



Recovering Energy from Waste

Board Meeting Minutes

Monday 27th February 2023
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 meetings on 7th November 2022 and 5th December 2022 were approved and signed by Mr Gray.</p>	
<p>2. Matters Arising Previous meeting actions were discussed with no further 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 Gray requested an update on the number of annual visitors to the HWRC. Mr Starkey confirmed this information is available from the booking system and that he would obtain it and circulate it.</p> <div data-bbox="284 1579 1247 1850" style="background-color: black; width: 100%; height: 100%;"></div>	Mr Starkey

There was one injury reported in January 2023 involving a member of staff who caught their own thumb in the door. The door was checked and it was functioning correctly.

There were no injuries in December 2022 or February 2023.

There were no breaches of permitted emission limit values (ELVs) reported between November 2022 and February 2023 except for one breach in January 2023, which related to an exceedance of the SO₂ daily average on Unit 1.

The only environmental incident reported in the period was in February 2023 when Severn Trent Water reported a discharge consent breach for metals on the ash discharger outlet which is being investigated.

Work continues with RJM and Martin to improve BREF compliance on all units for NO_x and NH₃.

A consultant is carrying out a CEMs review focusing on the QAL2 functions. To date they have not found any significant issues with the CEMs and are confident they are working correctly.

CBISS installed additional standby CEMS on all three lines in December. Work is ongoing to complete the snagging items.

Severn Trent have confirmed that they are satisfied with the repair to the fire water tank.

Ramboll have issued the interim report for the Streamlined Energy and Carbon Reporting (SECR) - and have published the timetable for year-end reporting.

Mr Starkey concluded his report by referring to the 2023 improvement programme. All 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.

Mr Starkey updated the Board on the Company's work with customers to manage Persistent Organic Pollutants (POPs) and also grate damage issues which have been caused by over pressurisation within the combustion chamber.

5.	<p>Environment, Health and Safety Review 2022</p> <p>The Environment, Health and Safety Review for the year to 31st December 2022 was presented by Mr Starkey and approved by the Board following a discussion and subject to the following points being addressed:</p> <p>Mr Johnson noted the increase in injuries to contractors shown on page 2 and questioned whether it was clear enough about what was being done to address the matter. It was agreed that the report would be updated to provide more information about why contractor related injuries had increased along with an action plan to address the issue and that Mr Starkey would circulate revised wording to the Board.</p> <p>Section 3.4 – reference to 2023 to be corrected to 2022.</p> <p>Mr Gray raised questions relating to section 3.5 (Target EHS1 in Appendix 6 also refers to this) regarding why a number of area Health and Safety inspections were missed. Mr Starkey explained that the areas are inspected a significant number of times even when some are missed through illness or outage workload. However, Mr Starkey agreed that the statement that the target was not being met created a misleading impression. Mr Starkey agreed to consider how this target can be adjusted in future years.</p> <p>Section 4.1 – Mr Gray pointed out that the treatment of the number of environmental complaints was inconsistent between the table in section 4.1 and an earlier chart in the report. Mr Starkey confirmed that he would correct the inconsistency. Target Env3 in Appendix 6 also has the same issue.</p> <p>Appendix 6 target H&S2 has also been missed because the target is simply to be better than the prior year. This may not be a proper reflection of good performance and the way this target is measured is to be reconsidered by Mr Starkey.</p> <p>On behalf of the Board, Mr Gray thanked Elaine Price and Mick Schilling for their hard work in compiling the annual Environment, Health and Safety Review. Mr Starkey confirmed that he would pass on this message.</p>	<p>Mr Starkey</p> <p>Mr Starkey</p> <p>Mr Starkey</p> <p>Mr Starkey</p> <p>Mr Starkey</p> <p>Mr Starkey</p>
6.	<p>Company Performance Report</p> <p>Mr Starkey presented the plant performance for the ten months ended 22nd January 2023.</p> <p>The waste received is 2% lower than budget and 1% lower than last year. A and B Shareholder waste throughput was 12% lower than budget and in line with last year. C Shareholder waste throughput was 4% lower than budget and 3% higher than last year. Non-shareholder waste received was 135% higher than budget and 14% lower than last year.</p> <p>A and B Shareholder waste accounted for 44% of total throughput</p>	

compared with 44% in the same period last year. A, B and C Shareholder waste accounted for 90% of total throughput compared with 88% in the same period last year.

Plant availability was 90% compared with a budget of 88% and a prior year performance of 85%. Average waste throughput per unit hour was ■■■ tonnes compared with a budget of ■■■ tonnes and a prior year performance of ■■■ tonnes.

Electricity export was 1% higher than budget and 3% higher than last year. The higher than expected electricity export per tonne of waste processed is due to last year's 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 ten months is £13,824k which is £1,706k ahead of budget and £4,207k ahead of last year. Revenues of £30,844k are £1,721k higher than budget and £5,894k 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 compared to the prior year.

Mr Penson presented a revised forecast for the year ending 31st March 2023. The forecast profit before interest, pensions and tax was £15.9m compared with a budget of £15.4m.

The year-end cash position is forecast to be £14.5m, compared with a budgeted figure of £9.9m, due mainly to a better than budgeted opening position, lower forecast capital expenditure and better than forecast trading.

7. Review of Risk Register

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

8. West Midlands Pension Fund Actuarial Valuation 2022

Mr Penson presented a report updating Board members on the West Midlands Pension Fund (WMPF) Actuarial Valuation carried out at 31st March 2022.

Mr Penson explained that he had been approached by officers of WMPF who would like to agree a preferred course of actions should a crystallisation event occur. The Board discussed the options outlined in the report and requested that Mr Penson seek advice from EY whether there is a corporation tax benefit which might arise from option 2 outlined in the report and also seek clarification from WMPF regarding at what point the Company's liability to WMPF is likely to end, whether it is

<p>possible that WMPF might impose additional payments on the Company in the future should a Deferred Debt Arrangement (DDA) be entered into and to what extent the low risk funding position could get worse.</p>	<p>Mr Penson</p>
<p>Mr Penson agreed to report back at the next Board meeting for further discussion.</p>	<p>Mr Penson</p>
<p>9. Long Term Business Plan Scope Mr Starkey presented the long term business plan meeting actions which were discussed and agreed by the Board.</p>	
<p>10. Heat Line Mr Starkey updated Board members on ongoing discussions with officers of Coventry City Council regarding pricing for the heat line project.</p>	
<p>11. Any other Business Mr Penson updated the Board regarding the price increase for the treatment of waste for A and B shareholders for 2022/23 which has recently been calculated and notified to council officers.</p> <p>Mr Penson confirmed that progress on the dividend payment timetable, which had previously been circulated to Board members, was moving ahead of schedule.</p> <p>Mr Penson updated Board members on a conversation he had had with Coventry City Council officers regarding the Council's auditor Grant Thornton's belief that the Company's engagement with EY for audit and tax services created a conflict of interest which could only be resolved by either them undertaking additional work or the Company changing tax advisors. The Board were supportive of the view that it was not in the Company's immediate interests to change tax advisors.</p>	

Dates of next meetings

The dates of the next meetings were confirmed as:

Management Review Meeting	Wednesday 22 nd March 2023 commencing at 10.00am. Method of meeting: Teams
Board Meeting	Friday 12 th May 2023 commencing at 10.00am at the Registered Office
Shareholder Panel Meeting	Wednesday 28 th June 2023 commencing at 4.00pm. Method of meeting: Teams

There being no further business, the Chairman closed the meeting at 11.35am.

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Chairman

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