

**GREENER EALING LIMITED**
**MEETING OF THE BOARD OF DIRECTORS**
**WILL BE HELD AT 14:00 ON THURSDAY 7<sup>th</sup> APRIL 2022, BY MS TEAMS**
AGENDA

Item No.	Agenda Title	Lead	Action	Paper/Verbal
1.	Apologies for Absence	MB	Information	
2.	Declarations of Interest (in respect of items on the agenda)	MB	Information	
3.	Minutes of the meeting held on 3 <sup>rd</sup> and 18 <sup>th</sup> February 2022	MB	Approval	(3)
4.	Matters Arising			
4.1	Action Log	MB	Information	(4.1)
Governance				
5.	HR Update	BG	Information	verbal
6.	Corporate Governance <ul style="list-style-type: none"> <li>Annual policy review: <ul style="list-style-type: none"> <li>Anti-Bribery (Gifts and Hospitality)</li> <li>Freedom of Information Update</li> </ul> </li> </ul>	KOL/LP	Approval Note	(6)
Strategy, Project & Operations				
7.	MD Report	KOL	Information	(7)
8.	Combined Performance Report including HSEQ and Transport	KOL	Information	(8)
9.	Risk Management Report <ul style="list-style-type: none"> <li>Review of risk register</li> </ul>	KP	Information	(9)
10.	Finance Update <ul style="list-style-type: none"> <li>Management plan to close the gap of £389k</li> <li>Lease refinancing proposal</li> </ul>	KP	Information Note Approve	(10)
Board Forward Plan				

11.	Board Forward Plan	KOL/LP	Approval	(11)
13.	Any Other Business	MB	Information	
14.	Date of next meeting: 30 June 2022		Information	

Present:	Mike Boulton	MB	Chair and Director
	Alison Reynolds	AR	Director
	Kieran Read	KR	Director
Attendees:	Kevin O'Leary	KOL	Interim Managing Director, GEL
	Bill Gilmour	BG	Head of HR and Comms, GEL
	Katarina Pohancenikova	KP	Head of Finance, GEL
	Helen Harris	HH	Director of Legal and Democratic Services, LBE
	Lucy Taylor	LT	Shareholder Representative, LBE
	Earl McKenzie	EM	Assistant Director Street Scene
	Jo Steel / Lizzie Purewal	JS/LP	Waterstone/Bridgehouse Company Secretaries (minutes)

Apologies:

**GREENER EALING LIMITED (“GEL”)  
MINUTES OF THE BOARD OF DIRECTORS’ MEETING  
HELD AT 13:00 HOURS ON THURSDAY 3<sup>rd</sup> FEBRUARY SEPTEMBER 2021 BY MS TEAMS**

<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>
	Bill Gilmour	Head of HR and Comms, GEL	<b>BG</b>
	Katarina Pohancenikova	Head of Finance, GEL	<b>KP</b>
	Helen Harris	Director of Legal and Democratic Services, LBE (attended from item 5)	<b>HH</b>
	Lizzie Purewal	Bridgehouse Company Secretaries (minutes)	<b>BHCS</b>

**1. Apologies for Absence**

- 1.1** MB welcomed those present, apologies for absence had been received from Lucy Taylor and Earl McKenzie.

**2. Declarations of Interest**

- 2.1** There were no conflicts of interest regarding items on the agenda.

**3. Minutes of the last meeting – 18<sup>th</sup> November 2021**

- 3.1** The minutes of the last meeting were approved with no changes.

**4. Matters arising and Actions from the previous Board meeting**

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

Action 15.1 (16<sup>th</sup> September 2021) – the status of the AGM would be discussed further in a separate meeting following the Board meeting.

**5. HR Update**

**5.1 Children and Vulnerable Adults Provisions**

- 5.1.1** BG provided an overview of the paper: ‘Children and Vulnerable Adults Provisions’. The need for these provisions had been highlighted during the recent tender process for additional works (Gunnersbury Park). Prior to employment by GEL, grounds maintenance staff had been required to undergo DBS checks, which was considered standard industry practice. GEL recognised the need to put measures in place to ensure the safety and wellbeing of children and vulnerable adults. Existing grounds maintenance staff would undergo a DBS check and going forward a DBS check would be required as part of the recruitment process. Any matters of concern involving for example, homeless or vulnerable adults or children would be referred to the specialist teams within the Council. Frontline teams would be made aware of this obligation. Should any allegations be made concerning any GEL employees in relation to these provisions, the matter would be investigated in line with the Company’s Disciplinary procedure.

- 5.1.2** The Board reviewed and **approved** the Children and Vulnerable Adults Provisions.

**5.2 Cycle to work scheme**

**5.2.1** BG provided an overview of the paper: 'GEL – Cycle to work scheme'. Several operatives enquired whether a cycle to work scheme was included as an employee benefit. The scheme would be inexpensive to operate, providing a loan to employees for bicycles and cycling accessories, whilst spreading the cost over a 12-month period and saving money through a tax break.

**5.2.2** The Board reviewed and **approved** the Cycle to work scheme.

## **6 Corporate Governance**

### **6.1 Review of Whistleblowing Policies**

**6.1.1** KOL provided an overview of the paper: 'Annual review of Whistleblowing Policy'. The policy had been reviewed and no recommended policy changes were required at this time. There had been no reports of whistleblowing in the last 12 months.

**6.1.2** HH questioned whether everyone who might want to make use of the policy was aware of it. AR commented that it was important that employees felt comfortable to use the policy. KOL confirmed that the policy had previously been publicised and agreed to publicise it again to make it known to employees that the policy existed **[ACTION]**.

**[KOL]**

**6.1.3** The Board noted and **approved** the Annual Review of the Whistleblowing Policy.

## **7. Strategy, Project & Operations**

### **7.1 Managing Director's report**

**7.1.1** KOL provided an overview of the paper: 'Managing Director's report', commenting that Christmas working and catch up had gone well and all priority services had continued during the period.

**7.1.2** The three year Grounds Maintenance tender for Gunnersbury Park CIC had been successful, representing circa £250k worth of work. Whilst GEL had not been cheapest option, the quality of the submission was very good, including added value in relation to innovations on electric equipment, options for sustainable treatments for green waste and a customer focus. Discussions were due to commence with Gunnersbury Park CIC on 8<sup>th</sup> February.

**7.1.3** Discussions had been successful with Ealing's Housing Department regarding their Elderly and Disabled Persons Gardening Contract, with formal notification expected to be received from the Council in the coming days.

**7.1.4** GEL would be entering the LGC Awards with an application in the Environmental Services Category.

**7.1.5** The directors extended their congratulation for the good work that had been undertaken within the busy Christmas period.

## **8. Carbon Reduction Plan**

**8.1** KOL provided an overview of the paper: 'Carbon Reduction Plan'. The plan was based on the London Borough of Ealing (LBE) Climate and Ecological Strategy, - for GEL this primarily focused on reducing the local tail pipe emissions of the operational vehicles and transport employed to deliver the scope of Environmental services to LBE. The plan was to achieve a reduction of 15% of GEL's annual measured CO2 and associated PM10 emissions over a 24month period. GEL would use the baseline tonnage for the full year from January 2021 to December 2021 and had proposed a carbon reduction target for 2022 of 7% of emissions

for 2021. KOL talked through the planned approach to reach the Council's overall target, set out in the paper.

**8.2** Business travel and commuting would also be considered, with work due to take place regarding the modes of transport taken by employees to work. Work was also due to be undertaken with suppliers and their commitment to carbon reduction.

