reserve (risk register coverage - £1m) and Capital Reserves (£0.100m - Aveley risks).

An explanation was provided about the insurance premium position.

Members extended thanks to Officers for keeping the Authority in a good financial position.

Discussion took place about the ball park figure required for the Strategy Reserve and the plans to build this up and spend it. The Finance Director agreed that this would be reviewed on an annual basis as part of the budget, levy and outturn position.

Members noted the report.

8. Annual Governance Statement 2017/18:

Members received the Finance Director's report, Appendix and commentary on the Annual Governance Statement which accompanied the Statement of Accounts for the year 2017/18. The Auditors would report on the Accounts later during the meeting.

The Finance Director confirmed that the Annual Governance Statement had been signed off by 31 May in accordance with regulations and there were no matters of concern.

The Annual Governance Statement showed that the two issues identified in the 2017/18 action plan had been addressed. Issues identified as requiring improvement during 2018/19 were (a) Contract monitoring performance with the Constituent Councils and the Contractor and (b) Business Continuity – testing, risk registers & Constitution review.

Members approved the Annual Governance Statement and noted that the report formed part of the approval of the Statement of Accounts for 2017/18.

9. Statement of Accounts and Auditor's report 2017/18

Members received the Finance Director's report on the Statement of Accounts for 2017/18, together with the Statement of Accounts, the Auditor's ISA 260 report and the draft Letter of Representation (submitted under Supplementary 1 documents). Members were advised by the Finance Director that they were being asked to approve the audited Statement of Accounts and Governance Statement. Draft copies of both had been signed off by 31 May ahead of the deadline. It was expected that the Authority would receive an unqualified opinion and certificate on the Accounts.

The Finance Director introduced the External Auditor, Neil Hewitson, KMPG.

The External Auditor outlined the responsibilities relating to the audit and confirmed a clean opinion had been reached in respect of the Financial Statements and draft. The ISA 260 report stated that the audit had focused on three key areas: (a) Valuation of land & buildings in terms of value and PFI; (b) Pension assets & liabilities and (c) Fraud. He confirmed that there were no matters to report. No significant risks were identified in respect of value for money. There were no audit differences identified. One presentational difference had been identified and the note adjusted.

External Auditors confirmed the unqualified opinion stating that the accounts required adoption by the Authority.

Members noted the Auditor's ISA 260 report and **approved** the draft letter of representation and the audited Statement of Accounts for the financial year 2017/18. The letter of representation will be signed by the Finance Director.

10. Internal Audit Progress Report 2017/18, Audit Plan 2018/19 and Planned Audit Coverage to March 2023

Members received the Internal Audit Progress report 2017/18, Audit Plan 2018/19 and Planned Audit Coverage to March 2023, together with the Finance Director's commentary.

Members were informed that based on the audit work undertaken during 2017/18, Internal Audit had reached the opinion that the Authority's overall control framework was generally sound and that core financial systems continued to operate effectively. There were no fundamental breakdowns in control that would result in material discrepancy. This view was reinforced by the Authority's External Auditors.

Members were advised that the Internal Audit coverage for 2018/19 would concentrate on contract management monitoring controls to keep non-contract waste to a minimum and the Automatic Number Plate Recognition system, as well as the Authority's risk assessments and business continuity planning.

No fraud or irregularity had been reported during the year.

It was reported that the Authority had a sound and robust system of Internal Audit, which continued to adapt and respond to the changing needs of the Authority.

The rolling five-year plan (Appendix A) was proposed for future audit coverage with the areas for review set at a higher strategic level.

Members were advised that the outcomes of the audit fed into the Annual Governance Statement.

Members noted and agreed the audit coverage for 2017/18, 2018/19 and the planned audit coverage to March 2023.

The Chair extended his thanks to the External Auditor for his attendance and contribution to the meeting before the Auditor excused himself from the rest of the meeting.

11. Constitution Update

Members received the Monitoring Officer's report requesting they note that the Managing Director, under delegated authority contained in the Constitution, had approved minor and administrative changes to the Constitution. The review had taken place in conjunction with the Monitoring Officer. The revised document was now available on the Authority's website.

