

**GREENER EALING LIMITED (“GEL”)  
MINUTES OF THE BOARD OF DIRECTORS MEETING HELD AT 1500 HOURS ON 3 FEBRUARY  
2020 AT PERCEVAL HOUSE, EALING, LONDON**

<b>Present:</b>	Mike Boulton	Chair and Director	<b>MB</b>
	Alison Reynolds	Director	<b>AR</b>
	Kieran Read	Director	<b>KR</b>
<b>In attendance:</b>	Kevin O’Leary	Interim Managing Director, GEL	<b>KOL</b>
	John Arnold	Programme Manager, GEL	<b>JA</b>
	Chris Neale	Finance, LBE	<b>CN</b>
	Helen Harris	Director of Legal and Democratic Services, LBE (and standing in as the Shareholder Representative)	<b>HH</b>
	Sharon Brown	Human Resources, LBE	<b>SB</b>
	Daniella Toma	Business apprentice, LBE (observing)	
	Jo Steel	Bridgehouse Company Secretaries, (Minutes)	<b>JS</b>

**1. Apologies for Absence**

- 1.1 Apologies were received from Gary Alderson. Helen Harris would be standing in as the shareholder representative.

**2. Declarations of Interest**

- 2.1 Mike Boulton declared the following conflict of interest in regards to item 3 and therefore would not vote on the matter:
- Appointment of Chair

There were no other conflicts of interest in regards to items on the agenda.

**3. Board Appointments**

- 1.1 The Board noted that the following director appointments had been made by the shareholder (the Council) to the Board:
- Alison Reynolds (03.01.2020)
  - Kieran Reid (10.01.2020)
  - Mike Boulton (27.01.2020)

1.2 The Board appointed Mike Boulton to the role of Chairman of the Board.

#### 4. Appointment of Company Secretary

4.1 The Board noted that Bridgehouse Company Secretaries (“Bridgehouse”) had been engaged as governance advisors for an initial period of one year to 8th January 2021, and would review the initial report later in the meeting.

4.2 As part of these services, the Board **appointed** Waterstone Company Secretaries Ltd (a subsidiary of Bridgehouse) as named Company Secretary to the Company.

4.3 It was agreed that a review of the contract should take place 3 months prior to the end of the contract. JS/KOL

#### 5. Change of Accounting Reference Date

5.1 It was agreed that this item would be postponed to the next meeting, to allow for written confirmation from the Council.

#### 6. Board Meeting Dates

6.1 The Board **confirmed** the following meeting dates for 2020:

- Thursday 23rd April 3.00-4:30pm
- Tuesday 16th June 2.00-3:30pm
- Tuesday 14th July 2.00-3:30pm
- Tuesday 11th August 2.00-3:30pm
- Thursday 8th October 2:00-3:30pm
- Thursday 5th November 2.00-3:30pm
- Thursday 3rd December 2.00-3:30pm

Alternative dates would be found for the May and September meetings and DT would send calendar appointments for all meetings to attendees. DT

#### 7. Governance Report and Plan

7.1. The Board reviewed and noted the Governance Plan produced by Bridgehouse.

- *Business Plan* - It was agreed that a suitable half day session would be arranged during April for the Board to discuss and develop the Business Plan prior to presentation of the plan to the June Cabinet meeting. DT/JS
- *FOI* – JS confirmed that as a company wholly owned by the ‘wider public sector’ GEL was subject to Freedom of Information legislation.

Appropriate policy and procedures would be brought to the Board for approval in due course.

- *Director training* – HH confirmed that a training provider had been selected and her team was trying to find a suitable date, which was proving difficult as the training would be held jointly with the directors of Broadway Living. The earliest date at present was 25<sup>th</sup> March but HH would continue to try to find an earlier date. The training would cover matters such as legal duties of the directors, conflicts of interests etc. MB commented that the training should focus on matters which specifically related to being a director of a wholly owned subsidiary as well as appropriate scenario based items and financial responsibility. HH agreed to circulate the proposed syllabus for comment. **HH**
- *Induction* – KR asked what in addition to the training, could be delivered to help further with director induction. KOL commented that suitable operational elements could be included in the induction such as depot visits as well as the directors reviewing the draft service specification. **KOL**

The rest of the report and plan was noted.

