

Agenda

Waste Credit Governance Committee

Friday, 12 October 2018, 10.00 am
County Hall, Worcester

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DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
 - You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Waste Credit Governance Committee
Friday, 12 October 2018, 10.00 am, County Hall, Worcester

Membership: Mr P Grove (Chairman), Mr R C Adams, Mr R W Banks, Mr A I Hardman, Dr C Hotham, Mr L C R Mallett, Mr P Middlebrough and Mr P A Tuthill

Agenda

Item No	Subject	Page No
1	Named Substitutes	
2	Apologies/Declarations of Interest	
3	Public Participation Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by email indicating the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case 11 October 2018). Further details are available on the Council's website. Enquiries can be made through the telephone number/e-mail below.	
4	Confirmation of Minutes To confirm the Minutes of the meeting held on 9 March 2018. (previously circulated – pink pages)	
5	Technical Update - EFW Plant Reporting Requirements	1 - 22
6	Risk Register	23 - 30
7	Work Plan	31 - 34

Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP

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All the above reports and supporting information can be accessed via the Council's website

Date of Issue: Thursday, 4 October 2018

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**WASTE CREDIT GOVERNANCE COMMITTEE
12 OCTOBER 2018****TECHNICAL UPDATE – EFW PLANT REPORTING
REQUIREMENTS**

Recommendation

1. **The Chief Financial Officer recommends that:**
 - a) **the main categories of reports or information that the Borrower has to regularly produce and the Senior Term Loan Facility Agreement (STLFA) Assurance Statement for the Council attached as Appendix 1 be noted;**
 - b) **the Performance operating report attached as Appendix 2 be noted;**
 - c) **The Committee note and comment on the STFLA ratio calculation review conducted by KPMG as per exempt Appendix 3; and**
 - d) **The Committee consider whether to report any matters to Council.**

Introduction

2. As set out in its Terms of Reference, the Committee will be advised by external financial, technical and legal advisers on behalf of the Council's Section 151 Officer. This report covers the reporting requirements post completion.
3. The Council commissioned Ashurst LLP to identify the Borrower's Regular Reporting Obligations under the Herefordshire and Worcestershire Waste Facility Agreement for the post construction Energy For Waste (EFW) period, as set out in the STLFA
4. The main categories of reports or information that the Borrower has to regularly produce going forward are:
 - the Ratio Calculations report;
 - the Ratio Compliance Certificate;
 - reports in relation to financial and project information; and reports during the operating period

5. At the last meeting of the Committee in March 2018, members were informed that the first ratio testing was to be performed on the 30 June 2018 as the EfW Plant achieved Completion on 2 August 2017, following testing. Mercia Waste Management (MWM) has 40 working days to provide the output of their ratio analysis and then a review of these ratios are conducted by the lender (being the Council).

STLFA ratio calculation

Context

6. Ratios are a financial covenant imposed by Lenders as a monitoring mechanism to provide early warning of project distress and potential Borrower default on their repayment obligations. The ratios provide a measure of the project's historic and future performance in relation to its ability to service current and upcoming debt liabilities. In the event the ratios fall below a prescribed level, often referred to as the 'Lock-Up' level, then the Borrower will be unable to distribute any surplus cash within the project until a date when the ratios are above the required level. The 'locking-up' of cash incentivises the Borrower to rectify any operational issues which resulted in the ratios falling below the Lock-Up level in the first instance, whilst at the same time providing a level of buffer for Lenders to cover debt service in the short-term. There are principally three ratio calculations used by Lenders:

1) **Historic Annual Debt Service Cover Ratio ("ADSCR")**: A historic periodic measure used to assess the project's ability to service its current debt obligation over the preceding 12 month period.

2) **Projected ADSCR**: A forecasted periodic measure used to assess the project's ability to service its upcoming debt obligations for the proceeding 12 month period.

3) **Loan Life Cover Ratio ("LLCR")**: A forecasted measure used to assess the project's ability to repay the outstanding loan from future cash flows over the remaining life of the loan.

