

AUTHORITY MEETING MINUTES

FRIDAY 3 DECEMBER 2021 - PART 1 PUBLIC ITEMS: - (10:00 AM–11:40 AM)

Present:

Councillor John Howard (Chair / Redbridge), Councillor James Asser (Vice Chair / Newham), Councillor Syed Ghani (Barking & Dagenham), Councillor Osman Dervish (Havering), Councillor Jo Blackman (Redbridge), and Councillor Nilufa Jahan (Newham).

1. APOLOGIES FOR ABSENCE

Councillor Dorothy Akwaboah (Barking & Dagenham), Councillor Robert Benham (Havering) (Virtually observed the meeting via live stream)

2. DECLARATION OF MEMBERS' INTERESTS

There were none declared.

3. MINUTES – TO AGREE PART 1 (PUBLIC ITEMS) OF THE MINUTES OF THE AUTHORITY'S MEETING HELD ON 01 OCTOBER 2021 AND AUTHORISE THE CHAIR TO SIGN THE SAME

Members confirmed as true and accurate the Part 1(Public Items) of the minutes of the Authority's meeting held on 01 October 2021. The Chair was authorised to sign the same.

Members agreed the minutes.

4. BUDGETARY CONTROL AND CONTRACT MONITORING TO 30 SEPTEMBER 2021

Members received the Budgetary Control & Contract Monitoring report to 30 September 2021 from the Finance Director who highlighted the forecast outturn currently at a favourable variance of £1.475m primarily due to actual tonnages for the first six months being cumulatively lower than profiled.

Cllr Howard asked what can be done to support more accurate forecasting of the Contract Waste tonnages.

The MD confirmed that forecast tonnage figures are prudent, showing as under-budget as of October 2021 and the November figures are not yet collated. The Authority has to have funds to pay for however much the Constituent Councils deliver to it.

Cllr Asser asked if there were any correlations linked to the impact of lockdown.

The MD referred to section 6.6 of the report which shows the monthly changes adjusted for the number of working days, where there is a clear reduction in May 2021 but this does not really correlate with Covid-19 restrictions.

Cllr Ghani asked if new provisions have been made for increased tonnages should the current trend continue.

The FD confirmed that the Authority had budgeted prudently and emphasised the strong case for working on waste prevention.

Members noted the report.

5. TREASURY MANAGEMENT MID YEAR STRATEGY REVIEW 2021/22

The Finance Director (FD) updated Members on progress against the Treasury Management Strategy which continues to provide a sound basis for undertaking treasury activities. The FD confirmed that there has been no external borrowing as yet this year. The Capital Programme allows for the ongoing Fire Improvement Works at Jenkins Lane, but will need to be increased to cover the Fire Improvement Works at Frog Island which are due to commence in 2022.

Members noted the report.

6. MEDIUM TERM FINANCIAL STRATEGY 2022/23 TO 2026/27

The Finance Director (FD) asked Members to approve the Medium Term Financial Strategy (MTFS) for the years 2022/23 to 2026/27. The MTFS forecasts an indicative levy increase of 53.43% in 2022/23 which is higher than the 51.72% increase reported in February 2021.

Estimated annual increases over the remainder of the five-year MTFS period range from 2.38% to 8.21%. The FD advised Members that provision has been made for the capital financing costs of the ongoing fire improvement works at Jenkins Lane as well as additional capital expenditure of up to £6.000m to fund equivalent fire improvement works at Frog Island in 2022/23. She advised Members that the provisional budget is based on an estimated tonnage in 2022/23 of 474,000 tonnes. She continued to outline the assumptions made in the formulation of the draft budget including contract inflation, the increase in Government landfill tax and inflation on salaries and insurance, as well as assumptions made in respect of commercial waste income. These are detailed in paragraph 11.2 of the report.

The FD continued to advise Members that the Strategy Reserve, currently forecast at £3.000m, will be renamed the Procurement Reserve, that the Business Risk Reserve will be maintained at £1.000m and General Reserves at £3.000m and that the forecast underspend of £1.474m has been incorporated in the calculation of the 2022/23 budget and levy.

Cllr Dervish asked about the risks highlighted in paragraph 12 of the report concerning tonnages, landfill tax and salary inflation and commented that the range of increases were broad and asked if any narrower indications were possible?

The FD replied the commencement of 'minimum revenue provision' for new borrowing, forecast tonnages and inflation were the key drivers but that the assumptions were indicative and that the February 2022 report will show more definitive figures.

Cllr Blackman asked if the discretionary payments of £3.000m can be reviewed based on historical information.

The MD confirmed that a meeting covering the discretionary payments (referred to in the budget as Borough Payments) is arranged to directly follow this Authority meeting which will actively address this.

Cllr Blackman requested that the results of the Borough Payments meeting be brought to the Authority meeting in February 2022.

The MD confirmed that a briefing paper will be issued based on the results of the meeting.

