

Appendix E: Draft Waste Credit Control Committee Terms of Reference

- (a) To act on behalf of the Council as lender to the waste project
- (b) To review, in conjunction with external advisers advising the Council as lender, the risks being borne by Mercia Waste Management and its supply chain and determine 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
- (c) To monitor and administer the loan to the waste project in line with best banking practice, including the terms of any waivers or amendments which may be required or are desirable
- (d) To take steps to protect the interests of the Council as lender in the event of a default or breach of covenant, including enforcement of security and litigation
- (e) To consider and protect the position of the Council as lender to the waste project
- (f) To make recommendations as appropriate to Council with regard to its Budget and Policy framework and the loan to the waste project
- (g) Generally to take such other steps in relation to the loan as the Contract credit Committee considers this to be appropriate

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- The Committee will be cross-party established in accordance with the legal requirements of political balance
 - The Committee will not contain any current members from time to time of the Cabinet
 - The Committee will be chaired by a Councillor appointed by full Council. [The Vice-Chairman will be from a Group other than that forming the present administration]
 - The Committee will be advised by external financial and legal advisers on behalf of the Council's s151 officer
 - The Committee will meet in public (unless the grounds for exemption are met under the Access to Information legislation) and upon at least 5 working days notice (unless called sooner as a matter of urgency)
 - The Committee will not be responsible for the operation of the waste contract or any waste disposal authority executive functions
 - The Committee will not be accountable or report to the Cabinet
 - The Committee may decide matters within its terms of reference or refer them to full Council for determination in accordance with the usual rules of delegation.

As the Committee regulates or controls the finance of the Council (in relation to the funding provided to the Waste Contractor) the law does not permit co-optees to sit as members of the committee by virtue of s102(3) LGA 1972.

However, in order to benefit from a clearer separation of roles, the Committee may be advised by an external financial expert who will report to the Committee, attend its meetings and provide expert advice to it. As necessary, the Committee may also receive legal advice from an external firm of solicitors with expertise in banking law. The Council's s151 officer and Monitoring Officer will retain their overarching statutory roles in respect of the Committee.

The Cabinet will continue to be responsible for exercising the role of the Council's executive, acting as a waste disposal authority within the overall Budget and Policy framework set by the Council.

The Cabinet will have no supervisory or other responsibility for the Waste Contract Credit Committee.

In addition to the Committee, suitably qualified and experienced council employees need to be designated to support the Council so that the Committee is presented with detailed reports which benefit from input from the external advisers