



Recovering Energy from Waste

## Board Meeting Minutes

**Monday 26<sup>th</sup> February 2024  
15.00 at the Registered Office**

*Present:* R Gray (Chairman)  
B Hastie  
A Felton  
K Starkey  
C Penson

Minute Taker S Kaur

	Action
<p><b>1. Minutes of Previous Meetings</b> The minutes of the previous meetings on 6<sup>th</sup> November and 14<sup>th</sup> December 2023 were approved and signed by Mr Gray.</p>	
<p><b>2. Matters Arising</b> There were no matters arising.</p>	
<p><b>3. Change of B Shareholder Non-Executive Director</b> It was noted that Mr Johnson had resigned as the B Shareholder Director and had been replaced by Mr Felton effective from 26<sup>th</sup> February 2024. Mr Gray welcomed Mr Felton to the Board.</p>	
<p><b>4. 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>Mr Gray noted an error in the title of the first graph which Mr Starkey confirmed he would correct in future reports.</p> <p>There was one injury reported in November, involving a member of the public who slipped on an access ramp that they had incorrectly erected on a disability-modified vehicle. The injured person bruised the back of their</p>	Mr Starkey

head as they fell backwards to the ground. There were no injuries reported in December.

There were two injuries reported in January involving a member of the public who cut their hand whilst disposing of waste at the HWRC, and a courier vehicle driver who cut a finger whilst collecting a consignment from stores.

There were no breaches of permitted emission limit values, environmental incidents reported, abnormal operations or environmental complaints received received in November, December or January.

Other Than Normal Operating Conditions (OTNOC) – the Company are required to have a new procedure in place to comply with the BREF changes in OTNOC by April 2024. Fichtner have been engaged to deliver this.

Local Enforcement Position (LEP) - the local Environment Agency (EA) team issued the LEP in December 2023 for 6 months with a view to extend it if the derogation has not been issued by then.

BREF Derogation - further information requested by the EA was submitted and the derogation was duly made and went out for consultation at the end of January. This publication of the derogation led to a factually incorrect article published by ENDS which was not checked with the Company prior to publication. This has been reported to the EA and to the Environmental Services Association (ESA).

RJM proposal for future NOx reduction – the Company obtained confirmation from the EA that selective catalytic reduction (SCR) is not considered Best Available Technology (BAT).

In the period the Company assisted [REDACTED] in obtaining a temporary waste exemption.

In the period, as part of a national information gathering exercise, the EA requested information regarding the Company's flood zone status, specifically it is was located in a 3b flood zone. This was confirmed to the EA.

Mr Starkey concluded his report by referring to the 2024 improvement programme. All projects were on target to be completed within the designated timescales.

## **5. Commercial Report**

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

## 6. Company Performance Report

### G1 Update

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

[REDACTED]

[REDACTED]

Mr Penson updated the Board on the financial impact of the claim. The cost of the turbine re-instatement is currently estimated at [REDACTED] with approximately [REDACTED] having so far been incurred.

The value of the business interruption loss in total is estimated to be in the region of [REDACTED] with a deductible of approximately [REDACTED].

[REDACTED]

Mr Starkey presented the plant performance for the ten months ended 21<sup>st</sup> January 2024.

The waste received was 4% 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 7% lower than budget and 10% behind last year. Non-shareholder waste received was 144% higher than budget and 38% 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 89% compared with a budget of 90% and prior year performance of 90% mostly due to the outages caused by nitrous oxide cylinder explosions. Average waste throughput per unit hour was [REDACTED] tonnes compared with a budget of [REDACTED] tonnes and a prior year performance of [REDACTED] tonnes.

Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the ten months is £11,759k which is £9,606k lower than budget and £2,065k behind last year. Revenues are £12,240k lower than budget and £343k behind last year. The lower than budget and prior year performance is due principally to the G1 loss.

Electricity generation revenues are £12,531k lower than budget and £3,169k lower than prior year due to the G1 loss

Mr Penson reported that total EfW costs are £2,510k lower than budget. There have been significant cost savings in transport and disposal (£782k) due to the lower than budgeted cost of IBA disposal, operating costs (£1,623k) due to the lower than budgeted cost of consumables, partially offset by higher maintenance costs (£511k) 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.

Mr Penson presented a revised forecast made at the end of the third quarter to give an updated view of the predicted year-end out turn based on updated assumptions.

The forecast profit before interest, pensions and tax is £12.6m compared with a budget of £26.7m. The year-end cash position is forecast to be £19.1m, compared with a budgeted figure of £14.7m, due mainly to a better than budgeted opening position and cash receipts for the business interruption claim which have been forecast based on the loss model and discussions with insurers.

**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.

**8. Implications of the extension of the UK ETS**

Mr Starkey presented a report prepared by Pinsent Mason's on the implications of the extension of the UK Emissions Trading Scheme (ETS). The Board noted that there are very serious potential financial implications for the Company and its shareholders/customers arising from the extension of the scheme.



Mr Starkey

<p><b>9. Dividend</b> Mr Penson presented the papers supporting the proposed interim cash dividend and dividend in specie. The Board approved the dividend and signed the written resolution.</p>	
<p><b>10. Any other Business</b></p> <p><b><i>Induction and plant tour</i></b> Mr Starkey will organise a Company introductory meeting and plant tour for Mr Felton and Solihull's new waste officer once the latter has been appointed.</p> <p><b><i>July 2024 meeting</i></b> It was agreed the 15<sup>th</sup> July 2024 meeting would be moved to 8<sup>th</sup> July 2024 at 10.30.</p>	<p>Mr Starkey</p> <p>Mr Penson</p>

### Dates of next meetings

The dates of the next meetings were confirmed as:

- |                           |   |
|---------------------------|---|
| Management Review Meeting | Monday 18 <sup>th</sup> March 2024 commencing at 10.00.<br>Method of meeting: Teams |
| Board Meeting             | Thursday 23 <sup>rd</sup> May 2024 commencing at 10.00 at the Registered Office     |
| Shareholder Panel Meeting | Wednesday 26 <sup>th</sup> June 2024 commencing at 16.00. Method of meeting: Teams  |

There being no further business, the Chairman closed the meeting at 16.35.

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Chairman