

AUTHORITY MINUTES: MONDAY 23 JUNE 2014 (10.20AM – 11.40AM)

Present:

Councillor S Bain, Councillor I Corbett (Chair), Councillor S Kelly, Councillor B Nijjar, Councillor L Rice and Councillor J Wade

1. Appointment of Chairman, Vice Chairman and ELWA Limited 'A' Director for the year 2014/15

Members received the Monitoring Officer's report.

It was agreed that Councillor Corbett would Chair future meetings. Councillor Corbett thanked Councillor Kelly for his efforts and then requested that the title of Chairman become "Chair".

Members nominated and agreed the appointments of ELWA Chair and Vice Chair and ELWA Limited 'A' Director and Alternate 'A' Director for the year 2014/15 as follows.

Councillor Corbett (Chair), Councillor Nijjar (Vice Chair), Councillor Kelly (ELWA Limited's 'A' Director) and Mark Ash (ELWA Limited Alternate 'A' Director)

2. Welcome & Apologies for Absence

Councillor Corbett welcomed all new members. Introductions were carried out. An apology for absence was received from Councillor Clark. There remained one outstanding appointment from the London Borough of Havering.

3. Declaration of Members' Interests

There were none declared.

4. Minutes of previous meeting (10/02/14)

Members confirmed as true and accurate the minutes of the Authority meeting held on 10 February 2014 and the Chair was authorised to sign the same.

5. Membership 2014/15

Members **received and noted** the Office Manager's report and subsequent appointments. The Authority's membership for the year 2014/15 was **confirmed** as follows:

London Borough of Barking & Dagenham	Councillor Lynda Rice	Councillor Jeff Wade
London Borough of Havering	Councillor Steven Kelly	To be appointed
London Borough of Newham	Councillor Ian Corbett	Councillor Ken Clark
London Borough of Redbridge	Councillor Baldesh Nijjar	Councillor Sheila Bain

It was recommended and agreed that officers arrange letters of thanks to be sent to outgoing Members.

6. Nominations under section 41 of the Local Government Act 1985

Members received the Monitoring Officer's report and **agreed** that the lead Members for the four constituent councils would be:-

London Borough of Barking & Dagenham	Councillor Lynda Rice
London Borough of Havering	Councillor Steven Kelly
London Borough of Newham	Councillor Ian Corbett
London Borough of Redbridge	Councillor Baldesh Nijjar

7. External Audit Plan 2013/14

Ciaran McLaughlin and Malcolm Farnan of the External Auditors, PricewaterhouseCoopers (Pwc) attended the meeting and presented commentary on the detail of the External Audit Plan 2013/14. The audit plan sets out Pwc's work plan for the next couple of months including responsibilities and key risks.

Mr McLaughlin informed Members that he had found a recent visit the Jenkins Lane Recycling Facility informative and useful particularly in connection with the valuation of materials at the recycling facilities. The Auditors will report back to the Authority on any major issues arising.

Thanks were extended to the External Auditors and they left the meeting.

Members noted and agreed the report.

8. Internal Audit Progress Report 2013/14, Audit Plan 2014/15 and Planned Audit Coverage to March 2019

The Finance Director presented his report and explained, for the benefit of the new members, that this report gave annual feedback on internal audit 2013/14 and coverage for 2014-19. The focus was mainly around contract monitoring and the report showed that ELWA had sound systems in place and core financial systems operated effectively. There were no fundamental breakdowns although there were one or two weak areas which had been highlighted and constructive comments provided. Reinforcement of this view had been provided by External Auditors. The 2014/15 audit would focus on contract monitoring and asset management mainly on the landfill sites.

The Chair asked about monitoring consistency and was advised that monitoring of the sites was now carried out based on constituent council preferences and priorities. Frizlands Lane had a high risk of accepting trade waste at weekends and was therefore being monitored by LBBDD enforcement officers at weekends, whereas Chigwell Road did not accept commercial waste at all and as such LBR officers focused more on contract compliance. There was a preference for LBN officer presence at the weighbridge at Jenkins Lane as the site was under utilised by the public. Since all sites differ in their usage, there was no "one size fits all" process.