**8.3** Asked by AR if the workforce and suppliers had bought into the green agenda, KOL confirmed that they had overall. Discussions were underway with the suppliers of PPE and uniforms, regarding an arrangement to request that where possible old kit be returned and recycled when new replacements were required. Employees were aware of various green initiatives and, in the collection service employees were required to monitor the content of bins and report any contaminated bins. Vehicle idling was now being monitored, which had brought about a reduction in idling, that had been maintained throughout the winter months. To maintain the dialogue on this green initiative all efforts would be publicised to employees.

**8.4** ML commented that a target of 7% carbon reduction was a challenging target to meet and commended the team for putting the necessary technology in place to be able to monitor and further encourage this reduction.

**8.5** The Board noted and **approved** the Carbon Reduction Plan.

**9. Review of Progress against 2021/22 Business Plan**

**9.1** KOL provided an overview of the paper: 'Review of Progress against 2021/22 Business Plan'. Overall, it had been a good year with positive progress being made in some difficult circumstances. Strategic objectives A and B were expected to be achieved:

A - To deliver contracted services in line with the Service Agreement including the specification and key performance indicators.

B - To deliver contracted services within the agreed budget for 21/22.

**9.2** The Workforce Strategy had been a success and BG had been asked to refresh the strategy to bring in some new ideas. The customer agenda had been successful, with complaints for January down to 15, compared with more than 400 complaints in certain months prior to GEL taking over.

**9.3** Good progress had been made against objective C: To prepare Greener Ealing for future growth. Work had been undertaken in relation to planning and optimisations. The HGV driver shortage had impacted the ability to make changes without regular staff onboard.

**9.4** It had been hoped that the HSEQ Quality Assurance accreditations would be achieved by year end, however it was likely that these would now be in place by April/May 2022. The Freight Operators Recognition Scheme was expected to be in place by the end of the next financial year.

**9.5** Data Analysis, Performance Management and Going Digital had progressed and focus on these areas would be increased going forward.

**9.6** The next stage would be to seek business to business opportunities in the local area.

- 9.7 KR acknowledged that overall, the assessment had been positive. KR questioned whether GEL was in the position to document efficiencies delivered under objective 3. KR suggested that it would be useful to provide a set of figures and metrics that could be provided to LBE and when pitching for other business, to demonstrate GEL's ability to drive efficiency from contracts. KOL agreed to provide a list setting out the measures taken **[ACTION]**. **[KOL]**
- 9.5 MB commended the management team for the progress that had been made over the past 12 months. MB commented that KOL had been too modest in the paper and requested that the foreword be updated to read:
- Paragraph 3, line 4: ~~'This presented a unique set of circumstances that the team had to contend with.'~~ 'This presented a unique set of circumstances that the growing and flourishing management team expertly led by Kevin O'Leary (MD) had to contend with.'**[ACTION]** **[KOL]**
- 9.6 MB sought clarification on the 1% efficiency saving for 22/23 (£224k). KOL commented that the (£224k) had been updated to (£253k) as a figure imposed by the Council. The introduction of this efficiency saving did not present an issue because the numbers in the Business Plan included costs and so it was to be an income reduction of £224k and a cost reduction as well, with an adjustment on both sides. An income schedule would be prepared for the year which would recover NI one month in arrears and the HGV costs would be invoiced for separately. Other risk elements identified would continue to be monitored.
- 9.7 The Board **noted** the report.
- 10. GEL Business Plan 2022/23**
- 10.1 KOL provided an overview of the paper: 'GEL Business Plan 2022/23' which was a refresh of the previous year's plan. Further efficiencies would be sought, and focus would continue on efficiencies that had been stalled in 2021. The Communication Strategy would focus on marketing the GEL brand locally and within LBE to ensure GEL was one of the first options the LBE considered for services that meet GEL's skills and strengths. There was potential to monetise the GEL Training Academy with LBE and in other areas with businesses similar GEL.
- 10.2 Greening the business, growing the business and continuing to search for other opportunities would be the key focus for 2022/23. As well as bedding in the supporting infrastructure. It was thought that whilst GEL had been in operation for 18 months, the plan was still considered fit for purpose at the current time.
- 10.3 Discussions had been agreed with the Council's Senior Leadership Team and would be presented to elected members at the Councils Cabinet meeting on 9<sup>th</sup> February with a recommendation for approval. The report acknowledged the success of GEL to date, and it was anticipated that the Cabinet would agree the GEL Business Plan and that GEL's income expectations would be largely met. The budget had previously been misaligned and an area for concern throughout the 2021/22 financial year. At present, for 2022/23 GEL was forecasting a deficit position of £389k. Whilst this was challenging, a cautious approach had been adopted, highlighting the emerging pressures which might need to be recovered from the Council. KOL highlighted fuel, insurance, over time, and employee pay awards as potential risk areas, which added further pressures to be absorbed. It had previously been

understood that the Council would cover national insurance and the HGV market supplement. However, the Council had now stated that these pressures would be jointly managed by GEL and the Council, with a lot of the risk passed back to GEL. As a Council owned company GEL was obliged to endeavour to close the gap. KOL highlighted that this additional pressure would impose some major challenges for GEL. A management plan to close the gap of £389k or highlight the residual gap would be presented to the Board at the next meeting [ACTION].

[KOL]

**10.4** MB commented that it was positive that the Council budget was now aligned. MB commented that in addition to the £389k deficit, the Council had requested a 1% efficiency saving for 22/23 which would widen the gap further. MB suggested that a £100k buffer was also required. The pay awards were expected to add further pressure, with the unions and workforce unlikely to accept a 2.5% pay award. MB suggested that whilst the budget was aligned there was the potential for a £1m shortfall and it was important to understand what could be managed through efficiencies versus what further action was required.

**10.5** KR sought clarification on the alignment of the budget, questioning whether it was assumed that GEL would be successful if it performed to the business plan, making a loss of £389k, which the Council would cover. KOL commented that the alignment referred to the Council's provision to meet the 'Contractual Service Income – Scheduled Works', projected at (22,088) as listed in the forecast for the current year. Whereas unforeseen cost pressures such as national insurance and the HGV market supplement would be covered through the 'Other Income' projection of (716), which was not necessarily guaranteed and would be added to the deficit position of £389k. The intention was that GEL would manage those unforeseen cost pressures down to bring the account back into balance, however where it was not possible to manage these costs down, GEL would look to recover these unavoidable costs from the Council.

**10.6** KR suggested further clarity on the commissioning arrangements with the Council was required. KOL commented that it had been expected that a clear understanding of the commissioning arrangements would be confirmed by October of the previous year, however, an update was provided by the Council on the day the papers were dispatched to the Cabinet. KOL welcomed support to highlight to the Council the need to provide more clarity at an earlier stage to provide more certainty in the planning process.

**11. Consolidated Performance Report including HSEQ & Transport**

**11.1** KOL provided an overview of performance against internal and external KPIs over the last month. Overall performance had been strong in a difficult time. The HGV driver shortage was still a problem and further options were being considered on how to address the issue. An existing staff member had successfully completed their HGV training and would continue to gain experience in driving HGV vehicles before they would be considered for this role.

**12. GEL Risk Management – Risk Register**

**12.1** MB referenced the risks currently listed as high. HH questioned whether it was correct that the risk level remained unchanged following risk mitigation. MB commented that the risk register should realistically reflect the risks facing the company and when previously reviewed, due to some risk issues falling outside of GEL's control it had not been possible to remove the residual risk, despite the mitigation employed and the rating had therefore remained as high.

