

**GREENER EALING LIMITED (“GEL”)
MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD AT 15:00 HOURS ON 23 APRIL 2020 BY SKYPE CONFERENCE**

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| Present: | Mike Boulton | Chair and Director | MB |
| | Alison Reynolds | Director | AR |
| | Kieran Read | Director | KR |
| In attendance: | Kevin O’Leary | Interim Managing Director, GEL | KOL |
| | John Arnold | Programme Manager, GEL | JA |
| | Bill Gilmour | Human Resources Manager, GEL | BG |
| | Katarina Pohancenikova | Head of Finance, GEL | KP |
| | Chris Neale | Finance, LBE | CN |
| | Helen Harris | Director of Legal and Democratic Services, LBE | HH |
| | Gary Alderson | Shareholder Representative, LBE | GA |
| | Dipti Patel | Director of Place Delivery, LBE | DP |
| | Lizzie Purewal | Bridgehouse Company Secretaries, (Minutes) | BCS |

1. Apologies for Absence

- 1.1** No apologies had been received. The Board welcomed Katarina Pohancenikova, Head of Finance (GEL) and Dipti Patel, Director of Place Delivery (LBE) to the meeting.

MB highlighted the Best Practice Guidance for Virtual Meetings circulated before the meeting and noted the following points:

- questions would be invited at the end of each agenda item, rather than during the presentation.
- a three second silence, in response to a proposal would be taken as acceptance, otherwise participants should speak up if they disagree.
- presenters to indicate which slide or page number, of the meeting pack they were referring to as they move through their presentation.

2. Declarations of Interest

- 2.1** There were no conflicts of interest in regard to items on the agenda.

3. Minutes of the last meeting – 10 March 2020

- 3.1** The minutes of the last meeting, 10 March 2020, were approved as a correct record of the meeting, to be signed by the Chair.

4. Matters arising from the previous Board meeting

- 4.1** The Board discussed and noted the summary update of matters arising from previous Board meeting, included in the meeting pack.

MB sought clarification on 13.1 – Finance Update – To document a reasoned decision in relation to the specialist advice requested from external advisors to confirm the approach to be taken regarding State Aid. KOL commented that an updated was awaited from TLT lawyers for clarification on the state aid rules requiring state loans to be at market rates or charging penalties need not apply to the company if it keeps all private sector trading in a separate trading subsidiary. CN confirmed that the action was in progress.

5. Register of Director Interests

- 5.1** LP presented the Register of Director Interests, as included in the meeting pack.

The Board noted the register of Directors' Interests and the Directors were reminded that they had a duty to advise the company immediately if there were any changes to their interests.

6. Governance Policies

6.1 Whistleblowing Policy

LP presented the Whistleblowing Policy, as included in the meeting pack and the following points were discussed, with reference to the below sections of the paper:

- Opening summary, page 1 of 5, states: 'we encourage employees to bring any wrongdoing (or suspected wrongdoing) to a Director's attention.' MB commented this was an unusual high-level escalation and suggested where appropriate initial escalation should be with a line manager in the first instance.
- Our Standard, bullet 6, page 2 of 5, states: 'They will be considered thoroughly by the most relevant person. This may be an internal Director, or an external person nominated by Greener Ealing.' MB queried whether escalation beyond a Director to an external person was appropriate and suggested that alternatively the escalation process be amended to include where appropriate initial escalation should be with a line manager.

The Board **approved** the Whistleblowing Policy in principle and authorised KOL, MB and Bridgehouse to amend the Policy in line with the comments received above.

[BCS/KOL/MB]

6.2 **Anti-Bribery Policy including Gifts & Hospitality**

LP presented the Anti-Bribery Policy including Gifts & Hospitality, as included in the meeting pack and the following points were discussed, with reference to the below section of the paper:

- Gifts, page 2 of 6, states: 'There are some limited exceptions to this where gifts maybe accepted at the Directors' discretion, providing they do not exceed £20 in value. AR commented that approval from a Director seemed an unusually high-level escalation for a gift in the region of £20.
- KOL commented that the policy would need to be reviewed and amended to include escalation in line with the GEL management structure, initially with line-managers and the Managing Director and being monitored by the Directors.

The Board **approved** the Anti-Bribery Policy including Gifts & Hospitality in principle, and authorised KOL, MB and Bridgehouse to amend the Policy in line with the comments received above.

