

(VERSION B)
WESTERN RIVERSIDE WASTE AUTHORITY

NOTE: These minutes are to be read in conjunction with the agenda papers relating to the meeting on 15th July 2019.

Minutes of the meeting of the Western Riverside Waste Authority held at the Town Hall (Room 140), Wandsworth High Street, SW18 on 15th July 2019 at 7pm.

PRESENT

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| Hammersmith & Fulham Council | – Councillor W. Harcourt |
| Kensington & Chelsea Council | – Councillor J. Husband (Chairman) |
| | – Councillor M. Palmer |
| Wandsworth Council | – Councillor Mrs. S. Sutters (Deputy Chairman) |
| | – Councillor G. Senior |

Councillors Clark and Meldrum, from Lambeth Council, attended as observers, and with the Authority's agreement participated in the discussion.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Holland and Morton.

DECLARATIONS OF INTEREST

No disclosable pecuniary interests were declared.

Councillor Senior disclosed a personal interest in any relevant matter insofar as he is a member of the London Waste and Recycling Board.

ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN

On item 1, Councillor Mrs Sutters (having taken the Chair as Deputy Chairman in the absence of a Chairman) called for nominations to the post of Chairman. Councillor Senior proposed Councillor Husband, and the nomination was seconded by Councillor Palmer.

There being no other nominations, Councillor Mrs Sutters declared Councillor Husband to have been duly elected as Chairman of the Authority.

Councillor Husband then took the Chair and called for nominations to the post of Deputy Chairman. Councillor Palmer proposed Councillor Mrs Sutters and the

nomination was seconded by Councillor Senior. There being no other nominations, the Chairman declared Councillor Mrs Sutters to have been duly elected as Deputy Chairman of the Authority.

MINUTES

On item 2 it was –

RESOLVED - That Version A (the closed version) of the minutes of the Authority held on 30th January 2019 be confirmed and signed as a correct record, and that version B be confirmed as the open summary of the minutes.

OUTTURN POSITION FOR 2018/19 (PAPER NO. WRWA 875)

The Treasurer introduced the report and in response to questions confirmed that the Authority had received £3.5 million in October 2018 from Cory for the Authority's role in facilitating the refinancing. The Treasurer confirmed that the £3.5 million had no connection to the second incinerator and purely related to the Authority facilitating the refinancing of the current EfW facility. It was then

RESOLVED to:

- a) note the outturn position for 2018/19 (Table 1);
- b) approve the carryover of budget for Recycle Western Riverside and the Office Refurbishment of £30,000 and £56,000 respectively; and
- c) note the continued principle of the redemption of debt from reserves as far as practicable

REVIEW OF THE AUTHORITY'S RISK MANAGEMENT STRATEGY (PAPER NO. WRWA 876)

The Treasurer introduced the report and acknowledged the adverse risk from bad press publicity. The Treasurer agreed to update the risk register to reflect this risk for future years. It was then

RESOLVED to note the Risk Register set out in the Appendix to this report.

REVIEW OF THE AUTHORITY'S GOVERNANCE ARRANGEMENTS AND PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT FOR 2018/19 (PAPER NO. WRWA 877)

RESOLVED to approve the proposed Annual Governance Statement for 2018/19 for signature and publication with the Authority's accounts for 2018/19.

AUDITED ACCOUNTS FOR 2018/19 (PAPER NO. WRWA 878)

On item 6, (Paper No. WRWA -878) the Chairman stated that as provided for under Section 100B(4)(b) of the Local Government Act 1972, he was of the opinion that this report should be considered at the meeting as a matter of urgency, by reason of the special circumstances which were that the report needs to be presented at this meeting in order that the Authority can set up arrangements for the Agreement of the Statement of Accounts for 2018-19 by the statutory deadline of 31st July 2019. It was then

RESOLVED – That the report be received.

The Treasurer apologised for the audited accounts not being available at the meeting. The Treasurer explained that the Auditors had brought to his attention that the valuations used for balance sheet purposes as at 31st March 2018 and audited by the previous Auditors were incorrect. This has led to the March 2018 balance sheet being restated. The issues relate primarily to the accounting treatment of the £3.5 million received from Cory relating to the Authority's consent to refinancing of the EfW and to the underlying perceived financial guarantee within the WMSA. The Treasurer added that there were two new accounting standards applicable to local government for the first time in 2018/19 which had required additional clarification with the auditors.

