

At a meeting of the West London Waste Authority held on Friday 20 September 2024 at 10.00 am at the The Auditorium - Harrow Council Hub, Kenmore Avenue, Harrow, HA3 8LU.

**Present:**

Councillor Krupa Sheth (Chair)Councillor Julia Neden Watts (Vice-Chair)

Councillor Paul Driscoll, Councillor Stephen Greek and Councillor Shivraj Grewal

**Apologies for Absence**

Councillor Eddie Lavery

**55. Apologies for absence**

Apologies for absence had been received from Councillor Eddie Lavery.

**RESOLVED:** In accordance with Rule 5 of the Authority's Standing Orders, Councillor Eddie Lavery's Annual Leave as a reason for absence be approved until the end of January 2025.

**56. Declarations of interest**

**RESOLVED:** To note that Councillor Stephen Greek declared a non-pecuniary interest in that he worked for the Greater London Authority.

**57. Minutes of the meetings held on 19 January 2024 and 22 March 2024**

**RESOLVED:** That the minutes of the meetings held on 19 January 2024 and 22 March 2024 be taken as read and signed as correct records.

**58. Appointment of the Chair and Vice-Chair of the Authority, the Audit Committee, and Chair and Vice-Chair of the Audit Committee**

**RESOLVED:** That

- (1) Councillor Krupa Sheth be appointed as Chair of the Authority for the 2024/25 Municipal Year;
- (2) Councillor Julia Neden Watts be appointed as Vice-Chair of the Authority for the 2024/25 Municipal Year;
- (3) Councillor Paul Driscoll be appointed as Chair of the Audit Committee for the 2024/25 Municipal Year;
- (4) Councillor Shivraj Grewal be appointed as Vice Chair of the Audit Committee for the 2024/25 Municipal Year.

**59. Meetings for the Municipal Year 2024/25**

Following a discussion, Members requested that the proposed dates of future meetings be revisited and scheduled on Tuesday mornings rather than Fridays.

**RESOLVED:** That future meetings of the Authority and Audit Committee be scheduled on Tuesday mornings.

## **60. Appointment of Independent Audit Committee Member**

Councillor Paul Driscoll, Chair of the Audit Committee, chaired the meeting for this item and agenda items 7 -11.

**RESOLVED:** That Gerald Almeroth be appointed as the Independent Member of the Audit Committee for a minimum of three years with an option to extend to a maximum of eight years.

## **61. Draft Statement of Accounts for the year ending 31 March 2024**

Members received the draft 2023/2024 Statement of Accounts.

The Director of Finance outlined the content of the report which had been due for consideration at the June 2024 meeting of the Audit Committee. This meeting had been cancelled due to the General Election. The Director drew particular attention to the fact that since the publication of the draft statement of accounts, KPMG had requested an independent desktop valuation on the Authority's properties at a cost of £12k. Members were advised that the valuations could increase the asset value within the accounts.

Members were also informed that the Electricity generator levy was still in the process of being worked through with the contractor.

A Member queried the reason for the spike in the provision of services after 2020/21 as detailed in the graph on page 19 of the report. The Director of Finance explained that this was possibly due to valuations but confirmed that this would be looked into.

**RESOLVED:** That

- (1) the Draft Statement of Accounts for 2023/24, as set out in Appendix 1 to the officer report, be noted;
- (2) the disbursement of PPP contract income totaling £8.6 million, following approval by the Authority, as set out in section 16 of the report, be noted;
- (3) the disbursement of interest earned on the PPP income totaling £0.2 million, following approval by Authority, as set out in section 17 of the officer report, be noted;
- (4) the disbursement of excess reserves totaling £5.4 million, following approval by Authority, as set out in section 34 of the officer report, be noted.

## **62. Internal Audit Reports**

Members received the Internal Audit reports for 2023/2024.

Mike Pinder, Internal Auditor, outlined the contents of the report and advised that it was the overall opinion of the Head of Internal Audit that the work carried out throughout the year was considered as reasonable.

Members were provided with a key summary of the projects completed throughout the year and received an update on the progress made against the recommendations of the Head of Internal Audit.

