

CYNGOR

15fed Medi 2021

CWM Environmental Ltd Gofyniad ariannu tymor byr

Pwrpas yr adroddiad hwn yw sefydlu mynediad tymor byr at gyllid ar gyfer CWM Environmental Ltd i dalu costau untro a chostau rhedeg ychwanegol yn dilyn y tân yn y Cyfleuster Ailgylchu Deunyddiau ar 24 Ebrill 2021 hyd nes y daw'r hawliadau yswiriant perthnasol i law.

Yr argymhellion / penderfyniadau allweddol sydd eu hangen:

Cytuno ar gyfleuster cyllido fel a ganlyn:

1. Swm y benthyciad - hyd at 1,000,000 am gyfnod o 12 mis
2. Cyfradd y llog: 2% yn uwch na'r gyfradd a bennwyd gan y Bwrdd Benthyciadau Gwaith Cyhoeddus ar gyfer benthyciad 12 mis
3. Bydd y broses o ryddhau'r cyllid yn cael ei ddirprwyo i'r Cyfarwyddwr Gwasanaethau Corfforaethol i'w weinyddu fel a ganlyn:
 - a) Rhyddhau cyllid dim ond pan fydd tystiolaeth o wariant ychwanegol sy'n gysylltiedig â'r tân.
 - b) Bydd yr elfennau terfynol ynghylch y cytundeb benthyciad manwl yn cael eu dirprwyo i Gyfarwyddwr y Gwasanaethau Corfforaethol.

Rhesymau

Cytuno ar y cyfleuster ariannu i alluogi'r cwmni i dalu'r costau gweithredu untro a chostau ychwanegol o ganlyniad i'r tân hyd nes y daw'r hawliadau yswiriant i law.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol Nac Oes

Angen i'r Cabinet wneud penderfyniad: NA – Adroddiad wedi'i gyflwyno'n uniongyrchol i'r Cyngor

Angen i'r Cyngor wneud penderfyniad

OES

YR AELOD(AU) CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Y Cyngorydd David Jenkins, Aelod Cabinet dros Adnoddau, y Cyngorydd Hazel Evans, Aelod Cabinet dros yr Amgylchedd

Y Gyfarwyddiaeth:

Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Swyddi:

Cyfarwyddwr y Gwasanaethau
Corfforaethol

Rhif Ffôn: 01267 224121
Cyfeiriadau E-bost:

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gov.uk

COUNCIL
15TH SEPTEMBER 2021

**CWM ENVIRONMENTAL LTD – SHORT TERM LOAN FUNDING
REQUIREMENT**

Members will be aware that there was a major fire incident at CWM Environmental Ltd's Nantycaws site on 24th April 2021 which resulted in the total loss of the blue bag materials recycling building and its contents.

CWM Environmental Ltd (CWM) is a wholly owned subsidiary of Carmarthenshire County Council

The Company's fire and emergency plan was enacted, with CWM personnel working with the Fire Service to bring the fire under control, whilst minimising the environmental impact of the fire. The Fire Service handed the site back to CWM on Friday 30th April 2021.

CWM continue to work with their Insurance company's loss adjusters and have been providing responses and supporting evidence to the questions raised to date. It is not unusual for formal acceptance of liability to take a number of weeks (pending various investigations) but once it has been agreed that there are no obstacles to policy liability being accepted, they can then focus upon the actual claim.

As is usual in these circumstances the company is faced with meeting costs in advance of any insurance settlements such as:

- Cost of immediate response to the fire, including the management of run off water on site, the removal and subsequent disposal of material from the building to support the fire service in extinguishing the fire.
- Cost of demolition – both the emergency partial demolition work in conjunction with the fire service to access the material inside, and subsequent demolition work to make the building safe and remove the damaged plant etc.
- Increased costs of operation through the transport and treatment of the recycle at alternative locations. Short term outlets have been secured and the company is currently running a tender exercise for the interim treatment of the material for a 12 to 18 month period.

It is considered necessary therefore to facilitate a loan facility for the company on the following basis:

- Loan amount – up to £1,000,000 for a period of 12 months
- Rate of interest to be charged : 2% above the rate set by the PWLB for 12 month loan
- Release of funding is to be delegated to the Director of Corporate Services to be administered as follows:
 - a) Release of funding only when additional fire related spend is evidenced.
 - b) The conclusion of the detailed loan agreement to be delegated to the Director of Corporate Services.

DETAILED REPORT ATTACHED ?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
No	YES	YES	No	YES	No	YES

2. Legal

CWM Environmental Ltd is a wholly owned subsidiary of CCC established under the requirements of the 1990 EPA act.

s. 68(6)(f) Local Government and Housing Act 1989 enables the authority to lend money for the purpose of enabling the company.

3. Finance

The loan facility will be for up to £1,000,000 for up to 12 months with interest charged at 2% above the rate set by the PWLB for 12 months.

5. Risk Management Issues

Failure to have in place a funding mechanism to meet the interim costs of the fire pending the insurance settlement may put the company in breach of its overdraft arrangements with its bankers

6. Physical Assets

CWM Environmental Ltd. is a wholly owned subsidiary company of the Authority with a share capital of £329,000. The balance sheet of the company as at 31st March 2021 reflected net assets of £4.15m.

It must be noted that the net book value does not reflect the 'market value' as applied between a hypothetical willing vendor and a hypothetical willing buyer in the open market.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Services

1. Scrutiny Committee

N/A

2. Local Member(s)

N/A

3. Community / Town Council

None

4. Relevant Partners

None

5. Staff Side Representatives and other Organisations

None

Cabinet	PORTFOLIO	HOLDER(S)	YES
AWARE/CONSULTED			
YES			

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
		www.carmarthenshire.gov.uk