

## Minutes of the Waste Credit Governance Committee

County Hall, Worcester

Friday, 2 July 2021, 10.00 am

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### Present:

Cllr Emma Stokes (Chairman), Cllr Adrian Hardman, Cllr Bill Hopkins,  
Cllr Matt Jenkins, Cllr Luke Mallett, Cllr Linda Robinson and Cllr Chris Rogers

### Available papers

The members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 8 December 2020 (previously circulated).

### 148 **Named Substitutes (Agenda item 1)**

None.

### 149 **Apologies/Declarations of Interest (Agenda item 2)**

An apology was received from Cllr Emma Marshall.

### 150 **Public Participation (Agenda item 3)**

None.

### 151 **Confirmation of Minutes (Agenda item 4)**

**RESOLVED** that the Minutes of the meeting held on 8 December 2020 be approved as a correct record and signed by the Chairman.

### 152 **Technical Update - Energy from Waste (EFW) Plant Reporting Requirements (Agenda item 5)**

The Committee considered the Technical Update - Energy from Waste (EFW) Plant Reporting Requirements.

In the ensuing debate the following points were made:

- In response to a query about how Mercia Waste Management (MWM) funded the repayment of the loan, Jim Haywood from the company explained that the main source of income was from the processing of waste on behalf of the County Council. The company did have other sources of commercial income for example through the sale of recyclable materials and electricity that were all taken into account in the loan repayment arrangements
- In response to a query, Jim Haywood indicated that the cost of waste incineration differed little from the cost of landfill
- How was the balance of the loan treated in the Council's accounts when the loan period ended in 2023? Rob Wilson explained that the loan arrangements were already reflected in the Accounts and the facility would be treated as a fixed asset in the Accounts from 2023 onwards
- Jim Haywood indicated that despite Covid, the company had had a surprisingly good last financial year. There was a period when the waste sites were closed but waste flows were maintained to the incinerator. There had been a problem with the recycling of paper but the company was now receiving payment rather than paying for its disposal. The current financial year had started well and the company was in a good position to meet its loan repayment obligations.

**RESOLVED** that the main categories of reports or information that the Borrower must regularly produce be noted:

- **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 set out at Appendix 3 to the report.**

## **153 Risk Register (Agenda item 6)**

The Committee considered the Risk Register.

In the ensuing debate, the following points were made:

- Rob Wilson reported that Urbaser had been sold to an American company Platinum Equity but this change of ownership was not considered a risk to the loan arrangements. The latest loan repayment from MWM had been received by the Council on 30 June. All payments to date had been received on time
- It was queried whether given the robust nature of MWM's business, whether it was necessary to continue to report the open risks to Committee. The Chair indicated that she would prefer the Committee to be given more time to understand the nature of the business before taking such a decision

- It was considered that there were no matters of concern to report to Council.

**RESOLVED that:**

- a) The open risks set out in the Risk Register are accepted; and
- b) There were no matters of concern to report to Council.

**154 Work Plan (Agenda item 7)**

**RESOLVED that the work plan be noted.**

The meeting ended at 10.30am.

Chairman .....