



Recovering Energy from Waste

## Board Meeting Minutes

**Monday 27<sup>th</sup> February 2017  
2pm at the Registered Office**

*Present:* R Gray (Chairman)  
P Johnson  
C West  
K Starkey  
C Penson

	Action
<p>1. <b>Minutes of Previous Meeting</b> The minutes of the previous meetings held on 7<sup>th</sup> November 2016 and 5<sup>th</sup> December 2016 were agreed and signed by the Chairman.</p> <p>2. <b>Matters Arising</b> Mr Starkey advised the Board regarding the update to the Jacobs Engineering Survey. Jacobs have confirmed that if the company continue to maintain the current levels of CAPEX the plant should continue to operate until 2050. This will be confirmed after the completion of the full structural survey and then included in the final report.</p> <p>Mr Starkey confirmed that he had declined Grant Thornton's request to supply information to a benchmarking report on Local Authority Companies on the basis that the information requested was commercially sensitive.</p> <p>3. <b>Environment, Health &amp; Safety Report</b> Mr Starkey began his report by referring to the trend charts for injury frequency rate and he gave a summary of injuries by type. There was 1 minor injury involving a contractor.</p> <p>There were 11 hazard reports raised, no environmental incidents and 1 damage incident where a container skip lorry reversed into the contractors' car park, hitting an overhead pipe. All the above have are being addressed via the incident reporting system.</p>	KS

The Safety Rules will be re-written in the coming months. The latest revised version will be issued and complied with in the interim.

IOSH Managing Safely courses are being planned for managers and supervisors of staff and contractors to raise competency and reinforce good practice.

Mr Starkey concluded his report by referring to the 2017 Improvement Programme, all items are on track to be completed within the designated timescales.

**4. Commercial Report**

Mr Starkey updated the Board on the current status of issues relating to certain waste contracts.

**5. Environment, Health & Safety Review 2016**

The Annual Environment, Health & Safety Review for the year to 31<sup>st</sup> December 2016 was noted by the Board.

**6. Company Performance Report**

Mr Starkey presented the Plant Performance for the ten months ended 22<sup>nd</sup> January 2017.

Waste throughput was 7% ahead of budget and 1% higher than last year.

A and B shareholder waste throughput was 5% lower than budget and in line with last year. C Shareholder waste throughput was 10% ahead of budget and 1% higher than last year. Non shareholder waste was 29% ahead of budget and 4% higher than last year.

A and B Shareholder waste accounted for 48% of total throughput compared with 49% for same period last year.

Plant availability was 90% compared with a budget of 86% and a prior year performance of 89%, and average waste throughput per unit hour was ■■■ tonnes against a budget of ■■■ tonnes.

Electricity export was 11% ahead of budget and 5% lower than last year. The better than budgeted performance was mainly due to the postponement of the G1 outage.

Mr Penson reported to the Board on the Company's Financial Performance.

The profit before tax and pension provision for the 10 months is £6,219k which is £3,316k ahead of budget and £255k higher than last year.

<p>Mr Penson presented a revised forecast for the year ending 31<sup>st</sup> March 2017 based on 10 months of actual trading. The main changes in assumptions are revised prices and an increase in the throughput rate.</p> <p>The forecast profit for the year is now £7.4m (excluding the impact of the G1 outage) and the year-end cash position is forecast to be £10.9m.</p> <p>Mr Starkey commented that due to the higher forecast trading position it would be possible to pay a higher dividend than the one already agreed by the Board and notified to shareholders. Mr Johnson and Mr West were of the view that as the current year dividend had already been agreed and included in shareholders' financial projections any potential surplus should be carried forward with a view to it possibly being used to increase dividends in future years.</p> <p><b>6. Review of Risk Register</b> Mr Starkey presented the Risk Register to the Board. Serious accident and major engineering failure have been added to the Risk Register.</p> <p><b>7. Board Approval of Certain Commercial Decisions</b> Mr West proposed that additional rules be put in place which would require Board approval for certain commercial decisions where this is not currently required.</p> <p>Mr Penson undertook to circulate the current tendering procedure and the matters reserved to the Shareholder Panel.</p> <p>A draft proposal for a procedure to cover those commercial decisions not captured by current processes will be presented to the next Board meeting.</p> <p><b>8. Timetable for Dividend Payments</b> Mr Penson presented the timetable for dividend payments and redemption shares.</p> <p>The timetable was discussed and it was agreed.</p> <p><b>9. Any other business</b> Mr West proposed that a Register of Directors' Interests be generated to ensure that any potential conflicts of interest are identified and so that the Board's independence can be assured. Mr Penson undertook to draft a register for circulation and completion prior to the next Board meeting at which it would be tabled for the Board's consideration.</p>	<p>CP</p> <p>CP/KS</p> <p>CP</p>
---	----------------------------------

