

Public Document Pack



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Pennaeth Gwasanaethau Cyfreithiol a Democraidaid



To: Councillors: Aaron Shotton, Kevin Jones, Dave Cowans, Michael Priestley, David Smith, Eryl Williams, John Wynn Jones, William Gareth Roberts, Alex Aldridge and R.G. Parry

CS/NG

24 July, 2012

Ceri Owen 01352 702350
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Dear Sir / Madam

A meeting of the **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE** will be held in the **COUNCIL CHAMBER, RUSSEL HOUSE, CHURTON ROAD, RHYL, LL18 3DP** on **WEDNESDAY, 1ST AUGUST, 2012** at **10.30 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

1 **APOLOGIES**

2 **DECLARATION OF INTEREST**

3 **ELECTION OF CHAIR AND VICE-CHAIR**

4 **APPROVAL OF PREVIOUS MINUTES** (Pages 1 - 6)

5 **MATTERS ARISING FROM PREVIOUS MEETING**

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawu gohebiaeth yn y Cymraeg neu'r Saesneg

- 6 **PROGRESS REPORT (SO REPORT)** (Pages 7 - 10)
- 7 **RIR - RISK STATUS UPDATE (SP REPORT)** (Pages 11 - 38)
- 8 **COMMUNICATIONS UPDATE (VERBAL UPDATE AT MEETING)**
- 9 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC** (Pages 39 - 40)
The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).
The report would reveal details of proposed bids for the contract i.e. business details. The contract process is still underway and disclosure of the information should not be made until after the contract has been awarded.
- 10 **REFINED ISDS EVALUATION REPORT (SP REPORT ACCOMPANIED BY A PRESENTATION BY THE PROJECT TEAM AND ALSO EXTERNAL ADVISORS)** (Pages 41 - 62)
- 11 **ANY OTHER BUSINESS**

NWRWTP

North Wales Residual Waste Treatment Project

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Minutes of the meeting of the Joint Committee held in the Council Chamber,
Bodlondeb, Conwy on Friday, 16 March 2012 at 10.30 am

PRESENT

Councillor Eryl Williams – Denbighshire County Council (**Chair**)
Councillor Mike Priestley – Conwy County Borough Council
Councillor Meirion Hughes – Conwy County Borough Council
Councillor Arwel Pierce – Gwynedd County Council
Councillor Sharon Frobisher – Denbighshire County Council
Councillor Neville Phillips – Flintshire County Council
Councillor Nancy Matthews – Flintshire County Council
Alex Aldridge – Commissioner for the Isle of Anglesey County Council

ALSO PRESENT

Conwy County Borough Council
Andrew Kirkham and Sian Harland

Denbighshire County Council
Steve Parker

Gwynedd County Council
Dilwyn Williams

Flintshire County Council
Colin Everett, Kerry Feather, Louise Pedreschi

Isle of Anglesey County Council
Meirion Edwards

North Wales Residual Waste Treatment Partnership
Stephen Penny, Steffan Owen and Karen Powell

Local Partnerships
Hazel Nickless

AMEC
Jonathan Bebb and Ian Cromie

Grant Thornton UK
Saeefar Rehman

11. APOLOGIES

Apologies for absence were received from Carl Longland (Flintshire County Council) and Hugh Roberts (Local Partnerships).

12. MINUTES

The minutes of the meeting of the North Wales Residual Waste Treatment Project held on 27 January 2012 were submitted for approval.

RESOLVED-

That the minutes of the meeting of the North Wales Residual Waste Treatment Project held on 27 January 2012 be approved as a correct record.

13. MATTERS ARISING

In relation to Minute No. 5 (Progress Report), Members were advised that the Notice of Motion, which raised concerns at any proposal for a residual waste treatment plant being sited on Deeside, put forward on the agenda of the Flintshire County Council Meeting on 31 January 2012 had been withdrawn.

