

AUTHORITY MEETING MINUTES

FRIDAY 25 NOVEMBER 2022 - PART 1 PUBLIC ITEMS: - (10:00 AM–12:30 PM)

Present:

Councillor Jo Blackman (Vice Chair / Redbridge); Councillor Ray Morgon (Havering); Councillor James Asser (Newham), Councillor Miraj Patel (Newham) Councillor Matthew Goddin (Redbridge).

1. APOLOGIES FOR ABSENCE

Councillor Dorothy Akwaboah (Chair / Barking & Dagenham); Councillor Kashif Haroon (Barking & Dagenham); Councillor Barry Mugglestone (Havering).

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 30 SEPTEMBER 2022 AND AUTHORISE THE VICE 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 30 September 2022. The Vice Chair was authorised to sign the same.

Members agreed the minutes.

4. STATEMENT OF ACCOUNTS AND AUDIT RESULTS REPORT (2021/22)

The Finance Director's (FD) report recommended Members to approve the Statement of Accounts 2021/22 and to consider the Audit Results Report (ARR). Members were asked to note that, with the exception of a few minor presentational changes, the Statement of Accounts is unchanged from the version presented to the Authority meeting on 1 July 2022 and the final outturn position is also unchanged. Debbie Hanson (DH) of Ernst & Young (EY) took Members through the Audit Results Report. DH confirmed to Members that the report confirms an unqualified audit opinion on the financial statements and the Authority's value for money (VFM) arrangements. She highlighted the key areas of audit focus including the pension liability valuation, the valuation of land and buildings and the PFI liability and annual charges. DH advised Members that the audit was now complete and drew Members' attention to the recommendations on page 29 of the ARR in relation to property, plant and equipment (PPE) valuations and related party transactions. She expressed thanks to the finance team for their assistance to achieving the conclusion of the annual audit before the statutory deadline.

Members approved the Statement of Accounts 2021/22, **approved** the letter of representations being signed by the FD and the Chair on behalf of the Authority and received the Audit Results Report.

5. TREASURY MANAGEMENT MID-YEAR STRATEGY REVIEW 2022/23

Members were asked by the FD to note the Treasury Management Mid-Year Strategy Review 2022/23 which sets out progress against the original Treasury Management Strategy approved in February and the revisions approved at the September Authority meeting. The Mid-Year Review confirms that all treasury activities have been carried out in accordance

with the Treasury Management Strategy and Prudential Code Indicators and that no additional borrowing has been taken out in the year to 30 September 2022. In terms of the economic background, the FD highlighted the recent increases in the Bank Rate to its current level of 3.0%, the risk of further Bank Rate increases and the current high levels of CPI inflation.

Members noted the report.

6. BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2022

The FD asked Members to note the Budgetary Control Report to September 2022 and the forecast revenue outturn position, being an underspend of £6.061m.

The FD highlighted the monthly tonnages at Appendix B and the key forecast variances from budget at Appendix A.

Members noted the Budgetary Control Report to 30 September 2022.

7. Medium Term Financial Strategy - 2023/24 to 2027/28

Members were asked by the FD to agree the Medium Term Financial Strategy (MTFS) 2023/24 to 2027/28. She highlighted the indicative levy increase of 2.45% for 2023/24, which is significantly lower than the 9.46% increase estimated in the February 2022 report, and the estimated annual increases over the remainder of the five-year MTFS period ranging from 5.29% to 17.00%. The three key factors impacting on the 2023/24 levy are the estimated tonnage for 2023/24, current high levels of inflation and the forecast 2022/23 in-year underspend. The FD pointed out the main factors impacting on the estimated tonnages within the five year MTFS, being Constituent Councils' population growth and household projections and advised that the final budget and levy will be brought to the February 2023 meeting for approval.

Following a question from Cllr Morgon (LBH) regarding the levy apportionment methodology, the FD advised that, whilst it was possible to review the levy methodology that has been in place throughout the contract period, this would require agreement and approval from all four Constituent Councils and the Authority, and it may be more appropriate for this to be reviewed as part of the future contract. The MD noted that officer discussions on the principles of a new form of levy for the post-IWMS contract(s) had already started.

