



Recovering Energy from Waste

## Board Meeting Minutes

**Monday 3rd May 2022  
14.00 at the Registered Office**

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

Minute Taker S Kaur

	Action
<p><b>1. Minutes of Previous Meeting</b> The minutes of the previous meetings on 14<sup>th</sup> March 2022 and 4<sup>th</sup> February 2022 were approved and signed by Mr Gray.</p> <p><b>2. Matters Arising</b> Mr Penson provided an update on the replacement of Kaspersky antivirus with an alternative solution, which is currently ongoing.</p> <p>There were no other matters arising.</p> <p><b>3. 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. The current rate for staff and contractors is low with a slight increase in accidents for members of the public, however the overall rate still remains low.</p> <p>There was one injury to a member of the public in March, when they lost their footing on an uneven area on the HWRC roadway. They then turned their ankle and caught their leg on their car bumper edge, causing a cut. Mr Gray asked if this had led to a claim and Mr Starkey said that he would investigate. There were a further two minor injuries to members of the public in April, both when they were disposing of waste at the HWRC.</p> <p>There was one environmental incident in February which relates to the opening of the by-pass damper on unit one. This event had potential to</p>	Mr Starkey

<p>cause pollution and as such, is likely to result in an instance of abnormal operation, or possibly a permit breach depending on EA feedback. There were no external environmental complaints or emissions issues in March or April.</p> <p>Meetings continue to discuss the changes in the Best Available Technique Reference Documents (BREF) via the Environmental Services Association.</p> <p>There have been some updates since the last board report from the EA. The deadline of 3<sup>rd</sup> December 2023 for permit compliance remains. However it should be noted some requirements have been brought forward. Mr Starkey provided an update on various additional types of testing which will be required and which will entail additional cost.</p> <p>Mr Gray queried whether the references to gross energy efficiency and gross electrical efficiency are defined as emission limit values within the BREF. Mr Starkey said that he would confirm whether or not this was the case.</p> <p>Mr Starkey concluded his report by referring to the 2022 Improvement Programme. All the projects are on track for completion within the designated timescales with the exception of item 9 which was carried over from the 2021 programme (the recent missed deadline is due to a delay in receipt of parts).</p>	
<p><b>4. Commercial Report</b> Mr Starkey updated the meeting on the current status of issues relating to certain waste and other contracts.</p> <p><b>5. EH&amp;S Management Review 2021</b> The Environment, Health and Safety Review for the year to 31<sup>st</sup> December 2021 was presented by Mr Starkey and approved by the Board following a discussion and subject to the below point.</p> <p>Mr Johnson questioned whether the report provided sufficient explanation regarding the high level of gas usage and it was agreed that the explanation on page 13 in section 4.6 would be expanded.</p>	<p>Mr Starkey</p> <p>Mr Starkey</p>
<p><b>6. Company Performance Report</b></p> <p>Mr Starkey presented the plant performance for the year ended 31<sup>st</sup> March 2022 and noted that it has been another good year in terms of waste throughput, electrical generation, availability and profit.</p> <p>The waste throughput is 7% ahead of budget and 6% lower than last year. A and B Shareholder waste throughput was 11% lower than budget and 1% lower than last year. C Shareholder waste throughput was 2% ahead</p>	

