

At a meeting of the West London Waste Authority held on Friday 24 June 2022 at 10.00 am at the Council Chamber, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

Present:

Councillor Deirdre Costigan (Chair)

Councillor Eddie Lavery, Councillor Anjana Patel, Councillor Krupa Sheth and Councillor Julia Neden Watts

Apologies for Absence

Councillor Guy Lambert

1. Apologies for absence

Apologies for absence were received from Councillor Guy Lambert.

2. Declarations of interest

RESOLVED: To note that there were no declarations of interests made by Members.

3. Minutes of the Audit Committee meeting held on 21 January 2022 and the Authority meeting held on 25 March 2022

RESOLVED: That the minutes of the Audit Committee meeting held on 21 January 2022 and the Authority meeting held on 25 March 2022 be taken as read and signed as correct records.

4. Appointment of the Chair and Vice-Chair of the Authority, Audit Committee, Chair of the Audit Committee and Independent Member

RESOLVED: That (1) Councillor Deirdre Costigan be appointed as Chair of the Authority for the 2022/23 municipal year;

(2) Councillor Julia Neden Watts be appointed as Vice-Chair of the Authority for the 2022/23 municipal year;

(3) Councillor Krupa Sheth be appointed as Chair of the Audit Committee for the 2022/2023 Municipal Year;

(4) it be noted that Robin Pritchard would continue as Independent Member of the Audit Committee for the 2022-23 Municipal Year.

5. Meetings for the Municipal Year 2022/23

RESOLVED: That the following dates of meetings of the Authority and the Audit Committee be confirmed: -

Friday 23 September 2022 at 10.00am
Friday 2 December 2022 at 10.00am
Friday 20 January 2023 at 11.00am (Audit Committee at 10.00am)
Friday 24 March 2023 at 10.00am
Friday 23 June 2023 at 10.00am (including Audit items)
Friday 22 September 2023 at 10.00am
Friday 1 December 2022 at 10.00am

6. 2021/22 EY External Audit Progress Report

Councillor Krupa Sheth, Chair of the Audit Committee, took the Chair for this item and agenda items 7 – 12.

Andrew Brittain, Ernst & Young LLP, introduced the June 2022 Audit Progress report which provided an update on progress since the Committee's meeting in January. The report included a summary of revised risk assessment, an audit timeline update and two other areas that had been actioned.

In response to a question in terms of qualifying the extra costs in relation to the risk in revenue recognition in relation to miscellaneous income and the change in value for money risk, Mr Brittain advised that the work was ongoing.

RESOLVED: That the report be noted.

7. Internal Audit Report 2021/22 - Income

Mike Pinder, Internal Auditor, outlined the content of the Internal Audit Report 2021/22 in relation to Income which identified one medium risk and three low risk findings.

A Member questioned whether the auditor was confident that locations other than the HRRC were cashless and also commented that, in terms of equalities, some older residents did not have credit cards. Members were advised residents waste was free of charge and that the demand for cash operations was largely from trades' persons whose cards had been declined.

RESOLVED: That the report be noted.

8. Internal Audit Report 2021/22 - Data

Members received the Internal Audit Report 2021/22 in relation to data.

RESOLVED: That report be noted.

9. Annual Internal Audit Opinion 21/22

Members received a report which outlined the performance of Internal Audit from July 2021, when the internal audit activity started to be delivered under an arrangement with the London Boroughs of Ealing and Hounslow, until March 2022. The report included the Head of Audit's Opinion.

Mike Pinder, Internal Auditor, reported that all audits had been completed with one risk area still in progress. Internal Audit was able report a substantial assurance.

RESOLVED: That the report be noted.

10. Internal Audit Plan 2022/23

Members received the Draft Internal Audit Plan for 2022/23 which set out the planning process, a one-year operational plan for 2022/23.