A Member highlighted their concern regarding the cyber risk in the limited assurance report, as there was no reference as to how the IT Supplier provided sufficient cyber security protection to the Authority. It was confirmed that although this was not flagged up in the report, officers had investigated accordingly and confirmed that the IT Supplier had the relevant certificates and procedures in place to provide sufficient cyber security assurance to the Authority.

Members' attention was drawn to the Internal Audit Charter which defined how internal audit work was carried out with the organisation through access to both people and documentation.

Members were also notified that the 2024/25 Internal Audit Plan had commenced with effect 1 April 2024.

**RESOLVED:** That the recommendations made by the Head of Internal Audit in the following reports presented within the appendices be noted:

- (1) Annual Report on Internal Audits including Head of Audit Opinion and Performance Report (HOIA Report) – Appendix 1;
- (2) Internal audit report for Cyber - Appendix 2;
- (3) Internal audit report for Excess Revenue Share Calculation – Appendix 3;
- (4) Internal Audit Charter - Appendix 4;
- (5) Internal Audit Waste Plan for 2024/25 – Appendix 5.

### **63. External Audit Plan and Strategy for year ending 31 March 2024**

Members received the External Audit plan and strategy for the year ending 31 March 2024 and noted that KPMG had been appointed as the Authority's external auditors for the 2023/ 2024 financial year.

A representative from KPMG outlined the contents of the report and advised Members that this was the first audit plan from KPMG in relation to the Authority's external audit.

Members were advised that the code of audit practice was being consulted on at the time the report was drafted and had not yet been finalised and therefore was presented in draft form only.

Members were provided with a summary of the significant risk areas to the audit. The representative from KPMG advised that since the publication of the audit plan, further clarification had been received in relation to the reporting deadlines for the audit timetable. The final timetable was still subject to final legislation. The KPMG representatives indicated that the completion of the audit was still on track and a further update would be submitted to the Committee at its January meeting.

A Member queried the work being undertaken to study electricity prices. It was confirmed that regular forecasting was undertaken and the contractor provided regular electricity statements which were cross checked against the electricity market.

**RESOLVED:** That the recommendations made by KPMG be noted.

**64. Assurance Statements for the year ending 31 March 2024**

**RESOLVED:** That the Assurance Statements detailed in Appendix 1 to the officer report be noted.

**65. West London Waste Authority Risk Register**

The Committee received a report which provided an update to the Authority's risk register.

Members were advised that the key change for the risk register was that insurance costs were increasing. It was also explained that over time waste had grown which had had an impact on levies and costs.

A Member expressed their desire for the Authority to learn any lessons from the cyber-attack on Transport for London in relation to risk 5 on the register.

A Member queried how the Authority was keeping abreast of the reductants of insurers to remain within the waste marketplace. It was confirmed that dialogue with other waste Authorities and legal advice could be sought as required and that the next insurance update was due on 1 November 2024.

**RESOLVED:** That the contents of the risk register, as set out in Appendix 1 to the report, be noted.

**66. WLWA 2023/24 Business Plan**

Councillor Krupa Sheth, Chair of the Authority, chaired the meeting for the remaining items of business.

The Committee received the Authority's 2023/2024 Business plan.

The Chief Executive outlined the contents of the report and explained that the report related to the business plan which ran until March 2024. Members were informed that, since 2021 the Authority and the Environment Directors' Board have been working towards a virtual single waste Authority in order to reduce the cost of waste across West London.

A Member expressed support for the plan and looked forward to seeing how it would develop over the years.

A Member sought clarification as to whether there was an indication that the Borough Environmental Directors had a network for best practice and whether they were in liaison with the Authority. It was confirmed that there was a waste board which met monthly, and officers also received regular strategic briefings which could assist Directors.

**RESOLVED:** That

- (1) the conclusion of the 2023-24 Business Plan be approved;
- (2) the roll-over again of some activities to the 2024-25 Business Plan be noted;
- (3) the importance of projects to increase food waste recycling and flats recycling be re-iterated to borough Councillors and Directors and to promote the WLWA circular economy and net zero resource available to support those projects.

