

Present:	Councillor	Piddington (in the Chair)
	Councillors	Ames, Cummings, Fitzpatrick, Gordon, Hunt, Linden, Mistry, Murphy, Quinn, Richards, Sedgwick, Sherrington, Young and Zaman
	Officers	Clerk to the Authority, Treasurer & Deputy Clerk, Director of Contract Services, Director of Resources & Strategy, Solicitor to the Authority, Head of Governance, Procurement & Transparency, Deputy Treasurer and Senior Accountant
Apologies:	Councillors	Dean, Merrett, Mitchell and Peel
	Officers	All Officers were present

M75 Urgent Business, if any, introduced by the Chair

There was no urgent business introduced by the Chair.

M76 To receive Declarations of Interest in any contract or matter to be discussed at the meeting

There were no declarations of interest received at the meeting.

M77 To approve the minutes of the last meeting held on 5th December 2014

RESOLVED: That the minutes of the previous meeting dated 5th December 2015 are approved as a correct record.

M78 Public & Members' Question Time (limited to 15 minutes)

No questions were received from the public or Members.

M79 Exclusion of Press and Public

RESOLVED: That, in accordance with Section 100(4) of the Local Government Act 1972, the public and press are excluded from the meeting at this juncture for the following business on the grounds that it involves the disclosure of exempt information as defined in the respectively indicated paragraph(s) of Part 1 of Schedule 12A of the Act.

It would not be, on balance, in the public interest to disclose this information to the public and press for the reasons indicated within the report(s).

M80 Budget and Levy 2015/16 and Beyond - Commercial Considerations

Consideration was given to the Joint Officers' report that set out:

- a) the latest position in relation to the Recycling & Waste Management Contract (the Contract) issues, and optimisation plans (Section 5 of the report);

- b) revised proposals for dealing with Incinerator Bottom Ash (IBA) (as set out in paragraph 5.10 of the report); and
- c) relevant considerations in assessing risk, so as to be able to determine an appropriate level of Balances to hold (Section 6 of the report).

The Clerk introduced the item and explained that the budget proposals contained some very good news as, with the completion of the facility at Runcorn, the Recycling & Waste Management Contract (the Contract) had reached the end of the construction phase. The Clerk advised Members that this budget was year two of the three year agreement with Association of Greater Manchester Authorities (AGMA) approved in January 2014, and in addition to the current year's freeze of the Levy, set out proposals to deliver a minus 3% increase for 2015/16 and a further freeze in 2016/17. Furthermore, the report set out how despite additional cost pressures, the Authority could deliver on the AGMA agreement and also advised on savings, Balances and a balanced approach to risk.

Following the Clerk's introduction, the Director of Contract Services provided Members with a presentation about facility issues for budget consideration.

The Treasurer & Deputy Clerk then provided Members with a verbal summary regarding risk assessment and Balances.

Following the summaries by Officers, Members asked for further clarification in relation to the ash proposal, anaerobic digestion (AD) tanks and the In Vessel Composting (IVC) facilities.

The Head of Governance, Procurement & Transparency (GPT) reminded Members about the legislation, which advised that Local Authority Members at budget meetings were required to undertake a named vote. Although the Authority was not covered by the legislation, as agreed at last year's Budget Setting meeting, that the Authority would comply with the legislation and undertake a named vote when agreeing the resolutions contained within the report.

The Head of GPT conducted a named vote, the result is set out below.

For: Ames, Cummings, Fitzpatrick, Gordon, Hunt, Linden, Mistry, Murphy, Piddington, Quinn, Richards, Sedgwick, Sherrington, Young and Zaman.

Against: none; and

Abstained: none.

RESOLVED: That the Authority unanimously:

- a) endorses the budget assumptions and critical judgements made in respect of the Contract set out in Section 5 of the report;
- b) approves, subject to receipt of relevant consents, arrangements for IBA set out in paragraph 5.10 of the report; and
- c) confirms the need to retain Balances at the level recommended in Section 6 of the report, so as to mitigate considerable potential for on-going financial risk from commercial considerations.

M81 Authority to pass resolution to open the meeting up to the Press and Public

RESOLVED: That the meeting be opened to the press and public for the remaining items contained within the agenda.