The Treasurer stated that he anticipated that the issues would be resolved prior to 31st July 2019. As a way forward, the Treasurer, following consultation with the Chairman and the Clerk, proposed the establishment of a committee of the Authority with a single term of reference being to approve the 2018/19 statement of accounts and to receive the report of the external auditors. The committee would consist of a member from each of the constituent Councils.

As the Authority's meetings are open to the public the notion of a virtual meeting taking place was not an option.

Following discussion, it was agreed that all Members of the Authority and technical officers would receive a copy of the agenda for the Audit Committee meeting, date to be confirmed, so that all Members of the Authority have an opportunity to make representations in advance of the meeting if they wished to do so. It was then

REOLVED to:

- (a) note the delay in finalising the Audit of the 2018/19 Statement of accounts;
- (b) authorise the Establishment of a committee as set out in paragraph 3 including agreeing the terms of reference; and
- (c) agree the membership arrangements, notice period and procedural arrangements as set out in paragraph 4.

REPORT ON ARTICLES BY THE DAILY TELEGRAPH AND GREENPEACE UNEARTHED (PAPER NO. WRWA 879)

The General Manager introduced the report which described the events surrounding the publication of articles by the Daily Telegraph and Greenpeace Unearthed (Greenpeace's investigative unit).

In summary concerns were raised that the recyclate processed by the Authority was heavily contaminated, which meant that it probably could not be recycled.

The General Manager advised that officers had undertaken a review of their monitoring procedures which included:

1. Authority officers monitoring the tonnages delivered by the constituent councils and the results of each day's random sampling programme;
2. If particular constituent council vehicles consistently deliver highly contaminated loads then additional checks are made, outside of the randomised sampling regime, including whole load checks to ascertain what might be the cause of this contamination;
3. Officers (and occasionally councillors) from the constituent councils also periodically monitor the sampling procedure and visit the MRF;
4. Authority officers monitor all MRF inputs and outputs on a monthly basis, checking that the sampled level of contamination broadly matches the tonnage of MRF Rejects that go for energy recovery. If the two figures are out of balance it either means good recyclate is being lost or the quality of the recyclate is being compromised. In 2017/18 the figures were within 1% of each other;
5. Officers also monitor the tonnages and value of recyclate that are sold in line with the profit-sharing mechanism within the WMSA.
6. The Authority and Cory Riverside Energy (CRE) submit all relevant data to the Department for Environment, Food & Rural Affairs (via 'WasteDataFlow') and the Environment Agency, respectively.

The General Manager also advised that, although Cory Riverside Energy (CRE) staff welfare matters were not specifically monitored by Authority officers, officers are based on site and are continually in and around all operational areas, including the MRF. In addition, over 5,000 children and adults visit the MRF annually and officers are not aware of any concerns about staff welfare being raised previously.

Members were also advised that the Authority, CRE and ALS Managed Services (CRE's MRF staffing provider) all have their own established 'Whistle Blowing' policies and procedures. The Health and Safety Executive and the Environment Agency both inspect the site regularly and they have never raised any concerns with respect to staff welfare.

The General Manager added that the Authority successfully recycles or composts around 99% of the material delivered to it by the constituent councils and, whilst the overall household and recycling rate is around 25%, individual constituent council performance does vary from around 22% to 30%.

The Authority noted that despite the Constituent Councils having areas with high population densities and a large proportion of high-rise properties and flats, the constituent councils' performance with respect to dry recyclate (e.g. glass, cans,

paper, card, plastics, cartons) of around 22% compares favourably with other English collection authorities which averaged around 23% in 2017/18.

In response to the concerns raised in the articles, individual Members responded as follows:

- Councillor Senior stated that he was aware that staff were issued with gloves, and as such there was no reason for staff to pick up needles without any protection. The General Manager advised a procedure was in place when a needle was detected and included:
 - Alerting someone;
 - Pulling the emergency cord to stop the belt; and
 - To remove the needle with tongs.The General manager added that Cory was good at enforcing procedures, by way of education and training; and where necessary through enforcement and disciplinary procedures.
- Councillor Palmer stated that needles arise from businesses that do not have a licence for waste disposal.
- Councillor Meldrum, who attended as an observer from Lambeth Council, stated that the allegations fed to the newspaper were probably from an employee who had worked at the MRF for a very short period of time. The General Manager confirmed that 50% of staff working at the MRF had been there for over a year; and that turnover of staff was low.