## **8. Directors Code of Conduct**

- 8.1 The Board reviewed and **approved** the Draft Directors' Code of Conduct.

The Board members agreed to sign and return a copy of the Code.

**MB/KR  
/AR**

## **9. Conflict of Interests Policy**

- 9.1 The Board reviewed and approved the draft Conflict of Interest Policy subject to the following amendment:

- In clause 5, the words "Article 10" replaced with "Article 7".
- The Board **approved** the Conflict of Interests Policy.

The Board members agreed to complete and return the declaration of interest form. JS would compile a register of interests based on the completed declarations and present to the Board for authorisation.

**MB/AR  
/KR  
JS**

## **10. MD Mobilisation Update and Report**

- 10.1 KOL provided an update on the mobilisation. He advised that tasks which were being delivered by Council colleagues were slowly being moved over to GEL to deliver.

## 10.2 Vehicle Fleet

- Procurement of a brand new fleet, plant and equipment to the value had commenced.
- The biggest risk at present was the delivery schedule for the new vehicles and GEL was working closely with its supplier to ensure timely delivery.
- The supplier confirmed that the first delivery of seven vehicles would be received in April, with an additional six to be received prior to the go live date of 6 July. A further 15 would be staggered throughout July, which had been brought forward from an initial date of August.
- Despite the new confirmed delivery schedule, there was still a risk that dates would not be met and so GEL would be taking steps to either retain some of the current provider (“Amey”) fleet or enter into rental agreements for vehicles to ensure no disruption to service delivery. Monthly delivery updates would be received from the supplier and contractual terms under the framework agreement were in place to ensure that any additional costs (e.g. hire charges) would be covered by the supplier. It was confirmed that any hire of vehicles would be carried out by GEL with the supplier merely covering the costs.
- HH asked whether delivery of vehicles/plant could be impacted by health concerns in China but JA confirmed that manufacture was taking place in Germany and so this was not a concern.
- GEL would be speaking with Amey imminently about what vehicles could be novated (and the cost and condition of such) should the new fleet not be delivered in time.
- MB raised a concern about a conflict between the Council’s interest, which was in ongoing, difficult negotiations with Amey regarding the remainder of the current service contract, and GEL’s interests. It was a concern that the negotiations could have an impact on GEL, but GEL was not party to those discussions. KOL confirmed that he was in regular constant with Gary Alderson who was leading on the Council’s conversations with Amey and as the shareholder representative of GEL was aware of GEL’s interests.
- JA and KOL assured the Board that they were frequently monitoring what number of vehicles would be required at what point so that a decision on whether hire or novate vehicles would be required could be made in a timely manner.
- The Board discussed the plan to sublet new vehicles received prior to the go live date to Amey for the remainder of their service contract. MB expressed concern that these new vehicles could be poorly maintained or retained and it was imperative to ensure sufficient contractual and insurance arrangements were in place.
- KOL confirmed that Amey would be required to insure GEL vehicles during that period and that the legal requirements were being arranged. He further advised that it was common practice for new

lease vehicles to be provided to the outgoing service provider first to ensure smooth transition and so the lease company were relaxed about the plans.

- It was agreed that KOL would provide a pros/cons paper covering the different aspects and concerns relating to the lease vehicles. **KOL**

## 10.2 **Vehicle maintenance provider**

- Two firms were actively looking to submit a tender bid with the return date being 17 February. KOL would provide an update at the next meeting.