**12.2** MB suggested that the risk register be reviewed again once the management plan, to close the gap of £389k or highlight the residual gap, was available [ACTION].

[KOL]

**12.3** The Board noted the risk register.

**13. Finance Update – February 2022**

**13.1** KP provided an overview, noting the following points:

- The overall draft financial position to 31st December 2021 showed a surplus after tax of (£298k) against a budgeted loss of £122k.
- The main variances related to a favourable variance in turnover because of non-contractual work provided. This was partly offset by adverse staffing costs, additional works, and operating costs.
- Funding costs had had a positive variance of (£152k) due to no loan being drawn down in the 2021-22 financial year. GEL was continuing to manage cash flow without the need for any loans so far this year.
- The 2021/22 full year forecast had been updated to show a profit after tax of £334k against an original budgeted £84k loss. This improvement was the result in part of circumstances outside of GEL's control and it should not be concluded that there were ongoing underlying profits available in the contract.
- Management continued to use a prudent approach in setting the 22/23 budget.
- The statutory pressures such as the National Insurance increase and the HGV market supplement were included in the 22/23 figures, and it was hoped these could be recovered from the Council.
- Company tax advisors PWC had been instructed to outline the transfer pricing position and the implications if the return achieved by GEL was below the "arm's length" position. The outcome was that GEL should on average be making a profit of 2.9% for the position to be considered arm's length. There was a small risk that, under enquiry, HMRC could assert that the return was not arm's length which could result in a tax penalty. Whilst the practical risk was reasonably low because the transactions between the Council and GEL were UK-UK and the Council was not a tax paying body, the risk was slightly higher than if this was a transaction between two UK corporates for which an adjustment would have a net nil impact from a UK corporate tax perspective.
- No update had been received for the start-up costs treatment.
- Rent and services charges for 2021/22 – since writing the paper a draft head of terms had been received from the Council, with some significant changes since the original terms were drafted in June 2020. This was currently under review with external legal advisors.
- The Financial Accounts for financial year ending 30<sup>th</sup> June 2020 were filed with Companies House in December 2020. GEL Corporation tax return for the same financial year was filed with HMRC also in December 2020.
- The Financial Accounts for financial year ending 31<sup>st</sup> March 2021 were currently overdue and following communication from Companies House a separate meeting with the auditors would take place after the meeting to obtain commitment to finalise the audit in accordance with the necessary timescales.
- The cashflow position was stable. The loan drawdown was only expected to be used to finance the capital start-up costs.

**13.2** HH agreed to follow up on the outstanding legal advice the Council was seeking from their legal team to ensure state aid rules were followed in relation to the start-up costs treatment **[ACTION]**.

**[HH]**



**13.3** KR questioned whether the outstanding issues relating to the Revenue start-up costs were required to be resolved prior to the filing of GEL's financial accounts. KP commented that a letter had been received from the Council confirming that they would not yet proceed with the start-up costs treatment, and this would not affect the 2021 accounts. It was not currently clear how the Council would proceed. If the legal advice stated that the full amount should be drawdown this would affect the bottom line and the results would need to be adjusted. KOL commented that an in-principle agreement had been reached between GEL officers and Senior Finance Council officers. A final review from a subsidy control lawyer was currently awaited and once received it was expected that the matter could be dealt with quickly and there should be no impact going forward.

**14. Board Forward Plan**

**14.1** The Board noted the plan, which had no changes

**15. Any Other Business**

**15.1** There was none.

**16. Date of next meeting: 7<sup>th</sup> April 2022**

**16.1** There being no other business, MB thanked those present and closed the meeting at 13:56.

Signed

Chair of the Board

Date

**GREENER EALING LIMITED ("GEL")  
MINUTES OF THE BOARD OF DIRECTORS' MEETING  
HELD AT 9:30 HOURS ON FRIDAY 18th FEBRUARY 2022 BY MS TEAMS**

<b>Present:</b>	Mike Boulton Alison Reynolds	Chair and Director Director	<b>MB AR</b>
<b>In attendance:</b>	Kevin O'Leary Katarina Pohancenikova Jo Steel	Interim Managing Director, GEL Head of Finance, GEL Bridgehouse Company Secretaries (minutes)	<b>KP BHCS</b>

**1. Apologies for Absence**

- 1.1** MB welcomed those present, apologies for absence had been received from Kieran Read.

**2. Declarations of Interest**

- 2.1** There were no conflicts of interest regarding items on the agenda.

**3. Annual Report and Financial Statements (Year-end 31 March 2021)**

- 3.1** The Board reviewed the Annual Report and Financial Statements for the year ended 31 March 2021.

**It was noted that:**

- (a) The letter of representation included written representations by the directors of Company that they had fulfilled their responsibility for preparation of the financial statements in accordance with the CA 2006 and United Kingdom Generally Accepted Accounting Practice, and that, to the best of their knowledge and belief and on the basis of having made such enquiries as the directors considered necessary, the directors were satisfied that they had provided the auditor with all relevant information and access as agreed in the terms of the audit engagement and that all transactions had been recorded and were reflected in the financial statements;
- (b) the directors were satisfied that the Company's annual report and financial statements gave a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- (c) the directors had prepared the annual report and financial statements in accordance with the requirements of the CA 2006 and United Kingdom Generally Accepted Accounting Practice.

- 3.2** The Board **APPROVED** the annual report and financial statements for the financial year ending 31 March 2021 and **AUTHORISED** Mike Boulton to sign the annual report and financial statements on behalf of the board of directors of the Company.

- 3.3** To Board **APPROVED** the letter of representation to the auditors and **AUTHORISED** Mike Boulton to sign the letter of representation on behalf of the board of directors of the Company.

**4.1** Following approval of the Report and Financial Statements, the Board instructed the Company Secretary to:

- Arrange for the following documents to be delivered to the Register of Companies as soon as possible for the financial year ending 31 March 2021:
  - a) A copy of the minutes of this Board Meeting; and
  - b) a signed copy of the Company's annual report and financial statements for the financial year ending 31 March 2021.

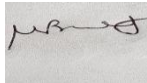
**5. Any Other Business**

**5.1** There was none.

**6. Date of next meeting: 7<sup>th</sup> April 2022**

**6.1** There being no other business, MB thanked those present and closed the meeting.

**Signed**



**Date**

**18/02/22**

Mike Boulton

**Chair of the Board**

GREENER EALING LTD - ACTION LIST – 7 April 2022					
Minute Ref	Action items arising from minutes	Officer	Due By	Comments	Status
Actions arising from 16 <sup>th</sup> September 2021					
15.1	AGM – To prepare for an AGM at some point in December, to ensure the accounts were filed on time.	BHCS	Dec 2021	Accounts approved by Board on 18/02/2022	CLOSED
Actions arising from 3 <sup>rd</sup> February 2022					
6.1.2	Review of Whistleblowing policies – To publicise the policy again to make it known to employees that the policy existed	KOL		The policy had been publicized.	CLOSED
9.7	Review of Progress against 2021/22 Business Plan - To provide a list setting out the measures taken to deliver efficiencies.	KOL		List circulated via email	CLOSED
9.5	Review of Progress against 2021/22 Business Plan - To update the foreword with agreed wording.	KOL		Foreword amended.	CLOSED
10.3	GEL Business Plan 2022/23 – To present a management plan to close the gap of £389k or highlight the residual gap.	KOL	April 2022	See agenda	CLOSED
12.2	GEL Risk Management – Risk Register – To review the risk register again once the management plan, to close the gap of £389k or highlight the residual gap, was available.	KOL	April 2022	See agenda	CLOSED
13.2	Finance Update – To follow up on the outstanding legal advice the Council was seeking from their legal team to ensure state aid rules were followed in relation to the start-up costs treatment.	HH			OPEN