ACTION

Cllr Asser agreed with Cllr Blackman's suggestion of a progress report. He also added that population projections reflected in the ONS figures are conservative estimates. He pointed out the huge amount of development that is in progress in Newham, therefore figures need to be reflected as accurately as possible and not rely on the ONS figures as a guide.

The FD referred to paragraph 10.5 of the report which outlines each of the boroughs' provisional levy figures, but drew to Members' attention that these are based in part on 2021/22 council tax bases which will be updated for the final levy setting report to the February Authority meeting.

The Chair requested a population growth prediction briefing note be issued early January 2022 prior to the next Authority meeting in February 2022. **ACTION**

Members agreed to the recommendation in the report.

7. MODERN SLAVERY STATEMENT

Members were asked to note the updated position on the Authority's adherence to the Modern Slavery Act 2015 and approve the draft Modern Slavery Statement 2021. This statement applies to the contractor and the actions taken following Renewi's annual review reflected in Appendix A. Neil

Members noted the updated position on the Authority's adherence to the Modern Slavery Act 2015, and approved the draft Modern Slavery Statement 2021.

8. FIRE IMPROVEMENT WORKS

The Head of Waste and Support Service (HWSS) updated Members on the progress of the Fire Improvement Works (FIW) at Jenkins Lane. It was noted that whilst the project is currently experiencing some minor delays, this is not critical and will not impact on the ability to gain insurance cover due in December 2021. Commissioning, hand-over and training are due following completion in the early part of 2022.

Renewi has also reported a few minor Health & Safety concerns, however, these have been dealt with at management level without the need for further escalation. The overall project is expected to be completed within budget for the Authority, given the capital provision of £6m. Discussions are ongoing regarding the commissioning stage as this involves applying significant amounts of water to the areas and inevitably any waste within the areas will get wet and be heavier (i.e. more costly) for Renewi to dispose of. The operational and financial impact will be minimised as part of the considerations of the most effective way to test the FIW.

The FIW at Frog Island are awaiting the production of the 'functional design specification' which will act as the catalyst for the procurement of a suitable company to carry out the works at Frog Island during 2022. The indicative timetable is provided in the report at section 8.2. Costs for Frog Island FIW will not be finalised until procurement has been completed and a contract entered into.

The HWSS updated Members that representatives from the leading insurer Aviva recently visited Jenkins Lane to check on progress of the FIW with positive feedback received. He continued that Renewi's insurance advisers were also reporting positively in relation to the availability of insurances from the December 2021 renewal date with an expectation that whilst premiums will inevitably go up, insurance cover will be placed for our IWMS Contract.

Cllr Asser questioned the reasons for the delays. The HWSS confirmed that the delays of around 2–3 weeks are mainly due to external supply chain issues. These delays may increase to 4-5 weeks taking the festive break into consideration and the need to avoid disrupting the constituent councils' catch-up collections at the beginning of January. The HWSS also confirmed that the insurers had been informed and are comfortable with the revised timetable.

Cllr Ghani asked if there were insurance alternatives to Aviva. The HWSS confirmed that currently there are approximately 20-30 named insurers involved in the placement of our insurance cover, led by Aviva. He continued that discussions were ongoing with Renewi and ELWA Ltd for alternatives to the insurance deductibles option as the cost of purchasing this directly from the market is relatively expensive. Options being discussed include 'captive cells' which will allow a fund to be set up for potential future insurance claims. If this were to progress, a legal contract would be drawn up to cover the possible complexities that could arise. There is a meeting scheduled for January 2022 where discussions are set to continue to explore options available with a view to considering these for the next renewal in December 2023.

The MD added the insurance broker, Marsh has provided ELWA with an update (2 December 2021) to confirm that significant progress is being made in relation to securing insurance cover.

Members noted the report.

9. JOINT STRATEGY – PREPARATIONS FOR FUTURE WASTES MANAGEMENT ARRANGEMENTS IN EAST LONDON – VERBAL UPDATE

The Head of Strategy and Development (HSD) gave a verbal update to Members on the development of the Joint Strategy, noting that work was progressing well to finalise the documents following the completion and analysis of the consultation that was held between July and September. The HSD reported that the formal adoption of the Joint Strategy by the five Partner Authorities is on track, with papers going to the January Cabinet meetings of the Constituent Councils and the February ELWA Authority meeting.

Members noted the update.

10. EAST LONDON WASTE PREVENTION PROGRAMME

The Head of Strategy and Development (HSD) updated Members on the progress of the revised East London Waste Prevention Programme. He highlighted to Members that external funding of £0.018m has successfully been secured from the Distributor Take Back scheme which will support the Re-use and Repair Festivals which are still in the planning stage. It is planned to have one event in each borough by March 2022 (pandemic conditions permitting), with another set around the summer of 2022.

The HSD also noted that support funding has been secured from Renewi for a safe battery disposal campaign, to be delivered before the end of the financial year. A food waste minimisation campaign is scheduled for early March 2022 to tie in with Food Waste Action Week, and ELWA is looking to work with other organisations in London to add value to this campaign. A briefing will be provided to Members in due course.