In response to a question from Cllr Patel, the FD confirmed that the procurement costs referred to in paragraph 2.2 relate to the development of future procurement options and the procurement process and not the costs of any new waste facilities that may be required.

The MD added that the Procurement Programme Manager position is yet to be filled and confirmed that the technical, financial and legal advisers appointed will provide in-depth specialist advice.

The FD continued to explain the estimated annual increases over the remainder of the five-year MTFS period ranging from 5.29% to 17.00% and highlighted that the levels of reserves recommended are to ensure the Authority's continued financial resilience and sustainability.

Members agreed the Medium Term Financial Strategy (MTFS) for the years 2023/24 to 2027/28.

8. FIVE YEAR SERVICE DELIVERY PLAN

The Head of Waste and Support Services (HWSS) asked Members to agree the Five-Year

Service Delivery Plan (the Plan) produced by Renewi, (the Contractor). At the time the Plan was agreed in 2020 it was recognised that the policy landscape was very uncertain, therefore it was accepted that the Plan would be reviewed in 2022 when further clarity was expected.

The HWSS introduced Members to Simon Lee (SL), Renewi Contract Director, who gave a presentation of the Plan to Members. The presentation included performance targets of up to 38% household waste recycling rates, initiatives to improve material separation and higher level optimisation of other MBT outputs. A discussion noted the Frog Island facility has a higher performance level than Jenkins Lane due to the refurbishments carried out in 2014/15 following the major fire. Therefore, one of the recommendations was to divert waste to this facility rather than Jenkins Lane. He highlighted some initiatives at the RRCs which are focussing on public engagement and education to improve the current 58% recycling target to above 60%. He continued by informing Members that Renewi would be looking at 'best practice in city locations' in the New Year along with further initiatives highlighted at the recent Policy Workshop.

The plans for 'hand back' at the end of the contract are also included in the FYSDP and SL referenced the emerging Memorandum of Understanding (MoU) which covers the principles of information flow to ensure an open and smooth transition. Members were asked to note that the MoU has no legal obligations attached.

SL addressed Members questions regarding the sorting of bulky and fly-tipped mixed waste in caged vehicles, together with proposals to reduce DIY waste and manage vans better at the RRCs, initiatives that were recently discussed at the Member policy workshop. It was agreed that carbon footprint emissions data monitoring would be included in the Plan going forward.

ACTION

9. MODERN SLAVERY STATEMENT

The Head of Waste and Support Services (HWSS) asked Members to note the updated position on the Authority's response to the Modern Slavery Act and approve the draft Modern Slavery Statement 2022. The Modern Slavery Act 2015 addresses concerns about exploitation of people and workers. As a public authority the Act does not directly apply to the Authority, but it does apply to ELWA Limited as the Contractor and Renewi as the Operator of the IWMS PFI Contract.

Members noted the updated position on the Authority's adherence to the Modern Slavery Act and **approved** the Modern Slavery Statement 2022.

10. EAST LONDON WASTE PREVENTION PROGRAMME

The Head of Strategy and Development (HSD) asked Members to note the progress with the delivery of the Authority's Waste Prevention Programme (WPP) as set out in Appendix A. The Waste Prevention Programme was approved for a two-year trial from April 2021 to March 2023 and is now in the second year of a two-year trial. A review of this trial with recommendations for Members to consider its continuation will be brought to the Authority meeting in February 2023.

The Programme includes the provision for ELWA to part-fund the set-up costs of a Library of Things (LoT) kiosk in each of the four Constituent Councils. Barking and Dagenham opened a LoT during 2022. The LoT organisation has since changed the terms and conditions under which further installations would proceed, therefore Members are asked to consider pausing LoT in Havering, Newham and Redbridge if the respective Constituent Council is unable to accept the revised terms of installation.

Members

- (a) **noted** progress against the second year of the Waste Prevention Programme, as set out in Appendix A;
- (b) **agreed** to pause the Library of Things projects in Havering, Newham and Redbridge if the respective Constituent Council is unable to accept the revised terms of installation; and
- (c) **agreed** that any unspent ELWA budget intended for Library of Things be available to fund other projects during the remainder of 2022-23.