**67. WLWA 2024/25 Business Plan**

The Committee received the 2024-2025 WLWA Business Plan to assist the Authority in achieving its objectives.

The Chief Executive outlined the content of the report and explained to Members that strategic priorities 4 and 5 were vital to achieve the targets both set nationally and across London to access the full amount of packaging Extended Producer Responsibility revenue.

**RESOLVED:** That

- (1) the updated Strategic Priorities be approved;
- (2) the Business Plan for 2024-25 be approved;
- (3) the review of the three year programme budget 2023-2026 be approved.

**68. Household Reuse and Recycling Centre (HRRC) report**

The Authority received the report which provided an update on the West London Household Reuse and Recycling Centre (HRRC) Services.

An officer provided an overview of the report and explained to Members that the proposal was for a capital investment programme in site infrastructure. Members were informed that this was to be funded through performance savings generated by a design, build and operate contract.

A Member sought clarification as to what they were being asked to do at this stage. It was confirmed that further discussion with Boroughs was required and Members were not currently being asked to formally approve the proposals. Further information on the proposals would be submitted to a future meeting.

A Member queried whether there would be any financial penalty to individual Boroughs who did not wish to participate in the project. In response, it was clarified that there would be no financial penalty as such but the individual Borough would lose the opportunity to join the project.

Members requested that a timetable be put together to set out the timeframes for the implementation of the project. It was agreed that officers liaise with Boroughs to put this together.

**RESOLVED:** That

- (1) the circa £8m capital funding request for a joint HRRCs project to be considered at budget challenge in November be noted;
- (2) the direct savings and improvements for all Boroughs participating in a joint HRRCs procurement be noted.

**69. Finance Update**

The Committee received an update on both the financial and operational matters of the Authority.

Members were informed that there were three new Key Performance Indicators (KPIs) introduced which aimed to provide further insight and context into the operational performance of the Authority.

**RESOLVED:** That

- (1) the current financial position and forecast for 2024/25 be noted;
- (2) the 2024/25 proposed KPIs be approved;
- (3) the KPIs to date be noted;
- (4) the disbursement of PPP contract income totaling £8.6 million, along with the interest earned on the PPP income totaling £0.2 million be approved;
- (5) the disbursement of excess reserves totaling £5.4 million be approved;
- (6) it be noted that internal audit had been extended by a further two years in line with the service level agreement;
- (7) the Audit Committee agreement to appoint Gerald Almeroth as the new Independent Member of the Audit Committee be noted;
- (8) the Treasury Management outturn for 2023/24 and update for 2024/25 be noted;
- (9) the delegated decisions be noted.

**70. Contracts and Operations Update**

The Committee received an update on the Authority's waste treatment arrangements and procurements.

Members received a brief overview of the report and were informed that the crane replacement project had now been completed and that there had been fewer fires this year due to the wetter weather conditions. A Member expressed their gratitude to those involved in completing the crane replacement project.

Members expressed concern at how the contractor had allowed the situation to get to a point whereby there were 45-year-old cranes and indicated that this be monitored in any future procurements.

**RESOLVED:** That

- (1) the growth in residual waste be noted;
- (2) the report be noted.

#### **71. Quarterly Procurement Update**

The Committee received a quarterly update on the West London Waste Authority's procurement pipeline up to the end of the financial year as well as joint strategic procurements.

Members were provided with an overview of the report and that this was an exciting opportunity to work collaboratively with Boroughs. Members were also informed that savings could be created by an increase in both volumes and materials.

Following a request from Members, it was agreed that Councillors be provided with all the relevant information electronically so that they could share this with their relevant Borough Directors.

**RESOLVED:** That:

- (1) the request to procure an outlet for excess residual waste, as set out in Section 3 of the officer report, be approved and the Chief Executive be authorised to appoint a contractor following consultation with the Chair and Treasurer;
- (2) the procurement update be noted.

**The meeting finished at 11.42 am.**

The minute taker at this meeting was Arun Birah.