

## **AUTHORITY MEETING MINUTES**

### **FRIDAY 04 FEBRUARY 2022 - PART 1 PUBLIC ITEMS: - (10:00 AM–12:10 PM)**

#### Present:

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

#### **1. Apologies for Absence**

Councillor Robert Benham (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 03 December 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 03 December 2021. The Chair was authorised to sign the same.

**Members agreed** the minutes.

#### **4. Appointment of External Auditors 2023/24 to 2027/28**

The Finance Director (FD) asked Members to consider the recommendation to opt into the national Public Sector Audit Appointments (PSAA) scheme (Option C) for the appointment of the Authority's external auditors for five financial years with effect from 1 April 2023.

Members were also asked to agree to delegate the Managing Director to respond to any invitation and take the necessary steps to finalise the appointment itself following the PSAA procurement process.

**Members agreed** the recommendation of Option C and **agreed to delegate authority** to the Managing Director to respond to any invitation and take the necessary steps to finalise the appointment itself following the PSAA procurement process.

#### **5. Budgetary Control and Contract Monitoring to 30 November 2021**

Members received the Budgetary Control & Contract Monitoring report to 30 November 2021 from the Finance Director. An overall forecast underspend of £2.136m was predicted for the year end at this stage, mainly due to lower than anticipated tonnages, lower than budgeted expenditure on the post-2027 waste strategy and interest on borrowing not yet taken out. These are offset by lower than budgeted commercial waste income due to the Covid pandemic.

**Members noted** the report and forecast outturn and **agreed to delegate authority** to the Finance Director to agree the Outturn 2021/22 for the Statement of Accounts 2021/22 because the next Authority ordinary meeting will not be until 1 July 2022.

## **6. Treasury Management Strategy 2022/23 and Prudential Code Indicators 2022/23 to 2024/25**

The FD updated Members on the progress of the Treasury Management Strategy for 2022/23 and the Prudential Code Indicators 2022/23 to 2024/25. The FD confirmed that the recommended maximum borrowing limits for 2021/22 and 2022/23 will meet new capital expenditure requirements, which are estimated to be £12.400m. She highlighted that the Authority will need to make arrangements to finance expenditure during the remainder of 2021/22 and in 2022/23 in respect of fire improvement works and any possible capital works identified as a result of the ongoing review of landfill sites and potentially in 2023/24 in respect of its post-2027 waste strategy. She also pointed out that the Authority is required to hold investments of at least £10m to maintain professional investor status, which allows access to a range of investment instruments not available to retail investors..

**Members agreed** the Borrowing Strategy for 2022/23, the Minimum Revenue Provision Policy for 2022/23, the Annual Investment Strategy for 2022/23 and the Prudential Indicators for 2022/23 to 2024/25.

## **7. Revenue & Capital Budgets and Levy 2022/23**

The Finance Director (FD) asked Members to agree the Revenue & Capital Budget and Levy 2022/23 and advised that the levy increase of 52.11% is slightly lower than the 53.43% increase presented in the Medium Term Financial Strategy and draft levy reported to the December 2021 meeting. The FD highlighted the key movements in the budget from the 2021/22 financial year, in particular high levels of inflation, as well as capital financing costs and rising insurance costs, offset by the forecast surplus for 2021/22 reported elsewhere on the agenda. It was also noted that the Strategy Reserve will be renamed the Procurement Reserve.

The FD also highlighted the risks identified in the budget, as set out at Appendix B and informed members of her assessment of the robustness of the budget and the adequacy of reserves.

After a question from Cllr Howard (LBR) it was confirmed that any rise in interest rates will affect investment and borrowing rates. Following a question from Cllr Ghani (LBBD) the FD confirmed that the insurance renewal was agreed at the end of 2021 therefore was not affected by the recent interest rate rise.

Cllr Blackman (LBR) raised a question regarding borough payments, to which the FD advised that this issue would be discussed in more detail later on the agenda and that this report was making sufficient budgetary provision for the foreseeable outcomes.

**Members agreed** to the recommended positions and actions below:

- a) The revenue budget for 2022/23, totalling £76.341m as set out in Appendix A to the report.
- b) The risk analysis of the budget and the policy on reserves.
- c) The Capital Strategy and capital programme for 2021/22 (revised) and 2022/23 to 2026/27 totalling £72.400m as set out in Appendix E.

