



Recovering Energy from Waste

Board Meeting Minutes

Wednesday 13th May 2020
10.00 am via Video Conference

Present: R Gray (Chairman)
K Starkey
C Penson
P Johnson (via phone)
B Hastie

In attendance: S Kaur - Minute Taker

	Action												
<p>1. Minutes of Previous Meeting The minutes of the previous meeting on 3rd February 2020 were agreed and Mr Gray will sign, scan and return via email.</p>	Mr Gray												
<p>2. Matters Arising Previous meeting actions discussed with no matters arising.</p>													
<p>3. Environment, Health & Safety Report Mr Starkey began his report by referring to the trend charts for injury frequency rate and he gave a summary of injuries by type.</p> <p>Mr Starkey reported on the following injuries:</p> <table><tbody><tr><td>April 2020</td><td>2 injuries</td><td>one staff member and a delivery driver</td></tr><tr><td>March 2020</td><td>3 injuries</td><td>2 members of the public and one contractor</td></tr><tr><td>February 2020</td><td>1 injury</td><td>member of staff</td></tr><tr><td>January 2020</td><td>1 injury</td><td>member of the public</td></tr></tbody></table> <p>All injuries were relatively minor.</p> <p>There were no breaches of the operating permit, no instances of abnormal operation and no complaints received relating to the EH&S impacts for January to April 2020.</p>	April 2020	2 injuries	one staff member and a delivery driver	March 2020	3 injuries	2 members of the public and one contractor	February 2020	1 injury	member of staff	January 2020	1 injury	member of the public	
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<p>Mr Starkey reported that the HWRC had been closed since 23rd March but that its reopening is planned for Monday 18th May.</p> <p>Mr Starkey concluded his report by referring to the 2020 improvement programme, there has been a delay with item 8 due to focus being placed on mitigation measures for Covid-19. Mr Starkey stated that he would revise the due date. All remaining projects are on target to be completed within the designated timescales.</p> <p>4. Commercial Report Mr Starkey updated the meeting on the current status of issues relating to certain waste contracts.</p> <p>5. EH&S Management Review 2019 The Environment, Health & Safety Review for the year to 31st December 2019 was discussed with Mr Starkey stating that greater emphasis will be placed on manual handling training and behavioural safety in 2020. The report was noted by the Board.</p> <p>6. Company Performance Report Mr Starkey presented the plant performance for the year ended 31st March 2020. The year had been exceptional with waste throughput, and profit records broken.</p> <p>The waste throughput for the year was 6% ahead of budget and 2% higher than last year. A and B Shareholder waste throughput was 11% lower than budget and 2% higher than last year. C Shareholder waste throughput was 8% ahead of budget and 24% higher than last year. Non-shareholder waste throughput was 61% ahead of budget and 19% lower than last year. A and B Shareholder waste accounted for 43% of total throughput which is in line with the proportion in the same period last year.</p> <p>Plant availability was 90% compared with a budget of 88% and a prior year performance of 92%, and average waste throughput per unit hour was ■■■ tonnes compared with a budget of ■■■ tonnes and a prior year performance of ■■■ tonnes.</p> <p>Electricity export was 2% higher than budget and 3% lower than last year.</p> <p>Mr Penson reported to the Board on the Company's financial performance.</p> <p>The profit before tax and pension provision for the year is £14,162k which is £2,844k ahead of budget and £2,200k higher than last year. This is partly due to higher revenues, arising from higher availability, increased throughput per hour and a more favourable sales mix. It is also due to lower total EfW costs which are £259k below budget. There have been</p>	<p>Mr Starkey</p>
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cost savings compared to the budget in most categories, notably transport and disposal, utilities and administration.

A cash dividend of £9.0m was paid prior to the year-end and a dividend in specie of £1.38m was also declared. The year-end cash position was £15.0m.

7. Structural Survey Report

Mr Starkey presented the Structural Survey Report and gave Board members a summary. Mr Millard will be addressing the actions highlighted in the report. It will be included as an agenda item for further discussion and any questions at the next Management Review Meeting on 8th June 2020.

Mr Penson

8. Review of Risk Register

Mr Starkey and Mr Penson updated the Board on the items listed in the Business Risk Register which were discussed and approved.

9. COVID - 19 Business Impact

Mr Starkey provided a verbal update to Board members on the business impact of Covid19, the mitigating measures that the Company has put in place to combat them and the current status of future plans based on current guidance from HM Government. Mr Starkey also responded to a question from Mr Hastie about guidance from the government and other agencies by stating that useful updates and guidance has been provided by the Company's trade body the Environmental Services Association (ESA).

10. Coronavirus Business Resilience Report/Going Concern Report

Mr Penson presented the draft Coronavirus Business Resilience Report and the draft Going Concern Report to Board members. These reports included a worst case stress test scenario which demonstrated that with certain cash conservation measures in place the Company could continue to operate without the need for recourse to additional outside finance.

The representatives of the A and B shareholders confirmed that there would be no intention on their part to seek to enforce onerous penalties included in their service level agreement if this caused the Company financial hardship. They also confirmed that the local authorities which they represent were not experiencing financial difficulties such that they would not be able to meet their financial obligations to the Company for the treatment of waste.

Mr Penson also drew the attention of Board members to the possible requirement for the inclusion of an emphasis of matter paragraph in the audit opinion in the statutory accounts for the year ended 31st March 2020.

<p>Mr Penson stated that the reports presented were for the information of Board members, that they are draft and will require further update prior to the signing of the accounts on 6th July 2020.</p> <p>Mr Penson gave Board members an update on the status of the external audit which was being conducted entirely remotely but which was going well.</p>	
<p>11. Insurance Renewal 2020-21 Mr Penson presented a summary of the insurance renewal for 2020-21 which was reviewed and noted by the Board.</p>	
<p>12. Any Other Business Mr Starkey to carry out a Microsoft Teams video call test with Mr Johnson to ensure it is working prior to the next meeting.</p>	Mr Starkey

Dates of next meetings

The dates of the next meetings were confirmed as:

- Management Review Meeting Monday 8th June 2020 commencing at 10.00am at the Registered Office
- Shareholder Panel Meeting Wednesday 17th June 2020 commencing at 4.00pm at Coventry City Council (informal meeting subject to confirmation)
- Board Meeting Monday 6th July 2020 commencing at 10.00am at the Registered Office

There being no further business, the Chairman closed the meeting at 11.55 am.

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Chairman