M82 Budget and Levy 2015/16, Medium Term Financial Plan to 2017/18, and Long Term Plan to 2020/21

Members considered the Joint Officers' report, which sought agreement for a Medium Term Financial Plan (MTFP) for a three year period to 2017/18 and indicative six year long term Plan to 2020/21. It was reported that the plans would be delivered by:

- a) seeking agreement to the 2015/16 budget net requirements (Section 8 of the report); and allocation of the net Levy on constituent Districts in accordance with the Inter-Authority Agreement (IAA) methodology (paragraph 8.3 of the report);
- b) approving the use of the MTFP Reserve/Balances to:
 - i) provide for a £2.1m in-year refund to constituent Districts in the current year, 2014/15;
 - ii) deliver a minus 3% Levy increase in 2015/16;
 - iii) deliver a further 0% increase in Levy in 2016/17; and
 - iv) partially support the 2017/18 Levy.
- c) noting the potential for a 8.4% and 9.9% increase in Levy in 2017/18 and 2018/19 respectively, before returning to a normative level of 2.8%, which was around 70% of predicted annual inflation (as measured by the Retail Price Index, excluding mortgages (RPIx)); and
- d) approving the development of further budget reduction measures through optimisation (as set out in paragraph 7.2 of the report). It was noted that these measures were designed to maximise efficiencies in the post construction period and if successful would mitigate the potential spikes in Levy in 2017/18 and 2018/19 noted above at c).

The Treasurer & Deputy Clerk advised Members that the report was comprehensive and drew Members' attention to the title page of the report (page 39 of the agenda), which brought together all commercial considerations in summary to enable Members to make decisions.

Regarding the minus 3% Levy increase in 2015/16 detailed in Appendix E (page 73 of the agenda), a Member expressed that this did range between Districts and would remind them to recycle more and reap the rewards.

In relation to the IAA and Trade Waste detailed in Appendix B (1) (page 61 of the agenda) a Member enquired about the arrangements at Rochdale and Stockport. In response, it was explained that Rochdale did not collect Trade Waste and Stockport had an arm's length subsidiary company who collected Trade Waste.

A named vote was conducted by the Head of GPT. The result is set out below:

For: Ames, Cummings, Fitzpatrick, Gordon, Hunt, Linden, Mistry, Murphy, Piddington, Quinn, Richards, Sedgwick, Sherrington, Young and Zaman.

Against: none; and

Abstained: none.

RESOLVED: That the Authority unanimously:

- a) notes the proposed revised budget for 2014/15, and confirm the in-year refund of £2.116m to Districts (as approved in principle at the 5th December 2014 Authority meeting), as set out in paragraph 6.5 of the report;
- b) approve further own cost savings and the outline plan for the Contract optimisation set out in Section 7 of the report;
- c) approves the 2016/17 Trade Waste rate at £85 plus RPIx, as set out in paragraph 8.6 of the report, and that this be reviewed annually, 12 months in advance, as part of the budget and Levy setting process;
- d) agrees the recommendations at 2.1 a) and b) of the Capital Programme 2015/16 Report in Appendix C of the report and inclusion of the consequential revenue effects in the budget and Levy from 2015/16 (paragraph 8.7 of the report);
- e) approves the Procurement Plan 2015/16 and delegates the implementation of the Plan to the Treasurer & Deputy Clerk as set out in paragraph 8.8 and Appendix D of the report;
- f) agrees the base budget for 2015/16 of £176.040m (5.19% increase), and a Levy requirement of £161.103m (a minus 3% increase) (Section 8 and Appendices A to H of the report);
- g) notes the expected Levy of nil increase in 2016/17 and increase of 8.4% in 2017/18, and indicative 2018/19 increase of 9.9% (both due to the unwinding of MTFP Reserve support), before returning to an inflationary linked 2.8% increase in 2019/20 and 2020/21 (Section 9 of the report);
- h) notes the risk position set out in the Balances Strategy, and approves the adjustment to the earmarked specific MTFP Reserve of the projected 2014/15 net underspend (estimated at £9.191m) for future years support for the Levy from accumulated Balances (Sections 10 and 15, and Appendix F of the report);
- i) agrees the updated IAA schedules (1 and 3) and Levy apportionments as set out in paragraph 8.3 and Appendices B(1) and B(2) of the report; and
- j) approves the instalment dates for receipt of Levy payments from the constituent Districts set out in Appendix I of the report.

The meeting opened at 11.00 am and closed at 11.35 am.

GMWDA