

**AUTHORITY MINUTES: MONDAY 12 SEPTEMBER 2016 (09.48 AM–10.32 AM)**

Present:

Councillor K Clark (Chair), Councillor S Bain (Vice Chair), Councillor I Corbett, Councillor J Howard, Councillor S Kelly, Councillor L Rice and Councillor J Wade.

**16. Apologies for Absence**

An apology for absence was received on behalf of Councillor O Dervish and E Taylor-Camara (Monitoring Officer).

**17. Declaration of Members' Interests**

There were none declared.

**18. Minutes of previous meeting (20/06/16)**

**Members confirmed as true and accurate** the minutes of the Authority meeting held on 20 June 2016. The Chair was authorised to sign the same.

**19. Statement of Accounts and Auditor's Report 2015/16**

The Chair was asked to decide if this report, together with late Statement of Accounts and External Audit Report 2015/16 (Supplementary 1 document) could be considered at the meeting as a matter of urgency under the provisions of Section 100B (4) (b) of the Local Government Act 1972 to comply with a statutory deadline of 30 September for the Authority, and through the Chair, to formally sign off the Authority's accounts.

**The Chair discussed** the late submission of the late papers with the Managing and Finance Directors and asked for reports be planned and delivered in good time for proper consideration by Members. **He agreed** to receive the Finance Director's report on the Statement of Accounts for 2015/16, together with the Statement of Accounts (Supplementary 1) pack and the tabled Auditor's report.

External Auditors, KMPG attended the meeting to present commentary and detail to those charged with governance. An apology for the late delivery of the audit report was received.

The Finance Director provided brief commentary on her report stating that it focused on contract management and the budget commitment of £1.5m in efficiencies. An over spend in the financial year had been identified and the aim was to recoup this going forward.

The External Auditors confirmed that they anticipated issuing an unqualified opinion on the Authority's financial statements by the statutory deadline confirming that there had been no audit adjustments made since submission of the draft report. External Auditors praised and thanked officers for the quality and prompt supply of information when addressing the audit. Members were advised that the value for money conclusion referenced the level of reserves held. There had been good discussion around the level of risks and this was supported by an in depth financial strategy.

Members considered the approach by the London Boroughs' in respect of the levy and smoothing of budgets.

Members enquired and discussed the Auditors' thoughts on Britain leaving the European Union and what impact it might have on the Authority and Contract, in particular in relation to procurement, OJEU tenders and waste final destinations.

Following lengthy discussion about tonnages, the number of household occupants in Band D properties within the ELWA area, the Finance Director confirmed that she and ELWA officers were remodelling the data received from Constituent Councils to achieve improved forecasts.

She would also be looking at the Authority's investment strategy and external borrowing ability following an enquiry about the current Public Works Loan Board borrowing.

Members were reminded of their role in approving the financial statements before 30 September 2016 and that once approved, the Annual Governance Statement would be sent for signature by the Chair and Managing Director. External Auditors confirmed the unqualified opinion and that the accounts needed to be adopted by the Authority. The letter of representation would be signed that day. If no queries were received, the accounts could be signed off.

**Members considered** the draft letter of representation **and approved** the Annual Governance Statement and draft Statement of Accounts.

**Members thanked** the External Auditors for their attendance and contribution before the Auditors left the meeting.

## **20. Treasury Management Outturn 2015/16**

**Members** received the Finance Director's report setting out the current portfolio position, borrowing requirements/capital programme 2015/16, capital receipts and prudential indicators.

Specific items drawn to Members' attention were the latest position with the Heritable Bank investment; the potential arrangement to finance estimated capital expenditure of £0.400m in 2015/16 and a capital receipt of £0.115m in respect of the disposal of Hall Farm landfill site. It was suggested that £0.060m of the £0.400m capital expenditure required be financed from the capital receipt.

Following enquiry, Members also received commentary from the Managing Director on the fire insurance settlement and latest position at Frog Island.

**Members noted** the report.

## **21. Budgetary Control & Contract Monitoring to 31 July 2016**

Members received the joint report and appendix presented by the Finance and Managing Directors. This report focused on the financial position and efficiency savings target and contained details of Revenue Budget, Contract performance and prudential indicators to end July 2016.

An over spend of £0.074m had been identified on the profiled budget of £19.499m and actual net expenditure on services of £20.239m. The outturn figure was projected to be £0.835m over budget at year end due to anticipated projected tonnages being 1% above budget at year end and non achievement of efficiency savings.