(KO) Kevin O’Leary

(MB) Mike Boulton

(AR) Alison Reynolds

(KR) Kieran Reid

(MA) Mick Aherne

(HH) Helen Harris

(KP) Katarina Pohancenikova

(BHCS) Jo Steel / Lizzie Purewal

(WG) Bill Gilmour

(JH) Jamie Hope

<b>Report Title</b>	Review of Governance Policies		
<b>Meeting</b>	Greener Ealing Board Meeting		
<b>Date</b>	7 April 2022	<b>Agenda Number</b>	6.
<b>Type of Report</b>	For noting and approval		
	Lizzie Purewal can be contacted on lizzie@bhcsecretaries.co.uk prior to the meeting.		
	1. To review the following policies and receive updates on application: <ul style="list-style-type: none"> <li>a) Anti-Bribery (Gifts &amp; Hospitality) Policy</li> <li>b) Freedom of Information Update</li> </ul>		

### **Annual Review of Governance Policies**

This is an annual review of the policies in this report. The purpose of the review is to advise whether any changes are to be made to the policies due to changes in legislation or best practice. We also look at whether the policies are working in practice, and are being adhered to, which will also help identify if any changes are required.

### **Anti-Bribery Policy (Gifts & Hospitality)**

The Anti-Bribery Policy has been reviewed and no recommended changes are suggested at this time.

The policy states that the Board must review the Gifts & Hospitality register annually, and this is therefore attached at appendix A. There had been one recording of gifts offered and received in the **past 12 months**.

***The Board and employees (including consultants) are reminded that all gifts and hospitality must be recorded on the register, no matter how small. Instances where gifts or hospitality are offered but refused by Greener Ealing must also be reported in accordance with the Policy.***

### **Freedom of Information Update**

The Freedom of Information policy is not due for formal review until 2024 (3 yearly) however we would like the Board to formally note that there have been **no** FOI requests made to Greener Ealing over the past 12 months.

**Lizzie Purewal**  
**Bridgehouse Company Secretaries**

Name and address of person and company offering gift or hospitality	Details of current relationship with person offering Gift or Hospitality (e.g. contractor, potential contractor etc.)	Description of Gift / Hospitality offered:	Estimate value of Gift /Hospitality	Date of offer:	Action taken i.e. gift kept/ returned/ hospitality refused	Signed by Director:	Date that form completed/ approval obtained:	Notes
Plan B	Contractor	Meal at Institute of Waste Management Xmas party	£100	09-Dec-21	Notified GEL Board	Approved by Chair, MB	9 12 2021	Considered reasonable as this is a networking event

<b>Report Title</b>	Managing Directors Report		
<b>Meeting</b>	Greener Ealing Board Meeting		
<b>Date</b>	7 <sup>th</sup> April 2022	<b>Agenda Number</b>	7.
<b>Type of Report</b>	For noting		
<b>Author</b>	Kevin O’Leary – olearyk@greenerealing.co.uk		
<b>Background</b>	<p>This report provides a brief summary on overall progress over the last two months and highlights key issues.</p> <p>This has been a good period for Greener Ealing with sustained high-performance levels. We continue to face a difficult operational environment. We have seen a small increase in Covid related absences over the last few weeks and continue to monitor the situation.</p> <p>The HGV Driver shortage remains an issue but as previously reported the depth of resilience and support from within the business has allowed us to manage the situation and we have been able to deliver a high level of performance in all priority areas with all services delivered.</p> <p>Key decisions reported elsewhere on this agenda include fleet refinancing and an outline management action plan to bring the 22/23 budget into balance.</p> <p>The Board is asked to note the report.</p>		

## Introduction

This report sets out the key issues that Greener Ealing has been addressing over the last few months and provides a brief update on other matters of interest.

## Contract Performance

Overall performance has been good with the more detailed report on this agenda providing a full update.

## Pay award - discussions with GMB

We have had two preliminary meetings with GMB regional officials in advance of local negotiations on pay. This will be a difficult pay round with inflationary pressures impacting on the cost of living running at the highest levels that we have seen for some time now. The Consumer Prices Index (CPI) rose to 6.2% in February up from 5.5% in January.



Our ability to pay any increase is constrained by the income we receive from the Council and our overall cost base. We are already seeing a range of pressures that need to be managed – ongoing HGV Driver pay, are we paying enough even with last years supplement, fuel prices have risen sharply recently, and other supplier cost pressures are also increasing.

In view of the above we have agreed with the GMB to explore a wide range of options including efficiencies, removal of task and finish in the collections service, overtime working and consolidating pay possibly moving to a salary basis for staff. The GMB has identified several issues including - sick pay variations across the contract and ongoing grading issues that their members complain of in the GM teams. Fundamentally though their position is driven by the living standards of their members and a reasonable pay increase.

It is difficult to predict where such a wide list of issues will end up – we have agreed, in good faith to explore all the possibilities but that from the GEL perspective any agreement will be based on deliverability and affordability, must not impact on contract performance and not jeopardise the financial health of the business. I will keep the Board up to date on any significant issues.

#### **Gunnersbury Park Contract Award**

As reported at the last meeting we have been successful with this bid. The contract starts on the 9<sup>th</sup> April. We have been having weekly mobilisation meetings with the client and everything is in hand for the contract start date. Our tender offered the client a comprehensive service including innovations on electric equipment, including a flatbed electric vehicle for litter collection and other activities on the contract. We have also offered options for sustainable treatments for green waste arisings by use of a new shredder. We will also utilise this across the wider contract.

We are looking forward to a good working relationship with the Gunnersbury Park CIC and see them as an important client moving forwards.

**Grounds Maintenance Software** - as part of aspirations to digitise the entire business and following our discussions with Ealing over Parks performance we have turned our attention to the needs of the Grounds Maintenance teams. The current operation relies on spreadsheets and paper-based systems and needs to be brought into line with other areas. We have appointed PSS to help with this and a new digital system will be implemented over the coming weeks. We will in the first instance implement the system for Gunnersbury Park.

We have been advised that we have been successful in our discussions with Ealing's Housing Department regarding their **Elderly and Disabled Persons Gardening Contract**. It is outside of the Services Agreement and can be awarded directly to GEL. We are now awaiting formal notification from the Council. We anticipate a 1<sup>st</sup> April commencement date. Unfortunately, at the time of writing we have still not had final confirmation from Ealing or seen a contract agreement.

#### **Business Plan 22/23 Objectives 1-9**

We are in the throes of drafting detailed action plans for each of the nine business objectives. I propose to use this as a monitoring and reporting tool. The plans will set out tasks and responsible named team members with target dates and will be monitored throughout the year. We will bring the final version to the next Board meeting and will report progress at each Board meeting

throughout the year. We think this will give the Board greater oversight over key activities and a greater level transparency.

### **Communications and Marketing**

We have appointed a new company Wise Bird Marketing to help us with this area of work and will now prioritise our activities to targeted work to help with our growth agenda and continuing to raise our profile locally in Ealing and within the local authority.