The HSD will continue to track the situation, and will keep Members updated. **ACTION**

11. CIPFA FINANCIAL MANAGEMENT CODE - SELF ASSESSMENT

The FD presented Members with the results of the self-assessment undertaken against the CIPFA Financial Management Code concluding that the Authority's level of compliance with the financial management standards is 'good'. She advised Members that future self-assessments will be included in the internal audit and will be reported at the AGM meeting alongside the Statement of Accounts.

Members noted the report.

12. CONTRACT PERFORMANCE MANAGEMENT TO SEPTEMBER 2022/23

The HWSS asked Members to note the Contract Performance to September 2022/23 which tracks key aspects of performance against the IWMS Contract targets. Landfill diversion rates to September remain above the annual Contract target with only asbestos landfilled. Due to the combined work of the Authority, Renewi and the Constituent Councils, the Household Waste (HW) recycling rate is anticipated to be around the annual target of 33% by the end of the year. Tonnages remain significantly lower than the anticipated budget compared to this time last year. The key projects for the separation of mixed loads from caged vehicles are now operating at Frog Island and Jenkins Lane with good results expected. Further proposals to improve RRC performance initiated at the Policy Workshops held on 2 November 2022 will be issued to Members in a report in due course.

Members noted the report.

13. ANNUAL REPORT ON THE JOINT STRATEGY FOR EAST LONDON'S RESOURCES AND WASTE (2027-57)

The HSD asked Members to note the first Annual Report on the Joint Strategy for East London's Resources and Waste (2027-57). He reported that the Government's responses to the Consistency and Deposit Return Scheme consultations from 2021 are still awaited, and that these should provide more information on the requirements and funding available for developing waste and recycling services in East London. He also reported that the publishing of national statistics on waste and recycling performance has been pushed back to February/March 2023, and that the Annual Report therefore provided data only for East London. He advised that future Annual Reports should be able to present comparisons to other London authorities to help understand the context of performance in East London.

Members requested that more focus is required on waste reduction to tackle challenging budgets and cost increases.

The Vice Chair requested that an amendment be made to Adx A of the report to eliminate confusion relating to statements within Renewi's Five Year Service Delivery Plan on the expansion of household collection services, and the Annual Report's noting of there being a

limited range of opportunities available to increase the range of materials collected separately at the Reuse and Recycling Centres.

ACTION

Members noted the report.

14. FORWARD PLAN

Members were asked to note an update to the issued Forward Plan. An RRC Policy Report will be included as a key decision at the February 2023 meeting.

Members noted the update to the Forward Plan.

15. PROGRAMMES OF BOARD AND AUTHORITY MEETINGS 2023/24; PROCUREMENT AND CONTRACT EXPIRY (PACE) MEETINGS; AND INFORMAL WORKSHOP SESSIONS 2023/24

Members were asked to note the dates listed in the Programme of Board and Authority Meetings 2023/24:- Procurement and Contract Expiry (PACE) Meetings; and Informal Workshop Sessions 2023/24. The Support Services Manager was asked to arrange the calendar invites to be issued to Members and Officers.

ACTION

Members noted the dates.

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

There were none.

17. RESOLUTION

Members resolved to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.

18. MINUTES – TO AGREE PART 2 (RESTRICTED ITEMS) OF THE MINUTES OF THE AUTHORITY'S MEETING HELD ON 04 FEBRUARY 2022 AND AUTHORISE THE CHAIR TO SIGN THE SAME

Members confirmed as true and accurate the Part 2 (Restricted Items) minutes of the Authority's meeting held on 04 February 2022. The Chair was authorised to sign the same.

19. PROCUREMENT OF PACE ADVISERS (CONFIDENTIAL)

Members agreed the recommendation.

20. A GOVERNANCE REVIEW FOR THE EAST LONDON WASTE AUTHORITY (CONFIDENTIAL)

Members agreed the recommendation.

21. ELWA LIMITED UPDATE (CONFIDENTIAL)

Members agreed the recommendation.

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

There were none.

The meeting concluded at 12.30pm

Vice Chair:

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Date:

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