In response to a Member's question in relation to the progress on health and safety and the dates within the plan when compared with the dates in the Annual Report, Mike Pinder, Internal Auditor, undertook to report back once he had followed this up. Jay Patel, Finance Director explained that the Senior Leadership Team had already looked at the policy with only some minor changes being recommended by the Health and Safety Adviser which officers were querying.

Referring to the data audit (page 41) the Independent Member questioned the tolerance and whether the implications of any loss of income had been followed through. The Internal Auditor responded that none had been identified there had been a mechanism suggested in order to give some validation.

The Independent Member suggested that consideration be given to the risks from the impact of legislation next year.

RESOLVED: That the report be noted.

11. Draft Statement of Accounts for the year ending 31 March 2022

Jay Patel, Finance Director, introduced the report which set out the Draft Statement of Accounts for the year ending 31 March 2022.

The Finance Director outlined the content of the report and advised Members that there was an excess of reserves of £3.2 million and that the Authority's reserves were not excessive compared to other Authorities. Reserves were used to manage risk and the Authority would disburse the excess reserves back to the constituent authorities. In terms of the financial statement, this looked different to previous years due to £9m income that the Authority would receive and show in the accounts as a large surplus.

RESOLVED: That (1) the Draft Statement of Accounts for 2021/22, as attached at Appendix 1 to the report, be noted;
(2) the disbursement of reserves planned for October 2022 be noted.

12. Risk Register

Members received a report which provided the Authority's updated Risk Register.

Jay Patel, Finance Director, introduced the report and advised that there were four amber risks, not two as stated in the report. These included the new risk in relation to rail strikes which largely lay with the Authority's contractors and the risk around legislative change.

RESOLVED: That the content of the Risk Register, attached at Appendix 2 to the report, be noted.

13. Contracts and Operations Update

Councillor Deirdre Costigan, Chair of the Authority, chaired the meeting for the remaining items of business.

Tom Beagan, Head of Service Delivery, outlined the content of the report which provided an update on the Authority's waste treatment arrangements and procurements. He reported on the impact of the rail strikes on deliveries to Severnside Energy Recovery Centre (SERC) and advised that the lobbying for waste to be treated as a priority appeared to have a positive outcome. The Chair added that it been helpful for the boroughs to know the contingency plans in terms of waste transfer in advance but questioned whether there had been any impact on boroughs from having to wait for waste to be collected. The Head of Service Delivery advised that there had been minimal complaints but that he would be catching up with borough colleagues in due course.

A Member asked if the cause of the fire at Transport Avenue was known and was advised that although it was suspected to be a battery this could not be confirmed. Waste had entered the shredder and came out on fire. There needed to be ongoing awareness/ messaging of the risks of batteries in waste and there would be further discussions with operational site staff. Another Member added boroughs should communicate/message in terms of these risks, particularly with the increase in use of devices and e scooters, another potential risk.

In terms of learning points from the fire, the Head of Service Delivery advised these included the quality of the waste entering the facility as the controls on site were good and worked effectively. However, continued vigilance was required and good suppression system.

In response to a question about the unplanned outage at Lakeside Energy Recovery Centre, this had been due to a boiler and the plant had been taken down for four days.

The Head of Service Delivery confirmed that, in terms of the Green Waste Contract, compost was returned and made available but that he would report back on how this was done.

RESOLVED: That the report be noted.

14. Projects and Circular Economy Update

Members receive a report which provided an update on the Authority's projects.

Peter Tilston, Projects Director, outlined the content of the report. In terms of opportunities for Looked After Children (LAC), there was work being done in this area and also with local schools. Emma Beal, Managing Director asked Members how young people could be more involved in the work of the Authority and create a positive future. Members advised that they were corporate parents and Authorities were challenged about the offer to CLA and were keen to do more.

In response to a question about food waste, as each borough had received £500,000 for these projects, the Authority would be looking at the success of food waste rollout in the different boroughs, who were all at different stages, and an update would be reported to the next meeting.