### **Local Government Chronicle (LGC) Awards 2022**

As previously reported, we entered GEL in the LGC Awards with an application in the Environmental Services Category. Unfortunately, on this occasion we did not meet the requirements of the judges and have been unsuccessful. We will learn from the experience and renew our efforts for any up-and-coming appropriate awards.

### **Conclusions**

Another very busy period. GEL has been operationally sound despite the challenges.

**Kevin O'Leary**  
**Interim Managing Director**  
**31<sup>st</sup> March 2022**

<b>Report Title</b>	Combined Performance Report including HSEQ & Transport		
<b>Meeting</b>	Greener Ealing Board Meeting		
<b>Date</b>	7 <sup>th</sup> April 2022	<b>Agenda Number</b>	8.
<b>Type of Report</b>	For noting		
<b>Author</b>	Kevin O'Leary – olearyk@greenerealing.co.uk		
<b>Background</b>	<p>This report updates the Board on performance against internal and external KPIs over the previous five months and provides commentary on the last month.</p> <p>The revised format incorporates information across a broad range of indicators giving a more comprehensive view of the whole business. Client facing targets have previously been agreed with LBE.</p> <p>Internal targets for 21/22 and beyond based on our first year's performance were agreed at a previous Board meeting and are now part of the KPI table.</p> <p>An annual target for CO2 emissions and the accompanying GEL Carbon Reduction Plan were approved at the last Board meeting. This will be assessed on the back of the ISO 14001 certification process. The reduction target has not yet been translated into monthly CO2 emissions and fuel consumption targets – these remain to be agreed.</p> <p>Parks quality and Cemeteries inspections remain excluded from the current table pending work to calibrate and align the performance metrics so that they convey useful information.</p> <p>We will continue to develop the presentation of the data in order to highlight exceptions or particular issues. The commentary has been condensed where possible with comment primarily by exception. The intention is that the table is the primary information source.</p> <p>February was busy with various work streams in progress and challenging</p>		

## **GEL Combined Monthly Performance Report December 2021**

### **February Performance - Operations**

This report covers data from October to February, and commentary on the overall February performance of GEL including the HWRC site at Greenford. GEL continued to follow government guidelines on Covid-19 restrictions until they ended on 24<sup>th</sup> February. Covid-19 remains a live issue which is monitored. This may be the case for some time to come, the recent re-emergence of the Omicron variant towards the end of February shows the unpredictability of the pandemic. Infection rates continue to have the capacity to impact resource levels for the contract.

Overall performance in February was the best it has been over the last 5 months and a tribute to the operational standards set by GEL which has demonstrated consistently high performance over a very difficult period during the last year and a half. Collections and Streets have produced very strong results; GM (Parks) is consistent, but GEL is looking at what improvements can be delivered in this service. Details are addressed in individual service commentaries.

The national HGV driver shortage is still an issue as reported previously. The other service streams, Streets in particular, maintain their support of Collections to ensure that core services are delivered consistently without detriment to residents. There is no change despite GEL's sustained remedial measures noted below, this remains a significant and ongoing threat to delivery of the entire contract. The current measures in place provide a (barely) holding action only and GEL continue to work on this problem.

### **Collections – Commentary**

- HGV driver shortage - GEL continue to work on longer term solutions including training existing staff to become drivers, incentivising staff to promote the recruitment of drivers externally and widening the pool of agencies supplying drivers. No change from previous months.
- Missed collections are impressively low despite operational pressures. Sustained consistency is the hallmark of a high quality, stable and robust service
- Garden Waste performance is good, but will become more challenging as the growing season gets underway.
- Missed Assisted numbers are a useful benchmark of how the service is operating on a daily basis. The current low numbers indicate effective management and good quality work by the frontline staff.

### **Street Cleansing - Commentary**

- First time A+B performance for February was 97%, up on the strong 93% score for January.
- The service continues to be a primary support to Collections.
- February performance on the Bulky Waste service improved further on the good results in January.
- The final elements of the leafing mop up program were completed in Villages 2-5, with some roads still to complete in Village 1.
- The weed spraying program starts on 1<sup>st</sup> March.
- Whitespace is in place on the Estates and Standard Cleanse elements. The Deep Cleanse service will be added in March and the Dailies in April.

### **HWRC - Commentary**

- Visitor numbers continue to be low as expected at this time of year.
- The recycling rate is still disappointingly low at 54%, obviously this is affected by the nature of the waste presented – no change.

### **GM & Cemeteries - Commentary**

- The parks and cemeteries KPIs remain temporarily suspended from the main performance table whilst the contract and client team work together to arrive at more effective methods of marking performance which accurately reflects quality and perception – no change.
- GEL have selected PSS software to provide digital management of the service.
- GEL are working with Plan B to compare resources with work schedules to aid balancing service capacity in the Parks, including intelligence-led deployment of resources at peak periods.

### **Complaints**

The complaints for February are 55, higher than January, but still respectable.

### **February Internal KPIs**

- Internal KPIs remain reasonably consistent.
- Safety standards are stable, and there was a small increase in reporting close calls – a leading indicator of focus by staff on the safety of their work environment.
- One lost time incident in the month.
- Vehicle incidents are within target for the first time in this 5 month period.

### **February Performance – HSEQ & Transport Support Services**

#### **HSEQ**

- HSEQ provision good during this period, some Covid impact from the Omicron variant.
- No RIDDORs in the period.
- HSEQ and Training team preparing for Stage Two BSI audits of ISO 9001, 14001, & 45001 accreditations for Management, Waste, and Streets, planned for 12 days over a 3 week period starting 26<sup>th</sup> April 2022.
- Work still continuing on Fire Management processes, in liaison with LBE – no change.
- Discussions ongoing between GEL, LBE, and West London Waste Authority to look at interim and longer-term solutions for tipping and transfer of recycle – no change.
- Issues over Transfer Station infrastructure raised with LBE – no change.

#### **Transport**

- Transport Provision in-line with operation requirement – no change.
- Accidents decreased in February after a poor January.
- Despite driver shortage, GEL compliant with Operator Licence conditions – no change.
- Fuel prices are set to be a significant concern going forward.
- Slightly reduced vehicle idling across the contract with lower CO2 output and fuel consumption.
- Reduction in 'red' diesel usage.

