

Agenda

Waste Credit Governance Committee

Friday, 18 October 2019, 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, 18 October 2019, 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, 17 October 2019). 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 8 March 2019. (previously circulated – pink pages)	
5	Technical Update - EFW Plant Reporting Requirements	1 - 12
6	Risk Register	13 - 20
7	Work Plan	21 - 24

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To obtain further information or a copy of this agenda contact Simon Lewis, Committee Officer on 01905 846621, slewis@worcestershire.gov.uk

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

Date of Issue: Thursday, 10 October 2019

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WASTE CREDIT GOVERNANCE COMMITTEE (WCGC) 18 OCTOBER 2019

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 provided by Mercia Waste Management as per Appendix 3 together with the signed ratio compliance certificate at Appendix 4; 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. The Committee were informed at the last meeting that the next ratio review was due as at the 31 December 2018 and given that the Council was in negotiation with MWM as regards savings and the contract extension, this was likely to impact on the availability of an updated financial model in time for the next required ratio analysis testing.

6. This continues to be the case. An updated financial model has been provided to the Council together with forecast savings proposals. These are currently being considered by the Council and ongoing discussions are also being held with KPMG to support the Council in understanding the updated model in terms of savings delivery and also any implications that this may have on the affordability of the future loan repayments.

7. Cabinet will consider any update to this position as part of the overall savings proposals at its meeting on the 12 December. Therefore the WCGC will need to consider any impact on the future loan repayments relating to the updated financial model before the 30 January 2020 Cabinet meeting.

8. Appendix 3 details the **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. This ratio is currently 1.78:1 which positively exceeds the target of 1.35:1 and default of 1.05. Attached is the signed Ratio compliance certificate at Appendix 4

9. Also provided is the 'cash flow after debt servicing' within the current base financial model compared to the 'actual 'cash flow after debt servicing'. This also shows a positive picture where the actual cash flow has been in excess of the financial model at the end of each quarter up to June 2019.

Assurance Statement

10. It has been 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.

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

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager

Tel: 01905 846908

Email: RWilson2@worcestershire.gov.uk

Supporting Information

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

Appendix 2 - Performance Operating Report to August 2019

Appendix 3 - STLFA ratio calculation review by MWM

Appendix 4 – Ratio Compliance Certificate

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.

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Senior Term Loan Facility Agreement

Assurance Statement for Lenders

1. Audit and Trading

The accounts for the 2018 year were approved by Deloitte as Auditors on the 25th March 2019. These accounts have been provided to the County in compliance with the Loan Facility and subsequently filed at Companies House.

The Company has continued to perform well against the Modelled figures in the early part of 2019 and the unaudited figures for the half year to June show a positive variance. The second half of the Year will always be negatively impacted by the shutdown for annual maintenance of the Waste to Energy Plant which results in a significant monthly loss whenever this occurs (normally September). This year we have experienced a longer period of closure for repair with the outage extending for a third week, into October, with the attendant negative effects on profit and cash flow.

The main positive variances that the Company experienced in 2019 related to the EfW Plant, especially in respect of the sale of electricity, although the summer period has been weaker in terms of price achieved than hoped. The Company has secured good prices for the majority of its output for the winter of 19/20. Unfortunately, as previously reported, the global market for recyclable material continued to be difficult and the Company has continued to experience negative outturns in this area with the limited recovery in plastic prices paid to the Company failing to offset the higher prices which the Company has to pay for paper to be recycled.

2. Loan Repayment

Repayments have continued to be made in full and on time. 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.

4. Compliance with Environmental Conditions and Permits

The EA requested that we investigate a source of noise at the EfW Plant. A methodical approach has been agreed with the EA. The investigation is currently ongoing. No other material issues exist.

5. Insurance

All appropriate Policies are in place. The Company's claims history remains satisfactory. An initial meeting for the 2020 (non – EfW) renewal is in place for 10th October. The EfW policy renewal takes place in March.

6. Key Staff

All senior staff remained in their roles during the period and continue in their employment at the date of this Statement.

J W Haywood - Mercia Waste Management 2.10.19

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30 September 2019

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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.

The Availability Test was performed over a 730-day period and was successfully completed at 00:00 on 3rd August 2019. The overall availability for the Plant over the 730-day test period was 93.1% in terms of thermal input and 88.5% in terms of electrical export, compared to annual average guarantees of 90.6% and 88.1% respectively.

At the end of August 2019, Severn Waste Services (SWS) advised that only one Minor Item remains. It relates to the installation of a new variable speed drive for the administration building air handling unit and the successful demonstration that the ventilation system is now compliant with the requirements of the Contract. As such the following milestones have still not been certified.

- Milestone 43d - Completion of remaining priority B Minor Items; and
- Milestone 44b – Installation of replacement air handling unit fan and completion of commissioning to the satisfaction of the Purchaser.

