

Present: Councillor	Murphy (in the Chair)
Councillors	Ali (part), Bellamy, Brock, Cummings, Driver, Emmott, Fitzpatrick, Hewitt, Holden, Lancaster, Smart, Young and Zaman.
Officers	Clerk to the Authority, Treasurer & Deputy Clerk, Solicitor, Director of Contract Services, Deputy Treasurer, Head of Corporate Services, Interim Programme Director (Commercial), Head of Organisational Development and Administration, and Senior Governance and Scrutiny Officer.

### **M93 Apologies for Absence**

Apologies for absence were received and noted from Councillors Iqbal (Bury), Jones (Bolton), Piddington (Tameside), Quinn (Bury) and Shilton-Godwin (Manchester).

Members extended a welcome to Eamonn Boylan, Chief Executive of Greater Manchester Combined Authority (GMCA), who was attending the meeting to provide an update on the GMCA transition.

### **M94 Urgent Business, if any, introduced by the Chair**

The Chair introduced the following matters of urgent business:-

#### **a) Late Items**

Members noted that Item 8, Procurement of Operating Contracts – Selection of Bidders and Item 10, GM Combined Waste and Recycling – Arrangements for Winding up of the Company, were circulated as a supplement to the agenda. The Chair confirmed that this was done so in order for officers to provide the most up to date position in relation to these activities.

#### **b) Budget and Levy – Item 14**

Members were reminded that pursuant to paragraph 18.5 of the Authority's Constitution, a named vote would be undertaken on this item and that all votes were to be recorded in the minutes.

The Chair advised Members that an updated Appendix C in relation to the Capital Programme 2018/19 to 2021/22 had been circulated and that for clarity, the updated items had been highlighted in red. Members noted that the highlighted matters took in to account information that was not available at the time when the agenda was prepared.

### **M95 Declarations of Interest in any contract or matter to be discussed at the meeting**

There were no declarations of interest made by any Member in relation to any item on the agenda.

**M96 Minutes of the Previous Meeting held on 18th January 2018**

The Minutes of the meeting of the Authority, held on 18 January 2018 were submitted for consideration as a correct record.

**RESOLVED:-**

That the minutes of the meeting of the Authority, held on 18 January 2018, be approved as a correct record.

**M97 Minutes of the Audit and Standards Committee held on 17th January 2018**

The Minutes of the meeting of the Authority's Audit and Standards Committee, held on 17 January 2018 were submitted.

**RESOLVED:-**

That the minutes of the meeting of the Authority, held on 17 January 2018, be noted.

**M98 Public and Member Question Time**

There were no questions received.

**M99 Exclusion of Press and Public**

**RESOLVED:** That, in accordance with Section 100(4) of the Local Government Act 1972 the public be 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 3 and that it would not be, on balance, in the public interest to disclose the information to the public because disclosure would be likely to breach the reasonable requirements of companies to commercial confidentiality at this stage of the procurement process.

**M100 Procurement of Operating Contracts - Selection of Bidders to progress to Competitive Dialogue Stage**

The Head of Corporate Services introduced a report which updated Members on the evaluation process of the Selection Questionnaires (SQ) received for the Authority's procurement of new waste management contracts and recommend the down selection to three tenderers for each of the three Lots. The report also outlined the processes and timings for the next stage of the procurement process.

A presentation was also provided.

[Note: Councillor Shukat Ali left the meeting at this point.]

**RESOLVED:-**

- 1) That the evaluation process, as set out in the report and the accompanying presentation be noted;
- 2) That the Authority endorses that the selection questionnaire stage has been a compliant process run in accordance with the Authority's Constitution;

- 3) That the existing delegation to the Director of Contract Services and the Head of Corporate Services, in consultation with the Chair and Vice Chairs of the Authority, to approve the suite of procurement documents, be reconfirmed;
- 4) That it be agreed that the recommended down selection of the 3 tenderers per Lot, based on the presented evaluation results, provided at the meeting, be taken through to the next procurement stage of Invitation to Participate in Dialogue and Draft Tender for Review (Collectively referred to as 'ITPD'); and
- 5) That Members place on record their thanks to officers from the Authority and partner organisations for their hard work in undertaking the evaluation process.

