

**GREENER EALING LIMITED (“GEL”)
MINUTES OF THE BOARD OF DIRECTORS’ MEETING
HELD AT 13:00 HOURS ON THURSDAY 9th MARCH 2023 BY MS TEAMS**

Present:	Mike Boulton	MB	Chair and Director
	Alison Reynolds	AR	Director
	Joanna Pavlides	JP	Director
In attendance:	Kevin O’Leary	KOL	Interim Managing Director, GEL
	Bill Gilmour	BG	Head of HR & Comms, GEL
	Katarina Pohancenikova	KP	Head of Finance, GEL
	Darren Henaghan	DH	Interim Director of Housing, LBE
	Lizzie Purewal	BCS	Bridgehouse Company Secretaries (minutes)

1. Apologies for Absence Action

- 1.1** MB welcomed those present. Welcoming Joanna Pavlides to her first meeting, following her appointment as a director of Greener Ealing on 30 January 2023.
- 1.2** It was noted that Kieran Read had resigned as a director on 30 January 2023.
- 1.3** Apologies for absence had been received from Helen Harris and Earl McKenzie.

2. Declarations of Interest

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

3. Minutes of the Board – 24th November 2022

- 3.1** The minutes of the Board meeting on 24th November 2022 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 previous Board meetings, all of which were complete.

Corporate Governance

5. Annual Whistleblowing Policy review

- 5.1** 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.
- 5.2** KOL confirmed that the policy had previously been publicised and would feature on Blink, GEL’s internal social media forum, to remind the workforce that the policy existed.
- 5.3** AR asked if management were confident that there were no issues, despite none being raised, questioning whether staff felt comfortable enough to come forward and use the policy if required. AR suggested that the policy could be discussed in team meetings, to question whether people would feel comfortable whistleblowing. KOL commented that the staff tended to be quite vocal in voicing issues directly if required. Staff had direct access to himself and BG and at times had raise concerns directly when they needed input from a more senior level. KOL confirmed the policy would be discussed in team meetings and assurance would be provided to confirm there would be no consequences for using the policy [**ACTION**].

[KOL/
BG]

- 5.4 Asked by MB if there was anything in the staff survey that indicated there could potentially be a Whistleblowing issue, BG confirmed there was not.
- 5.5 The Board **noted** and **approved** the Annual Review of the Whistleblowing Policy.

Strategy, Project & Operations

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

- 6.1 KOL provided an overview of the Managing Director's report. The following was discussed:
- 6.2
- Contract performance had been good over the last 3 months. The catch-up period after Christmas was a particularly challenging time, but the team had performed well and received good feedback, particularly from colleagues in the housing department. AR commented that normally the Contact Centre would have a week's worth of high-volume contact after Christmas, however this year there was only a day's worth before settling back to normal, demonstrating how well the contract was running.
- 6.3
- Graffiti and Fly Posting Removal Contract – work was underway on the mobilisation plan for GEL to take on this contract on 6th June 2023. GEL was working to develop a relationship with the present incumbent, MPM, given they were in a similar business and the businesses could potentially provide support to each other in the future. There was likely to be a TUPE transfer of two employees.
- 6.4
- Parking Enforcement Contract – meetings were taking place on a fortnightly basis with the intention that GEL would provide this service from 1st April 2024. A high-level project plan had been drafted and discussions were taking place regarding fleet requirements and property issues. Work would gather pace as the mobilisation date neared.
- 6.5
- Service Level Agreement – a paper would be submitted to the May cabinet meeting regarding revisions to the core SLA, covering contract inflation including volatile items such as fuel and insurance, contract length and the addition of the Graffiti service and property growth.
- 6.6
- The action plans for all objectives set out in the 2022/23 Business Plan had been finalised and would continue to be monitored.
- 6.7
- ISO accreditation had been attained for all 3 ISO standards and the certificates had now been received.
- 6.8
- GEL had met the CO2 target for 2022 with a 7.3% reduction, achieved on the back of optimisations, such as changing the compression ratio on the rear end of dust carts. It would be more challenging to meet the 7% target for 2023. AR questioned how the target had been set and whether it was appropriate or should be revised downwards. KOL commented that this was based on the Council's CO2 target. Last year's target had also been challenging but GEL had managed to achieve it. There were potential savings that were being considered and GEL would strive to meet the 7% if possible. DH commented that the Council had set an objective to be net zero by 2030, although a plan to meet this had not yet been formulated.
- 6.9
- DH thanked KOL for GEL's open and constructive attitude towards transferring in new services. The Council had a more positive relationship with GEL than they had had with other service providers. GEL was expected to have no problem taking on the Graffiti contract. The parking contract would be more challenging and further discussions were required, it was important that GEL was able to take this on and maintain a good standard. Additional staff and parking professionals would be required.
- 6.10
- DH highlighted the issue with the depot and the importance of ensuring all related conversations took place in a coordinated fashion. There would be pressure on GEL to work from a smaller operational footprint. It was recognised that this would be

difficult. Now that GEL was taking on parking and care taking consideration should be given to whether a series of smaller sites would be more appropriate. DH suggested that GEL's new requirements should be determined, so that a suitable site/s could be found, rather than trying to make GEL fit into a site that was not appropriate. Asked by MB what the timing on the depot change was likely to be, DH commented that in theory the change would take place in 2025. Discussions on future services would need to take place before it would be possible to determine GEL's new requirements. KOL commented that there was currently some miscommunication regarding what potential sites could be used. KOL acknowledged that there were many opportunities, particularly in housing, which could be explored. DH was keen to find a solution that was appropriate, sustainable and did not cause operational difficulties for GEL.

6.11 The Board **noted** the Managing Directors Report.

7. Business Plan and Budget 2023/24

7.1 KOL presented the Business Plan for 2023/24 and the following points were highlighted:

- 7.2**
 - The plan was a similar format to previous years. The number of objectives had been revised from 9 to 6 based on what had been achieved in recent years, what remained to be done and the changing agenda as the Council considered the transfer of new services to GEL.
- 7.3**
 - GEL would continue to work to find operational efficiencies across the business.
- 7.4**
 - HSEQ work was ongoing. GEL's strategy was to identify, develop and implement technology and ways of working to eliminate or reduce exposure to health and safety risks and environmental impact and quality failures. The ISO accreditation would be extended to Grounds Maintenance and the HWRC.
- 7.5**
 - Communications and Marketing - marketing had been sent out to all local schools in recent weeks. Some responses had been received and it remained to be seen whether these would materialise into additional work. Similar marketing would be sent to Universities, Colleges and RSLs.
- 7.6**
 - GEL was a key supplier to the Council and had agreed a Carbon reduction plan in line with the Council's aspirations. GEL would be undertaking a green audit to review the current initiatives.
- 7.7**
 - Preparing for new services – the new Graffiti Contract from June 2023 would be straight forward. The Parking Enforcement Contract was a major contract which represented a step change for GEL and would be a major piece of work for 2024.
- 7.8**
 - It was positive that despite the current economic pressures GEL had performed well and was forecasting a small profit for the year, demonstrating GEL's level of resilience. An overall income level had been agreed with the Council. A small loss had been forecast for 23/24 of £160K, however a loss of £380K had been forecast in 22/23 and some respects this was an improved position. A management plan would be developed to close that gap to provide assurance to the Board that management would continue to maintain tight control over costs and reviewing operations and search for efficiencies to ensure GEL could deliver a high standard of service and meet client and resident needs. The pressures GEL was facing included fuel, insurance, managing overtime, a fleet that was getting older and employee pay.
- 7.9**
 - DH recognised that a lot of work had gone into the business plan. The governance relating to the approval of the plan was correct and decisions had been taken in the right order. The Council's budget had been agreed yesterday and the money was in the budget.
- 7.10**
 - Discussions were taking place with the Council regarding the employee pay award. KOL commented that whilst it was important to recognise staff, making higher pay

level increases could price GEL out of the market to take on other commercial work. DH commented that it would be important to think differently about pay, recognising that whilst there was a need for a cost of increase it was important that GEL did not price itself out of the market. DH suggested that pay models that managed pay organisationally should be considered. It was important to ensure managers were being paid appropriately to attract and retain senior staff and the focus should not just be on front line staff. DH commented that the Council needed to support GEL to invest more in the ability to be commercial and to manage staff to free up KOL to be able to do the other work needed on a more regular and consistent basis. A mid-year budget adjustment might be required as a result of new services, additional spending would be required to provide support.

7.11 • DH commented that this was as a business plan 'at a moment in time' and as GEL moved forward there would be more to put into the plan to maintain the momentum towards more growth.

7.12 • JP questioned whether performance related pay had been considered. KOL had considered this and having prior experience of this type of scheme, had not considered it as the right option for GEL, although he was open to discuss the option as a way to incentivise staff. KOL recognised that the whole workforce were ambassadors for GEL, and it was important to find ways to reflect and reward that. KOL suggested that it might be appropriate to commission work to consider the types of options that exist. MB commented that it was worth looking at performance related pay options as part of the pay package, it was something that could work at GEL. However, MB observed that in his experience, performance related pay had generally acted as a disincentive as it was difficult to make them fair and equitable. It would also only make up a marginal amount of someone's pay. KOL suggested that other options for consideration included an employee share scheme or a flat bonus across all staff subject to thresholds being met. DH referenced purple book and red book bonus schemes that the Council was familiar with, commenting that these were very challenging from an administrative and organisational perspective. MB suggested that an element of performance related pay could be linked to objectives within the business plan, as a long-term incentive.

7.13 Following due consideration, the Board **RESOLVED to approve** the final Business Plan for 2023/24.

8. Workforce Strategy

8.1 BG presented the Workforce Strategy 2023, highlighting the following points:

8.2 • This was the third year since GEL had gone live and the Workforce Strategy was in place to provide a structure and focus. From the start, it was believed that to deliver better quality services, workforce buy-in was required. The workforce was seen as ambassadors for GEL and this view was promoted through repeated and consistent messages on GEL's values, through newsletters, toolbox talks, inductions and team briefings.

8.3 • The focus was to: (1) deliver value through exploring innovative ways of working, (2) reduce turnover through continuing cultural change / employee engagement pathways to development, and (3) prepare for growth assisted by better communications and marketing / improving internal and external communications.

8.4 • Results from the staff survey demonstrated the change in culture within GEL. Feedback had indicated that GEL had come a long way since GEL launched in 2020. Management was also trying to convey to staff how important they were to business and to make them feel part of the GEL team.

- 8.5
- Resourcing across GEL, including HGV drivers was currently on track, this would continue to be monitored as there was a risk that staff would consider applying elsewhere during the summer.
- 8.6
- An initiative had been introduced to support adult learners to learn to read and write and 5 people had expressed an interest in doing this.
- 8.7
- Recruitment for female staff continued and this had been factored into the marketing strategy. BG was pleased with the progress that had been made so far.
- 8.8
- AR observed that there seemed to be a high percentage of staff that had reported often feeling stressed at work and questioned if this had been investigated and queried what the target score for this question would be. BG commented that it was not possible to identify who had provided these responses, but it was known that there were financial pressures due to the cost of living increases and communication had gone to staff, via Blink, offering for them to discuss any concerns with management, confirm that some team members had reached out. Health champions were in place within teams and staff were being made aware of the service in place to support their mental health. AR had assumed the question related to work related stress as opposed to external stresses and suggested that in future surveys there should be 2 questions to understand whether the stress was caused by external factors or work issues. BG recognised AR's point but highlighted that responses to the other questions did not indicate that there was an issue with workplace stress. MB referenced his experience of staff engagement surveys, commenting that there were some questions in these types of surveys that were always difficult for staff to respond to positively, if staff said they were not stressed it was almost an admission that they were not motivated or doing enough work. Questions around pay also had psychological barriers making it difficult for a positive response.
- 8.9
- JP commented that the financial support for people, in view of the cost-of-living increases was currently being revised and would be available and circulated in April, to familiarise them with what was available to them.
- 8.10
- BG commented that the survey had had an 82% response rate, which was an improvement on 58% from the year before. DH commented that an 82% response rate for a front-line service was particularly high, demonstrating the positive relationship between the management team and staff. DH suggested this should be shared with HR colleagues within the Council as they could learn from the surprisingly good trusting relationship between management and staff.
- 8.11
- The Board **noted** the progress made to date and **RESOLVED to approve** the Workforce Strategy 2023.
9. **Staff Survey**
- 9.1
- The Board **noted** the Staff Engagement Survey 2022 results.
10. **Combined Performance Report including HSEQ & Transport**
- 10.1
- KOL presented the report. Overall performance in January had been good, performance was still consistent from month to month in all key indicators. There had been 6 amber status indicators in the month and 2 red.
- 10.2
- Vehicle accidents had increased this month showing a total of 19, which was way above normal expectations. These included incidents by third party vehicles, misjudgements by newly upskilled drivers, incidents that involved drivers that had left the business or where the drivers were under investigation and incidents involving ill judgements. 2 drivers were let go the previous week due to refusal to take a drug and alcohol test. Work was underway to

promote and reward safer driving. Training new drivers was very expensive and a drain on resources. Whilst the HGV driver shortage had stabilised it still required sustained attention and the quality of drivers did not necessarily meet expectations.

- 10.3** Assisted Missed collections had increased and were consistently amber (red in December). The Operational team had been tasked with reducing this figure, by monitoring the crews more closely, utilising a crew league table and holding teams to account.
- 10.4** DH questioned whether the Graffiti metrics would be included in the dashboard in future as this was currently amber in the Council's dashboard. KOL confirmed that a draft had been submitted with this included in addition to the environmental services contracts and would therefore appear in the dashboard once the contract had started.
- 10.5** The Board **noted** the Consolidated Performance Report including the HSEQ & Transport report.

11. GEL Risk Management Report

- 11.1** The Board **noted** the risk register.

12. Finance Update – September 2022

- 12.1** KP presented the financial results, highlighting the following:
- 12.2**
- The overall draft financial position to 31st January 2023 was showing a profit of £195K against a budgeted loss of £451k.
- 12.3**
- The positive variances related to (£1,231k) as a result of non-contractual work provided, which included: (£340k) 22/23 Pay Award contribution from the Council; (£271k) Streets leafing; (£462k) Grounds maintenance including the Gunnersbury Park contract; (£128k) 2 x Queens Bank Holidays recharge not budgeted; (£89k) rechargeable costs; (£65k) statutory cost increase claim; (£50k) Waste; (£38k) Streets cleansing; (£3k) Kickstart funding; £4k Other; and £211k efficiency savings.
- 12.4**
- There was an adverse variance of £573k on staffing costs, made up of savings on HWRC (£96k); (£57k) Support staff; £383k Streets inclusive of leafing; £162k Grounds; £115k Waste; Holiday pay accrual £45k; and other staffing cost £21k.
- 12.5**
- Operating costs had an adverse variance of £80k, mainly due to (£200k) Vehicle and plant: favourable variance as a result of lease refinancing and release of vehicle end of contract damage accruals for the rescheduled RCV vehicles being partially offset by increase in fleet and plant repairs and maintenance costs and fuel costs.
- 12.6**
- Funding costs were still showing as a positive variance of (£67k) as a result of the loan not being drawn down in financial year 22/23.
- 12.7**
- The full year forecast had been updated and was currently showing a profit of £45k against an originally budgeted loss of £389k. The main factors contributing to the financial position improvements were the Lease refinancing of 37 RCV vehicles, with a full year saving estimated at approximately £185k. As part of the lease term extension, the residual values for these 37 vehicles had been reduced to 0% and as a result the end of contract the damaged accrual amount released was £106k. Provision of services to a third party and the additional parent company contracts were being delivered at lower costs than originally anticipated. GEL management had maintained tight controls on services, reviewing staffing and overtime with cost control measures implemented throughout the year.
- 12.8**
- There were currently 2 outstanding issues: (1) in relation to the start-up costs treatment, the Council was in the process of invoicing GEL for the Capital start-up cost £930k and Stock start-up cost £161k. GEL would need to drawdown on the company

loan facility from the Council to pay for the start-up cost. (2) Heads of Terms (Premises lease agreement) – the Council was looking to rationalise GEL’s premises use as part of the savings programme and needed to wait for this exercise to complete before a lease could be finalised.

- 12.9 • The GEL Corporation tax return for financial year 21/22 had been submitted.
- 12.10 • Company auditors - The audit of the financial statements of Greener Ealing Ltd, for the year ended 31st March 2022 were presented at the GEL AGM on 27th September 2022. As per section 487, Companies Act 2006, the auditors were deemed reappointed for the current financial period.
- 12.11 • GEL’s current cash position was stable, and there had been no drawn down on any of the loan facilities to cover the company’s day-to-day activities.

12.12 The Board **noted** the overall draft financial position to 31st January 2023.

12.13 GEL management sought Board approval for (1) the loan facility drawdown of £1.1m for more than 12 months to ensure funding was in place for the start-up cost repayment and (2) authority to delegate the signing of the loan drawdown request to the GEL Managing Director.

12.14 Following due consideration, the Board **RESOLVED to:**

- **approve** the loan facility drawdown of £1.1m for more than 12 months to ensure funding was in place for the start-up cost repayment and
- **authorise** delegation of the signing of the loan drawdown request to the GEL Managing Director

12.15 GEL management sought approval to (1) enter a contract with London Borough of Ealing Council for the provision of Graffiti and Flypost removal services throughout the borough and (2) authority to delegate the signing of the contract to the GEL Managing Director.

12.16 Following due consideration, the Board **RESOLVED to:**

- **approve** entering the contract with London Borough of Ealing Council for the provision of Graffiti and Flypost removal services throughout the borough and
- **authorise** delegation of the signing of the contract to the GEL Managing Director.

13. **Board Forward Plan**

13.1 The Board **noted** the plan, which had no changes.

14. **Any Other Business**

14.1 **Board succession**

14.1.1 KOL requested an update on a replacement director, following AR’s previous indication that she wished to resign from the Board. DH commented that the board structure was currently being considered, it was important that another strategic, SLT level director was appointed, in addition to the shareholder representative. Given the potential for a future disagreement, having another SLT representative on the Board would help, as they could discuss the issue with the Council in order to resolve the issue. Recruitment would commence once the full scope of the position was known.

14.1.2 Asked by MB when the scope of the position was likely to be known, DH commented that an update would be provided to the next GEL board.

14.1.3 AR suggested that it had been useful to have the corporate view that previous director: Kieran Read had provided. DH recognised that the new director would require an understanding of

the corporate side of the Council and be part of the programme of improvement that was underway.

15. Date of next meeting: 27th April 2023

15.1 There being no other business, MB thanked those present and closed the meeting at 2:02 p.m.

Signed

 Meeting (May 16, 2023 17:38 GMT+1)

Chair of the Board

Date May 16, 2023







2023 03 09_GEL Board minutes_to be signed

Final Audit Report

2023-05-16

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