## GEL - Overall Dashboard

Indicator	Target	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Missed Rectification %	100% within 24 Hours	100%	100%	100%	100%	100%
Right First Time %	-	99.96%	99.96%	99.97%	99.96%	99.98%
Assisted Missed Collections	Zero	6	7	5	12	6
Missed per 100k by Service						
<i>Refuse</i>	< 100	35	35	31	53	17
<i>Recycling</i>	< 100	26	37	25	40	19
<i>Food</i>	< 100	54	41	32	47	32
<i>Garden</i>	< 100	86	94	31	26	11
Streets A&B Inspection %	85%	98.16%	88.90%	94.50%	93.95%	97.21%
Flytip Clearance	95%	99%	98%	100%	99%	100%
Flytips Reported	-	767	731	664	740	651
Bulky Waste Service	100%	79%	93%	64%	99%	100%
No of Container Requests	-	1315	1161	609	1179	1252
Container Delivery %	100%	89%	88%	97%	98%	98%
HWRC Materials Recovered	-	312t	289t	276t	246t	22t
HWRC Visit Numbers	Report Actuals	10319	9487	7235	6849	6011
HWRC Recycling Rate %	TBA via Service Agreement	58.46%	57.14%	54.34%	54.67%	54.12%
Customer Complaints	<100	29	56	30	15	55
RIDDORs	0	0	0	0	0	0
No Lost Time Incidents	<3	1	1	0	1	2
Lost Time Incidents	0	2	0	1	1	1
Close Calls	Report Actuals	31	21	8	5	9
Vehicle Incidents	<7	8	11	8	14	6
VOR (Daily Average)	<5	4.57	4.80	4.24	3.85	5.46
Fuel – DERV (Litres)	TBA	56,090	57,896	53,227	57,659	52,779
Fuel – Gas Oil (“red” litres)	TBA	3530	3223	2655	2574	1894
CO2 – kg	TBA	149,625	155,443	141,988	155,810	140,792
Total Vehicle Idling Time (hrs)	<140	126	125	116	118	115
Vehicle Availability	95%	100%	100%	100%	100%	100%
MOT Pass Rate	98%	100%	100%	99%	100%	100%
Average Sickness %	<4%	4.62%	4.14%	6.13%	5.41%	4.50%
ER Cases	<5	6	5	3	1	0
Staff Turnover	Report Actuals	6	7	5	4	4
YTD Actual	-	£40,077	£90,886	£368,188	£341,174	TBC
FY Forecast	-	£155,743	£24,416	£412,145	£365,676	TBC
Additional Revenue	-	£288,630	£231,829	£283,668	£117,098	TBC

<b>Report Title</b>	GEL Risk Management – Risk Register		
<b>Meeting</b>	Greener Ealing Board Meeting		
<b>Date</b>	7 April 2022	<b>Agenda Number</b>	9.
<b>Type of Report</b>	To Note		
<b>Author</b>	Katarina Pohancenikova can be contacted on <a href="mailto:pohancenikovak@greenerrealting.co.uk">pohancenikovak@greenerrealting.co.uk</a>		
<b>Background</b>	<p>This report provides an update on the new risks or measures the company faces since the last update to the Board on 3<sup>rd</sup> February 2022.</p> <p>The Risk Register is attached as a separate excel file for ease of review.</p>		

**Budgetary management and control****Budget misalignment - HIGH**

GEL Finance team to ensure budget misalignment does not occur between GEL activities and LBE provisions.

*Budget misalignment in financial year 21/22 has been estimated at £0.723k. GEL reports any budget gaps to the Council with breakdowns of costs and efficiency implemented.*

**UPDATE:** Cabinet agreed the GEL Business Plan on 9th February and GELs income expectations have been met. However, the company business plan is showing a budgeted loss of £389k for the financial year 2022/23. As we have adopted a cautious approach including the emerging pressures and highlighted to the Council that these may need to be recovered from the Council. A management action plan is being presented to the Board at this meeting in order to contain/absorb the pressures.

**Budgetary management and control****Brexit impact on Fleet - HIGH**

The risk is reviewed by monitoring the market situation, impact on supply chain and ensuring the business deals with potential issues in advance and have contingency plan in place.

*Initial issues were primarily directly linked to Brexit disruption of goods inwards due to revised customs/trade processes and checks on incoming part supplies, which now seem to have reduced, where possible GEL has arranged with subcontractors/suppliers to increase holdings on key items.*

**UPDATE:** GEL have resolved existing supply issues with Tail Lift parts with a local supply chain, however we are experiencing extremely long lead times for parts which include semi-conductor components. We have separately been advised by Mercedes UK that no orders for new Refuse Collection Vehicle (RCV) chassis can be placed at present and that anticipated build times are beyond 12 months.

**Budgetary management and control****Increased cost of fuel - HIGH**

The risk is monitored by monthly fuel spend report, reviewed by service delivery, performance/efficiency and making changes as appropriate in light of increased fuel costs. Carbon reduction measures being undertaken, including review of operational mileage and excessive vehicle idling

*Increased cost of fuel is now seen as a **High Risk** underpinned by extremely volatile energy supply market and factors relating to Covid 19, Brexit and political situation at Ukraine.*

*The planned control measures relating to the measurement and management of fuel use are in place across the contract, and the first phase of Carbon reduction relating to vehicle excessive idling is delivering demonstratable savings, albeit relatively minor in value being achieved.*

*Ongoing in-service optimisation of core operational services is being undertaken, with an expectation of reduced fuel usage in elements of the trade and garden waste collection activities.*

**UPDATE:** The uncertainties and deduction of energy supply caused by the ongoing emergency in Eastern Europe have a direct impact on bunkered diesel and gas oil prices with a 16% in fuel price in the last week with further increases projected. Supply of fuel does seem to be available at present, and GEL are investigating a switch to Hydrotreated Vegetable Oil (HVO) as such we have confirmed with Manufactures of all of the larger Refuse Collection Vehicles (RCV) that these are compatible to operating onto HVO fuel.

**Non-compliance with H&S****Failure to comply with regulations - LOW**



GEL has its in house H&S team that is experienced in providing guidance and advice across the business.

**UPDATE:** Final LBE review and sign off of the revised Fire Management protocols and processes linked to the depot Fuel station has been agreed and implemented.

### **Loss or damage of assets**

#### **Wear and tear costs to fleet – MEDIUM**

Review monthly monitoring report to identify areas/vehicles, number of vehicles and defects.

*Operational failure of food waste vehicles - GEL has experienced a number of rear suspension air bag failures on one of our 7 16t RCV vehicles employed primarily on food waste collection activities. Both vehicle chassis and body manufactures have been engaged in investigating and getting a resolution to the issue.*

**UPDATE:** The issue may result in GEL being limited in the use of the vehicles such that they are only can be deployed either on a short or long term period collecting non-food material streams, which will have an impact of the overall capacity and delivery of the waste collection operation.

### **Budgetary and management control**

#### **Sickness absence resulting in various and significant operational and financial continuity issues – MEDIUM**

Ensuring compliance with relevant government regulations and guidance concerning COVID-19.

**UPDATE:** As we moved from mandatory safe isolation to guidance, the risk to the business has been assessed down to medium. We continue to monitor the situation and will take necessary steps to make the changes. In conjunction with HR, we are managing the covid absences within the sickness process.

<b>Report Title</b>	Finance Update – April 2022		
<b>Meeting</b>	Greener Ealing Board Meeting		
<b>Date</b>	7 April 2022	<b>Agenda Number</b>	10
<b>Type of Report</b>	To Note		
<b>Author</b>	Katarina Pohancenikova		
<b>Background</b>	<p><b>Executive Summary</b> This report notes:</p> <ol style="list-style-type: none"> <li><b>1. February 2022 Month End</b> Greener Ealing draft net surplus after tax shows a positive variance of (£504k).</li> <li><b>2. Vehicle and Plant Lease Refinancing</b> Company lease refinancing options with proposal to approve.</li> <li><b>3. Action Plan 22/23</b> Action plan to close 22/23 budget loss.</li> <li><b>4. Outstanding Finance Issues</b> The unresolved finance issues with the Council are Start-up costs treatment, premises lease agreement, appointment of external auditors.</li> <li><b>5. Loan Finance</b> No loan drawdown up to date in financial year 21/22.</li> <li><b>6. Bank Update</b> Company credit card spend.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1.To note the overall draft financial position to 28<sup>th</sup> February 2022.</li> <li>2.To approve lease refinancing proposal</li> </ol>		