14. CHAIRMAN'S ANNOUNCEMENT

The Chairman announced that he had been approached by the BBC with regard to the Welsh Government's agenda on waste. In turn the Chairman had given the reporter the contact number for Jasper Roberts, Head of Waste Policy Division in the Welsh Government.

15. DECLARATIONS OF INTEREST

None.

16. PROGRESS REPORT

The Project Manager presented the progress report and stated that the project was progressing within budget and the final expenditure for 2010/11 was £889,133 with a profiled spend for this financial year of £994,821.

In relation to the press coverage Flintshire County Council had received, it was noted that the petition against a site in Deeside had over 6,000 signatures, which included signatories from neighbouring areas. Once the final stage of the bidding process had commenced, Flintshire would enter into a deeper debate with concerned residents.

RESOLVED-

That the content of the report be noted.

17. RISK REGISTER REPORT – RISK STATUS UPDATE

The Project Director presented the Risk Register Report, which highlighted some of the amendments that had been made to reflect the current understanding of the risk and mitigation measures that are in place.

The Register would be updated once the Joint Committee had made its decision on whether the scheme would be rail/road based.

RESOLVED-

That the content of the report be noted.

18. COMMUNICATION UPDATE

The Project Manager updated Members with regard to the communication matters concerning the NWRWTP.

It was noted that with regard to publicising the decision on the rail/road aspect of the scheme, the Project Team considered that it would be prudent not to release a press release due to the forthcoming Local Government Elections. However, it was the view of the Project Board that the Project Team should answer any press enquiries relating to the rail/road decision, with a wider announcement in July 2012. Members were advised that a response to the decision would be circulated to all Members of the Committee to enable them to respond generically to any press enquiries.

A Member suggested that archived photographs of the previous steel works, which was situated on the site at Deeside, could be used to illustrate that the area had always been an industrial site, despite the view that it was now greenfield.

The Chief Executive of Flintshire County Council advised that there had been positive discussion at the meeting with Connah's Quay Town Council with regard to the scheme.

RESOLVED-

(a) That the Communications Update report be noted.

(b) That the intended approach to publicise the rail/road decision be adopted.

19. NEW WASTE HIERARCHY GUIDANCE

The Project Director presented a report on the new Waste Hierarchy Guidance from the Welsh Government (WG).

The term ‘Waste Hierarchy’ had been used to define a rank order of priority for the management of waste, with final disposal to landfill being at the bottom of the Waste Hierarchy.

In January 2012, the WG published a new document called “Guidance on Applying the Waste Hierarchy”, which provided further detail on how the Waste Hierarchy should be applied in Wales. In particular, there was guidance on where different residual waste treatment technologies lie within the Waste Hierarchy.

Members were requested to note that the published waste hierarchy set out that following the prevention of residual waste, that one of the best environmentally performing technologies to treat this material would be in the form of high efficiency Energy from Waste (EfW) with Incinerator Bottom Ash recovery/recycling. Other forms of waste treatment, such as mechanical biological treatment and mechanical heat treatment were shown to be less desirable.

RESOLVED-

That the content of the report be noted.

EXEMPT ITEMS: LOCAL GOVERNMENT ACT 1972, SECTION 100A AND SCHEDULE 12A (ACCESS TO INFORMATION)

RESOLVED-

That the Public and Press be excluded from the meeting under the provisions of Section 100A of the above Act during consideration of the following item as it involves the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A to the Act and that in all the relevant circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

20. OUTCOME OF ROAD – RAIL ASSESSMENT

The Project Director reminded Members that the Joint Committee had consistently expressed their desire to explore the option of utilising rail for transporting waste, as part of any future solution of the ongoing procurement process.

Members were therefore presented with a report, that set out the key findings from the assessment, which was carried out on both road and rail solution submissions made by participants in the procurement process.

Presentations on the Environmental, Technical, Financial and Legal aspects of a road/rail solution were given to the Joint Committee.