## 10.3 **HR and Comms**

- Purchasing personal protection equipment and uniforms for circa 330 staff was underway as was setting up an appropriate agency contract;
- A number of systems were in the process of being set up including business, finance, software systems etc. to assist with delivery.
- The team was aware of the risk of not being able to get staff into the business in sufficient time to allow for user acceptance and training. This all formed part of the ongoing negotiations between Amey and the Council, and KOL awaited further developments.
- KOL was keen to develop a comms plan, particularly in relation to the workforce, focusing on culture and Ealing's values to ensure a smooth transition and positive start to the contract.
- There would be a number of positives for those who TUPE across including the payment of London Living wage from the outset; better training and development, better careers opportunities etc.
- KR commented that the comms piece was extremely important and that there was potential for a challenging start point. It was acknowledged that due to transition risks staff morale could get worse before it got better and the team should ensure appropriate scenario planning was in place which should include working on expectations.
- It was noted that clarity on who would be transferring and access for testing and building relationships would be key to a successful transition and the Board asked whether GELs requirements were clearly being communicated to the Council's negotiating team. KOL advised that Gary Alderson was aware of the issues but that any additional help that could be provided by GEL's directors in communication with Council colleagues would be welcomed.
- SB advised that it was apparent through initial discussions with Amey staff, that they were keen to know the plans for the transition and had been helpful.
- SB highlighted the legal requirement for data to be provided at least 28 days before transfer but that it was hoped it would be given earlier. However, there was a plan in place to ensure that should it

not be received earlier, or should the data be bare-minimum, there was sufficient resources to process the incoming data. The Board should be aware that there could be additional costs in this scenario, for example, resources required to carry out one to ones with every transferring member of staff to ascertain the required data. There could also be complications regarding pension data given that many staff have been employed by numerous companies.

#### 10.4 **Service Contract and Specification**

- The draft service contract and specification had been received from the Council and needed to be reviewed and priced by GEL.
- Clauses on defaults and penalties needed to be assessed commercially. It was acknowledged that the Council wanted to have a close relationship with GEL to ensure excellent delivery, but the Company still needed to consider the company ramifications of any such default penalties.

#### 10.5 **Health & Safety**

- A consultant had been engaged to review current H&S arrangements and prepare an appropriate framework;
- The initial exploration of Amey H&S arrangements looked good and the consultant would look to see what elements could be adopted by GEL;
- GEL needed to ensure a robust H&S framework was in place given the operational related risks. The H&S Framework would be brought to the Board for approval in due course.

#### 10.6 **Other Operational matters**

- The Board discussed the issue of company vehicles being taken home by staff members.
- KOL advised that he had written to Council colleagues who have had similar issues in relation to taking home vehicles. The matter was complicated with issues around insurance, fuel, personal tax, potential abuse of vehicles etc.
- There was also the issue around the Council having limited depot space and there not actually being space for all such vehicles to be kept on Council property overnight.
- AR and HH were confident that there was not a common Council policy on the issue, but a new fleet manager was now in place and looking to streamline and formalise the diverse practices affecting the fleet.
- GEL would also be completely dependent on the Greenford depot where there were some ongoing issues. KOL confirmed that he had initially asked the Council to ensure space for 145 vehicles. This had since been reduced to 100 at Greenford with 45/50 being held off

site. It was acknowledged that these issues would need to be sufficiently covered in the service level agreement.

- AR raised the common excuse offered by Amey for fleet being out of service, of rats chewing through the vehicle cables and asked whether this was being addressed. JA confirmed that it was being mitigated by a better design of the fleet itself in conjunction with ongoing pest control at the depot.

