

Agenda

Waste Credit Governance Committee

Tuesday, 8 December 2020, 2.00 pm
Online only

Notes:

Due to the current Covid-19 pandemic Worcestershire County Council will be holding this meeting in accordance with the relevant legislative arrangements for remote meetings of a local authority. For more information please refer to: Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Please note that this is a public meeting, conducting remotely by videoconferencing between invited participants and live streamed for general access via a link on the Council's website to the Council's Youtube [channel](#).

The Agenda papers and background papers can be accessed electronically on the Council's website. Members of the public and press are permitted to report on the proceedings.

This document can be made available in other formats (large print, audio tape, computer disk and Braille) on request from Democratic Services on telephone number 01905 846621 or by emailing democraticServices@worcestershire.gov.uk

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
Tuesday, 8 December 2020, 2.00 pm, Online only

Membership: Mr P Grove (Chairman), Mr R C Adams, Mr R W Banks, Mr A I Hardman, Mr L C R Mallett, Mr P Middlebrough, Mrs E B Tucker 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 Assistant Director for Legal and Governance 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 7 December 2020). 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 11 December 2019. (previously circulated)	
5	Technical Update - EFW Plant Reporting Requirements	1 - 8
6	Risk Register	9 - 16
7	Work Plan	17 - 20

Agenda produced and published by Abraham Ezekiel, Assistant Director for Legal and Governance County Hall, Spetchley Road, Worcester WR5 2NP

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: Friday, 27 November 2020

This page is intentionally left blank

WASTE CREDIT GOVERNANCE COMMITTEE 8 DECEMBER 2020

TECHNICAL UPDATE – EFW PLANT REPORTING REQUIREMENTS

Recommendation

- 1. The Chief Financial Officer recommends that:**
 - a) The Committee note and comment on the main categories of reports or information that the Borrower must regularly produce:**
 - Appendix 1 - The Historic Annual Debt Service Cover Ratio (“ADSCR”)**
 - Appendix 2 - Ratio compliance certificate and the**
 - Senior Term Loan Facility Agreement (STLFA) Assurance Statement for the Council and operating update attached as Appendix 3 be noted;**
 - b) The Committee consider whether to report any matters to Council.**

Introduction

1. 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.
2. 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
3. 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
4. The Ratio calculations report was undertaken by KPMG in March 2020 to assess the position as at the end of December 2019 to meet the terms set out in the STFLA. KPMG found that all the ratios had been met and the report was circulated to all members of the Committee on the 24 March 2020.

5. The Historic Annual Debt Service Cover Ratio (“ADSCR”) Appendix 1: A historic periodic measure used to assess the project’s ability to service its current debt obligation over the preceding 12-month period as at the end of June 2020 is better than the target and is attached along with the signed Ratio compliance certificate Appendix 2.

6. 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 showed a positive picture apart from March which would have been due to the impact of COVID-19 where the actual cash flow has been more than the financial model at the end of each quarter.

Financial Accounts as at the end of December 2019

7. In line with the agreement the company must provide a set of audited Financial accounts for review and were received at the beginning of November 2020. The external auditors are Deloitte LLP and independent opinion states that the information given in the strategic report and the directors report for the financial year for which the financial statements are prepared are consistent with the financial statements and have been prepared in accordance with applicable legal requirements.

Assurance Statement

8. 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 3). 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.

Contact Points

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 Historic Annual Debt Service Cover Ratio (“ADSCR”)

Appendix 2 - Ratio compliance certificate

Appendix 3 - the Senior Term Loan Facility Agreement (STFLA) Assurance Statement

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.

	<u>12 Month Period</u>			
	Qtr End Sep-19	Qtr End Dec-19	Qtr End Mar-20	Qtr End Jun-20
CFADS				
FM Cash Flow Before Transfers (incl interest)	5,368	5,280	5,454	5,357
FM MRA Transfer	-998	-156	-44	351
FM CFADS^	4,370	5,125	5,410	5,708
Actual Cash Flow Before Transfers	6,983	9,011	2,735	6,274
Actual MRA Transfer	-998	-156	-44	351
Actual CFADS	5,985	8,855	2,691	6,625
	1,615	3,730	-2,718	918

Historic Annual Debt Service Cover Ratio

FM CFADS	20,613
FM DSR	15,269
FM Cover Ratio	1.35x

FM CFADS
FM DSR
FM Cover Ratio

Actual CFADS	24,157
Actual DSR	15,269
Actual Cover Ratio	1.58x 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

This page is intentionally left blank

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 2020 was 1.58:1;
- (ii) the Projected Annual Debt Service Cover Ratio on 30 June 2020 was 1.35:1; and
- (iii) the Loan Life Cover Ratio on 30 June 2020 was 3.29 : 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: 17. 8. 2020

By: 

Director

This page is intentionally left blank

Senior Term Loan Facility Agreement

Assurance Statement for Lenders

1. Financial Performance & Covid 19

As the Company is in a key industry, by working with the Councils and other customers and stakeholders it has seen less of an impact from Covid 19 than will have been experienced by many other entities. As at the date of this Report all Sites are open and District Council waste is being received as normal. As yet the current Lockdown has not had the depth of impact that was experienced earlier in the year. The Company has continued to meet its contractual targets in respect of Recycling and Recovery.