7. The Council commissioned KPMG to review the STLFA ratio calculation and their report is attached at exempt Appendix 3. The key points are highlighted in section 3 of the report which has received a red rating for the LLCR and projected ADSCR and amber for historic ADSCR. KPMG have stated the reason is due to the absence of an updated financial model. However, both the Council and Mercia Waste Management (MWM) were aware of this and the likely impact that this may have on the report outcome before requesting KPMG to conduct the ratio analysis. It is worth updating the Committee of the current position in relation to the variation model

Current position / variation model / savings & contract extension

8. A varied Model was presented to the Council by MWM in May 2015 and although ongoing discussions have taken place the Council only set out its final response during the summer of 2018. MWM has since prepared a comprehensive response, which the Council will need to respond to. Until both sides agree then the financial model cannot be updated and unfortunately was outside the timescales needed to use as a basis to update for the Ratio Testing. However, it is worth highlighting that the perceived variation(s) has no material effect on the Ratio Information.

9. Given the above circumstances, without an updated Model, the Base Case is a valid Model as per the Loan Facility (STLFA) and the Council has been in agreement with this approach taken by MWM and worked with MWM over several months on this basis.

10. The next ratio review is as at the 31 December 2018. Therefore based on the fact that MWM will provide the information after 40 working days and the Council will then need to have this externally verified, it is likely that the outcome would be around April 2019 on the basis that there has been an agreed updated financial model between both parties. The Committee should be aware that the Council is in negotiation with MWM as regards savings and the contract extension. These are likely to impact on the availability of an updated financial model in time for the next required ratio analysis testing.

KPMG Conclusions

11. It should be stressed that the Council has been working alongside MWM over many months regarding the STLFA and how to approach the ratio analysis required in the absence of an updated financial model. The Council is disappointed with the KPMG report and in particular that they did not liaise with MWM on the background and facts' regarding what was happening on the existing contract negotiations.

12. Although the overall KPMG outcome is red, the Council has gained assurance on the financial performance of the company from its annual accounts as well as the assurance statements provided as part of this report. This together with the evidence that MWM have continued to meet their repayment obligation in full and on time provides sufficient assurance from a Council perspective.

13. In order to ensure that a more robust ratio analysis report is bought back to Committee in future it will not request the analysis to be conducted until an approved financial model has been approved.

Assurance Statement

14. It was agreed that twice a year, for the March and September Committees, Mercia Waste Management (MWM) would produce a short, high level assurance statement (Appendix 1). The aim being to reassure the Lender (the council) that there is no material matters which would impair MWM's ability to repay the Loan in accordance with the Financial Model in the coming period. Another purpose of the statement is to cover the deficiency of the Loan Agreement Reporting in respect of the "Non – EFW" part of the MWM business.

15. Also as part of the contract post completion a performance operating report is required quarterly. This is attached as Appendix 2 to this report.

16. Please note that Appendix 3 contains exempt information (on salmon pages) and should members wish to discuss the information included in this Appendix they would need to consider passing the appropriate resolution and moving into exempt session.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Rob Wilson

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Supporting Information

Appendix 1 - the Senior Term Loan Facility Agreement (STFLA) Assurance Statement

Appendix 2 - Performance Operating Report to November 2017

Appendix 3 - STLFA ratio calculation review conducted by KPMG (**Exempt information – Salmon pages**)

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.

Senior Term Loan Facility Agreement Assurance Statement for Lenders

1. Trading

Profit and Cash Flow have continued to be highly satisfactory during 2018 in comparison with the Financial Model. Full year forecasts also display a positive outcome.

The Trading conditions in respect of the recycling of paper and plastic noted in the last report continue to prove difficult as a result of the impact of the restrictions that China has imposed on imports of waste material. Positive variances including Electricity Sales continue to offset the negative variance on recycling.

2. Loan Repayment

As at the date of this statement Mercia anticipates being able to continue to make payments as per the Loan Agreement.

