



Recovering Energy from Waste

## Board Meeting Minutes

**Friday 12<sup>th</sup> May 2023**  
**10.00 am at the Registered Office**

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

Minute Taker S Kaur

	<b>Action</b>
<p><b>1. Minutes of Previous Meeting</b> The minutes of the previous meetings on 27<sup>th</sup> February 2023 were approved and signed by Mr Gray.</p> <p><b>2. Matters Arising</b> Previous meeting actions were discussed with no further 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.</p> <p>There was one injury reported in February 2023 involving a member of the public at the HWRC who caught their face on a metal sign frame as they passed it, grazing their nose and bruising their brow. There were no injuries in March 2023 or April 2023.</p> <p>There were no breaches of permitted limit values, abnormal operations or environmental complaints received in the period from February to April 2023.</p>	

One environmental incident was reported in February 2023 when Severn Trent Water (STW) reported a discharge consent breach for metals (zinc and lead) on the ash discharger outlet. Three retests have been completed and show normal levels and no breaches. There were no other environmental incidents reported in March and April 2023.

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.

The Company has seen an increase in high-pressure events within the combustion zones of the plant due to nitrous oxide cylinders. Procedures have been put in place to try and identify gas cylinders coming onto site and increased waste inspections have been carried out.



#### 5. **Company Performance Report**

Mr Starkey presented the plant performance for the year ended 31<sup>st</sup> March 2023.

The waste received for the year is 1% lower than budget and 1% lower than last year. A and B Shareholder waste throughput was 11% lower than budget and 4% behind last year. C Shareholder waste throughput was 3% lower than budget and 5% higher than last year. Non-shareholder waste received was 126% higher than budget and 13% lower than last year.

A and B Shareholder waste accounted for 44% of total throughput compared with 45% 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 86%. Average waste throughput per unit hour was ■■■ tonnes compared with a budget of ■■■ tonnes and a prior year performance of ■■■ tonnes.

Electricity export was in line with budget and 1% 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 year is £16,877k which is £1,487k ahead of budget and £4,812k ahead of last year. Revenues of £38,203k are £2,268k higher than budget and £7,134k 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.

A cash dividend was declared at the year-end resulting in a cash outflow of £10,500k. A dividend in specie of £1,800k was also declared. This amount is offset against trade debts due from A and B Shareholders.

The year-end cash position was £17.7m. This was higher than the most recent forecast due to better than anticipated trading and the timing of capital expenditure.

**6. Review of Risk Register**

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

Mr Starkey noted that initial discussions with the Environment Agency regarding BREF compliance has been positive and that RJM were making good progress with the CFD modelling.

**7. Going Concern**

Mr Penson presented the draft Going Concern Report to support the Going Concern statement and treatment in the financial statements for the year ended 31st March 2023. It was noted by the Board and an updated version will be presented to the meeting at which the financial statements for the year ended 31<sup>st</sup> March 2023 are approved.

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.

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.

Mr Penson

**8. West Midlands Pension Fund Update**

Mr Penson presented a report updating Board members on further discussions held with the West Midlands Pension Fund (WMPF) and EY since the last meeting regarding a preferred course of actions should a crystallisation event occur

The Board discussed the responses received from WMPF and EY and decided that the entering into of a deferred debt arrangement (DDA) would be the preferred approach subject to the following points being confirmed by WMPF:

- That WMPF had a process in place for tracking the payments to individual beneficiaries so that the point at which the last payment had been made to a beneficiary of the Company's part of the scheme (and therefore the Company's obligations under the scheme had come to an end) would be known with certainty;
- Whether there could be a point at which the Company's obligations could be extinguished prior to all beneficiaries being paid by virtue of the Company's actuarially calculated obligation to the scheme being zero or in surplus;
- If this situation can arise would the method of valuation for this purpose always be on a least risk basis or could any other method be used;
- If this situation did arise and there was a surplus would the Company be entitled to a distribution of this surplus?

Once WMPF have satisfactorily responded to these questions Mr Penson was authorised to progress discussions with WMPF and any other relevant advisors regarding the preferred approach.

Mr Penson

**9. Insurance Renewal**

Mr Penson presented a summary of the insurance renewal for 2023-24 which was reviewed and noted by the Board.

Mr Penson noted two errata in the report and stated that he would circulate a corrected version to the Board after the meeting.

Mr Penson

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[REDACTED]

**11. Any other Business**

***Board meeting - Monday 10 July 2023***

Mr Penson informed the Board that Ms McNeil (EY) would be unable to attend the meeting in person due other work commitments and that it was proposed that she join the meeting via video call.

**Dates of next meetings**

The dates of the next meetings were confirmed as:

Management Review Meeting	Monday 5 <sup>th</sup> June 2023 commencing at 10.00am. Method of meeting: Teams
Shareholder Panel Meeting	Wednesday 28 <sup>th</sup> June 2023 commencing at 4.00pm. Method of meeting: Teams
Board Meeting	Monday 10 <sup>th</sup> July 2023 commencing at 10.00am at the Registered Office

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

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Chairman