

**AUTHORITY MINUTES – MONDAY 17 SEPTEMBER 2018 - PART 1 PUBLIC ITEMS:
(9.32 AM–10.15 AM)**

Present:

Councillor O Dervish (Chair), Councillor J Asser (Vice Chair), Councillor D Akwaboah, Councillor S Bain, Councillor R Benham, Councillor S Ghani, Councillor J Howard and Councillor R Tripp.

Introductions were received.

1. Apologies for Absence

There were none received.

2. Declaration of Members' Interests

There were none declared. However, the Chair added that would declare an interest later during the meeting when addressing confidential Agenda Item 12 to be presented under Supplementary Item 1.

3. Minutes of previous meeting (29 June 2018)

Members confirmed as true and accurate the minutes of the Annual General Meeting held on 29 June 2018. The Chair was authorised to sign the same.

4. Annual Audit Letter 2017/18:

Members received the Finance Director's report presenting the External Auditor's Annual Audit Letter 2017/18 which summarised the results of the external audit work undertaken on the 2017/18 accounts. The Auditor's letter confirmed the unqualified opinion issued, fees and that good financial controls were in place and confirmed value for money at the Authority.

Members were also advised that Ernst & Young would be the Authority's External Auditors next year.

Members noted the report.

5. Treasury Management Outturn 2017/18

Members received the Finance Director's report on the outcome of Treasury Management Outturn which covered borrowing and investment activities undertaken during the year to end March 2018. The report set out details of the economy and interest rates, investments (£14.762m), historic borrowing (£1.250m), new external borrowing requirements (£0), reserves to fund capital expenditure (£0.100m), capital expenditure 2017/18 (£0) and Appendix A showed performance against the prudential indicators and confirmed the PFI finance balance of £67.766m which was within the external debt limit.

The Finance Director advised that interest rates had gone up and that there were uncertainties regarding Brexit. She drew Members' attention to the investment matters as listed in paragraphs 4.5 to 4.9. She advised that in preparation for the procurement strategy, investments were increased from £8.313m in 2017 to £14.762m in 2018. She explained that there had been no change in borrowing and provided an explanation to Members as to why early redemption of the Public Works Loans Board borrowing had not been pursued.

Members noted the report and that the Authority had managed its treasury management arrangements in accordance with the strategy, kept within its prudential indicators and all investment was carried out in accordance with the approved creditworthiness criteria.

6. Budget Control & Contract Monitoring to 31 July 2018

Members received the regular joint report prepared by the Managing Director and Finance Director for the period to the end of July, together with the budget monitoring statement to 31 July 2018 and tonnage profile. Actual expenditure for the period was compared with the original revenue budget approved in February 2018, based on information provided by Renewi UK Services Ltd (the Operator), the four Constituent Councils' Officers and the Authority's own information.

The Managing Director reported that tonnages were not quite as profiled (3% below) and mixed dry recycling had also dropped. An underspend to date of £0.817m was shown. The overall forecast outturn is projected to be £0.699m under budget at year end because of lower tonnages and additional commercial waste income attributed in part to LB Barking & Dagenham's Housing Service.

It was noted that dry weather conditions appeared to have impacted green waste recycling and especially the tonnage generated by the two Constituent Councils with the highest output.

Members were advised that a fire at Mid UK (where much of the mixed dry recycling is treated) had affected Renewi's processing and that Renewi had diverted ELWA's recycling to an alternative Materials Recycling Facility at Chatham Docks. Members were pleased to learn that no injuries were reported as a result of the fire.

Members noted the report.

7. Preparations for Future Wastes Management Arrangements - Update

Members received the Managing Director's report and commentary on work undertaken since June in respect of an East London Joint Waste Resources & Wastes Strategy (ELJRWS) to inform the development of local waste services following the end of the Integrated Waste Management Services Contract, and the East London Joint Waste Development Plan (JWDP) document by the four local planning authorities (LPAs) to put in place land use planning policy for all wastes arising in the area (not just local authority collected wastes).

The Managing Director reported on engagement with the Constituent Councils to shape the documentation and future model of the ELJRWS with the Directors of Environment. In addition, he noted that planning officers were developing a programme of planning proposals for the four councils to work on in parallel that could be taken to their Cabinets for the development of a new JWDP in support of their local plans as well as the London Plan. He advised that the JWDP may be for a period of 15 years from 2021, but the ELJRWS was envisaged to look forward to 2057 (25 years for the next contract starting from 2027, allowing for a 5 year extension). ELWA officers would work with the LPA officers wherever appropriate and beneficial.

One Member enquired if it would make a difference whether there were less than four Councils delivering waste to the Authority. The Managing Director confirmed that he was not aware of any legislative changes that allowed for the separation of a Constituent Council from the Authority. He advised Members that this was not a voluntary partnership and that the legislation that created ELWA on the abolition of the GLC continued to bind all the Constituent Councils with the Authority.

The new Head of Strategy & Development would take the above two principal issues forward engaging consultants to assist with detailed modelling of waste arisings during the ELJRWS period and optimum reuse & recycling arrangements, as well as leading on the interface with the local planning authorities on the JWDP.

Members noted the report.

8. Date of Next Meeting:

Members noted the date of 19 November 2018 as the date of the next Authority meeting which would be held at the offices of London Borough of Redbridge, Town Hall, Ilford.

It was noted that the current location (Stratford Workplace) would be one of those suitable for future meetings.

9. Any other public items

Members received an update from the Managing Director on progress with the advertised Head of Strategy & Development recruitment process.

10. 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).

11. ELWA Limited Update

Members received commentary from the Managing Director who advised that previously Members had been sent a copy of the full confidential ELWA Ltd Agenda pack but it appeared to him that this was not particularly helpful and an update on the key issues was preferable. Councillor Akwaboah, the ELWA Ltd 'A' Director attended these meetings, along with the Managing Director in the capacity of an observer.

A brief overview of the issues was provided. These included the risk register and overseas recyclables destination and the adoption of a new contingency plan risk. ELWA Ltd was working with Renewi on ensuring the long-term trading agreement for landfill would be available in practice.

Renewi has invited the four Constituent Councils' Mayors to visit Frog Island in November for a brief presentation on how recycling and waste is managed in practice in East London in the hope that they will become waste ambassadors in the future. It was hoped that all four would attend.

12. ELWA's Direction of Havering's Green Garden Waste

The late report was accepted.

Members considered the report and agreed to seek further external advice and ask officers to report back on options.

Minutes agreed as a true record.

Chair: O Dervish

Date: 19/11/2018