Councillor Harcourt had raised concerns prior to the meeting about the allegations that had been made, in particular about the low recycling rates and the allegations around poor working conditions. Councillor Harcourt remained concerned about the 'press risk'. Councillor Harcourt added that the practice he had witnessed at the MRF did not accord with the allegations in the articles.

- The General Manager advised that he had tried to convey in his response to the press that the articles were doing more harm than good.
- Councillor Mrs Sutters acknowledged the potential reputational danger to the Authority, but added that the news had not 'travelled'. The Chairman stated that this was because officers had responded quickly and had provided a comprehensive response.

It was then

RESOLVED to:

- a) instruct its officers to assist fully with any reasonable inquiry by the constituent councils (individually or collectively) into the matters covered by this report; and
- b) otherwise to receive this report as information.

CONSULTATION RESPONSES (PAPER NO. WRWA 880)

The General Manager introduced the report and advised that the Authority had a couple of detailed exceptions around Garden Waste and Food Waste, but in the

main welcomed the proposals from DEFRA and the Treasury. In summary, the General Manager stated that the Authority supported:

- the introduction of a reformed UK 'Producer Packaging Responsibility Scheme' (PPRS) that makes producers fully responsible for the economic and environmental cost of their packaging.
- The introduction of a Deposit Return Scheme (DRS).
- A consistency around collection arrangements, but there should also be consistency around the labelling of packaging and local authority recycling and residual waste containers.

The General Manager advised that the Authority does not agree with DEFRA's proposal to introduce free Garden Waste collections. In addition, that whilst the Authority would support the need to remove food waste from landfill, it should be up to local authorities to decide what type of energy recovery or composting technology to send its food waste to and whether or not to collect it separately. The General Manager advised that lifecycle analysis have shown that, in certain circumstances, other collection and treatment options can match, or better, DEFRA's preferred option of separately collecting food waste for treatment by Anaerobic Digestion (AD).

During discussion it was suggested that the UK 'Producer Packaging Responsibility Scheme' (PPRS) should be extended to newspapers.

Although It had not been possible to co-ordinate formal responses in conjunction with other waste disposal authorities or representative bodies in the timeframe of the consultation process, the General Manager confirmed that officers had liaised extensively with their counterparts.

The General Manager reiterated that the Government's proposal was for all waste collection authorities to have separate weekly food waste collections from households. The General Manager added that the Authority's view is that the decision on whether or not to collect food waste separately should be made by local authorities on the grounds of what is technically, economically and environmentally practicable in their area.

In response to a question on whether food waste could be retained for energy recovery, the General Manager advised that the Constituent Councils do not currently have the legal power to retain waste for energy recovery. The General Manager confirmed that previous life cycle analysis studies have indicated that for the Authority's constituent councils, separately collecting food waste for anaerobic digestion will deliver little or no environmental benefit compared to sending food waste to the Belvedere Energy from Waste Facility as part of the residual waste stream.

The General Manager added that although the Government has committed to local authorities that it will meet any new net costs arising from the policies set out in the consultation documents when implemented, the possibility existed that additional costs could be incurred which would not be funded and therefore fall to the Authority.

This is a risk which would need to be covered by the Authority's reserves if sufficient at the time, or otherwise would fall to the constituent councils. It was then

RESOLVED to receive this report as information.

ANNUAL REPORT (PAPER NO. WRWA 881)

RESOLVED to:

- a) approve the proposed new wording for the relevant sections of the Annual Report, as depicted in the Appendix to this report, and instruct officers to produce an updated version; and
- b) approve the intended approach on Freedom of Information and Politically Restricted Posts set out in this report.

GENERAL MANAGER'S REPORT (PAPER NO. WRWA 882)

The Deputy General Manager introduced the report and highlighted relevant paragraphs of the report.