[BCS/KOL/MB]

7. **Risk Management Policy**

7.1. LP presented the Risk Management Policy, as included in the meeting pack and the following points were highlighted:

- Kevin O'Leary and John Arnold had reviewed the draft and agreed that a 5x5 matrix would be suitable for managing risk at GEL.
- Staff being Tupe'd from Amey would be familiar with using a 5x5 risk matrix which should help ensure a smooth embedding of the policy.
- It was common for the Board of Directors to only review risks rated Major/Severe, depending on the size of the company and whether a significant senior leadership team or committee was in to review the full risk register. In this situation, the full risk register would come once per year with changes and the major/severe risks reported to each meeting. However, given the infancy of the company it might be prudent for the Board to review the full risk register at each meeting, at least for the initial 12 months
- GA sought clarification on how closely the policy's risk matrix aligned to the Council's risk matrix. GA commented that in terms of taking a view on the scale of the risk in comparison to the multitude of other risks that the Council holds there would be benefits in having the same sort of thresholds and a similar approach, to bring clarity over the relative level of risk compared to the rest of the Council. KR commented that policy's risk matrix was similar but not identical to the Council's risk matrix. The principle was the same in terms of the 5x5 scoring, however there probably was some variation in terms of the point at which the score would be triggered under each threshold, noting that in Finance the Council identified absolute

numbers as opposed to the percentages included in the GEL Risk Management Policy. KR recognised, that in the transitional period, these differences might lead to some duplication of work from transposing from one framework to another.

- MB highlighted that the 'Impact descriptors' (detailed on page 8 of 13) listed the impact points as percentages of the relevant budgets and commented that an absolute number, in line with the Council's policy would be preferable, however, as GEL was much smaller than the Council their figures would not be appropriate. KOL undertook to provide a proposal on appropriate absolute figures for the following levels of impact: insignificant / minor / moderate / major / fundamental against the individual budgets within GEL. [KOL]

7.2 Following further consideration, the Board **approved** the following:

- The Risk Management Policy, in principle, subject to amending the 'Impact descriptors' with appropriate absolute figures.
- To review the full risk register at each meeting, for the initial 12 months, to enable the formation of a shared view of what is major and severe in the context of the organisation

8. Applicability of Modern Slavery Requirements

8.1 LP presented the Applicability of Modern Slavery Requirements paper, included in the meeting pack and the following points were discussed:

- Organisations were responsible for determining whether the legislation applied to them. Whilst GEL satisfied the first three points, GEL was not initially due to reach the turnover requirements to publish a statement in its own right.
- Although GEL would not need to publish a statement in its own right, the Council would need to make a statement if the combined annual turnover of its subsidiaries exceeded £36m.
- With Broadway Living and Greener Ealing's turnover about to increase significantly in the next year, it may result in the Council needing to produce a statement for its group for the year 2020/21, which in turn would require certain checks and procedures to be put in place within all the subsidiaries during the year 2020/21, which commenced on 1 April 2020.
- The Council's legal team had been asked to provide a view on the matter and to advise if they required Greener Ealing/Broadway Living to adopt any due diligence processes/actions to enable to Council to meet its potential requirements as a parent. Due to required focus on the Council's Covid-19 response the Council's legal team had not provided a view at this time, the matter had been scheduled to be raised again in July.

The Board noted the applicability of the Modern Slavery Act to GEL and noted the implications as a Council subsidiary.