**1. Month End**
**Greener Ealing Ltd**
**Statement of Comprehensive Income (£'k)**

	February YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Service Income	(20,501)	(19,924)	(578)	(22,421)	(21,773)	(649)
Other income	(595)	(263)	(332)	(713)	(287)	(426)
Turnover	(21,096)	(20,186)	(910)	(23,134)	(22,059)	(1,075)
Staffing costs	10,990	11,461	(471)	12,084	12,471	(387)
Agency Costs	2,246	1,351	895	2,365	1,437	928
Other staffing costs	222	222	(0)	242	242	0
Total staffing costs	13,458	13,034	424	14,691	14,150	541
Other Direct Costs	1,077	746	331	1,230	834	397
Depreciation & Amortisation	197	219	(21)	216	238	(22)
Vehicle Costs	4,064	4,286	(222)	4,439	4,684	(246)
Plant Costs	376	365	12	419	403	15
Property Costs	793	818	(26)	872	901	(29)
Communications	5	-	5	5	-	5
ICT Costs	221	173	49	248	188	60
Service Recharges	43	202	(159)	53	224	(171)
Professional Fees	401	295	107	439	324	115
Operating costs	7,178	7,103	75	7,922	7,797	125
<b>OPERATING DEFICIT/(SURPLUS)</b>	<b>(460)</b>	<b>(49)</b>	<b>(410)</b>	<b>(521)</b>	<b>(112)</b>	<b>(409)</b>
Net funding costs	1	182	(181)	1	197	(196)
<b>NET DEFICIT/(SURPLUS) BEFORE TAX</b>	<b>(459)</b>	<b>133</b>	<b>(591)</b>	<b>(520)</b>	<b>84</b>	<b>(604)</b>
Corporation Tax	87		87	99		99
<b>NET DEFICIT/(SURPLUS) AFTER TAX</b>	<b>(372)</b>	<b>133</b>	<b>(504)</b>	<b>(421)</b>	<b>84</b>	<b>(506)</b>

The overall draft financial position to 28<sup>th</sup> February 2022 is a surplus after tax of (£372k) against a budgeted loss of £133k. Key variances relate to:

- Turnover favourable variance of (£910k) as a result of non-contractual work provided: (£313k) Rechargeable costs; (£262k) Leafing programme; (£190k) Grounds maintenance including Gunnersbury Park contract; (£79k) Waste, (£46k) streets cleansing; (£27k) salary recharge; (£19k) Kickstart funding; £26k HWRC Core income reduction as a result of Acton HWRC closure
- Staffing costs adverse variance of £424k due to (£171k) staff costs; (£27k) life insurance; (£11k) Apprenticeship; £43k PPE; £88k pension costs; £502k relating to additional works offset in revenue
- Operating costs adverse variance of (£75k)
  - (£211k) Vehicle and plant saving on insurance; fuel; repairs & maintenance and hire costs
  - (£159k) Service recharges & business rates not required
  - (£26k) Property Costs savings
  - (£21k) Depreciation & Amortisation year-end adjustments
  - £54k ICT and Communications due to additional H&S software reporting requirements and licences; in cab device repairs
  - £107k Professional fees include additional consultancy fees; publications; subscription offset by savings on training
  - £331k Other Direct Costs for grounds subcontractors; streets survey; rechargeable bags, bins and weighbridge repairs

- Funding costs positive variance of (£181k) as a result of no loan being drawn down in 21-22 financial year

The full year forecast has been updated and currently showing a profit before tax of £520k against originally budgeted loss of £84k. Numerous factors contributed to financial position improvement. The original budget/forecast assumed a loan drawdown. Loan drawdown is linked to the capital start up costs with the Council and as this is one of the outstanding items to be finalised, we have not drawdown on any loans in this financial year yet.

Staffing and vehicle costs savings also improved the financial result. At the time of preparing the half year forecast, Covid-19 cases were rising sharply and we prudently built in a fair amount of overtime to cover for the sickness absences. Luckily the company wasn't hit as originally anticipated with the absences as other providers in the sector and we did not have to incur additional overtime and agency cover.

Management continues to run a tight services review and introduced further costs control measures that may bring more benefits in the future years.

## **2. Vehicle and Plant Lease Refinancing**

We have been looking at extending the leases on the vehicles and machinery from 5 to 7 years and would like to present the Board the company lease refinancing analysis for their consideration, please also refer to Appendix 1 for further figures.

The assumptions take into consideration an increase in repairs and maintenance costs in year 6 and 7 and any additional costs associated with the lease refinancing. Five options were considered.

- **5 Years + Year 6/7 New Plant £13,276,357** – continue with the current lease arrangement till year 5 and then enter into a new lease arrangement for brand new fleet. We assumed 10% increase in rental charges for year 6 & 7.
- **5 Years + Year 6/7 Vehicle Extension + Year 6/7 New Plant £12,752,318** – continue with the current lease arrangement till year 5 and then apply for 2 years extension on vehicles and enter into a new lease arrangement for plant. We assumed 10% increase in rental charges for year 6 & 7 for new plants.
- **7 Years @ Original IRR + Year 6/7 New Plant £11,002,515** – reschedule the current vehicle leases to 7 years using the original IRR and continue with the current arrangement for plant to year 5; after year 5 enter into a new lease arrangement for plant. We assumed 10% increase in rental charges for year 6 & 7 for new plant.
- **7 Years @ Increased IRR + Year 6/7 New Plant £11,033,136** – reschedule the current vehicle leases to 7 years at increased IRR and continue with the current arrangement for plant to year 5; after year 5 enter into a new lease arrangement for plant. We assumed 10% increase in rental charges for year 6 & 7 for new plant.
- **RCVs 7 Years + Non RCV vehicles Year 6/7 Extension + Year 6/7 New Plants £11,401,332** – reschedule the current RCVs leases to 7 years at increased IRR, continue with the current arrangements for the non RCV vehicles and plant until year 5 with a potential extension of a further 2 years for non RCV vehicles and entering into a new lease arrangement for the plant after year 5. We assumed 10% increase in rental charges for year 6 & 7 for any new plant.

GEL management proposes to agree on the last option – RCVs 7 Years + Non RCV vehicles Year 6/7 Extension + Year 6/7 New Plant which would mean an overall saving of £1.875m over the future 5 years. This option also allows GEL to purchase the vehicles after year 7. We also consider that this timing will give more choice in moving to an alternative fuel fleet especially for the non RCV vehicles in year 6/7. The last option gives us the most flexibility when reprocurring the fleet to run the full 5 years with option to extend if needed. The finance companies are reluctant to agree on longer terms than current 7 years, but we believe that the lifetime for some of the vehicles and plant might be stretched further than 7 years with additional future savings in year 8 to 10.

The Council is happy for us to proceed with the last option with Officer Decision to be signed. We will also be seeking an approval to extend the Services Agreement Contract to at least 2 years to align with the lease reschedule.

### **3. Action Plan 2022/23**

At the last Board meeting, GEL management presented a budget for financial year 22/23 with estimated full year loss of £389k. We have been asked to work on action plan to close this gap to bring the company to a better financial position.

As previously highlighted, we used a prudent approach in setting the next year budget as we felt that this was the safest approach in current financial, political and market situation.

We have looked at different options, considered service optimisation, known and unforeseen risks and assumed that the 22/23 budget gap can be reduced by following:

➤ **£333k - Fleet Lease Refinancing**

The proposed lease refinancing option should bring total saving of £1.875m over the future 5 years. As the new refinancing would come into the effect from July 2022, the next year saving has been estimated at £333k.

