



Recovering Energy from Waste

Board Meeting Minutes

Monday 8th November 2021
10.00 am via Video Conference

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

Minute Taker S Kaur

	Action
<p>1. Minutes of Previous Meeting The minutes of the previous meeting on 12th July 2021 and 4th October 2021 were agreed. Ms Kaur to send copies to Mr Gray following the meeting for him to print and sign and send scanned copies to the Company for filing.</p>	Mr Gray
<p>2. Matters Arising Previous meeting actions discussed with no matters arising.</p> <p>In the course of reviewing the minutes Mr Penson updated the Board that a price of £106.70 per MWhr had been achieved for G2 electrical export for the year commencing 1st April 2022 in the October NFPA e-Power auction.</p> <p>Mr Penson and Mr Starkey also reported that they were waiting for feedback on proposed papers provided to Coventry City Council before they could progress with obtaining Shareholder Panel approval for the steam generation bank replacement project planned for next financial year, but requiring contractual commitment in December 2021</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>	

There were two injuries in July to a member of the public and a contractor, one in August involving a member of the public with no injuries in September and two injuries involving contractors in October. All the injuries were minor and all were investigated and actioned.

There was one external environmental complaint regarding a burning plastic odour in September 2021, but it was very unlikely to have originated from CSWDC due to the wind direction. There were no abnormal operations or environmental incidents. There was one permit breach for dioxins, and the initial findings are that the plant had stable combustion, was operating within normal expected parameters and the abatement system was working correctly.

Meetings continue to discuss the recent changes in the Best Available Technique Reference Documents (BREF) at the Environmental Services Association (ESA).

The BREF interpretation document has been issued via the ESA to sites on 1st October 2021 following consultation.

There have been no further updates since the last Board report from the EA regarding when the Company will be issued its new permit. The deadline of December 2023 remains.

Mr Starkey concluded his report by referring to the 2021 improvement programme. All projects were on target to be completed within the designated timescales, although some of the timescales had been previously revised. The description for item 3 description reads as if the project is still in progress whereas the status states it is completed. The status needs to be updated accordingly.

K Starkey

4. Commercial Report

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

5. Company Performance Report

Mr Starkey presented the plant performance for the six months ended 26th September.

The waste throughput is 4% ahead of budget and 3% lower than last year. A and B Shareholder waste throughput was 14% lower than budget and 2% higher than last year. C Shareholder waste throughput was in line with the budget and 4% lower than last year. Non-shareholder waste throughput was ahead of budget and 15% lower than last year.

A and B Shareholder waste accounted for 44% of total throughput compared with 42% in the same period last year. A,B and C Shareholder waste accounted for 89% of total throughput compared with 87% in the

<p>same period last year.</p> <p>Plant availability was 91% compared with a budget of 89% and a prior year performance of 94%, 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 5% higher than budget and 3% lower than last year.</p> <p>Mr Starkey also provided the Board with a brief update on operating performance for the period ending 24th October 2021.</p> <p>Mr Gray asked whether a chimney inspection was carried out during the October total plant outage. Mr Starkey stated that he believed it had but would check and confirm.</p> <p>Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the six months is £7,261k which is £1,979k ahead of budget but £540k behind last year. This is partly due to higher revenues, arising from higher availability, increased throughput and a more favourable sales mix. It is also due to lower total EfW costs which are £596k below budget. There have been cost savings compared to the budget in most categories, notably maintenance, administration and depreciation.</p> <p>Mr Penson presented a revised forecast for the year ending 31st March 2022. The forecast profit before interest, pensions and tax was £10.7m compared with a budget of £8.6m. The year-end cash position is forecast to be £11.8m, compared with a budgeted figure of £9.4m, due mainly to a better than budgeted opening position and better forecast trading.</p>	
<p>6. Review of Risk Register</p> <p>Mr Starkey and Mr Penson updated the Board on the items listed in the Business Risk Register which were discussed and approved.</p>	Mr Starkey
<p>7. FM Global Property Insurance Renewal 2022/23</p> <p>Mr Penson presented a summary of the FM Global property insurance renewal proposal terms for 2022-23, along with benchmarking data provided by Aon. The proposal was discussed by the Board and approval was provided to accept it. The Board also requested that a three year long term agreement should be sought if possible.</p>	Mr Penson Mr Starkey
<p>8. Dividend</p> <p>Mr Penson presented the proposed schedule of dividends for the Forecast year ending 31st March 2022, the Budget year ending 31st March 2023 and the further four years of the Five Year Plan ending 31st March 2027. Following discussions of this Mr Hastie requested that a £1.5m increase in</p>	

<p>dividend in 2021/22 be considered, with a corresponding reduction in 2022/23. Mr Penson was asked to consider the Company's ability to accommodate this suggestion and revise the forecast, budget and five year plan on this basis if it was possible. If the financial model suggested that it was not possible Mr Penson stated that he would contact board members in advance of the next planned meeting in December.</p>	<p>Mr Penson</p>
<p>9. Post COVID-19 methods of meetings and home working Mr Starkey updated the Board regarding homeworking. Staff that can work from home, have the flexibility to do so one day per week. This is on a discretionary basis, does not form part of their contract of employment and can be withdrawn or varied at any time. The Board noted and approved the arrangements.</p> <p>It was agreed that future Board and Management Review Meetings will continue via Teams for the time being. It was also suggested that Shareholder Panel meetings should continue to be held via Teams, but it was noted that the final decision would fall to the Shareholder Panel itself. Arrangements are to be reviewed again in 6 months.</p>	<p>Mr Starkey</p>
<p>10. Any other Business Mr Starkey informed the Board that Mr Douglas, the Plant Operations Manager, will be retiring in June 2022.</p> <p>Mr Hastie requested that the Company's information relating to its carbon foot print be forwarded to him. Mr Gray suggested that an update on this matter should be included as an agenda item at the next full meeting in February.</p>	<p>Mr Starkey</p>

Dates of next meetings

The dates of the next meetings were confirmed as:

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|---------------------------|--|
| Management Review Meeting | Monday 6 th December 2021 commencing at 10.00am via Teams |
| Board Meeting | Monday 6 th December 2021 following the Management Review Meeting via Teams (to discuss the budget) |
| Shareholder Panel Meeting | Wednesday 19 th January 2021 commencing at 4.00pm. Method of meeting TBA but expected to be Teams |

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

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Chairman