The risks associated with the road/rail solution were discussed at length and the following issues were highlighted:-

- Planning consent for rail waste transfer sites
- Timescales for bidders and the Project Team to progress discussions with Network Rail and others for a road/rail solution; it was suggested that a time limit of 6 months was reasonable
- Mitigation of risks
- Costs of a rail/road solution
- Best Practical Environmental Option as a planning consideration
- Bulking of waste
- Public consultation outcome
- Environmental benefits of road only vs Road/Rail

RESOLVED-

- (a) That the combined road/rail option should form the basis of solutions being developed for the NWRWTP because:-
 - The costs for rail are less than the affordability target and well below the “Base Case” for the Reference Solution in the approved Outline Business Case.
 - Rail has better environmental performance than a road based solution for the regional project as a whole.
 - The bidders are directed to include within their bids solutions for waste bulking and road transportation to railhead points that seeks to minimise travel by all partner authorities waste collection service vehicles.
 - Achievement of planning consent at the key facility remains a significant risk to the project. The selection of rail with its improved environmental performance will assist in reducing planning risk as it will be easier to demonstrate that the Best Practicable Environmental Option is being proposed.
- (b) That the appropriate consents and agreements from the statutory undertakers and other parties are to be secured where practicable within 6 months (by 27 September) for the Joint Committee to be assured of the logistical feasibility of the rail option within the project timetable, on the assumption that the combined road/rail option will continue to be financially viable in the final bids. A road only option as outlined in paragraphs 3.48 and 3.49 of the report is held as the reserve option should the preferred road/rail option prove not to be feasible.

18. ANY OTHER BUSINESS

None.



NORTH WALES RESIDUAL WASTE TREATMENT PROJECT PROGRESS REPORT

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Date : 1st August 2012

Period: 7th March 2012 to 23rd July 2012

PROJECT SUMMARY

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Amber	Revised ISDS bids evaluated. Challenge sessions held with legal, financial and technical groups, and final evaluation completed – see item 9 on agenda.

Budget status	
Green	Expenditure for Quarter 1 of 2012/13 (April – June) was £228,460. Budget for the same period was £217,106. This equates to £11,354 over budget for the period.

Status	Meaning
Green	There are no problems; all is progressing well and to plan
Amber	There are some minor/ less significant problems. Action is needed in some areas but other parts are progressing satisfactory
Red	There are significant problems and urgent and decisive action is needed.



**PROJECT UPDATE – Activities due for completion 7th March 2012 to 23rd July 2012
(and highlighted longer term actions).**

ID	Activity	RAG status	Comments	Forecast	Actual
74	Participants informed of partnership's decisions on road / road-rail, and invited to submit refinements to their ISDS submissions in the light of decision	Amber		Mid March 2012	Complete
75	Submission of Refined ISDS by participants	Amber		April 2012	Complete
76	Refined ISDS submissions evaluated	Amber	See item 8 on the agenda	May / June 2012	Complete
78	The second IAA (IAA2) to be commenced	Green	This to commence once CFT evaluated and likely preferred bidder is known (and the likely contract structure is more certain).	Spring 2013	
83	Report back to public and respondents with results of consultation	Green	This to be done later in project timetable following discussion at the Joint Committee in January 2012	Autumn 2012	
91	Seek legal advice following letters received about the presence of one of the bidders in the procurement process	Green	Awaiting outcome of ISDS Evaluation if bidder in question proceeds in the procurement process.	August 2012	
92	Prepare press release and process for informing the	Green	Decision publicised in Flintshire local press	late March 2012	Complete



	public of road / rail decision				
93	Prepare comprehensive information pack for Members and public to be used when it is appropriate to discuss technology and site proposals	Green	See item 8 on the agenda.	Autumn 2012	
94	Prepare and schedule necessary events / meetings / drop in sessions regarding announcement (see 97 below)	Green	See item 8 on agenda.	Autumn 2012	
95	Pre CFT Documents drafting	Green	Project team and advisors to draft CFT documentation	November 2012	
96	Post ISDS dialogue sessions with remaining two participants	Green	Sessions organised for August onwards.	August to October 2012	
97	De-brief unsuccessful bidder	Green	Scheduled for August.	August 2012	
98	Draft readiness to close dialogue report	Green	Project team draft report for PB & JC relating to readiness to close dialogue	Sep 2012	
99	Project team session to review project risk register ready for submission to WG as part of WG readiness to close dialogue review	Green		Oct / Nov 2012	

KEY RISKS – See item 7 on this agenda.