As a result of the type of business Mercia is in and the actions taken by Management, the Company has managed to perform in a satisfactory manner against its relevant targets as set out in the Financial Model, recovering from the setbacks experienced earlier in the Year.

Whilst for very obvious reasons it would be wrong to speculate as to the course of the Pandemic and any future impact there might be on the business the Company is in a satisfactory position at the current time.

2. Loan Repayment

The payments due to the Councils at the end of June were 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. The Repayments of Capital and Interest for the period ending 31st December 2020 are planned in the Company's forward - looking projections and will be made on or before that date.

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

As mentioned in the last report, the EA requested that we investigate a source of noise at the EfW Plant (the Induced Draft Fan), the additional silencer designed by the Industrial Noise and Vibration Centre was installed inside the stack during the September maintenance period. The work has successfully eliminated the nuisance tone, as confirmed by all residents and by additional tonal analysis.

The Environment Agency has confirmed that the noise has been removed and has closed the case.

There are no material issues at other sites.

5. Insurance

All appropriate Policies are in place. The Company's claims history remains highly satisfactory. As noted previously there is a much-reduced capacity for all waste related risks and Mercia has started its renewal process earlier than normal so as to it has the best chance of securing the Cover required at a reasonable cost.

6. Key Staff

All senior staff have remained in their roles during the period and continue in their employment at the date of this Statement. Appropriate measures are in place in respect of Covid 19 and are where relevant are monitored and updated by the Company's internal Health and Safety Officers.

J W Haywood - Mercia Waste Management. 19.11.2020

WASTE CREDIT GOVERNANCE COMMITTEE

8 DECEMBER 2020

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 and are green although Risk (f) has been updated to take into effect the mitigating actions required to minimise the impact of COVID-19.
4. An additional risk was added to the register in December 2019 in relation to the impact on the ratio analysis testing of the availability of an updated financial model. However, this has since been closed as it has been addressed by the ratio testing assessment undertaken by KPMG in March 2020 who found that all the ratios met the requirements of the Senior term loan facility agreement.(STFLA). Members are asked to consider the risks set out in the Register as set out in Appendix 1.
5. A copy of the Mercia Waste Loan Facility Repayment Analysis is attached as Appendix 2.

Contact Points

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 11 December 2019

Waste Credit Committee Risk Register - Open Risks

December 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 Construction and Services S.A., through its subsidiary ACS Services y Concessions 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 had monitored Mercia's actual quarterly cash flow tests and cover ratios that have to be maintained by Mercia. KPMG conducted a review of the ratios as at the 31st December and all passed
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. Mitigating actions have continued to be taken by Mercia to combat the effects of COVID-19 and the latest assurance statement within the Committee Report of the 8th December 2020 reflect the actions taken	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.

Page 11

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				
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			

This page is intentionally left blank

Waste Credit Committee Risk Register - Closed Risks
December 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
December 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 rationale 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.
g	The impact on the ratio analysis testing of the availability of an updated financial model	Substantial	Medium	15	Risk treated	The Council's treasury team are seeking KPMG to assess any impact on the ability of MWM to repay the loan regarding an updated financial model. This will also assess the impact on the ratio analysis required.	Substantial	Very Low	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.	Completed by KPMG in March 2020 as at the 31st December 2019 and all the ratios were found to be compliant with the Senior Term Loan Facility arrangement

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	Impact			
	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

Mercia Waste Loan Facility Repayment Analysis

Appendix 2

November 2020

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	-5,327,280	31/12/2019
31/03/2020	0	0	0	0		
30/06/2020	-2,762,092	-436,013	-3,053,893	-6,251,999	-6,251,999	30/06/2020
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	-38,624,586	

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.

This page is intentionally left blank

WASTE CREDIT GOVERNANCE COMMITTEE 8 DECEMBER 2020

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 December 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

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) there are no background papers relating to the subject matter of this report.

This page is intentionally left blank

Waste Credit Governance Committee

Work Plan 2020 to 2021

No.	Activity	Q4 2020	Q1 2021	Q2 2021	Q3 2021
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				
Page 19					

Q1 Jan to March

This page is intentionally left blank