

# **Board Meeting Minutes**

## Monday 23<sup>rd</sup> May 2024 10.00am at the Registered Office

Present: R Gray (Chairman)

B Hastie

A Felton (by video conference)

K Starkey C Penson

		Actions
1.	Minutes of Previous Meetings The minutes of the previous meeting on 26th February 2024 were approved and signed by Mr Gray.	
2.	Matters Arising Induction and plant tour Mr Starkey will organise a Company introductory meeting and plant tour for Mr Felton and the permanent replacement for Alan Brown once an appointment is made.	Mr Starkey
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.  There was two injuries to staff reported in February, one HWRC staff member was bitten by the security dog, which was roaming unattended around the site. The second involved a member of staff operating the telehandler in the tipping hall, when a full grab of waste was dropped from height onto the telehandler bucket resulting in back pain for the driver.  There was one injury to a member of staff in March that involved a maintenance technician who slipped on a short stairway and caught their brow, causing a small cut. A further injury to a member of staff occurred in April, when a person fainted briefly during a medical spirometry test. This incident is being followed up with Wellness International.	

There were no breaches of permitted emission limit values, environmental incidents reported, abnormal operations or environmental complaints received in February, March and April.

Work is ongoing with Fichtner regarding the Other Than Normal Operating Conditions (OTNOC) plan and they were onsite in February to carry out the first data gathering part of the OTNOC procedure. The Environment Agency (EA) will commence audits in October 2024.



Mr Starkey concluded his report by referring to the 2024 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.

### 5. Environment, Health and Safety Review 2023

The Environment, Health and Safety Review for the year to 31<sup>st</sup> December 2023 was presented by Mr Starkey and approved by the Board following a discussion.

### 6. Company Performance Report

Mr Starkey gave an update to the Board with regard to the G1 turbine failure.

Mr Penson updated the Board on the financial impact of the claim.

Mr Starkey presented the plant performance for the year ended 31<sup>st</sup> March 2024. The waste received was 3% lower than budget and 1% behind last year. A and B Shareholder waste throughput was 17% lower than budget and 1% behind last year. C Shareholder waste throughput was 6% lower than budget and 11% behind last year. Non-shareholder waste received was 150% higher than budget and 46% higher than last year.

A and B Shareholder waste accounted for 44% of total throughput in the current and prior years. A, B and C Shareholder waste accounted for 86% of total throughput compared with 90% in the same period last year.

Plant availability was 90% compared with a budget of 90% and prior year performance of 89% mostly due to the unplanned outages caused by nitrous oxide cylinder explosions. Average waste throughput per unit hour was tonnes compared with a budget of tonnes and a prior year performance of tonnes. The lower than budget throughout rates was caused by the changes required in combustion to try and meet the new BREF NOx and ammonia slip emission limit values (ELVs).

Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the year is £13,448k which is £13,151k lower than budget and £3,418k behind last year. Revenues are £15,493k lower than budget and £956k behind last year. The lower than budget and prior year performance is due principally to the G1 loss.

Electricity generation revenues are £15,892k lower than budget and £3,409k lower than prior year due to the G1 loss

Mr Penson reported that total EfW costs are £2,253k lower than budget. There have been significant cost savings in transport and disposal (£916k) due to the lower than budgeted cost of IBA disposal, operating costs (£1,971k) due to the lower than budgeted cost of consumables, utility costs (£305k) and insurance (£121k),partially offset by higher maintenance costs (£1,028k) caused by higher than anticipated costs during the major and total plant outages as well as the unplanned breakdowns caused by the nitrous oxide canister explosions, with £289k of these costs also relating to the G1 claim. A loss on disposal of £297k has also been charged to profit.

A cash dividend was declared at the year-end resulting in a cash outflow of £16,500k. A dividend in specie of £1,950k was also declared. This amount is offset against trade debts due from A and B Shareholders.

The year-end cash position was £21.6m. This was higher than the most recent forecast due to greater than expected insurance receipts and the timing of capital expenditure.

Mr Penson also reported to the Board on year end adjustments made in consultation with the auditors to the accounting for the business interruption and property damage claims. It was also noted that the Electricity Generator Levy costs would be accounted for as cost of sales in the published financial statements.

### 7. 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.

Emissions trading scheme – it was agreed that the potential future treatments of the scheme would be discussed at the next Board meeting.

Mr Starkey

Cyber security – Mr Felton commented that when Solihull Metropolitan Borough Council's IT recovery plans were tested the recovery periods for losses of IT hardware were found to be longer than assumed in those plans and asked whether the Company had re-considered these periods recently. Mr Penson commented that he would check.

Mr Penson

#### 8. Going Concern Report

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 2024. 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 31st March 2024 are approved.

Mr Penson

Mr Hastie and Mr Felton 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 Felton 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.

9.	Insurance Renewal 2024-25  Mr Penson presented a summary of the insurance renewal for 2024- which was reviewed and noted by the Board.	-25
10.		
11.	Any other Business No other business	

## **Dates of next meetings**

The dates of the next meetings were confirmed as:

Management Review Meeting Monday 17th June 2024 commencing at 10.00.

Method of meeting: Teams

Wednesday 26<sup>th</sup> June 2024 commencing at 16.00. Method of meeting: Teams **Shareholder Panel Meeting** 

Monday  $8^{\text{th}}$  July 2024 commencing at 10.30 at the Registered Office **Board Meeting** 

There being no further business, the Chairman closed the meeting at 11.45.

Chairman