3. Buildings, Plant and other Infrastructure

No material problems exist which would require the Lenders attention at any of Mercia's Facilities. The Energy from Waste Plant has met targets relating to availability, throughput and export of power.

4. Compliance with Environmental Conditions and Permits

There are no material matters to report.

5. Insurance

All appropriate Policies remain in place. There have been no material claims the Company's claims history remains satisfactory. Renewal work is about to commence for the Policies ending in December. The brokers have confirmed that despite problems with fires at certain facilities elsewhere there is still market capacity for portfolios such as Mercia's.

6. Key Staff

There have been no losses of senior personnel since the last report. The Senior Team at the Energy from Waste Plant has a full and experienced complement of individuals after some losses were incurred to the EfW project in Gloucestershire. There are no changes to relevant staff provided by the Shareholder Companies.



J W Haywood

Mercia Waste Management 2.10.18

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21 September 2018

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Mr Jim Haywood
Mercia Waste Management
The Marina
Kings Road
Evesham
WR11 3XZ

Ref: Performance of the EnviRecover EfW Plant

Dear Jim,

In response to your request for an update on the operational performance of the EnviRecover energy from waste (EfW) plant, we are pleased to provide this brief overview.

Following completion of construction by Hitachi Zosen Inova (HZI), the plant was taken over on 3rd March 2017 and is now operated by Severn Waste Services (SWS) on behalf of Mercia Waste Management (Mercia). In accordance with the engineering, procurement and construction (EPC) Contract, following successful completion of the Reliability and Performance Tests, the Acceptance Certificate was issued on 2nd August 2017 and the Availability Test subsequently commenced at 00:00 on 3rd August 2017.

Data relating to the Availability Test is collected quarterly by Fichtner. The most recent update was taken at the end of May 2018. From November 2017 to the end of May 2018, the guaranteed thermal input Availability was exceeded in every month. The power output Availability was also above the guarantee in every month with the exception of May 2018. The Availability figures from May 2018 to September 2018 are still to be formally agreed; however, the Availability guarantee figures appear to have been exceeded for every month except June 2018. The low availability in June is largely attributable to a fault on the compressed air drier, which has now been resolved.

There are still a small number of snags or "Minor Items" remaining from construction, which are still to be addressed by HZI. Payments are being withheld against these works, and as such Milestone 43d will not be certified for payment until SWS has advised that these items have been completed to their satisfaction.

SWS has also raised a number of Defects since Take Over. The Contract defines a Defect as being any part of the Works which is considered to be "*defective or not in accordance with the Contract (normal wear and tear excepted)*". A system for raising and addressing Defects has been set up between SWS and HZI and is functioning satisfactorily. To date none of the Defects raised have had any long-term effects on the ability of the plant to process waste or generate power.

In conclusion, the EnviRecover EfW plant continues to operate in line with its performance and availability targets. Therefore, we cannot currently foresee any performance issues with the plant that are likely to affect Mercia's ability to honour their loan repayment obligations.



Certificate Number 2291
ISO 9001
ISO 14001
OHSAS 18001

21/09/18 Page 2 of 2

Yours sincerely
FICHTNER Consulting Engineers Limited

Mark Shatwell
Project Manager under the EPC Contract

Tim Overton
Consultant

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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**WASTE CREDIT GOVERNANCE COMMITTEE
12 OCTOBER 2018****RISK REGISTER**

Recommendation

- 1. The Chief Financial Officer recommends that:**
 - a) The open risks set out in the Risk Register are considered.**
 - b) The Committee consider whether to report any matters to Council.**

Introduction

2. As set out in its Terms of Reference, the Committee will need to review the risks being borne as a result of the funding provided by the Council to Mercia and consider whether the risks being borne by the Council, as lender, are reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice.
3. A Risk Register was established which set out the unmitigated and mitigated risks associated with the loan arrangements. Now that takeover is complete and all but two of the risks have expired, they have been reclassified into open and closed. The two remaining open risks have been substantially mitigated.
4. An updated version of the Risk Register was brought to Committee in March 2018 and no further risks have been identified since the last report which is attached as Appendix 1. Members are asked to consider the risks set out in the Register.
5. Members should note that only two risks at this point remain open as the EfW Plant has now achieved completion following Actual Takeover and both assessments of these risks are Green.
6. A copy of the Mercia Waste Loan Facility Repayment Analysis is attached as Appendix 2.