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REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **1 AUGUST 2012**

REPORT BY: **PROJECT DIRECTOR**

SUBJECT: **RISK REGISTER REPORT**

1. PURPOSE OF REPORT

- 1.1. The members of the NWRWTP Joint Committee have requested that they are provided with an update of the risk register at each meeting of the Joint Committee.
- 1.2. This report will highlight some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that are in place.

2. BACKGROUND

- 2.1. The Risk Register will require continual update throughout the project.

3. CONSIDERATIONS

- 3.1. There is one new risk identified this reporting period. Following the decision of Joint Committee at its meeting in March 2012 a new project delivery risk was identified - PD21 (Network Rail approvals are not secured to allow delivery of a rail based transport solution). It was agreed that a review of progress would be made in September to October 2012 to see if key Network rail approvals had been secured.
- 3.2. There have been some changes to other existing risks in this reporting period to reflect the progress being made in the procurement process. These are :-
 - Finance F5 (bid prices being outside of the affordability envelope) where the risks have been reduced to reflect the current competitive pricing being offered to the Partnership,
 - Project delivery PD4 (Potential bidders do not bid due to the prescriptive requirements) where risks have been reduced to reflect the fact that 3 fully comprehensive ISDS submissions have been received.
 - Project delivery PD5 (Potential bidders do not bid as volumes of waste are too small). As above where risks have been reduced to reflect the fact that 3 fully comprehensive ISDS submissions have been received based on Partnerships waste flow model.
 - Procurement Strategy P13 (Technological solutions offered are not commissionable within Landfill Allowance Scheme (LAS) infrastructure)



timescales. Risk reduced to reflect latest LAS positions as set out within the Partnership ISDS waste flow model and to reflect the projected service commencement dates that protect partner authority from LAS liabilities.

- 3.3. The Top 9 risks (after controls have been put in place) are shown in appendix 1.
- 3.4. The changes this period are shown in appendix 2.
- 3.5. The risk register will continue to be reviewed by the Project Director and reported to the Joint Committee at future meetings.

4. RECOMMENDATIONS

- 4.1. That the Joint Committee note the updated risk register for the project.

5. FINANCIAL IMPLICATIONS

- 5.1. Not applicable

6. ANTI-POVERTY IMPACT

- 6.1. None

7. ENVIRONMENTAL IMPACT

- 7.1. Not applicable

8. EQUALITIES IMPACT

- 8.1. Not applicable

9. PERSONNEL IMPLICATIONS

- 9.1. Not applicable

10. CONSULTATION REQUIRED

- 10.1. Not applicable

11. CONSULTATION UNDERTAKEN

- 11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985



NWRWTP

North Wales Residual Waste Treatment Project

Background Documents:

None

Contact Officer: Stephen Penny NWRWTP



Appendix 1 Top (Red) risks and issues

IDENTIFYING THE RISK or ISSUE			MANAGING THE RISK or ISSUE										Additional explanatory notes			
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management				Impln Date	Review Date	Closure Date
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
Policy & regulatory Risk – Change in WG objectives / regulations																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	Feb-12		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	Feb-12	WG have indicated in the final Municipal Sector Plan (MSP) that they may adopt a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings and as a result planning risk is now moderated. WG has now published guidance on the Waste Hierarchy. This is viewed by the project team as helpful and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste hierarchy.	
Page 4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	May-12	WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The Project team will review the now published (July 2012) Collections and infrastructure plan to see how affects overall risks.	
Finance & Affordability																
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-12	WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to LAs to work together and improve "front end" recycling and collections services.	