<p>of budget and 4% lower than last year. Non-shareholder waste throughput was ahead of the budget of zero tonnes and 26% lower than last year.</p> <p>A and B Shareholder waste accounted for 45% of total throughput compared with 43% in the same period last year. A,B and C Shareholder waste accounted for 89% of total throughput compared with 86% in the same period last year.</p> <p>Plant availability was 86% compared with a budget of 84% 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 6% higher than budget and 6% 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 £12,064k which is £3,479k ahead of budget and £3,213 behind last year. Revenues are £3,200k higher than budget but £1,985k behind last year. This is partly due to higher revenues arising from higher availability, increased throughput per hour and a more favourable sales mix. The worse than prior year performance is driven by the lower level of waste throughput caused by lower availability arising from the total plant outage and the tube leak issues.</p> <p>Total EfW costs are £39k lower than the budget. There have been cost savings compared to the budget in most categories, notably maintenance, administration and depreciation. However, inflationary cost increases, particularly for consumables with an energy intensive production process, have been significant in the final quarter. Lime costs are £116k higher than budget for the year and ammonia costs are £261k higher.</p> <p>The year-end cash position was £13.8m. This was higher than the most recent forecast due to better than anticipated trading.</p> <p><b>7. Review of Risk Register</b> Mr Starkey and Mr Penson updated the Board on the items listed in the Business Risk Register which were discussed and approved.</p> <p>It was agreed item 10 relating to Covid-19 would be removed from the register moving forward.</p> <p><b>8. Going Concern</b> Mr Penson presented the draft Going Concern Report to support the Going Concern statement and treatment in the financial statement for the year ended 31st March 2022. It was noted by the Board and an updated</p>	<p>Mr Starkey</p>
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<p>version will be presented to the meeting at which the financial statements for the year ended 31<sup>st</sup> March 2022 are approved.</p> <p>Mr Hastie and Mr Johnson confirmed respectively that Coventry City Council and Solihull Metropolitan Borough Council 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.</p> <p>Mr Hastie and Mr Johnson re-affirmed their position on behalf of the Councils, as set out in the previous year, 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.</p>	Mr Penson
<p><b>9. Insurance renewal 2021-22</b></p> <p>Mr Penson presented a summary of the insurance renewal for 2022-23 which was reviewed and noted by the Board.</p>	
<p><b>10. ██████████ Operate and Maintain (O&amp;M) Opportunity</b></p> <p>Mr Starkey presented a report regarding the ██████████ O&amp;M opportunity and also referred to a report prepared by ██████████ ██████████ on the same matter which had been circulated to the Board separately. The Board discussion focussed on the two principal options of either entering into a joint venture arrangement or a shorter term O&amp;M contract and also considered the Board's broader strategic objectives in terms of future profit enhancing projects and the following was agreed:</p> <ul style="list-style-type: none"> <li>• Joint venture arrangements will not be considered unless the proposal originated from one of the A or B shareholding authorities, the risk to reward balance is deemed appropriate by the A and B shareholding board members and the proposal has the consent of both. Joint venture arrangements must be approved by the Board on the basis that they provide an adequate return to the Company;</li> <li>• O&amp;M or similar opportunities will be considered. O&amp;M or similar opportunities will only be considered where the risk to reward balance is deemed appropriate by the A and B shareholding board members. O&amp;M or similar opportunities must be approved by the Board on the basis that they provide an adequate return to the Company.</li> </ul> <p>It was therefore agreed that Mr Starkey be approved to further consider the ██████████ O&amp;M opportunity by commissioning a consultant's report on the PQQ issued by ██████████ with a view to determining the potential return for the Company on the terms on which it would be prepared to bid, and also the likelihood of such a bid being successful against other private sector bidders.</p>	Mr Starkey

<b>11. Senior Manager Bonus</b>	The Board approved the payment of the senior managers' and directors' bonus in the June 2022 payroll based on the Company results following the conclusion of the audit currently being conducted by EY.	Mr Penson
<b>12. Any other Business</b>	Mr Gray requested that the Management Review Meeting on 6 <sup>th</sup> June be conducted via Teams.	Mr Penson

#### Dates of next meetings

The dates of the next meetings were confirmed as:

Management Review Meeting      Monday 6<sup>th</sup> June 2022 commencing at 10.00am via Teams

Shareholder Panel Meeting      Wednesday 22<sup>nd</sup> June 2022 commencing at 4.00pm.  
Method of meeting TBA.

Board Meeting      Monday 11<sup>th</sup> July 2022 commencing at 10.00am. Method of meeting TBA.

There being no further business, the Chairman closed the meeting at 16.20.

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Chairman