The scheme to introduce Library of Things tool/equipment rental kiosks is progressing in LBN, but the HSD noted that increasing costs across the supply chain meant that the set-up costs for the planned kiosks in the other three boroughs would be higher. ELWA will make

provisions within its Waste Prevention budget to cover the increase, so that this work can continue into the future.

The HSD noted that the report included some information about the development of metrics for waste prevention work, and that this would be expanded upon in the report coming to the February meeting that will present a preliminary evaluation of the activities undertaken to that point in the first year of the Waste Prevention Programme.

Cllr Blackman asked for more details of the items that are included in the Library of Things kiosks. The HSD confirmed that items include power drills, power washers, kitchen equipment and some other resources that are only needed occasionally (e.g. tea urns) would be available.

Cllr Jahan added that although she supports the principle of the scheme, she has concerns with the sharing element and asked if items would be hygienically cleaned between rentals? Also were there any associated running costs? The HSD confirmed that hygiene had been considered, and one of the two part-time members of staff that Library of Things would recruit from the local area would be responsible for checking and cleaning items after they have been returned. He advised that after initial set up costs, the units will become self-funding through rental charges.

Cllr Dervish asked how the level of equipment required will be managed. The HSD confirmed the service will be monitored by Library of Things, who will stock the kiosk on the basis of experience elsewhere and as they learn more about local demand.

Members noted the report.

11. ENVIRONMENT ACT 2021

The HSD presented a report for Members on the recent Environment Act 2021 and highlighted key provisions and objectives such as the establishment of the Office for Environmental Protection and the creation for Government of the primary powers that it will need to progress with the delivery of some of the key policies set out in the Resources and Waste Strategy (RWS) 2018, with secondary legislation to follow in 2022 including the introduction of a requirement to collect food waste separately,.

The HSD finished by noting that a consultation has been launched by the Government on the proposed banning of an additional range of single-use items, including plastic plates and cutlery, and expanded polystyrene food packaging. The HSD advised Members that the Constituent Councils may need to review the consultation to identify any impacts there may be on other services they provide, such as in schools, meals on wheels, or at care homes.

Cllr Blackman referred to section 5.6 of the report, which notes that the scope of possible exemptions does not appear to allow for local authorities to continue to collect any of the six recyclable streams as part of residual waste services. This would mean that separate collections of all these waste streams, including food waste, would be required for all households, including flats and above shops. She asked if there was going to be any additional funding which will cover this, and also suggested that the focus should be on identifying how to improve services before the end of the IWMS contract rather than seeking exemptions.

The HSD noted that the Government's New Burdens arrangements should provide local authorities with additional funding, but the details of what this will actually look like will not be available for some time and local authorities will need to wait for this information before

assessing the feasibility of introducing improved collections before 2027. He added that for some recyclable streams it may be possible to collect them together after completing an assessment on the technical and economic practicability, with Government guidance on the completion of these assessments expected in due course.

Cllr Asser added that future contracts will need to allow for separate food waste and increased recycling, but also queried what progress was being made to allow for separate food waste collections during the current contract, particularly for flats.

The MD confirmed that discussions have commenced with Renewi to try to find a way forward for separate collections to be possible, subject to technical considerations on the impacts of the MBT facilities as well as the wider financial implications.

Cllr Jahan enquired about the timescales for the introduction of separate food waste collections, particularly with the HGV driver shortage that was being experienced.

The HSD advised that the availability of drivers, vehicles and other resources needed for the introduction of separate food waste services had been raised with the Government.

12. FORWARD PLAN

Members noted the Forward Plan.

13. PROGRAMME OF MEETINGS

Cllr Jahan asked if the frequency of meetings were appropriate considering that decision may be required sooner than the intervals between the planned meetings.

Cllr Howard agreed that a series of additional informal meetings or workshops be arranged.

The MD confirmed that additional informal meetings or workshops will be arranged and communicated.

ACTION

Members agreed the Programme of Meetings

14. ANY OTHER PUBLIC ITEMS WHICH THE CHAIR DECIDES ARE URGENT

There were none.

15. RESOLUTION

Members resolved to consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.

16. MINUTES – TO AGREE PART 2 (RESTRICTED ITEMS) OF THE MINUTES OF THE AUTHORITY'S MEETING HELD ON 01 OCTOBER AND AUTHORISE THE CHAIR TO SIGN THE SAME

Members confirmed as true and accurate the Part 2 (Restricted Items) of the minutes of the Authority's meeting held on 1 October 2021. The Chair was authorised to sign the same.

17. ELWA LIMITED UPDATE (CONFIDENTIAL)

Members noted the report.

18. CONTRACT EXPIRY ACTION PLAN (CONFIDENTIAL)

Members noted the report.

19. ANY OTHER CONFIDENTIAL OR EXEMPT ITEMS WHICH THE CHAIR DECIDES ARE URGENT

There were none.

The meeting concluded at 11.39am.

Chair: _____

Date: _____