RESOLVED: That the report be noted.

15. Draft Finance Strategy

Members received a report which provided a draft of the Authority's Finance Strategy and a request to continue the consultation with borough Directors.

Jay Patel, Finance Director, outlined the content of the report which incorporated the feedback from the Directors into the strategy before Members. The Boroughs recognised the need for the Authority to maintain a suitable level of reserves to address the risks from changes in legislation. Two thirds of the excess reserves would be returned to the boroughs to use as they saw fit and suggested Finance Directors ringfence budgets for waste projects within boroughs. It was intended to submit the final strategy and formal feedback from Finance Directors to September meeting.

In terms of ringfencing to reduce waste to mitigate costs, a Member asked whether the use of solar panels to reduce energy costs. It was confirmed that this had been discussed broadly with Directors and was being progressed by the Climate Emergency Officers Group.

A Member stated that he was not in favour of Authority mandating how boroughs used the returned reserves as what might be right in one borough was not necessarily right in another. Whilst accepting that these were exceptional times, the Authority was in the unusual position of seeing a benefit from higher energy costs. Consideration needed to be given to the level of reserves and the principle that a third would always be retained by the Authority and how this could be justified to residents. Members should be determining the level of reserves required by the Authority for strategic safety. Another Member requested clarity as to when it had been decided that the Authority would retain one third for strategic projects.

The Finance Director advised that these were the questions also being asked by Borough Finance Directors and the strategy had been updated to reflect these points. The strategy provided the opportunity for stakeholders to review both the strategy and reserve levels regularly. The principle was to manage the risk of change in legislation but that if those changes did not materialise in 2-3 years' time the reserves could be returned to the boroughs. Officers did not want boroughs to struggle with big increases or decreases in levies and reserves provided a way of mitigating and smoothing the impact. He added that there were no conditions attached to the reserves returned to boroughs. Ian O'Donnell, Treasurer advised that it was key, as an Authority, to ensure that the challenges ahead could be managed. He added that from the conversations with boroughs it was clear that there were opportunities for both the boroughs and the Authority in relation to collection and disposal of waste and downstream operations. Working together on this was important and encouraging boroughs to invest in their waste operations could see benefits down the line.

In response to a question in relation to Appendix 3 of the report and whether any consideration had been given to sharing risk registers and building joint risk statements, the Finance Director advised that the information in the report provided borough colleagues with a useful tool highlighting potential impacts and options. The Head of Service Delivery added that, following a workshop and away day in March, boroughs were working together to develop a collection and disposal plan for 2030 and that consideration would be given as to how to manage any changes in legislation and the risks moving forward. A Member welcomed the suggestion in terms of combined risk registers.

RESOLVED: That (1) the Draft Finance Strategy attached at Appendix 1 to the report, be approved for consultation with borough Directors;
(2) the aim to bring a final document to the September Authority meeting for approval be noted.

16. Finance Update 2022

Jay Patel, Finance Director, outlined the content of the report which provided an update on financial and operational matters.

Ian O'Donnell, Treasurer, advised level of income from energy could not be forecast at the moment but would be reported to Members. Officers would provide an update in terms of a forecast of level of income to a future meeting.

The Chair reminded the Authority of the policies adopted in March following away days but questioned the position in terms of boroughs formally adopting these policies. Emma Beal, Managing Director, confirmed that no process had been agreed and that it would be a good idea to ask each borough if they would be willing to formally adopt or feedback on these policies to provide information to the Authority's officers.

RESOLVED: That (1) the current financial position and forecast for 2022/23 be noted;
(2) the key performance indicators to date be noted;
(3) the delegated decisions be noted.

17. Councillor Graham Henson

The Chair requested that the Authority's thanks be conveyed to the previous Chair, Councillor Graham Henson, London Borough of Harrow, for all his work in relation to the Authority.

The meeting finished at 11.08 am.

The minute taker at this meeting was Alison Atherton.