



Recovering Energy from Waste

Board Meeting Minutes

Monday 7th November 2022
10.00 am at the Registered Office

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 11th July 2022 were approved and signed by Mr Gray.</p>	
<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>There were three injuries reported in August involving a member of staff, a member of the public and a contractor. There were a further three injuries in September involving contractors and no injuries in October. Mr Gray asked if the number of contractor related injuries in September, during the prolonged outage due to the unit 2 steam generation bank replacement, was a concern, but Mr Starkey commented that there was no particular concern when the injuries were assessed in the context of the contractor hours worked and the severity of the incidents.</p> <p>There were no breaches of permitted emission limit values (ELVs), environmental incidents or complaints since the last board meeting.</p>	

There was one abnormal operation reported in August due to loss of monitoring data following the breakdown of the duty continuous emissions monitoring system (CEMs) and the standby CEMs. There were a further two abnormal operations reported to the Environment Agency in September. The by-pass damper on unit 3 opened due to a fault and the CEMs equipment suffered a breakdown resulting in the particulate data being irrecoverable.

Mr Johnson asked if the proposed change in occupational health provider would leave the Company without any cover in this area, but Mr Starkey responded that the current arrangement would not be terminated until a new provider had been identified,

Mr Starkey concluded his report by referring to the 2022 improvement programme. Item 3 is in progress and the target date is now December 2022. All other projects were on target to be completed within the designated timescales.

4. **Commercial Report**

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

The Environment Agency issued the new permit 5th October 2022. The new emission limit values do not come into force until the December 2023.

Work continues regarding the BREF. QAL2 results have been received and input into the CEMS with no significant impact. A trial is currently underway on unit 3 to help understand if operating the unit at the design point will result in the unit meeting the new BREF emission limits. External combustion and emissions specialist are also investigating the issue.

The drug and alcohol policy and procedure has been updated and staff will be briefed once the testing arrangements has been agreed and approved.

The 3rd party recertification audits for ISO14001 and ISO45001 took place in September.

An energy and resource efficiency section has been included within the EH&S leadership and statement policy and this has been communicated to staff.



5. Company Performance Report

Mr Starkey presented the plant performance for the six months ended 25th September.

In the current year a prolonged major outage on unit 2 to replace the steam generation bank tubes commenced on the 1st September. The outage was planned to be completed on 5th October, however it did not return to service until 14th October due to the rectification of a number of leaks found after pressure testing

The waste received is 2% lower than budget and 6% lower than last year. A and B Shareholder waste throughput was 11% lower than budget and 6% lower than last year. C Shareholder waste throughput was 4% lower than budget and 3% lower than last year. Non-shareholder waste received was 125% higher than budget and 21% lower than last year.

A and B Shareholder waste accounted for 44% of total throughput compared with 44% in the same period last year. A,B and C Shareholder waste accounted for 90% of total throughput compared with 89% in the same period last year.

Plant availability was 89% compared with a budget of 88% and a prior year performance of 91%. Average waste throughput per unit hour was ■■■ tonnes compared with a budget of ■■■ tonnes and a prior year performance of ■■■ tonnes.

Electricity export was 3% higher than budget and 4% lower than last year. The higher than expected electricity export per tonne of waste processed of 374 KWh (budget and prior year 358 KWh and 366 KWh respectively) was due to the warm and dry summer affecting the calorific value of the waste which in turn improved plant efficiency.

Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the six months is £8,199k which is £1,130k ahead of budget and £938k ahead of last year. . Revenues of £18,352k are £1,008k higher than budget and £2,574k higher than prior year. This is due principally to a switch in the sales mix between A, B and C shareholder waste and non-shareholder waste and higher incinerated metal and heat sales for the budget, and significant price increases for waste sales and in particular electrical revenue.

Mr Penson presented a revised forecast for the year ending 31st March 2022. The forecast profit before interest, pensions and tax was £16.0m compared with a budget of £15.4m.

The year-end cash position is forecast to be £14.2m, compared with a budgeted figure of £9.9m, due mainly to a better than budgeted opening position lower forecast capital expenditure and better forecast trading.

<p>Mr Penson gave an update on the forecast and commented that considerable uncertainty surrounded the forecast for the remainder of the year due to external economic factors and that based on more up to date but still uncertain information the revised forecast was in the region of £14.5m.</p>	
<p>6. Power Price Cap Mr Starkey informed the Board that the government were currently considering a power price cap for certain generators which would restrict prices to pre-energy crisis price levels regardless of any contractual arrangements in place. It was not known with certainty that EFW would be included in this arrangement but it has been in Europe. Such action would have a severe impact on performance and cash generation in 2023/24, and potentially in 2022/23.</p>	
<p>Mr Starkey stated that he would keep the Board updated as information became available.</p>	Mr Starkey
<p>7. Dividend Mr Penson updated the board on the planned dividend payments for the current year, the budget and the five year plan. It was noted that the current economic uncertainty was suppressing future expectations of profitability and cash generation.</p>	
<p>It was agreed in the course of the discussion that certain changes be made to budget assumptions relating to throughput rate.</p>	
<p>Mr Starkey informed the Board that the forecast level of expenditure on the proposed new administrative building following the initial design and ground investigations work was much higher than originally anticipated, and the architects and civil engineers had been tasked with finding cost savings in the design. The Board agreed that work should continue with the design and that planning permission should be obtained with a view to the project being tendered and the build taking place in year 2 of the five year plan. The budget is to be updated on this basis.</p>	Mr Penson
<p>It was agreed that the budgeted dividend for 2023/24 should be maintained at the level shown in the prior year five year plan if possible.</p>	Mr Penson
<p>8. BREF December 2023 Mr Starkey updated the Board on the NOx and NH3 challenges faced by the business in the run up the effective date for the new permit in December 2023.</p>	
<p>A list of actions are being worked through internally to address the issue and external specialists have also been engaged to investigate.</p>	

<p>Mr Starkey stated that he would keep the Board updated on progress at future meetings.</p>	<p>Mr Starkey</p>
<p>9. 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.</p>	
<p>Item 4 (Major Fire) - Mr Starkey stated that he would confirm that cooling tower fire protection had been installed during the recent outage and notify the Board accordingly.</p>	<p>Mr Starkey</p>
<p>10. Long Term Business Plan Mr Starkey presented the long term business plan which had previously been circulated to Board members.</p> <p>Mr Gray suggested that the part of the document detailing the development of the business should be updated to include mention of the installation of inconel cladding in the period 2005-07.</p> <p>It was agreed that long term business plan would not be circulated beyond the Board without the approval of the Board.</p>	<p>Mr Starkey</p>
<p>11. Any other Business There was no other business.</p>	

Dates of next meetings

The dates of the next meetings were confirmed as:

- Management Review Meeting Monday 5th December 2022 commencing at 10.00am.
Method of meeting: Teams.
- Shareholder Panel Meeting Wednesday 25th January 2023 commencing at 4.00pm.
Method of meeting: Teams.
- Board Meeting Date to be confirmed.

There being no further business, the Chairman closed the meeting at 12.05 pm.

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Chairman