In addition, a comprehensive review of the Constitution was underway to ensure that the corporate governance arrangements of the Authority were fit for purpose and in line with the future arrangements for its waste strategy beyond 2027, when the current Integrated Waste Management Contract expired. Members' attention was drawn in particular to paragraph 5.4 of the report which highlighted certain areas upon which focus would lie. These were Scheme of Delegation, and the following rules: Contract, Financial, Land Acquisitions & Disposal, Employment, Hospitality and Codes of Conduct for Members & Employees. The review would cover Whistleblowing and other administrative matters as well as the removal of the current restriction on tenure for the Chair and Vice Chair of the Authority.

Members were informed that the revised Constitution would be presented to them for approval in line with the Constitution by the end of the calendar year. It was hoped to bring this item to Members at the November meeting.

Members noted the report.

12. Appointment of External Auditors 2018/19

Members received the Finance Director's report advising them of the appointment of new External Auditors, Ernst & Young LLP for the year 2018/19 at an indicative fee of £14,068.

The Managing Director and Finance Director reported that they had met with Ernst & Young representatives and the External Auditor's plan was expected to be issued in January in readiness for the February 2019 Authority meeting.

Members noted the report.

13. Preparations for Future Wastes Management Arrangements

Members received the Managing Director's report and commentary on work streams that required consideration and progress given the expiry date of 2027 of the current Integrated Waste Management Services contract. The workstreams included development of (a) a new East London Joint Waste Strategy (ELJWS) by the Authority and the four Constituent Councils; (b) the development of a new Joint Waste Development Plan (JWDP) for East London by the four Constituent Councils in their separate capacity as local planning authorities; and (c) development of officer arrangements for the management of current services and delivery of (a) and (b)

The Managing Director explained that the Constituent Councils and the Authority would need to work very closely together to secure a programme of future services.

Paragraph 5.2 set out the key steps of the ELJWS and the Managing Director provided examples of the work to be carried out, i.e. waste flow modelling on how much waste will be collected until 2050s, composition analyses, coupled with forecasts of likely changes to waste composition arising from both policy and technical developments, as well as how much of the waste could be recycled in practice.

The current JWDP runs until December 2021. Members were advised that a new JWDP for East London was likely to be the best way from the Authority's perspective to identify the best locations for any new waste treatment facilities that might be needed.

The report advised on the current officer structure which was at minimum level and the need to establish a senior strategic management post.

Members noted the report.

14. Consultation on Governance of Environmental Law Post-Brexit

Members received the Managing Director's report and Appendix relating to the Department for Environment Food & Rural Affairs' (DEFRA) consultation "Environmental Principles and Governance after the United Kingdom leaves the European Union, May 2018". The Managing Director recommended to Members that they delegate authority to him, in consultation with the Chair and the Monitoring Officer, to submit a response by 1st August on behalf of the Authority. Fourteen key questions were being asked and these were as set out in Appendix A.

He advised that DEFRA had indicated that it intended to publish an Environmental Principles & Governance Bill designed to create a new, world-leading, independent environmental watchdog to hold government to account on environmental ambitions and obligations once the UK had left the EU. This role had been performed by the EU Commission and Courts of Justice previously would be filled now by a UK body embedded in the UK's parliamentary democracy.

Members considered the key themes set out by the Managing Director in paragraph 4.2 (a to g) discussing, in particular, the independence of such a body; the need for clear definition of 'environmental law'; the clarity of the relative weight of compliance with environmental laws and government achieving other social objectives to help long term planning & investment required; the need for the new body to have oversight of all of policy instruments to be used by the Government to transition to a circular economy (including imported goods), that the new body should hold only the Government to account (and that the Government should be responsible for the actions it requires or encourages from others), and that there should be no trade barriers between the devolved areas of the UK.

Members agreed that the Managing Director should draft a response and circulate it to all Members for consideration prior to him submitting a formal response.

15. Date of Next Meeting:

Members noted the date of 17 September 2018 as the date of the next Authority meeting. A request was made to Officers that future meetings should be held at offices with good public transport links with London. An offer was made to hold the next meeting at the offices of London Borough of Redbridge. It was suggested that the meeting venues might rotate between the Constituent Councils.

16. Any other public items

There were none.

17. 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).

18. Aveley Methane Limited

Members received and noted a report on new arrangements at the Aveley landfill site.

19. ELWA Limited 02/05/18

Members noted the contents of the confidential Agenda pack and received a short commentary from the Managing Director.

Minutes agreed as a true record.

Chair: O Dervish

Date: 17th Sept 2018