Contact PointsCounty Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Rob Wilson

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Supporting Information

- Appendix 1.1 – Risk Register Open Risks
- Appendix 1.2 – Risk Register Closed Risks for information
- Appendix 2 - Mercia Waste Loan Facility Repayment Analysis

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Agenda papers and Minutes of the meeting of the Waste Credit Governance Committee held on 9 March 2018.

Waste Credit Committee Risk Register - Open Risks
September 2018 - Corporate Scoring Terms

Risk Reference	Description of risk	Gross Impact	Gross Likelihood	Gross Risk Score	Risk control approach	Mitigating Actions	Residual Impact	Residual Likelihood	Residual Risk Score	Assigned to (Risk Owners)
a	Default of loan repayments by borrower to lenders due to SPV (Mercia) or HZI falling into administration.	Critical	Medium	15	Risk transferred	Due to the security package negotiated by the Councils a fall away analysis indicated that Mercia, its Shareholders and HZI would need to have entered administration at the same time to put at repayment at risk during the construction phase. The maximum exposure to the Councils has been calculated and included within the sufficiency assessment of the Council's reserves. All press articles are scanned regularly for indications of financial strength issues and followed up to ensure counterparty risk is not increased. An example is where ACS Construcción and Services S.A., through its subsidiary ACS Servicios y Concesiones S.L., executed the sale recently of its total interest in URBASER S.A. To Firion Investments S.L.U, a company controlled by a Chinese group. The Councils then obtained legal advice that reassured lenders that no action was required by any parties arising from this change in ownership, as there were no changes to the Shareholder (Urbaser Limited).	Substantial	Very Low	6	The risk owners are the Section 151 Officers of each Council supported by Ashurst as advisors in case of contract default and Deloitte to monitor Mercia's actual quarterly cash flow tests and cover ratios that have to be maintained by Mercia.
f	Mercia loan principal and / or interest repayments are below the required values as per the rates agreed in the STFLA .	Substantial	Very Low	6	Risk treated	The Council's treasury team maintain a spreadsheet detailing drawdowns to date and expected future principal and interest payments. This is reconciled to Mercia's repayment spreadsheet and will be matched to principal and interest repayments received from Mercia during the post construction period.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.

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High 19 – 24	Unacceptable Risk: Immediate control/improvement required
Medium 8 – 18	Acceptable Risk: Close monitoring and cost effective control improvements sought.
Low 1 – 7	Acceptable Risk: Need periodic review, low cost control improvements sought if possible.

Scoring Matrix

Likelihood	Negligible	Substantial	Critical	Extreme
Very High	9	19	21	24
High	8	12	20	23
Medium	4	11	15	22
Low	3	10	14	18
Very Low	2	6	13	17
Almost Impossible	1	5	7	16
	Negligible	Substantial	Critical	Extreme

Impact

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Waste Credit Committee Risk Register - Closed Risks
September 2018 - Corporate Scoring Terms