9. Greener Ealing Ltd – Mobilisation Plan Board Update

9.1 KOL presented the Mobilisation Plan Board Update and the following points were discussed:

- The report provided an update to the Board on the impact of the nationwide restrictions following the Covid 19 emergency. This has had a major impact on the work programme. Extended vehicle delivery delays would now definitely be experienced as well as delays from other suppliers. The ability to engage directly with the workforce would also be a problem as restrictions on travelling, gathering in groups and self-isolation remained in place.
- Overall progress towards mobilisation of the new company with effect from the 6th July 2020 was on track, however some challenges, such as engagement with staff, vehicle deliveries and the HGV Operator licence still remained and would be discussed below.
- The efforts of all involved in the response to the Covid 19 emergency situation was acknowledged, including the GEL project team, Council Officers having to deal with frontline service priorities and Amey and their staff for continuing to deliver vital frontline services for Ealing residents.
- There were now weekly three-way meetings between Ealing Council Officers, Amey senior and local management and Greener Ealing. This group was overseeing the transition from now until July. A weekly meeting was also taking place at a local level with Amey managers.
- Meetings with Amey in relation to HR were progressing well. As a result of BG's engagement with his counterpart in Amey, early access to Amey's staffing information to help with the transfer was expected to be received by 27 April 2020.
- Staff engagement – Discussions were taking place with Amey regarding engagement with staff, this was complicated due to the social distancing guidelines currently in place. Other ways for effective engagement with the workforce were being considered. It was likely that the emphasis would be on written communications and possibly via Skype or Microsoft teams for smaller team meetings, 121s etc but there would be a limit to the practicality of this.
- Vehicle Maintenance contract - A key officer decision was taken on the 21st April to award the Vehicle Maintenance contract to Go Plant. A letter of intent has now been sent to Go Plant enabling them to start planning for mobilisation.
- Personal Protective Equipment (PPE) - The PPE Tender has been awarded to Chelmsford Safety Supplies. The changing needs in the waste industry was recognised, particularly around the cleansing of vehicles, the need for gloves, masks, sanitisers and the wider need for effective measures in current environment. Discussions would take place with Amey in the run up

to handover to understand the arrangements in place and every effort would be made to ensure that staff were fully protected.

- Agency Staff – Pertemps were currently working under a letter of intent and were actively working on reviewing GEL needs.
- Discussions were underway in relation to the service agreement, with meetings scheduled to review GEL feedback.
- Health and Safety – Plan B, a management support company with extensive experience in the waste management industry, has been engaged to help GEL conduct a comprehensive review of Health and Safety. Liz Ferrier (the Council’s Health and Safety advisor) has been apprised of progress to date.
- Information and Communications Technology (ICT) - No major delays were anticipated as a result of Covid 19. There had been price increases for some equipment, but this has been at the margins and was not significant.
- Vehicle Deliveries - The position on vehicle deliveries has worsened considerably as a result of the impact of the Covid 19 emergency across Europe. Suppliers have given notification of delays with vehicle builds due to factory closures. 52 vehicles out of the 125 ordered were likely to be delayed. It was planned that these vehicles would be replaced by novation leasing of existing Amey vehicles and / or short-term hire. KOL commented that the Board would be kept up to date on this matter. [KOL]
- HGV Operator licence – The Council had deposited a loan into the GEL bank account in order to provide the required evidence to the Office of the Traffic Commissioner HGV Operator licence of £0.375m funding for a month from 2nd April 2020 for the OTC HGV operator licence application of 11th March 2020. To demonstrate to the traffic commissioner that sufficient money was available to maintain the vehicles. A statement had been provided, however due to a lack of transactions it had not been possible to provide another bank statement and online access would not be available by 30 April. If evidence was not provided by 30 April 2020 there was a danger that the clock could rewind and go back a stage, which would place considerable pressure on GEL. CN confirmed evidence had been provided earlier in the week, which was thought to be sufficient. JA had forwarded the information on to a contact at the Transport Commission Office and a conference call was due to be scheduled to confirm if an extension would be possible to allow for the bank statements to be submitted or if any allowances were being made due to the Covid-19 situation, a response was awaited. CN undertook to keep the Board updated on the matter. [CN]
- Mobilisation discussions with Amey were going very well, it was recognised that some important choreography needed to happen in the final week and the required good will appeared to be in place to help make that happen.

9.2 KOL asked the Board if there were any questions in relation to the Mobilisation Plan Board Update. The following points were discussed:

- KR questioned whether the ‘Low risk rating’ for Vehicle Delivery, following mitigation, was correct as the per the latest assessment and sought clarification on whether the novation leasing of existing Amey vehicles and or short term hire appropriately managed that risk. KOL confirmed that the