- d) The charges for commercial waste for 2022/23:
  - (i) Commercial Waste – recycled £92 per tonne
  - (ii) Commercial Waste – other £175 per tonne
- e) The redesignation of the Strategy Reserve as the Procurement Reserve.
- f) That on the basis of a) to e) above, ELWA determines its levy for 2022/23 as the sum of £72.350m which represents, on average, an increase of 52.11% from 2021/22.
- g) That on the basis of the agreed formula for apportioning the levy, the levies for the Constituent Authorities and the percentage increases are as follows:

	<b>£m</b>	<b>% increase/ (decrease)</b>
Barking and Dagenham	13.661	54.17
Havering	18.015	56.33
Newham	21.725	51.33
Redbridge	18.949	47.79

- h) The continuation of existing arrangements for the payment of the levy, commercial and other waste charges.

**8. Review of the Corporate Risk Register**

Members were asked by the Head of Waste and Support Services (HWSS) to approve the revised Corporate Risk Register. The Corporate Risk Register follows the RAG ratings method and the HWSS indicated that there are no risks categorised as red within the register. It was noted that three strategic risks score as relatively high amber ratings including S10 (business continuity), S12 (Contract insurance arrangements) and S15 (service delivery affected by the Covid-19 pandemic). All three risks have appropriate mitigation measures in place.

Cllr Howard (LBR) referred to S1 (maintenance of effective partnerships working with Constituent Councils) which he noted was a concern. Cllr Asser (LBN) concurred with this concern and requested additional future actions to be minuted:

*1.2) To appoint an independent person(s) to undertake a Governance Review of East London Waste Authority with the recommendations of the review being proposed at or before the next AGM of the Authority.*

*1.3) The independent person(s) and terms of reference should be made in consultation with the Chair and Vice-Chair. The review should consider strategic leadership, accountability, people, structures, compliance and evaluation.*

**ACTION**

Cllr Dervish (LBH) added his concurrence for this proposal. The Chair advised Members that he will have conversations with Cllr Dervish (LBH) and Cllr Asser (LBN).

**ACTION**

**Members approved** the report's recommendation 1.1 that the Corporate Risk Register as attached to the report, and the additional actions above concerning a governance review.

## **9. Annual Budget and Service Delivery Plan (ABSDP) 2022/23**

The Head of Waste and Support Service (HWSS) introduced Simon Lee (SL), the Interim Contract Director for Renewi, who gave a presentation to Members covering the performance of IWMS Contract since April 2021 and the future plans for improving performance in 2022/23.

The presentation, filed with the minutes, highlighted the predicted diversion and recycling performance levels for the current year being excellent for diversion (almost 100%) and disappointing (32.5%) for recycling of household waste. Whilst this falls below the Contract target of 33% and the ABSDP target of 35%, it nevertheless would be a 1% improvement on last year despite the challenges of the Covid-19 pandemic.

SL outlined three major projects for improving performance in 2022/23 including major investment at the two MBT facilities for the separation and diversion of bulky waste and street cleansing waste to improve recycling performance.

Cllr Howard noted the lack of progress in some aspects of the current ABSDP and requested that closer monitoring of the plan would be beneficial for Members to ensure they have early sight of any issues affecting performance and agreement reached on ways to ensure a positive direction of travel.

Cllr Howard (LBR) recommended quarterly updates on the ABSDP to ensure Renewi provides the right level of impetus and that targets are met in 2022/23. **ACTION**

Cllr Asser (LBN) noted that this could facilitate in-year reviews of targets and any actions sought of relevant parties (Renewi, ELWA and/or the Constituent Councils).

**Members agreed** the Annual Budget and Service Delivery Plan (ABSDP) 2022/23; and **agreed** the additional request for a quarterly update on the ABSDP.

## **10. Procurement and Contract Expiry (Pace) Programme**

The MD noted to Members that an officer Programme Board has been established which will oversee the progress of the Procurement and Contract Expiry (PACE) Programme. A report from DEFRA on contract management in ELWA (which is due to be issued in its final form) indicates a number of positive comments for the progress made so far including the resourcing of the contract management team, knowledge of the contract expiry process and a strong positive relationship with the Operator as well as significant progress being made on the actions necessary for contract expiry. The MD added that an indicative programme has been devised following work with Local Partnerships, providing some clarity on possible actions and timetables for the procurement and contract expiry projects, and showing that an 18-month mobilisation period is available even if the Authority decides to run a full competitive dialogue process. He added that recruitment of the Procurement Director is now in progress, and that (s)he would then need to build a core procurement team. He also noted that Members would be engaged through ordinary meetings, extraordinary meetings and workshops as required during the procurement process.

