

Board Meeting Minutes

Monday 7th June 2021 11.00 via Video Conference

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Present:

R Gray *(Chairman)* P Johnson B Hastie K Starkey C Penson

	Action
1. Capital Allowances	
Mr Penson explained that in the March 2021 budget, to help with the economic recovery from the COVID-19 pandemic, the Chancellor announced two new temporary first year allowances for capital expenditure incurred between 1 st April 2021 and 31 st March 2023. A 'super deduction' allows companies to claim a super-deduction in the form of a first-year relief of 130% on qualifying new plant and machinery fixed assets eligible for the main pool. A 'special rate allowance' allows companies to claim a first-year relief of 50% on qualifying new plant and machinery fixed assets.	
 The scheme would seem to offer cash flow benefits to the Company and therefore it is proposed that more work is undertaken to explore how the Company might realise these benefits as follows: Review of current capital plans with a view to identifying which projects might be brought forward and whether there are projects which it might be beneficial to delay; Based on the above ask the Company's tax advisors to review proposed plans to ensure that any accelerated expenditure will be eligible and to ensure that tax efficiency is maximised; Work out the impact on Company operations and operating cash flows to assess any potential impacts on capacity and dividends. 	
As the project is still under review but there is a Shareholder Panel meeting on 12 th June 2021 Mr Penson proposed that the Shareholder Panel be asked to approve the following to facilitate the Company taking	



advantage of the revised scheme:	
 The Board be approved to authorise capital expenditure in excess of the budget provided that: It is satisfied that such additional expenditure is an acceleration of expenditure from future years and that bringing it forward will improve the Company's cash flows; Such additional expenditure does not require a reduction in the cash dividend below the amount included in the 2021/22 budget; Such additional expenditure does not lead to a reduction in capacity which would not otherwise have been incurred in 2021/22; No new project so authorised has a value in excess of £1m. The Board approved the above proposal and tasked Mr Penson with preparing an appropriate paper for presentation to the Shareholder Panel. In the event that the Shareholder Panel is unwilling to approve this proposal, an alternative approach of providing a more detailed proposal with more specific numbers at the informal Shareholder Panel meeting in September will be put forward. 	C Penson
2. Any other business	
Mr Johnson and Mr Hastie questioned whether the Shareholder Panel meeting was able to be conducted via video conference, or whether the members at least were required by law to meet face to face. Mr Johnson and Mr Hastie confirmed that they would take internal legal advice on the matter whilst Mr Starkey would ask the meeting organiser at Coventry City Council how they are intending to hold the meeting.	P Johnson/ B Hastie/ K Starkey

There being no further business, the Chairman closed the meeting at 11.20.

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Chairman