

Waste Credit Governance Committee**Tuesday, 13 December 2016, County Hall, Worcester - 2.00 pm**

		Minutes
Present:		Mr P Grove (Chairman), Mr L C R Mallett (Vice Chairman), Mr R C Adams and Mr P A Tuthill
Available papers		The Members had before them: A. The Agenda papers (previously circulated); and B. The Minutes of the meeting held on 29 September 2016 (previously circulated). A copy of document A will be attached to the signed Minutes.
76	Named Substitutes (Agenda item 1)	None.
77	Apologies/ Declarations of Interest (Agenda item 2)	Apologies were received from Mrs S Askin, Mr R W Banks, and Mr A I Hardman.
78	Public Participation (Agenda item 3)	None.
79	Confirmation of Minutes (Agenda item 4)	RESOLVED that the Minutes of the meeting held on 29 September 2016 be confirmed as a correct record and signed by the Chairman.
80	Actual construction period cash flow test (Agenda item 5)	The Committee considered the Actual Construction Period Cash Flow Test. In the ensuing debate the following principal points were raised: <ul style="list-style-type: none">• Mark Sanders, the Senior Finance Manager, Finance Planning and Reporting introduced the report and commented that the result of the

**81 Progress
summary from
technical
advisors
(Agenda item 6)**

ACPCFT performed by Mercia for the period under review was an Excess Cash Flow amount as at 30 September 2016 of £1,050k, which had increased by £654k from the cash flow test in the previous period. There were two reasons for the increased cash flow in this quarter. Firstly, a Deed of Rectification had been agreed in relation to discount arrangement with Mercia which brought cash flow back in line with the finance model. This was a one off adjustment with no gain or detriment to either party. Secondly an amendment to Mercia's Corporate Tax liability had also increased excess cash flow. He added that lower prices for recycling materials had had a minor negative impact on cash flow. In summary, the Cash Flow Test had been met and there was no threat to it going forward

- Members considered whether to report the positive nature of the cash flow position to the next Council meeting but felt it might be more appropriate to report after the handover date.

RESOLVED that:

- a) The result Actual Construction Period Cash Flow Test be accepted; and**
- b) There were no matters of concern to report to Council.**

The Committee considered the progress summary from the technical advisors.

In the ensuing debate, the following principal points were raised:

- Mark Sanders introduced the report and commented that the completion of the contractual takeover was on track for February 2017. The installation of the plant was at the commissioning stage and the boiler had been fired up and waste was being processed. The Council was benefitting from having its waste processed for free. The main risk at this stage was any delay to completion of the administration block building services which was scheduled to be completed in January. However this would not impact on operations. No payments had been made since May 2016 but this was considered to be low risk. To date, net variations to the contract price totalled £739,824. These variations would be

		<p>funded from savings made elsewhere. Health and safety standards had been maintained and the number of red and yellow cards issued was minimal given the increased number of staff on site during the commissioning phase</p> <ul style="list-style-type: none"> • In response to a query, Mark Sanders undertook to provide members with details of the number of staff currently on site • In response to a query, Mark Sanders indicated that there had been complaints made about the noise emanating from the site as a result of technical issues with the cooling fans which had now been rectified. <p>RESOLVED that:</p> <ul style="list-style-type: none"> a) The summary report from Fichtner Consulting Engineers – Technical Advisors be noted: and b) There were no matters of concern to report to Council.
82	Risk Register (Agenda item 7)	<p>The Committee considered the Risk Register.</p> <p>In the ensuing debate, the following principal points were raised:</p> <ul style="list-style-type: none"> • Mark Sanders indicated that all residual risks were now rated as very low. There had been an improvement to the residual risk associated with security package which was now rated as very low • It was noted that Mercia was behind schedule in drawing down loan payments. Mark Sanders commented that there was a small risk associated with delayed drawdowns dependent on borrowing rates. However the Council's borrowing rates were so much in its favour that it mitigated any risk. <p>RESOLVED that:</p> <ul style="list-style-type: none"> a) The unmitigated and mitigated risks set out in the Risk Register be accepted; and b) There were no matters of concern to report to Council.
83	Waivers/ consents (Agenda item 8)	<p>The Committee considered the waivers/consent granted during the period under review.</p>

Mark Sanders confirmed that no waivers/consent granted during the period under review.

RESOLVED that the waivers/consent granted during the period under review be noted.

The meeting ended at 2.28pm.

Chairman