#### **M101 GM Combined Waste and Recycling Shareholder Update**

The Deputy Treasurer introduced a report of the Directors and Company Secretary of GMCWR (acting on both the Company its parent, HoldCo), which presented an update for its Shareholders, the Authority, on the work being undertaken to deliver the Authority's direction of achieving winding-up of the companies, and hence prevent issues that otherwise could arise at year end.

##### **RESOLVED:-**

- 1) That the progress update as set out in the report and its appendices, be noted; and
- 2) That the proposed next action, including the termination of the GM Waste PFI contract, on the date as set out in the report, be noted.

#### **M102 GM Combined Waste and Recycling - Arrangements for Winding up of the Company**

The Treasurer and Deputy Clerk introduced a report which informed Members on the process for the capitalisation of the Greater Manchester Combined Waste and Recycling Group (GMCWR) loan and debenture, so as to aid a solvent winding up process and hence deliver maximum benefits for the Authority.

##### **RESOLVED:-**

- 1) That the process of capitalisation, as set out in paragraph 5.1 be confirmed; and
- 2) That a delegation to agree the final approval of the final elements of the process and amounts to the Treasurer & Deputy Clerk, in consultation with the Chair of the Authority, be granted.

#### **M103 GMCA Transition Update**

[Note: Several officers declared an interest in this item and left the room during its consideration.]

Members received an update from Eamonn Boylan, GMCA Chief Executive, which outlined the on-going discussions regarding the GMWDA's transition in to the GM Combined Authority in terms of governance and staffing matters.

A discussion took place during which Members highlighted concerns on the lack of certainty of future Governance arrangements for the Authority/Waste Committee. In response, officers noted that Leaders were considering proposals and terms of Reference were to be developed.

A Member suggested that lessons learnt from the establishment of other GMCA Committees should be considered.

**RESOLVED:-**

That the update on GMCA transition be received and noted.

**M104 Budget and Levy 2018/19 & Medium Term Financial Plan to 2021/22 - Commercial Considerations**

Members considered a joint report of the Clerk, the Treasurer & Deputy Clerk and the Director of Contract Services which set out commercial considerations in respect of the 2018/19 and beyond budget and Levy prospects. Members noted that all of those matters contained in the report had been appropriately summarised in the complementary Budget and Levy report in the open section of the agenda (Minute M106 refers) and that all relevant information was included in a single point, to facilitate formal decision making. That also ensures that the Authority is, in so far as possible, delivering on its aim to be open and transparent.

Members considered the following matters:-

- a) the remaining budget issues to be finalised by the Private Finance Initiative (PFI) Recycling and Waste Management Contract (the Contract) termination and move to interim operating contract arrangements with Viridor Waste (Greater Manchester) Limited (known as the 'run off' contract) and move to a Residual Value Contract (RVC) at the Runcorn Thermal Power Station (TPSCo) (Section 4 to 6);
- b) other key budget assumptions (Section 7); and
- c) commercial risk assessment and Balances Strategy (Section 8).

**RESOLVED:-**

- 1) That the current position in relation to the development of the savings programme, as set out in Section 4, be noted;
- 2) That the budget assumptions for 2018/19 and the associated critical judgements in relation to the Medium Term Financial Plan (MTFP), as set out in Sections 5 to 7 to the report, be endorsed; and
- 3) That the detailed commercial risk assessment and proposed General Balances position, as set out in Section 8, be noted.

**M105 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.

**M106 Budget and Levy 2018/19 & Medium Term Financial Plan to 2021/22**

Members considered a joint report of the Clerk, the Treasurer & Deputy Clerk and the Director of Contract Services, introduced a report which sought the Authority's agreement for the Budget and Levy for 2018/19 and set out a Medium Term Financial Plan (MTFP) for a further three year period to 2021/22. Members noted that those plans were to be delivered by:

- a) a total Levy requirement for 2018/19 of £91.893m, which represents a 62.8% average decrease over 2017/18. The impact of that at District level was however mitigated to 0% average increase, by a reduction in the Greater Manchester Combined Authority (GMCA) Transport Levy reflecting a full reversal of the 2017/18 resources switch. At a district level the Levy changes, excluding the additional Levy switch, have a 14.6% range from minus 5.1% to plus 9.5%;
- b) The MTFP then proposes Levy charges (excluding further unwinding of the GMCA Transport Levy switch) of 3.0% in 2019/20, 1.7% in 2020/21, and 1.6% in 2021/22. Those are achieved via the full unwinding of the GMCA Transport Levy switch in (2019/20), full achievement of our extended savings from operational contractors and the expected impact of predicted annual inflation (as measured by the Retail Price Index, excluding mortgages (RPIx), as set out in the table below:

#### Levy Charges%

	With GMCA Transport adjustment	Excluding GMCA Transport Adjustment	Inflation compliance % (RPIx)
2018/19	-62.8	0.0	4.2
2019/20	+90.0	+3.0	2.9
2020/21	+1.7	+1.7	2.8
2021/22	+1.6	+1.6	2.9

Members noted that the Authority, whilst committed to openness and transparency, in setting its budget for 2018/19 and beyond, has to take account of several matters which relate to legal privilege and the commercial positions of other parties. As such, the detail of those matters was included in the complementary preceding report and considered in the closed section of the agenda at Minute 104, above. Members also noted that, in order to maintain as much transparency as possible, the information contained in this report highlighted all relevant and necessary considerations, at a summarised level, so as to enable approval of the budget recommendations in this report alone.

Pursuant to paragraph 18.5 of the Authority's Constitution, a named vote of Members was undertaken in relation to the recommendations before them. The outcome of the vote was recorded thus:-

For: Councillors: Bellamy, Brock, Cummings, Driver, Emmott, Fitzpatrick, Hewitt, Holden, Lancaster, Murphy, Smart, Young and Zaman.

Against: None.

Abstention: None.

#### **RESOLVED UNANIMOUSLY:-**

- 1) That the proposed revised budget for 2017/18 which, whilst containing several changes at an individual budget spend level, is expected to be broadly in line with the approved net budget, as set out in Section 6, be noted;
- 2) That approval of the outline savings programme for the Contract, and further work to finalise that programme, as set out in Section 7, be granted;
- 3) That approval the 2019/20 Trade Waste rate at £96.51 (i.e. current £92.62 plus 4.2%) to allow forward planning by Districts, as set out in paragraph 8.5 to the report, be granted;

- 4) That the Capital Programme 2018/19 to 2021/22 as set out as the updated Appendix C and inclusion of the consequential revenue effects in the budget and Levy from 2018/19, as set out in paragraph 8.6, be agreed;
- 5) That the base budget for 2018/19 of £197.347m (11.6% increase), confirm the return of the 2017/18 additional Levy requirement of £77.701m, use of £27.753m of Medium Term Financial Plan Reserve and hence a total Levy requirement of £91.893m (a 62.8% decrease), as set out in Section 8 and Appendices A to G, including the updated Capital Programme at Appendix C, be agreed;
- 6) That the expected Levy increases of 90.0% (3.0% excluding GMCA Transport Levy unwinding), 1.7% and 1.6% in 2019/20, 2020/21 and 2021/22 respectively, be noted;
- 7) That the risk position set out in the Balances Strategy and Reserves, as set out in Sections 10 and 15, and Appendix E, be noted;
- 8) That the updated Levy Allocation Methodology Agreement (LAMA) schedule 1, which is replaced by Appendix B, as set out in paragraph 8.3, be agreed; and
- 9) That approval of the instalment dates for the GMCA to receive Levy payments from the constituent Districts, as set out in Appendix H, be granted.

#### **M107 Authority and Committee Work Programme**

Members considered the Authority and Committee work programme for the remainder of the 2017/18 municipal year.

Members noted that the Audit and Standards Committee had been brought forward to 28 February 2018 to allow consideration of the Authority's Annual report, prior to its consideration at the meeting of the authority on 15 March 2018.

#### **RESOLVED:-**

That the Authority approve the work programme for the 2017/18 Municipal Year attached to the report as Appendix A.

The meeting opened at 13.00 and closed at 14:42

GMWDA