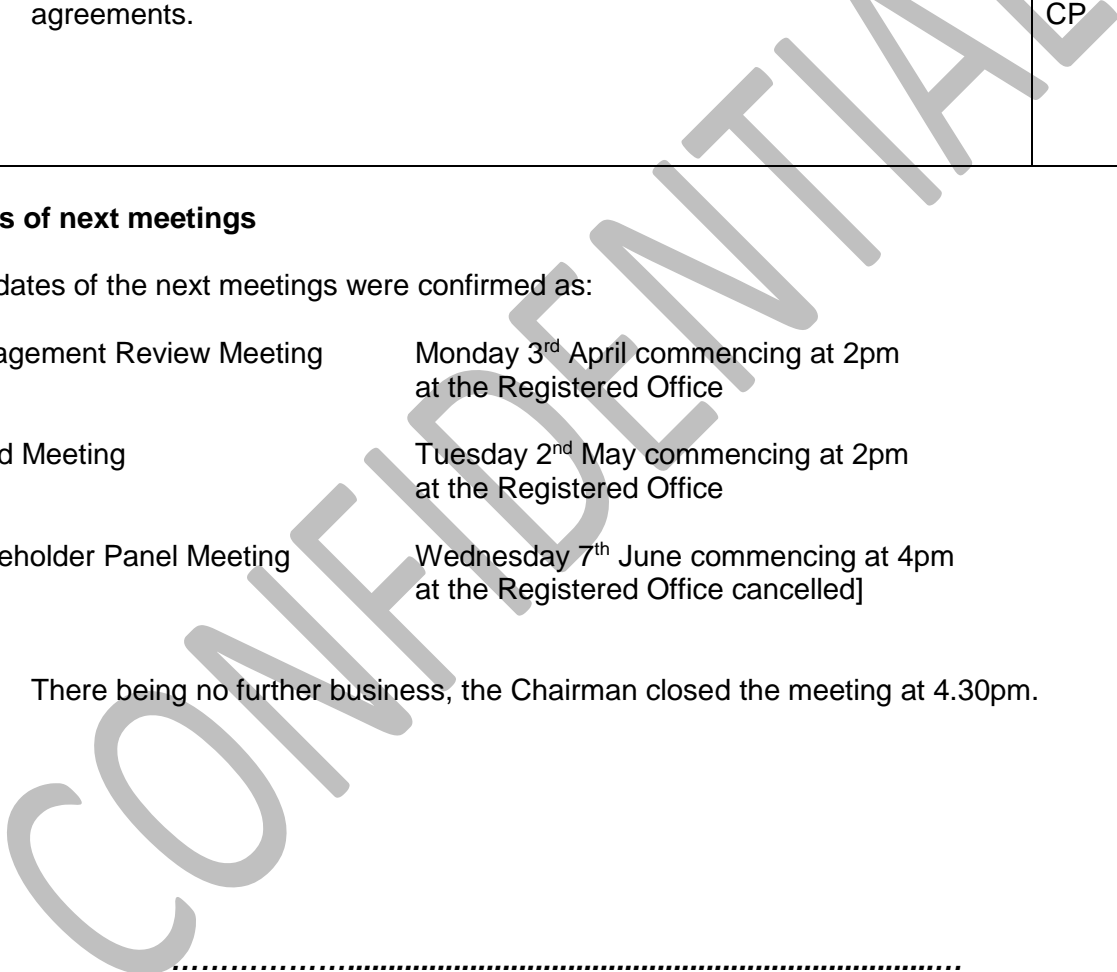
<p>Mr Penson updated the Board on the latest status of the discussions which has been held with the West Midlands Pension Fund with regards to potential measures for mitigating the Company's exposure to the crystallisation of the pension deficit liability. The Board agreed to continue to explore the proposals but that the next step should be to evaluate them and model the impact on the Company over the 5 year plan period at which point the Board should consider this financial evaluation before proceeding with compiling the legal documentation required to effect the transaction. The Board also agreed that subject to the satisfactory outcome of the financial modelling phase it would be prepared to authorise the outline costs of £10,000-£15,000 plus VAT quoted by the West Midlands Pension Scheme for them organising the preparation of the transfer and guarantee agreements.</p>	<p>CP</p>
---	-----------

**Dates of next meetings**

The dates of the next meetings were confirmed as:

- Management Review Meeting      Monday 3<sup>rd</sup> April commencing at 2pm  
at the Registered Office
  
- Board Meeting                              Tuesday 2<sup>nd</sup> May commencing at 2pm  
at the Registered Office
  
- Shareholder Panel Meeting      Wednesday 7<sup>th</sup> June commencing at 4pm  
at the Registered Office cancelled]

There being no further business, the Chairman closed the meeting at 4.30pm.



.....  
Chairman