- risk rating following mitigation remained low, although this could increase in a volatile market with such a large number of vehicles. Once a large proportion of the ex-Amey vehicles was in place the risk would be considerably minimised. If the fleet was 1 vehicle short 1000's or residents could be impacted. The impact would be high in terms of the customer perception and it was key to have the right vehicles in the right place at the right time.
- KR sought clarification on the challenge of remote working and social distancing in relation to the communication workstream and HR mobilisation effort. KR queried how much the risk related to the quality and level of engagement aspired to for the working style of GEL and to what degree there was a practical risk with regards to training the large scale workforce on the new vehicles or operational differences. KOL commented that messaging to staff had been impacted in relation to communications regarding GEL as a good employer and setting GEL slightly apart from Amey in that respect. In terms of the practicalities, the workforce being inherited was experienced and although there would be training and health and safety requirements, 99% of the job remained the same.
 - KR highlighted that the pattern of demand that GEL might inherit at the time of go live, could be impacted by the Covid-19 situation, given people would have been at home for an extended period of time or there could be rapid change when the lockdown ended. KR questioned whether consideration had been given to how the situation might affect the service delivery model and how that risk could be managed, depending on what happened. KOL confirmed there was a risk that some backlog or service requirements could be inherited. GA confirmed that a full daily breakdown of all the staffing deployment was being provided by Amey, due to the current Covid-19 situation. Amey had completed a cross training programme with the staff and GEL would benefit from this multiskilled workforce, minimising the risk on the handover. Amey had confirmed that in the last 2 weeks a modest increase had been seen in residual waste, recycling and food waste. A good understanding of trends and challenges and deployment had been provided. A major concern was a backlog of demand that could overwhelm those services once household waste recycling centres at Greenford and Acton were reopened. DP had been working in consultation with West London colleagues to map a workstream of the risks and challenges and how the facilities could be collectively and appropriately reopened.
 - GA confirmed the cabinet and key politicians were being kept fully sighted on aspects of the service that could not be delivered on day one of the contract, which they were accepting of in the current Covid-19 situation. The vehicle issue and the livery issue had been raised and were not considered to be critical issues. The go live date remained on track.
 - KOL confirmed the outcome of the Hitachi update would be circulated and appropriate action would be undertaken. [KOL]
 - AR sought clarification on the budget impact associated with the Vehicle Delivery mitigation. KOL commented that the budget impact had not yet [JA]

been determined, however, there would be some offset from not paying the lease of the GEL budget vehicles. JA would provide a revised budget.

- MB commented that the delay to the vehicles would also result in an overhang at the end of the contract and a financial assessment of this would need to be undertaken. [KOL/JA]
- MB commented that a contact at Go Plant had considerable experience in dealing with issues relating to HGV Operator licences and might be able to advise on how to progress the matter. KOL would follow up with Go Plant regarding this. [KOL]

The Board noted the Mobilisation Plan Board Update.

10. Draft Business Plan 2020/21

10.1 KOL presented the Draft Business Plan 2020/21, included in the meeting pack and the following points were discussed:

- The Draft Business Plan 2020/21 was a work in progress and would continue to be refined over the next month, following further consultation with the Board and other Ealing stakeholders. The plan would come back to the next Board meeting on 28th May for agreement and then to Ealing Council's Cabinet on 16th June 2020 for final sign off from the Council.
- KOL highlighted GEL's Vision and Values. GEL was looking to be slightly distanced and use slightly different language to the Council. The 4 C's (Customer focused, Collaborative, Caring and Committed) were GEL's suggested Values. The Values could be discussed in further at an additional more detailed GEL briefing session (due to be scheduled in early May).
- The Business Plan sets out the structure, operations and key policies, as well as the financial plan and the key actions planned for the rest of the year.
- Plan B had provided work undertaken on GEL finances, a first iteration had been reviewed and following GEL feedback a second iteration was due to be received.
- The recently announced Amey staff pay review was expected to impact the Council's budget. It was possible that GEL would also need to look at efficiencies and whether it could contribute as a result of this.
- The Board would need to consider finances and key actions as well as the structure and the look and feel of the business plan. Once the final TUPE information had been received from Amey this would allow for the staffing costs to be finalised.

10.2 KOL asked the Board if there were any questions in relation to the Draft Business Plan 2020/21 and proposed an additional detailed session be scheduled in early May to explore the below in more detail:

- key actions
- consider priority and phasing
- the overall structure of the document.

The Board confirmed their support for the overall structure and direction of travel of the plan and were supportive of the proposed more detailed session in early May.

[KR]

KR would reflect on the GEL Values and provide feedback to KOL.

[KOL/KR]

KR confirmed he was keen to discuss the following points at the detailed session:

- the financial projections
- the latest information on any emerging pressures or changes from the council's side
- the review of some of the service standards
- the phasing of other important workstreams, such as: carbon reduction, business plan and business development workstream.