**Members noted** the report and associated indicative programme.

## **11. Joint Strategy – Preparations for Future Wastes Management Arrangements in East London**

The Head of Strategy and Development (HSD) updated Members that the Joint Strategy has now been formally adopted by three of the Constituent Councils, with Havering's adoption anticipated later in February. He noted that the Joint Strategy needs to remain a live document, and as such is proposing to bring annual updates to Members commencing at the Autumn Authority meeting.

**ACTION**

The Chair acknowledged the hard work that officers of the Authority and the four Constituent Councils had contributed towards preparing the Joint Strategy for adoption.

**Members agreed** to formally adopt the Joint Strategy for East London's Resources and Waste (2027-57).

## **12. 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, which had been approved in February 2021 for a two-year trial period. He noted that the proposed action plan for the second year incorporates some projects that were postponed due to challenges with engagement of the public and other stakeholders during the pandemic. The HSD reported to Members that a campaign to promote safe battery disposal (part funded by Renewi) is in the process of going live, and work is underway to deploy a campaign to reduce food waste during March. He also reported that the Reuse and Repair Festival is due to commence in late February with the first Repair Café being held in Havering on 26 February 2022. These events are supported by local third sector organisations, which will offer residents assistance and tips for repairing various household items. The HSD noted that the outcome of a bid to the John Lewis Circular Futures Fund is awaited, which was submitted in partnership with ReLondon and a food waste reduction app called Kitche.

In response to Cllr Ghani (LBBD) the HSD advised that the current campaign is focussed on repair where we can make a difference, but that staff would be on hand at the events to talk to residents about a wider range of waste prevention and reuse issues, noting that additional support for home composting will be considered for the future. He also confirmed Cllr Ghani's point that the full details of the Government's plans under its Resources and Waste Strategy are awaited following the 2021 consultations, and that a number of policies are expected to influence a reduction in packaging use.

In response to Cllr Akwaboah's (LBBD) concerns about supermarkets offers, for example Buy One Get One Free, that can increase household food waste the HSD noted that supermarkets have shown levels of decreasing these offers for perishable items through work under the Courtauld Agreement and by WRAP. He also noted that work was ongoing at a national level on product date labels, including educating consumers on the difference between 'use by' and 'best before' dates.

In response to Cllr Jahan's (LBN) enquiry about the possibility of future events taking place online (rather than events that target people who go out in the community) the HSD replied that he will seek to include virtual sessions and the incorporation of younger adults after the initial phase of events has taken place. He also invited Members to raise other ideas now or later to ensure the Waste Prevention Programme is engaging with all of the community. Cllr Howard (LBR) also invited other Members to share their best practice with each other.

The HSD also updated Members that he is working to secure cover for the maternity leave of the Waste Prevention Manager.

**Members noted** the report; and **approved** the 2022-23 Waste Prevention Programme, Appendix B.

**13. Forward Plan**

Members discussed the Forward Plan. It was noted the Chair had requested to add the Governance Review report as discussed in item 8 to be presented at the July 2022 AGM meeting. The FD also added that an EGM will be arranged within the next few weeks to approve the Statement of Accounts 2021/22. **ACTION**

**Members noted** the Forward Plan and that there would be a Governance Review report at the July 2022 AGM meeting and an EGM in the next few weeks for the Statement of Accounts 2021/22.

**14. Any other public items which the Chair decides are urgent**

There were none.

**15. 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.

**16. Minutes – To agree Part 2 (restricted items) of the Minutes Of The Authority’s Meeting held on 03 December 2021 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 3 December 2021. The Chair was authorised to sign the same.

**17. Fire Improvement Works (Confidential)**

**Members noted** the report.

**18. ELWA Limited Update (Confidential)**

**Members noted** the report.

**19. Tonne Mileage and Optibag Payments (Confidential)**

**Members noted** the report.

**20. Any other confidential or exempt items which the Chair decides are urgent**

There were none.

**The meeting concluded** at 12.10pm

Chair: \_\_\_\_\_

Date: 01 July 2022  
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