

AUTHORITY MINUTES: MONDAY 04 FEBRUARY 2013 (9.30AM – 11.15AM)

Present:

Councillor M McCarthy (Chairman), Councillor I Corbett, Councillor R Crawford, Councillor S Kelly, Councillor Obasohan, Councillor Keith Prince (Vice Chairman), Councillor B Tebbutt, and Councillor V Tewari

44. Apologies for Absence

There were no apologies for absence.

45. Declaration of Members' Interests

None declared.

46. Minutes of previous meeting

Members confirmed as correct the minutes of the Authority meeting on 3 December 2013.

In response to a question relating to the minutes, the Head of Operations responded that he had written to Officers for information on the alleged fraud and this had been discussed at length by the EOMT. EOMT had agreed that borough officers would perform more integrated checks at the sites. Procurement of automatic number plate recognition and mystery shopper exercises were being investigated.

The Chairman advised members that once minutes had been agreed discussion should not continue.

Members again confirmed as correct the minutes of the Authority meeting on 3 December 2013.

47. Treasury Management Strategy 2013/14 and Prudential Code Indicators 2013/14 to 2015/16

The Finance Director presented his report & appendices encompassing new borrowing requirements, debt management arrangements, minimum revenue provision policy statement and annual investment strategy, treasury management policy statement and the prudential indicators for treasury management. He confirmed there were no plans to borrow money to support capital investment but it was wise to have a regime in place.

Members agreed the recommendations set out in the report.

48. Revenue & Capital Estimates and Levy 2013/14

The Finance Director set out the key issues of the report and drew Members' attention to them.

Members have considered the report concerning the estimates and the levy for 2013/14 and the underlying cost pressures, background, need for transparency and levy apportionments, together with the particular issues that apply. Members have also considered the issues relating to contingencies and reserves, including the risk analysis. Members noted that the levy figure had decreased to 5.4% from previous indications and that this was an average figure and would vary for each individual borough according to their tonnage figures.

The Finance Director talked about the importance of allowing ELWA time to make decisions about costs and contractual arrangements with Shanks. He confirmed that insurance costs for ELWA Ltd had increased significantly and this was being challenged by officers.

Members agreed to the recommendations as follows:

- a) The revenue budget for 2013/14, totalling £55,359,000 excluding contributions from reserves;
- b) The charges for commercial and industrial waste for 2013/14;
- c) Commercial & Industrial Waste – recycled £73 per tonne;
- d) Commercial & Industrial Waste – other £128 per tonne;

- e) That on the basis of a) to b) above, ELWA determined the levy for 2013/14 at £47,155,000 (an increase of 5.4%);
- f) The policy on Reserves and associated criteria;
- g) The continuation of existing arrangements for the payment of the levy and commercial and other waste charges.

49. Budgetary Control to 31 December 2012

The Finance Director presented his regular report showing an under spend for the period of £272,000. Contractor costs were expected to be broadly in line with budgets with some favorable variations in non-contract costs and other income. This would offset an under recovery in commercial waste resulting in a total under spend of £554,000. He confirmed that the Olympics figures had been factored into the calculation.

Members noted the report.

50. Contract Monitoring to 31 December 2012

In presenting his report, the Head of Operations advised that recycling was 1% below the ABSDP but there was significant material waiting to be processed that would have contributed to a higher performance. Diversion and tonnages were still a particular focus bearing in mind they were a significant driver for the Authority's costs. Diversion performance at 72% was a significant improvement on the previous three months of 65% but it was 4% below budget.

Forecast for year-end tonnages remained in line with latest estimates. Diversion performance was slightly up at 67% but below the Annual Budget & Service Delivery Plan (ABSDP) diversion from landfill performance of 78%. Recycling performance remained unchanged and in line with the ABSDP at approximately 25%.

The Head of Operations updated the authority on the review of contract monitoring. At the last meeting the Management Board and EOMT felt that there was insufficient time to understand the review and this was therefore referred back to the EOMT for progression.

Members discussed the review of contract monitoring and controls at the Reuse & Recycling Centers. In response to a question about increases in fly tipping, the Managing Director confirmed that none had been brought to officers' attention by the ELWA Operational Management Team.

Members discussed diversion rates and the ability of Shanks to supply Solid Recovered Fuel in December. They also discussed UK landfill costs in comparison with those in Europe and the possible implications.

Members noted the report.

51. Dates of next meetings

15/04/13 Informal Workshop and 24/06/13 Annual General Meeting, noted.

52. 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).

53. Contract Renegotiation

The Managing Director presented his report and he and the Monitoring Officer updated Members on the various discussions taking place with outside bodies and courses of action proposed by the Board for a possible renegotiation of certain parts of the IWMS contract. He also briefed Members on feedback received from the Defra (WIDIP) contract management review and confirmed that relevant findings would be used to support any future negotiation with the Contractor. It was anticipated that Defra's final report would be available for discussion at the members' workshop. Members requested a copy of the Defra first draft.

Members considered the options before them and agreed that the Chairman, Vice Chairman, "A" Director, Managing Director and Head of Operations to meet on 08/02/13 in the Vice Chairman's office with a view to establishing the next steps. The Monitoring Officer will confirm if there is a conflict of interest with regard to the ELWA Ltd 'A' Director's attendance.

In addition Members would like further information and facts supplied by the Contractor and tasked ELWA officers to obtain such information.

Members agreed the recommendation in the report with the inclusion of the Vice Chairman in the consultation process.

54. Closed Landfill Sites

Members received the Head of Operations report, Appendix and commentary on the land known as Gerpins Lane, Wennington and Hall Farms and Aveley 1. Further reports were expected for the next Authority meeting.

Members noted the report.

55. ELWA Ltd Agenda 22/01/13

Members received and noted the ELWA Ltd Board papers for information.

56. Other Confidential Business

It was proposed that a Member led review of the management structure be initiated and Members agreed to meet and discuss.

Minutes agreed as a true record.

Chair:

Date:

