



MERSEYSIDE WASTE DISPOSAL AUTHORITY

**At the Meeting of the Authority
held on Friday 27th November 2009**

Present : Councillor Cluskey
Councillor Salter
Councillor Tattersall
Councillor Moore
Councillor Mills
Councillor Crowther
Councillor Gardiner

35. **Apologies for Absence**

Apologies for absence were received from Councillors Harris and Lonergan.

36. **Minutes of the Authority Meeting held on 25th September 2009**

Resolved that the minutes of the meeting held on 25th September 2009 be approved and signed as a correct record.

37. **Declarations of Interests by Members and Officers**

Councillor Moore declared a personal interest in items 14 and 15, recorded herewith as minutes 48 and 49 in so far as they relate to his employment and union membership.

Councillor Salter declared a personal interest in item 16, recorded herewith as minute 50, in so far as it relates to his role on the John Lenon Airport Consultative Committee.

Councillor Cluskey declared a personal and prejudicial interest in item 14, recorded herewith as minutes 48 in so far as it relates to his capacity as a director of Mersey Waste Holdings Limited.

Neil Ferris declared a personal and prejudicial interest in item 14, recorded herewith as minutes 48 in so far as it relates to his capacity as a director of Mersey Waste Holdings Limited.

Terry Bradley declared a personal and prejudicial interest in item 14, recorded herewith as minutes 48 in so far as it relates to his capacity as a director of Mersey Waste Holdings Limited.

38. **Questions from Members under Procedural Rules 9**

There were no questions submitted by Members under Procedural Rule 9.

39. **Questions from Members of the Public under Procedural Rules 10**

There were no questions submitted by members of the public under Procedural Rule 10.

40. **Motions proposed by Members under Procedural Rule 15**

There were no motions proposed by Members under Procedural Rule 15.

41. **Authority Representation**
WDA/41/09

A report was submitted informing Members of a change in representation on the Authority and seeking various nominations resulting from this change. The report also sought Members' consideration of a request for representation on the Liverpool City Region Environment and Waste Board.

Resolved that:

1. Councillor Salter be appointed to the Board of Bidston Methane Limited;
2. Councillor Salter be appointed as a Member of the Audit and Governance Committee;
3. Councillor Mills be nominated to answer questions at Liverpool City Council proceedings on the discharge of functions of this Authority, in accordance with Section 41 of the Local Government Act 1985.and
4. Councillor Cluskey be appointed as the Authority's representative on the City Region Environment and Waste Board.

42. **Annual Audit Letter – 2008/09 Audit**
WDA/39/09

The Authority's District Auditor presented the Annual Audit Letter which summarised the outcome of the audit undertaken by the Audit Commission for the 2008/09 financial year and concluded with an unqualified opinion and a number of recommendations.

Resolved that:

1. the contents of the Annual Audit Letter be noted; and
2. the recommendations made by the Audit Commission be accepted.

43. **Internal Audit Report**
WDA/38/09

A report was submitted which presented the findings of internal auditing in relation to the 2008/09 financial year which related to an audit of the Authority's governance arrangements and auditing of waste contracts. The Authority's internal auditors provided feedback to Members on the outcome of their review at the meeting.

Following discussion at the meeting, the Director proposed amendments to the recommendations in the report which were agreed.

Resolved that:

1. the contents of the Internal Auditor's reports be noted; and
2. the Treasurer be instructed to identify a reporting framework for Members and report back to a future meeting of the Authority.

44. **Joint Municipal Waste Management Strategy (JMWMS) Review**
Progress Report
WDA/40/09

The Authority considered a report advising Members of the progress made on the Joint Municipal Waste Management Strategy (JMWMS) Review and the cost and risk implications associated with the status of the Resource Recovery Contract.

Resolved that:

1. the report and progress made to date be noted; and
2. the key milestone dates for engagement for the strategy review listed in paragraph 4 of the report be accepted.

45. **International Financial Reporting Standards
Transitional Arrangements
WDA/44/09**

A report was submitted informing Members of the requirements arising from the implementation of International Financial Reporting Standards (IFRS) and the actions required by the Authority to comply with the new regime.

Resolved that:

1. the action plan for delivering IFRS compliant accounts be approved;
2. the Treasurer be granted delegated powers to implement IFRS accounting, in consultation with the Director;
3. the review of financial systems to support the implementation of IFRS compliant accounts be approved; and
4. the Treasurer reviews the support arrangements for implementing IFRS accounting to ensure there are adequate resources to enable the Authority to comply with the requirements.

46. **Exclusion of the Public**

Resolved that the public be excluded from the meeting during consideration of the following items for the reasons stated, with the exception of the Authority's auditor, Mike Thomas.

| <u>Minute</u> | <u>Reason (under the Local Government Act 1972)</u> |
|----------------------|--|
| 47,48 49 & 50 | Exempt information relating to the financial or business affairs of any particular person (Para 3 of Schedule 12A) |

47. **Provision of Support Services**
WDA/43/09

A report was submitted informing Members of the need to formalise existing arrangements for financial and other support services provided by St Helens Borough Council.

An amendment was proposed by Councillor Crowther and seconded by Councillor Tattersall, that the delegation requested should include consultation with the Chairperson.

The amendment was carried.

Resolved that:

1. the position regarding support services be noted;
2. the Authority's Contract Procedural Rules be suspended for the period to March 2011 to ensure continued support service provision; and
3. delegated powers of the Authority be granted to the Treasurer, in consultation with the Chairperson and Director, to formalise the service provision from St Helens Borough Council.

Councillors Cluskey and Tattersall declared a personal and prejudicial interest in the following item, recorded herewith as resolutions 48 and in accordance with the Code of Conduct for Members, left the meeting during consideration of the item.

Councillor Moore declared a personal interest in the following item, recorded herewith as resolutions 48 and in accordance with the Code of Conduct for Members, remained in the meeting.

Terry Bradley and Neil Ferris declared a personal and prejudicial interest in the following item, recorded herewith as resolutions 48 and in accordance with the Code of Conduct for Officers, left the meeting during consideration of the item.

Councillor Salter took the chair.

48. **Mersey Waste Holdings Limited (MWHL)**
WDA/42/09

The Authority considered a report seeking approval for the elimination of MWHL Group companies and seeking various delegations required to allow MWHL to provide ongoing landfill services.

Resolved that:

1. the recommendation by the Board of MWHL to the elimination of MWHL group companies identified in the report be approved and that a further options report be presented to Members at such a time that the elimination of the identified MWHL group companies has been completed or within 12 months, whichever is the lesser;
2. delegated powers of the Authority be granted to the Director, in consultation with the Chairperson, to provide the requested indemnities to the Citrus Pension Fund and acting as shareholder to make arrangement for MWHL to accept the Citrus and MPF Pension Funds offers in respect of payment of the pension deficits on an ongoing basis;
3. the Treasurer, in consultation with the Director, be delegated powers to agree and make provision for contractual payments for the provision of landfill services from MWHL and the company's overheads as detailed at paragraph 3.5 of the report; and
4. the actions taken by the Director under existing delegated powers to act as shareholder be noted.

Councillors Cluskey and Tattersall, Terry Bradley and Neil Ferris returned to the meeting. Councillor Cluskey took the chair.

Councillors Moore declared a personal interest in the following item, recorded herewith as resolutions 49 and in accordance with the Code of Conduct for Members, remained in the meeting.

49. **Resource Recovery Contract – Procurement Project**
Evaluation of Submission of Detailed Solutions
WDA/46/09

The Authority considered a report advising Members of the outcome of the evaluation of participants Detailed Solutions submitted as part of the RRC

Competitive Dialogue process. Terry Bradley informed Members that the bidder stated in the recommendation as Shanks, had changed its name during the procurement process to Mersey Green Energy.

An amendment was proposed by Councillor Crowther and seconded by Councillor Tattersall, that the Authority approves the process and the results of the evaluation scoring rather than the scoring itself.

The amendment was carried.

Resolved that:

1. the evaluation of the Detailed Solutions submitted by Covanta, Mersey Green Energy (MGE), Resources from Waste (RFW) and SITA and the results of the scorings of participants' proposals be approved.

Councillors Salter declared a personal interest in the following item, recorded herewith as resolutions 50 and in accordance with the Code of Conduct for Members, remained in the meeting.

50. **Resource Recovery Contract and Cost/Risk Assessment of Alternative Solutions**
WDA/45/09

A report was submitted which advised Members of the outcome of the cost/risk assessment process jointly undertaken by the Authority and Merseyside Environmental Advisory Service (MEAS) and sought approval to actions to support the delivery of the RRC procurement project.

Following discussion at the meeting, the Director proposed amendments to the recommendations in the report which were agreed.

Resolved that:

1. the outcome of the cost/risk assessment exercise detailed in the report (paragraphs 7 to 11) be noted; and
2. the following be approved:
 - (i) Sita and Covanta be invited to participate in the final period of dialogue prior to the Call For Final Tenders stage of the Resource Recovery Contract (RRC);

- (ii) MGE and RFW be not invited to participate further in the RRC procurement;
- (iii) the Authority seeks to acquire the site identified in paragraph 13.1 of the report, on the grounds that the reduction of risk associated with seeking to acquire the site justifies the additional cost compared to others;
- (iv) the Director be granted delegated authority to negotiate site acquisition in respect of the site identified in paragraph 13.1 of the report, subject to budgetary limits and consultation with the Treasurer and Monitoring Officer of the Authority, the final details of the outcome of acquisition negotiations to be the subject of a further report; and
- (v) the Director continues dialogue with site owners of the sites identified in paragraphs 14, 15 and 16 of the report, as a further contingency, with the proviso that no acquisition of an interest in these sites shall be implemented until such time as a further report is presented to Members on the outcome of the acquisition negotiations detailed in (iv) above and the costs/risks of this course of action compared with a new procurement.