

WASTE CREDIT GOVERNANCE COMMITTEE
14 JULY 2017**ACTUAL CONSTRUCTION PERIOD CASH FLOW TEST**

Recommendation

- 1. The Chief Financial Officer recommends that:**
 - a) The result of the Actual Construction Period Cash Flow Test be considered.**
 - b) The Committee consider whether to report any matters to Council.**

Introduction

2. The Actual Construction Period Cash Flow Test (ACPCFT) is prepared by Mercia Waste Management on a quarterly basis and reviewed by Deloitte, acting in the capacity as Financial Advisers to the Councils in relation to the Senior Term Loan Facilities Agreement (STFLA), to determine whether:

“Actual Operating Cash generated during that period plus the brought forward cash balance attributable to operations is equal to, or exceeds... the amount of Operating Cash projected to be generated during that period plus the brought forward cash balance attributable to operations as shown in the Base Case Financial Model.”

Review performed by Deloitte

3. In performing the review Deloitte have agreed the terms of the calculation to the STLFA:
 - Agreed the “model” Operating Cash generated during the period to the Base Case Financial Model
 - Agreed the actual Operating Cash generated during the period to management information
 - Re-performed the calculation of the ACPCFT
 - Compared the senior term loan facility drawdowns against those forecast in the Base Case Financial Model.

Summary of Results

4. The result of the ACPCFT performed by Mercia for the period under review is an Excess Cash Flow amount as at 31 March 2017 of £2,223k. The result shows that in the period from 1 May 2014 to 31 March 2017, the operations have produced £2,223k more than was forecast for this period in the Base Case Financial Model.
5. Based on this result the ACPCFT for the period under review is satisfied.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Sean Pearce – Chief Financial Officer

Tel: 01905 846268

Email: spearce@worcestershire.gov.uk

Supporting Information

- Appendix – Actual Construction Period Cash Flow Test

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.