Members enquired as to progress with the installation of Automatic Number Plate Recognition (ANPR) system links at the Reuse & Recycling Centres and were advised that this was expected within the next 6 months. Further details on ANPR were available elsewhere in the Agenda documents.

Members noted and agreed the report.

9. Contract Monitoring Review of the Year 2013/14 And Monitoring to 31 March 2014

The Acting Managing Director presented the Contract Manager's report showing monitoring, outcomes and actions taken in connection with the Integrated Waste Management Services (IWMS) contract. Contract performance had achieved the required level of diversion from landfill albeit with slightly disappointing recycling performance. However, recycling performance was slightly above that of last year. The report indicated a good strong finish to the end of the contract year by achieving 73.8% diversion. A combination of population growth and increase in economic retail activity was considered to be the cause of the 1% increase in tonnages. Members received a short explanation of how national targets may need to be achieved and the risk of financial penalties if targets are not met.

The Acting Managing Director responded to questions about the contract generally, recycling performance by material type and garden waste processes. A suggestion was put forward by Members that residents might benefit from a further communications drive.

Members noted the report.

10. Provisional Financial Outturn Position 2013/14

The Finance Director presented his report containing provisional outturn figures for the financial year 2013/14. The report contained detail of the Revenue Budget, Prudential Indicators and 2013/14 Financial Statements. Economies in the non contract waste income areas and diversion had more than offset the contract costs budget pressure. He advised that there was a favourable net under spend of £71,000 which would be taken into account in the next three year financial projections and budget strategy process.

Members noted the report.

11. Budgetary Control to 30 April 2014

The Finance Director presented his regular revenue estimates and prudential indicators report showing an over spend for the one month period of £19,000. It was anticipated that at year end contractor and other costs would be in line with budget following close monitoring and Members were asked not to draw conclusions from this so early on in the year.

Members noted the report.

12. Date of Next Meeting

Members noted the future meeting dates for 2014/15 as being 15 September (Annual Governance & Statement of Accounts), 24 November (Approval of the Annual Budget & Service Delivery Plan), 9 February 2015 (Levy) and 22 June 2015 (Annual General Meeting). These dates were governed by legal timetables and Members were asked to ensure that the Levy meeting on 15 February 2015 was quorate. An informal workshop is to be arranged between 14 July 2014 and 31 July 2014.

Members noted meeting dates.

13. 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).

14. Briefing Papers for Members

The Acting Managing Director presented his briefing paper, written to provide new Members with sufficient background information and context and to encourage informed decisions required elsewhere on the agenda. The purpose also was to maintain the existing momentum of the savings agenda and maintain pressure on the Contractor to improve performance and lower costs.

Members noted the report.

15. Contract Variations

The Acting Managing Director presented his confidential report and appendices on Contract Variations in connection with the Railhead operation, Frog Island RRC Mrf and Survival Bag supply and delivery. Following lengthy explanation, discussion and reassurance:

Members agreed to delegate power to the Acting Managing Director as specifically set out in the recommendations at paragraph 2.1 (a – d) of the report.

16. Increased Diversion from Landfill Proposal

Members received the Acting Managing Director's confidential report and Appendices in connection with an increased diversion from landfill proposal. Members were provided with the option to enter into two relatively short term agreements to increase diversion from landfill and provide immediate financial benefits. Solid Recovered Fuel (SRF) & Refuse Derived Fuel

(RDF) markets are likely to change and this report gave Members the opportunity to replace the existing agreement with a better one.

Members agreed to delegate power to the Acting Managing Director as specifically set out in the recommendations at paragraph 2.1 (a – e) of the report.

17. Contract Renegotiation

The Acting Managing Director presented his confidential report and appendices submitted as a consequence of a variation to approvals already given by Members. Members have received commentary that as events developed Officers were unable to carry out the agreed recommendation. An explanation and the reasons behind the new approach to the securing of support were confirmed.


Members have considered and discussed the report and having received assurances from the Board and Legal Adviser/Monitoring Officer, Members agree that this move was a step in the right direction.

Members therefore agreed to delegate power to the Acting Managing Director as specifically set out in the recommendations at paragraph 2.1 (a) of the report.

18. Other Confidential Business

None.

Minutes agreed as a true record.

Chair: .....
Date: 15/9/14.....