Members received commentary on the work being carried out in respect of population statistics and Band D council tax properties and the request to Constituent Council's ELWA officers, for figures to be supplied. Contract diversion continued to be buoyant with the Reuse & Recycling Centres continuing to send virtually nothing to landfill other than hazardous waste to specialist landfill sites. Overall diversion to date is at 93.24%, well above the anticipated 80% target. **Officers agreed** to supply the lead Barking & Dagenham Member with their Council's percentage figures for hazardous/clinical waste.

Recycling had improved but was still lower than contractual requirements. Receipt of garden wastes had reached plateau. Contract waste tonnage, to date, had increased by 0.6% and was 2.1% more than the previous year.

Members discussed the disjointed approach taken by the Constituent Councils to reduce collected/delivered waste and **Members agreed** to raise this with their officers. **Members would** also stimulate a level of understanding at their Constituent Councils as to the costs involved in waste disposal and its impact on the Levy.

**Members were reminded** that the shortfall in efficiency savings is dependent on the efforts of the Constituent Councils to reduce waste tonnages delivered to the Authority.

**Members noted** the report and **agreed** to raise the Authority's profile at their Constituent Councils, as outlined above, at the earliest opportunity.

## **22. Date of Next Meeting:**

**Members noted** 21 September 2016 as the date of the next Authority meeting and were asked to ensure the same was diarised.

## **23. Any other public items**

There were none.

## **24. 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).

## **25. Contract Renegotiation & Efficiency Savings (Insurance Dispute)**

Members received the Managing Director's report and commentary outlining opportunities to generate ongoing savings for the Authority. The in-depth report informed Members of the opportunity to end the insurance dispute with the Contractor to avoid costly legal fees and achieve year on year insurance savings. There was also the opportunity to protect non-contract waste royalty income expectations with the Operator and the Contractor.

Members received an update on the closure of the Survival Bag MRF (SBMRF) at Jenkins Lane. It was considered unlikely that savings would be achieved during 2016/17 in this respect.

**Members agreed** that the Authority should settle the insurance dispute with ELWA Ltd and agree the royalty payments proposal; **to delegate power** to the Managing Director to formally settle the insurance dispute with ELWA Ltd and to agree and finalise the detail of the agreement (to include Shanks Waste Management) relating to reductions in insurance costs and to prepare, complete and sign all necessary documentation and do all things necessary to facilitate the implementation of the agreement.

**Members also agreed to delegate power** to the Managing Director to agree and finalise the detail of the agreement with Shanks Waste Management (to include ELWA Ltd) related to guaranteed royalty payments to the Authority and to prepare, complete and sign all necessary documentation and do all things necessary to facilitate the implementation of the agreement.

**Members noted** the progress of closing the SBMRF at Jenkins Lane.

**The Chair and Members commended** the Managing Director on his detailed report and expressed appreciation for the hard work carried out by officers.

## **26. Aveley Methane Limited (AML)**

Members received the Managing Director's report and commentary setting out the history surrounding this report. Members satisfied themselves that Officers had exhausted all alternative options prior to recommending the cessation of operations in connection with Aveley Methane Ltd.

**Members agreed** to termination of the operations at Aveley 1 Closed Landfill site and the dissolution of Aveley Methane Ltd and termination of the joint venture and collaboration agreement with Infinis/Aveley Methane Ltd, both in accordance with the Heads of Terms at Appendix A.

**Members agreed to delegate power** to the Managing Director to formally agree and finalise the detail of the terms and to prepare, complete and sign all documentation and do all things necessary to facilitate the transactions referred to in connection with the termination and dissolution referred to above.

**Members noted** the ongoing site management and husbandry requirements of the Aveley 1 Closed Landfill site **and agreed** the purchase and installation of equipment, as set out in Appendix C, for ongoing gas management with costs to be met from the capital reserve previously set aside for this purpose.

**27. ELWA Limited 19 July 2016 Board Agenda**

**Members noted** the contents of the confidential Agenda pack and received a short commentary from the Managing Director and 'A' Director on the latest position. Members noted the Contractor's focus had been on the insurance dispute and they welcomed the Contractor's zero tolerance approach to modern slavery.

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Minutes agreed as a true record.

Chair: Ken Clark  
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Date: 21/11/16  
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