All outstanding Final Documentation has now been provided by HZI, and as such, Milestone 45b - Provision of outstanding as built quality documentation as detailed in Variation Order 73, has been certified for payment. Only milestone 43d and 44b now remain outstanding.

The Defects liability period ended on 3rd March 2019 (two years after Take Over). During the Defects liability period, 332 Defects were raised by SWS and of these, 82 remain open. No new Defects can now be raised, but HZI is still required to address the remaining open Defects. The Final Certificate, as defined under Clause 38.1 of the Contract, will not be issued until all open Defects have been closed.



Certificate Number 2291
ISO 9001
ISO 14001
OHSAS 18001

In conclusion, the EnviRecover EfW plant has successfully achieved the guaranteed availability over its first two years of operation. HZI is continuing to close out the remaining Defects, although progress has been quite slow on some points. We cannot currently foresee any performance issues with the plant that are likely to impact ongoing operations.

Yours sincerely
FICHTNER Consulting Engineers Limited

Mark Shatwell
Project Manager under the EPC Contract

Stuart Wilson
Engineering Director

	<u>12 Month Period</u>			
	Qtr End Sep-18	Qtr End Dec-18	Qtr End Mar-19	Qtr End Jun-19
CFADS				
FM Cash Flow Before Transfers (incl interest)	5,336	5,384	5,462	5,807
FM MRA Transfer	-792	-199	13	-366
FM CFADS^	4,544	5,185	5,475	5,440
Actual Cash Flow Before Transfers	6,797	7,379	7,548	6,993
Actual MRA Transfer	-792	-200	13	-366
Actual CFADS	6,005	7,179	7,561	6,627

Historic Annual Debt Service Cover Ratio

FM CFADS	20,644
FM DSR	15,402
FM Cover Ratio	1.34x

FM CFADS
~~**FM** DSR~~
~~**FM** Cover Ratio~~

Actual CFADS	27,372
FM DSR	15,402
Actual Cover Ratio	1.78x Pass

Ratio is better than target of 1.35 and default of 1.05

Actual CFADS
FM DSR
Actual Cover Ratio

^ Note CFADS in FM used for Ratio Test is "CFADS after MMRA" as per line 32 of the "Ratios&Returns" tab. Flows to Line 151 and then the Ratio calculation.

Default 1.05x As per STLFA 19.1 (u) (i) (B)

All figs except ratios are £000

DSR = Debt Service Requirement

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Ratio Compliance Certificate

To: Worcestershire County Council and The County of Herefordshire District Council ("The Lenders").

Attention: Rob Wilson

From: Mercia Waste Management Limited

A senior term loan facilities agreement dated 21st May 2014 between, among others, Mercia Waste Management and the Lenders (the "Senior Term Loan Facilities Agreement")

We refer to the Senior Term Loan Facilities Agreement. Terms defined in the Senior Term Loan Facilities Agreement have the same meaning in this notice.

Pursuant to clause 15.8 (Ratio Compliance Certificate) of the Senior Term Loan Facilities Agreement we confirm that:

(a)

- (i) the Historic Annual Debt Service Cover Ratio on 30 June 2019 was 1.78:1 ;
- (ii) the Projected Annual Debt Service Cover Ratio on 30 June 2019 was 1.35:1; and
- (iii) the Loan Life Cover Ratio on 30 June 2019 was 3.25 : 1; and

(b) so far as the Borrower is aware:

- (i) no Default has occurred other than any previously notified to the Lenders or waived in accordance with clause 21.3 (Remedies, Waivers, Amendments and Consents) of the Senior Term Loan Facilities Agreement

Date: 22.8.19.

By: 

Director

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WASTE CREDIT GOVERNANCE COMMITTEE
18 OCTOBER 2019**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 2019 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

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Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager

Tel: 01905 846908

Email: RWilson2@worcestershire.gov.uk

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 8 March 2019

Waste Credit Committee Risk Register - Open Risks
October 2019 - 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
October 2019 - 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
October 2019 - 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
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

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Very Low	2	6	13	17
Almost Impossible	1	5	7	16
	Negligible	Substantial	Critical	Extreme

Impact

Mercia Waste Loan Facility Repayment Analysis

October 2019

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	-5,462,417	31/12/2018
31/03/2019	0	0	0	0		
30/06/2019	-2,544,044	-531,450	-3,037,114	-6,112,607	-6,112,607	30/06/2019
31/12/2019	-1,752,253	-487,574	-3,087,452	-5,327,280		
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	-5,042,124	-41,817,637	-73,727,347	-27,045,307	

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

18 OCTOBER 2019

WORK PLAN

Recommendation

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

Introduction

- The Waste Credit Governance Committee was provided with a work plan at the March 2019 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

Rob Wilson

Pensions & Treasury Management manager

Tel: 01905 846908

Email: RWilson2@worcestershire.gov.uk

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 08 March 2019.

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Waste Credit Governance Committee

Work Plan 2018 & 2019

No.	Activity	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			

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