## 10.7 **Top five risks**

The Board noted the top 5 current risks and mitigating actions being taken:

- Amey only providing TUPE data 28 days before transfer
- Vehicles/Plant/Equipment not being available on go live date
- Amey relationship breakdown resulting in mobilisation issues and poor service inherited
- Fleet being delivered all at once resulting in logistical problems
- Insufficient storage for fleet

## 11. **Finance Update**

### 11.1 CN provided the following update:

- Everything had been forecasted to the end of the Council financial year (31 March) and was broadly in line with the budget approved by Cabinet in Oct 2019;
- An additional £100k would be required in 2021 due to the unforeseen increase in London Living wage;
- The initial funding agreed by the Council was approx. £2m to the start of trading (£900k start up costs; £1m capital expenditure);
- Up to end March £376k revenue expenditure would likely be spent, in line with budget. Capital cost of £586k (for IT), probably wouldn't be spent by end March but was forecasted.
- Accounting Reference Date – it was likely that the first period would be brought forward from 30 August to 30 June so that the first accounting period covered the non-trading period, with a subsequent change to 31 March to bring the trading period in line with the Council. Auditors to confirm.
- Lease financing etc should be in place by June.
- It was likely that a letter of comfort would be required from the shareholder for auditing purposes which was common practice with wholly owned subsidiaries (such as Broadway Living).
- State aid issues were being worked through and being taken into account for the Council's upcoming budget.
- KR asked now that the specification for services had been received, was it clear that the income the Council was willing to provide would cover GEL's operating costs, and in the event of a poor month would

the impact of penalties put GEL into the red.

- KOL advised that he was reasonably confident as a lot of work had been done for the Cabinet meeting in October to ensure that GEL would be a viable business model. Obviously, there were operational risks such as sickness levels and reliance on agency staff which would need to be managed on an ongoing basis to ensure that profitability wasn't impacted.
- The detailed financial work had commenced to ensure that there was sufficient slack in the income to cover such unexpected items like the increase in London Living wage.
- CN confirmed that there was inflation linked uplift to cover increased wages in some of the years, but not for 2021/22 which would need to be amended.
- The contract would allow for annual discussions on specification and costs in line with Council budgeting to ensure ongoing viability.
- The key was to ensure that the contract was initially priced correctly and contained appropriate mechanism for adjustments.
- It was noted that KOL and Gary Alderson were working together on the legal arrangements which would then be drawn up by the Council's legal team. It was hoped that outside legal representation wouldn't be required but GEL would reserve the right to seek independent advice if necessary. HH agreed to speak with her colleague Chur Nijjar to ensure there was sufficient protections in place for GEL.
- The Board asked whether it would be appropriate to draw up a Memorandum of Understanding on how the parties intended to deal with disputes, highlighting the top ten issues that might arise and outlining how the parties would address them. This would include potential union and political issues. It was agreed that an appropriate Memorandum should be drafted. KOL to consider indicative issues that may arise and work with HH to put into Memorandum form.
- MB queried why the vehicle leasing was for five years instead of eight and whether this was locked in or could be amended. Five years was uncommon and could result in severe budget pressures. Would GEL have the ability to extend the vehicle life if necessary, as it could have a real impact on profitability. CN agreed to look into the decision and report back. It was agreed that if it was affordable, five years was advantageous but there needed to be flexibility to extend.

HH/  
KOL

CN

## 12. Board Forward Plan

- 12.1 The Forward Plan was noted and would be updated with items discussed in the meeting. KOL advised that some items may be moved from the March agenda to April, as the agenda was very heavy.

KOL/JS

## 13. Any Other Business

13.1

- CN asked directors to sign to change the bank account mandate.
- KR expressed concern that there were only four board meeting scheduled before the go live date and what mechanisms were in place to ensure that required decisions were made in a timely manner. It was confirmed that KOL would keep directors updated between meetings as required. JS also explained the availability of approval via circular resolution (email) if required.
- With such tight timescales and the risks involved, the Board noted that it was likely that additional resource would be needed to ensure mobilisation was completed by the 6 July go live date and asked KOL to ask for resources as soon as possible if it was felt additional resource would be required.

13.2

There being no other business the meeting closed at 4.30pm

**Signed**

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*Mike Boulton*  
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Mike Boulton

**Date** 14-May-2020 | 09:46 BST

**Chair of the Board**