Councillor Meldrum suggested in relation to the Communication Plan, social media was a key tool that could be used to target the 'millennial' age group. The Deputy General Manager advised that the campaign had been designed, and additional funding invested, to ensure the desired group was targeted. The Chairman advised that the Authority would receive a presentation on the use of social media to promote recycling at a future meeting.

The Deputy General Manager agreed that she would contact Members to ask if they wished to visit the Smugglers Way MRF and would confirm a suitable date if the response was in the affirmative.

RESOLVED to:

- (a) authorise officers to commission an Authority-wide waste composition survey every 15 months at an estimated cost of £16,000 per annum;
- (b) approve the proposed procurement process for the services outlined in the report;
- (c) indicate if they agree that a visit to the Smugglers Way MRF is desired; and
- (d) otherwise receive this report as information.

POTENTIAL OPTIONS FOR FUTURE GOVERNANCE ARRANGMENTS (PAPER NO. WRWA 883)

The General Manger introduced the report and highlighted the various options open to the Authority, namely:

- Combine the role of Clerk and Treasurer, or expand the role of the General Manager
- Return the role of Clerk to a constituent council
- Move the Deputy Clerk role to a different constituent council
- Return the role of Treasurer to a constituent council
- Move the Deputy Treasurer role to a different constituent council
- Leave the existing arrangements as they are
- Share arrangements with another SJWDA;

The Chairman's view was that the current arrangements worked well. In noting that the Clerk and Treasurer were both currently employed until 31st March 2021 (subject to three months' notice of termination on either side), the Chairman felt it appropriate to review the arrangements in Autumn 2020, with a view to a possible recruitment drive commencing in advance of September 2020.

Councillor Harcourt raised concerns that the paper did not cover all the issues he would have liked. In particular, Councillor Harcourt was in favour of rotating the role of Chairman amongst the Constituent Councils. Councillor Clark, who attended as an observer from Lambeth Council, requested more detail on how/what the arrangements would work/look like if the roles of Treasurer and Clerk were either split or moved to another Constituent Council.

The Chairman was not in favour of rotating the role of Chairman, and queried how often the rotation would be.

The Treasurer advised that in moving the support services to another Constituent Council, it was important to note that not all Council financial systems operate in the same way and any new host would need to be able to accommodate the requirements of the Authority's accounting arrangements.

RESOLVED to:

- a) formally approve an updated version of the Service Level Agreement (attached as Appendix B to the report);
- b) leave the existing arrangements as they; with the previously agreed further review taking place in Autumn 2020;
- c) officers to consult in due course with the constituent councils on their willingness to supply the Authority with senior officers and/or to provide it with financial and administrative functions; and
- d) otherwise to receive this report as information.

LONDON LIVING WAGE (PAPER NO. WRWA 884)

The Treasurer introduced the report and confirmed that legal advice had been sought on exactly what powers the Authority has to implement the LLW. The legal advice received was attached as exempt information – Paper No. WRWA 884A).

Officers advised that the Authority is not covered by Section 1 of the Localism Act 2011, and therefore, it cannot rely on the powers within that Act to implement the LLW. In the absence of the statutory provision available to the constituent councils in the Localism Act, the Authority does not have a prima facie case to adopt the LLW, unless it can substantiate an economic, environmental or social value reason for incurring the additional cost which a move to the LLW would incur.

The Treasurer added, that should the Authority decide to implement the LLW, he would be under a duty to issue a Section 114 notice under the Local Government Act 1988, as the Authority would be making a decision to commit to unlawful expenditure.

RESOLVED to receive this report as information.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED -

That, under Section 100A(4) of the Local Government Act 1972, members of the public and the press be excluded from the meeting whilst items 14 (London Living Wage (Paper No. 884A)) & 15 (Various matters associated with the Waste Management Services Contract (Paper No. WRWA 885)) are being considered because exempt information, as described in paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972, is likely to be disclosed.

LONDON LIVING WAGE (PAPER NO. 884A)

Following discussion, it was then

RESOLVED to receive this report as information.

VARIOUS MATTERS ASSOCIATED WITH THE WASTE MANAGEMENT SERVICES CONTRACT (PAPER NO. WRWA 885)

Following discussion, it was then

RESOLVED to approve the recommendations in paragraph 68 of the report.

The meeting ended at 9.25 p.m.