Risk Reference	Description of risk	Gross Impact	Gross Likelihood	Gross Risk Score	Risk control approach	Mitigating Actions	Residual Impact	Residual Likelihood	Residual Risk Score	Assigned to (Risk Owners)	Reason why risk is closed
b	Construction completion date of EFW is delayed and delays repayment of loan to lenders.	Substantial	Medium	11	Risk transferred	Under the contract terms agreed with Mercia, Mercia take all material risk on EFW construction delay and repayment of the loans commenced on planned takeover date 28th February 2017, as set out in the SLFLA and agreed final financial model. Repayments are not tied to the actual construction completion date of 2nd March 2017, rather the planned date. The Council as lender also had the right to call the loan into default if construction was not completed by a long stop date.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers of each Council supported by Ashurst as advisors in case of contract default.	Takeover took place on 2nd March 2017.
c	PWLB borrowing rates increase more than estimated in the Councils' prudential borrowing model. Higher rates would reduce the surplus generated on the loan arrangements with Mercia.	Substantial	Low	10	Risk treated	The cost of purchasing a financial product to remove this risk (a swaption) from an investment bank was quoted at £20m. The Councils decided to manage the risk through forecasting the forward price for its debt draw downs over the construction period and hold in reserve monies to mitigate this risk where required. The rates accessible by the Councils were lower than the estimate as the low gilt rate environment.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.	Takeover took place on 2nd March 2017. All loan payments have been made to Mercia Waste and the rates gained from PWLB were below those estimated in the prudential model.
d	Loan drawdowns are slower than set out in the STFLA. Delayed drawdowns would result in reduced interest payments to the Councils and potentially reduced surplus if PWLB loan rates increase between the expected draw date and actual.	Negligible	Medium	4	Risk treated	The Councils borrowed from PWLB at dates in line with drawdown requests from Mercia. Therefore although the Councils will receive reduced interest receipts, less interest will also be paid to PWLB. The Councils monitored market gilt rates actively and had the option to borrow from PWLB up to a year in advance of expected drawdown requests. Regular progress reports were reviewed to ensure the construction programme and the loan drawdowns are requested in line with the plan.	Negligible	Almost Impossible	1	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.	Takeover took place on 2nd March 2017. All loan payments have been made to Mercia Waste.
e	Drawdown requests from Mercia are not actioned by the Councils or not actioned within the required contracted time period.	Substantial	Low	10	Risk treated	The Council's treasury teams were fully briefed on the actions required to fulfil drawdown requests, checks required and the contracted timeline by the Section 151 Officer and their teams. Drawdowns were all actioned inline with requirements. Since the last Committee, two further drawdowns have been provided and there is a separate analysis available for the Committee outlining planned vs actual drawdowns made.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.	Takeover took place on 2nd March 2017. All loan payments have been made to Mercia Waste within the required contracted time period.
g	Default of loan repayments by borrower to lenders due to HZI termination of Interserve Construction Limited (ICL) delaying project completion to after long stop date.	Critical	Medium	15	Risk treated	Sponsors provided assurance that they believe HZI undertook the right processes to replace the final ICL work packages and that there was no financial risk to the Sponsors. Sponsors confirmed that their Due Diligence on HZI had not raised any concerns around the company's viability or going concern. The Council as lender had the right to call the loan into default if construction was completed by a long stop date, at which point the negotiated security package, set out in section 'a' above, would have taken effect.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers of each Council supported by Ashurst as advisors in case of contract default.	The final ICL work packages were replaced and takeover took place on 2nd March 2017.

Waste Credit Committee Risk Register - Closed Risks
September 2018 - Corporate Scoring Terms

Risk Reference	Description of risk	Gross Impact	Gross Likelihood	Gross Risk Score	Risk control approach	Mitigating Actions	Residual Impact	Residual Likelihood	Residual Risk Score	Assigned to (Risk Owners)	Reason why risk is closed
h	HZI termination of ICL may weaken negotiated security package due to no single new supplier exceeding £10 million contract value, and therefore triggering EPC Contract Schedule 7 requirements for Collateral Warranty and professional indemnity insurance requirements. The risk is that the Council as lender does not receive the same security package as it had when ICL was in place.	Substantial	High	12	Risk treated	In terms of Collateral Warranty, the HZI Collateral Warranty remained in place. Due Diligence was undertaken by Sponsors and the Council as Lender (with the Financial Advisor) confirmed the financial strength of HZI in light of events. There was no issues arising from these reviews. Sponsors agreed to review on a case by case basis the requirement for additional security protections and advised the Council as to its rational for its decision. The Council as Lender had sign off rights and requests were made to the Councils prospectively for Schedule 7 services and retrospectively (based on Sponsor Assurance) for non-Schedule 7 services. Meetings were held for sign off and Council advisors were retained to provide advice. The Councils clearly articulated to Sponsors that there should not be any weakening on the Security Package in place with regard to the Civil Engineering Work. All ICL work packages were replaced and there was no financial impact on Sponsors and therefore no financial impact on the Council as Lenders.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers of each Council supported by Ashurst as advisors in case of contract default.	The final ICL work packages were replaced and takeover took place on 2nd March 2017.

