

**GREENER EALING LIMITED (“GEL”)
MINUTES OF THE BOARD OF DIRECTORS’ MEETING
HELD AT 13:00 HOURS ON THURSDAY 24th NOVEMBER 2022 BY MS TEAMS**

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
	Bill Gilmour	Head of HR & Comms, GEL	BG
	Katarina Pohancenikova	Head of Finance, GEL	KP
	Darren Henaghan	Interim Director of Housing, LBE	DH
	Helen Harris	Director of Legal & Democratic Services, LBE (attended from item 5.1.3)	HH
	Earl McKenzie	Assistant Director Street Services, LBE	
	Lizzie Purewal	Bridgehouse Company Secretaries (minutes)	BCS

1. Apologies for Absence

1.1 MB welcomed those present. There were no apologies for absence.

2. Declarations of Interest

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

3. Minutes of the Board – 15th September 2022

3.1 The minutes of the Board meeting on 15th September 2022 were **approved** with no changes.

4. Matters arising and Actions from the previous Board meeting

4.1 The Board **noted** that Darren Heneghan had been appointed as the new Shareholder Representative.

4.2 NED appointment update – DH explained that a process had been undertaken to identify a director to replace Alison Reynolds, who would be standing down. There had been 5 applicants and a successful candidate had been identified through the Council process. Cabinet approval for the role was expected to be provided in January.

4.3 The following resolutions were **ratified**, having been made since the last meeting (on 28th September 2022):

- **Approval** of the proposed 2022/23 Pay Award.
- **Noting** that implementation was subject to the GMB consulting with and receiving the approval of their members.

4.4 The Board discussed and **noted** the summary update of matters arising from previous Board meetings, all of which were complete.

Strategy, Project & Operations

5. GEL Service and Business Development

5.1 DH provided an overview of the paper: ‘Greener Ealing Services and Business Development’ and the Board discussed and noted the paper.

HH would consider any TUPE requirements for the relevant party **[ACTION]**.

[HH]

6. Managing Director's report & update on business objectives

6.1 KOL provided an overview of the Managing Director's report, and the following points were discussed:

- 6.2** • The Pay Award had been agreed with an average uplift across the workforce of 7.8%.
- 6.3** • The Quality Assurance Applications had all been approved. The BSI was experiencing a delay with processing the awards and it was hoped the awards would be received before the end of the year.
- 6.4** • Overall performance on the contract remained good despite the increasing pressure on staff.
- 6.5** • The Workforce Strategy was now being consulted upon and an update would be provided to the next Board for approval **[ACTION]**.
- 6.6** • A female recruitment campaign had launched together with the HGV campaign. Social media was being used to support that initiative and the Council had now agreed to refurbish the shower and changing facilities at Greenford depot, with work starting on 28th November.
- 6.7** • Customer comes first – 7 training videos had been finalised. The first would highlight the difficulties caused by any missed Assisted Collections. Missed Assisted Collections had reduced to single figures and the Council was keen to reduce this further. Consideration was being given to whether the videos could be monetised by selling onto similar services elsewhere.
- 6.8** • The staff survey was in progress. It was due to close on 25th November and there had been a high participation rate to date.
- 6.9** • CO2 target – GEL had set a target of 7% for 2022 and was on the verge of achieving it, mainly due to an optimisation and changing compression ratios on the compaction vehicles.
- 6.10** • Immediate work pressures now included the budget process and agreeing this with the Council for 23/24, along with a new Business Plan that needed to be agreed in February 2023 by both the GEL Board and the Council's Cabinet.

[KOL]

6.11 The Board **noted** the Managing Directors Report and the Key objectives action plan.

7. Combined Performance Report including HSEQ & Transport

7.1 KOL provided an overview of the report, noting that the dashboard was mostly green. The report had been reduced to highlights.

7.2

7.3 The Board **noted** the Consolidated Performance Report including HSEQ & Transport report.

8. GEL Risk Management Report

8.1 MB commented that most of the risks were well known to the organisation and requested an update on the food waste vehicles. KOL commented that the food waste vehicles had experienced problems with the chassis and air bags and the suspension system and overloading. All the vehicles needed to be repaired. The principal contractor had agreed an apportionment of the costs to get the vehicles fixed. GEL would pick up c. £21K, given GEL could have been quicker in terms of some of the overloading seen earlier in the contract which might have contributed to the problem. The principal contractor had agreed to pick up two thirds of the cost. It had been a good outcome. The vehicles would be repaired over the coming months. There were only 2 years remaining on the contract, which would not

be extended to the full 7 years. Whilst the vehicles could be used over the next 2 years, a procurement process would need to be undertaken to find a more suitable vehicle.

8.2 KR referenced the current fuel cost pressures and the potential energy rationing and scheduled blackouts that could come to pass later in the winter. There had been some discussion within the Council regarding the measures that critical events and public service delivery could take to ensure they were registered with suppliers to protect supply. KR sought reassurance on these increased risks, from a GEL perspective, that the necessary measures were in place to protect the resilience of GEL should an event come to pass. KOL commented that there had always been provision made for critical suppliers like refuse collection which would be prioritised at the top of the list, however, some of GEL's other vehicles might appear lower down the list. KOL agreed to consider this in the upcoming Business Continuity Planning meeting that was due to take place **[ACTION]**.

[KOL]

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


9. Finance Update – September 2022

10.1 KP presented the financial results, highlighting the following:

- 10.2** • The overall draft financial position to 31st October 2022 was a loss of £480k against a budgeted loss of £488k.
- 10.3** • The positive variance of £8k had been made up of a positive variance in turnover with the Ground maintenance contract performing better than originally anticipated and charging the Council for street cleansing.
- 10.4** • Staffing costs had an adverse variance of £422k, made up of minor savings on HWRC, offset by the agreed 22/23 pay award increases.
- 10.5** • Operating cost had an adverse variance of £180k. There had been a favourable variance on Vehicle and plant, because of lease refinancing and release of vehicle end of contract damage accruals for the end of contract damage accruals for RCV vehicles which was partially offset by the increase in fleet and plant repairs and maintenance costs and fuel costs. The service recharges had not been required. The majority of the favourable variance in the operating costs had been offset by some of the ground maintenance limitation which was greater than the beginning of the year and the depreciation and amortisation on the small plant purchases to be used for the Gunnersbury Park contract. Professional fees also included additional consultancy fees, legal fees, and training. Other Direct Costs included the BSI Audit.
- 10.6** • Funding costs had a positive variance of (£36k) due to no loan being drawn down in the first four months of the financial year 22/23 and the cash position was stable. The £20k lease interest had been moved from Vehicle and Plant costs to Interest payable to comply with IFRS16.
- 10.7** • The full year forecast had been updated and currently showed a loss of £531k against the originally budgeted loss of £389k. The forecast included the 22/23 pay award costing impact with additional LBE funding of £340k, which was originally agreed with the Council, however, at the time the report was written discussions were underway with the Council on how this would be funded, and it was therefore not included the October financial results and had instead been included as a separate line from the Net Loss / Profit Before Tax.
- 10.8** • In year efficiencies had been considered and it was believed that another £380k could be achieved through savings opportunities and cost control measures.

- 10.9** • GEL continued to face financial pressures that might have a negative impact on future financial performance, including future pay awards, inflation increase, fuel prices and the HGV driver shortage.
- 10.10** • There were several outstanding issues to be resolved with the Council, including the Start-up costs treatment and Heads of Terms.
- 10.11** • The Corporation tax return of the financial year 21/22 was due on 31st December 2022.
- 10.12** • Discussions were underway with last year's auditors: Beever and Struthers to review the next year audit proposal and a recommendation would be provided to the next meeting. The Council had advised that a 3-year audit appointment could be agreed.
- 10.13** • The current cash position was stable, and a summary of the credit card expenses had been provided.
- 10.14** • DH and KOL would follow up on how to present the Council with the bill for £340k as a result of the 22/23 pay award impact [**ACTION**]. [DH/KOL]
- 10.15** • MB expected the issues of pay pressure and inflationary costs would continue into the following year.
- 10.16** The Board **noted** the overall draft financial position to 31st October 2022.
- 11. Board Forward Plan**
- 11.1** The Board **noted** the plan, which had no changes
- 12. Any Other Business**
- 12.1** MB observed that this was likely to be Alison Reynold's last Board meeting, given she was stepping down from the Board. MB and KOL thanked Alison on behalf of the Board and the executive team for all the help and support she had provided to GEL.
- 13. Date of next meeting: 16th February 2022**
- 13.1** There being no other business, MB thanked those present and closed the meeting at 13.55

Signed


Mike Boulton (Mar 15, 2023 18:51 GMT)
Chair of the Board

Date Mar 15, 2023







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Final Audit Report

2023-03-15

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