➤ **£62k - Service Optimisation/Efficiency**

Our objective is to seek efficiencies where possible and appropriate. We have identified a contingency saving relating to HWRC drivers.

➤ **£51k – HGV Drivers Issue Overtime**

The budget assumption was based on a continuous shortage of HGV drivers but the latest market seems to be stabilised and we have managed to onboard two additional agency providers. This should help to deliver the service at required time and reduce additional budgeted HGV drivers issue overtime by one third.

The actual figures to support the above will be provided as part of 22/23 revised forecast at the next Board meeting.

### **4. Outstanding Issues**

GEL management is awaiting the Council representatives to resolve the outstanding issues and agree on costs recoverability. The below summarises outstanding areas with the potential impact on GEL financial results:

➤ **Start-up costs treatment**

- Revenue start-up costs (£703k) – provisional agreement between GEL and the Council to absorb the revenue start-up costs by the Council based on legal advice obtained by GEL. Council is seeking a separate advice from their legal team to ensure state aid rules were followed.
  - Capital start-up costs (£930k) – submitted capital spend being reviewed by the Council. The Council has decided to charge capital start-up costs and transfer title to GEL with GEL using fixed capital loan facility to finance these costs.
  - Stock start-up costs (£161k) - submitted PPE spend with GEL using working capital loan facility to finance the costs.
- Heads of Terms (Premises lease agreement) – we have highlighted to the Council Property team the main areas of our concern for further discussion but have not heard anything back yet.
- Appointment of external auditors for financial year 21/22 – we are in a process of reviewing the bids and will be making a recommendation to the Shareholder Representative in the next couple of days.

The Company corporation tax return for financial year 20/21 has been submitted.

## 5. Loan Finance

GEL current cash position is stable, and we have not drawn down on any of the loan facilities.

## 6. Bank Update

GEL Company credit card spend for January and February 2022:

Expense Type	£	Comments
Other Expense	295	Stationery, postage, vouchers
Tools	1,595	Tools & materials
PCN Fines	505	Penalty charge notice
Transport for London	90	Street Operatives Oyster card top up
	<b>2,485</b>	

**Appendix 1**

Year	Financial Year	5 Yrs + Yr 6/7 New Plants	5 Yrs + Yr 6/7 Extension + Yr 6/7 New Plants	7 Yrs @ Original IRR + Yr 6/7 New Plants	7 Yrs @ Increased IRR + Yr 6/7 New Plants	RCVs 7 Yrs + Non RCVs Yr 6/7 Extension + Yr 6/7 New Plants
Yr1	2020/21	£1,843,938	£1,843,938	£1,843,938	£1,843,938	£1,843,938
Yr2	2021/22	£1,843,938	£1,843,938	£1,843,938	£1,843,938	£1,843,938
Yr3	2022/23	£1,843,938	£1,843,938	£1,206,866	£1,212,990	£1,365,517
Yr4	2023/24	£1,843,938	£1,843,938	£1,206,866	£1,212,990	£1,365,517
Yr5	2024/25	£1,843,938	£1,843,938	£1,206,866	£1,212,990	£1,365,517
Yr6	2025/26	£2,028,332	£1,183,467	£1,221,252	£1,227,376	£1,189,624
Yr6	Maintenance Costs		£553,452	£553,452	£553,452	£553,452
Yr7	2026/27	£2,028,332	£1,183,467	£1,221,252	£1,227,376	£1,189,624
Yr7	Maintenance Costs		£608,797	£608,797	£608,797	£608,797
	Lessors fees	-	-	£11,000	£11,000	£11,000
	Purchase Costs	-	£3,441	£54,287	£54,287	£40,407
	LINK Costs	-	-	£24,000	£24,000	£24,000
		<b>£13,276,357</b>	<b>£12,752,318</b>	<b>£11,002,515</b>	<b>£11,033,136</b>	<b>£11,401,332</b>
5 Years Saving			-£524,040	-£2,273,842	-£2,243,221	-£1,875,026
Average Annual Saving			-£104,808	-£454,768	-£448,644	-£375,005

## Greener Ealing Ltd - Board Forward Plan 2022-23

Date of Meeting	Standing Items	Governance	Strategic	Finance	Performance Management/ Operations/Specific Project Updates
Jun 2022	<ul style="list-style-type: none"> <li>• Apologies</li> <li>• Declarations of Interest</li> <li>• Minutes of Meeting</li> <li>• Matters Arising                             <ul style="list-style-type: none"> <li>- Circular Resolutions</li> </ul> </li> <li>• HR Update</li> <li>• MD Report</li> <li>• Performance Report                             <ul style="list-style-type: none"> <li>- H&amp;S Update - incidents / accidents</li> <li>- Operations Update</li> <li>- Transport Update</li> </ul> </li> <li>• Risk Management                             <ul style="list-style-type: none"> <li>- Risk Register</li> </ul> </li> <li>• Forward Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Anti- Fraud Policy (<i>approved April 2021</i>)</li> <li>• Health and Safety (update approved April 21)</li> <li>• Data Protection Policy and Handbook (updated and recirculated April 2021)</li> <li>• Environmental Policy (approved April 2021)</li> <li>• Quality Policy (approved April 2021)</li> <li>• Update on delivery against business plan</li> <li>• Contract Procedure Rules</li> <li>• Risk Management (<i>approved Feb 2021</i>)</li> <li>• Equality and Diversity Policy review (<i>final objectives approved Feb 2021</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Working ex-offenders' reintegration project Update (first presented in Nov '21)</li> </ul>	<ul style="list-style-type: none"> <li>• Finance Update</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>



## Greener Ealing Ltd - Board Forward Plan 2022-23

Date of Meeting	Standing Items	Governance	Strategic	Finance	Performance Management/ Operations/Specific Project Updates
<b>Aug/Sept 2022</b>	<ul style="list-style-type: none"> <li>• Apologies</li> <li>• Declarations of Interest</li> <li>• Minutes of Meeting</li> <li>• Matters Arising                             <ul style="list-style-type: none"> <li>- Circular Resolutions</li> </ul> </li> <li>• HR Update</li> <li>• MD Report</li> <li>• Performance Report                             <ul style="list-style-type: none"> <li>- H&amp;S Update - incidents / accidents</li> <li>- Operations Update</li> <li>- Transport Update</li> </ul> </li> <li>• Risk Management                             <ul style="list-style-type: none"> <li>- Risk Register</li> </ul> </li> <li>• Forward Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Scheme of Delegation (update approved 01/07/2021)</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Finance Update</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Nov 2022</b>	<ul style="list-style-type: none"> <li>• Apologies</li> <li>• Declarations of Interest</li> <li>• Minutes of Meeting</li> <li>• Matters Arising                             <ul style="list-style-type: none"> <li>- Circular Resolutions</li> </ul> </li> <li>• HR Update</li> <li>• MD Report</li> <li>• Performance Report                             <ul style="list-style-type: none"> <li>- H&amp;S Update - incidents / accidents</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Update on delivery against business plan</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Finance Update</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

## Greener Ealing Ltd - Board Forward Plan 2022-23

Date of Meeting	Standing Items	Governance	Strategic	Finance	Performance Management/ Operations/Specific Project Updates
	<ul style="list-style-type: none"> <li>- Operations Update</li> <li>- Transport Update</li> <li>• Risk Management                             <ul style="list-style-type: none"> <li>- Risk Register</li> </ul> </li> <li>• Forward Plan</li> </ul>				