Key

High 19 – 24	Unacceptable Risk: Immediate control/improvement required
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Scoring Matrix

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	Negligible	Substantial	Critical	Extreme	
	Impact				

Mercia Waste Loan Facility Repayment Analysis

September 2018

Key

	Contracted WCC loan repayment paid to WCC
	Contracted WCC loan repayment overdue

Contracted Repayment Date	Contracted WCC Facility A (Amortising Loan) Repayment Principal £	Contracted wcc Facility A (Amortising Loan) Repayment Interest £	Contracted WCC Facility B (Bullet Loan) Repayment Interest £	Contracted WCC Total Loan Repayments £	Actual Repayments WCC Total Loan Repayments £	Actual Repayment Date
30/06/2017	-1,040,534	-492,126	-1,966,009	-3,498,669	-3,498,669	30/06/2017
31/12/2017	-1,958,461	-713,478	-3,087,452	-5,759,391	-5,759,391	31/12/2017
31/03/2018	0	0	0	0		
30/06/2018	-2,526,486	-648,624	-3,037,114	-6,212,224	-6,212,224	30/06/2018
31/12/2018	-1,785,384	-589,580	-3,087,452	-5,462,417		
31/03/2019	0	0	0	0		
30/06/2019	-2,544,044	-547,524	-3,037,114	-6,128,681		
31/12/2019	-1,752,253	-491,419	-3,087,452	-5,331,125		
31/03/2020	0	0	0	0		
30/06/2020	-2,762,092	-436,013	-3,053,893	-6,251,999		
31/12/2020	-1,442,458	-361,020	-3,087,452	-4,890,931		
31/03/2021	0	0	0	0		
30/06/2021	-3,091,770	-314,147	-3,037,114	-6,443,031		
31/12/2021	-2,322,963	-230,047	-3,087,452	-5,640,462		
31/03/2022	0	0	0	0		
30/06/2022	-3,215,011	-164,927	-3,037,114	-6,417,051		
31/12/2022	-2,426,131	-73,138	-3,087,452	-5,586,721		
31/03/2023	0	0	0	0		
30/06/2023	0	0	-3,037,114	-3,037,114		
31/12/2023	0	0	-3,087,452	-3,087,452		
Total	-26,867,587	-5,062,043	-41,817,637	-73,747,267	-15,470,284	

Please note that on 31st December 2023 the obligation for Mercia Waste to repay the Principal value on the Facility B (Bullet loan) of £97,061,268 will be negated as the ownership of the EFW Waste Plant is transferred to the Councils.

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WASTE CREDIT GOVERNANCE COMMITTEE 12 SEPTEMBER 2018

WORK PLAN

Recommendation

- 1. Chief Financial Officer recommends that the Committee note and comment on the work plan attached as an Appendix.**

Introduction

2. The Waste Credit Governance Committee was provided a work plan at the March 2018 meeting to assess what was planned in the future. This has been updated and is attached as an Appendix for comment and agreement.

Contact Points

County Council Contact Points
County Council: 01905 763763
Worcestershire Hub: 01905 765765

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Supporting Information

- Appendix – Work Plan

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Agenda papers and Minutes of the meeting of the Waste Credit Governance Committee held on 13 October 2017.

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Waste Credit Governance Committee

Work Plan 2018 & 2019

No.	Activity	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
1	Operational Reporting						
2	Short Term Loan Facility Agreement (STLFA) Assurance Statement						
3	Ratio Analysis update						
4	Final Accounts Feedback						
5	Risk Register Update						
6	Other Technical updates as required						

Q1 Jan to March

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