11. Finance Update – April 2020

11.1 KP presented the Finance Update, as included in the meeting pack and the following points were discussed:

- Spend – The expenditure and capital forecast to 30th June 2020 and 31st March 2021 remained within those of the Cabinet report as previously noted at the March Board.
- Lease Finance – LINK received the go ahead on Wednesday 8th April to start their £10.827m current total lease finance tender program, with £2.865m of leases first being offered for April, with a Friday 24th April deadline for lease finance provider responses.
- Professional Advisors - Legal instructed TLT on 9th April to confirm internal advice re managing state aid rules through containing its application to a trading subsidiary for any commercial trading. Discussions were also taking place with PwC regarding advice on VAT and Tax advice for payroll.
- Company registration for Tax - The company had now been registered with HMRC for Corporation tax purposes and VAT registration had been submitted. PAYE registration would be sought when the PAYE systems were ready.

12. Appointment of Bankers and change to banking mandate – April 2020

12.1 KP presented the Appointment of Bankers and change to banking mandate – April 2020 paper, as included in the meeting pack and the following points were discussed:

- Bank BACS – The application process for a BACS Service User Number for Greener Ealing Ltd had started. Lloyds were very reluctant to accept the application with electronic signatures and a wet signature had been obtained from AR for submission to Lloyds'. A SUN number would be generated by Lloyds in the next few days and would allow IT to do direct

BACS payment testing (they had already tested indirect BACS for the payroll).

- The council provided a loan of £0.350m on 1st April 2020 into the GEL bank account. The deposit was needed for the Office of the Traffic Commissioner HGV Operator license, to provide evidence of £0.375m funding for a month from 2nd April 2020 for the OTC HGV operator license application of 11th March 2020.
- ICT Finance go live plan was being set up to ensure the finance system was in place and fully tested.

13. Board Forward Plan

13.1 The Board reviewed and approved the Forward Plan, included in the meeting pack.

14. Any Other Business

14.1 Director Awareness Training

AR questioned whether the Director Awareness Training, cancelled due to the Covid-19 situation, would be provided remotely if the current work from home requirement continued. HH commented that a handbook had been commissioned from Sharp Pritchard to assist directors which was due to be circulated. Virtual training would also be arranged. [HH]

14.2 Amey negotiations

MB sought clarification on whether there were any concerns regarding the Amey negotiations. GA confirmed a contingency plan was being implemented in terms of the vehicle delivery delays, which would incur extra cost in terms of hiring but would be offset substantially in terms of not paying for GEL's own lease charges given these vehicles were not yet available.

Currently the working relationship with Amey was very good, they had recently been very helpful and high performing on the ground.

Amey had recently announced a staff annual pay review that has caused GEL and the Council extra cost, because we are in the last 3 months of the contract and the Council and not Amey has to pick up the bill for any Amey expenditure. GA had been in negotiations with Amey on this point and Amey had accepted that GEL should take on the pay review directly with the trade unions from this point forward. Discussions were still underway regarding whether Amey would take on the extra cost attributed to the pay review between April and July. GA and DP had been in talks with Amey earlier in the day and had pushed as far as possible to seek to extract the required cash from Amey, to try to safeguard public money. The Amey Group Chief Executive was due to provide a response by 27 April 2020. Negotiations with Amey had managed to progress on this matter without losing good relations and through other channels to ensure the trade unions would not be upset by this change of negotiating team. GA confirmed that KOL was being kept fully apprised

as the negotiations progressed, as were relevant politicians and other senior people in the Council.

MB commented that the pay rise would not have happened without Ealing Council involvement and they should receive credit for this. GA confirmed that communications to staff would highlight that the Council would be paying for the pay rise from 1st April 2020.

14.3 Greenford Road Depot

HH commented that the leases at Greenford depot were not progressing as quickly as hoped because Heads of Terms had not been received from Lambert Smith Hampton (LSH) who had not received instructions on exactly which pieces of land were required. GA commented that he had spoken with Jessica Tamayao, Assistant Director Ealing Council, who acts as corporate landlord and some information was still required from GEL to progress the matter. Jessica Tamayao was due to advise which information was still outstanding and preventing the Heads of Terms from being issued and it was expected that the matter would be progressed in the next few days.

MB commented that the leases at Greenford depot were also required for the Office of the Traffic Commissioner HGV Operator licence to show occupancy.

14.4 GEL Progress

MB and GA recognised the tremendous amount of work that had taken place since the last Board meeting and thanked KOL and the GEL team for the work undertaken and the progress achieved to date.

15.2 There being no other business the meeting closed at 16.01.

Signed

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Mike Boulton
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Date

03-Jun-2020 | 09:27 BST

Mike Boulton

Chair of the Board