Appendix 1 Top (Red) risks and issues (continued)

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	IDENTIFYING THE RISK or ISSUE			MANAGING THE RISK or ISSUE									Additional explanatory notes
			Current Assessment			How the risk will be managed and controlled			Residual risk after management			Impln Date	Review Date	Closure Date	
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall			
Communication & stakeholders – failure to proactively engage with key stakeholders leading to delays and lack of public support for the proposed solution.															
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Alternative site work will continue during early stages of procurement process.	PD	4	4	16	Ongoing	May-12	National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.
Planning and permitting -ability to secure successful planning and permitting outcome for solution															
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team have identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Continue to monitor potentially suitable new sites for the location of facilities .	PD	5	3	15	Ongoing	May-12	
Page 15 PS14	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertainty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vacuum may therefore exist if this is not addressed by WG.	Unsuccessful planning application	4	4	16	Project team and north wales regional waste planning team engaging with WG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planning team and WG planning teams engaged with WG Waste Policy section to seek required amendments to draft CIM			PD	4	3	12	Ongoing	May-12	WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) indicates that RWP's will be replaced but with no indication as to timetable for replacement. The Project team understand that the CIM's publication is now delayed until early 2012.
Wastes															
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.			PD	3	4	12	Ongoing	May-12	
Performance															
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-12	



Appendix 2 Headline Changes this Period

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	IDENTIFYING THE RISK or ISSUE			MANAGING THE RISK or ISSUE								Additional explanatory notes	
			Impact	L'hood	Overall	How the risk will be managed and controlled			Residual risk			Implin Date	Review Date	Closur e Date	
Finance & Affordability															
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	1	4	Ongoing	Feb-12	Bid positions received at ISDS well within approved affordability envelope
Project Delivery															
P6	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4	3	12	Procurement is to be "Technology Neutral"	PD	Ensure appropriate design of procurement process.	PD	4	1	4	Ongoing	Feb-12	3 participants submitted full ISDS submissions so strong market interest and competition demonstrated.
P5	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4	3	12	Good level of market interest demonstrated.			PD	4	1	4	Ongoing	Feb-12	3 participants submitted full ISDS submissions so strong market interest and competition demonstrated.
Procurement Strategy and Process															
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting" and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1	Partner authoriti es	Procurement process to ensure that is delivered in a timely manner with the risk of late delivery of the residual waste treatment service minimised.	PD	4	2	8	Ongoing	Feb-12	Updated waste flow modelling demonstrates that potential commissioning dates will not lead to significant LAS exposure to partner authorities.

Environmental Services: NWRWTP

Risk and Issues Register

A list of the threats to the success of the project and the action being taken to address these.

This document is only valid on the day it was produced and dated

Revisions etc.,

Revision Date	Version	Summary of Changes	Distributed Y/N
17.02.09	V2.0	All risks scored. Removed (R5, P4) Revised (T2, T3)	
20.05.09	V3.0	T4 Split into two risks (A and B). Proposed actions updated by SP. Some implementation dates and allocation of responsibilities completed. S5 WRAP Composition survey noted by NC New PS2 and PS3 relating to stakeholder management and planning risk. S9 now renumbered as PS1)	
27.07.09	v4.0	New R7 and T8 added	
1.9.09	v4.1		
14.10.09	v4.1	Re working	N
11.11.09	v4.2	Re working following risk workshop of 5th November 2009. A number of additional risk identified.	N
20.02.10	v4.3	Risks PS13 and W4 added	Y
13.04.10	v4.4	Updates to reflect recent actions commenced to control certain risks. Risks updated:- JW1, PD2, PD3, P2, P13, T18	Y
24/05/10	v4.5	updated risk PS5 to reflect increased risk of not securing a site for the location of one of the Waste transfer stations	Y
15/08/10	v4.6	No update required to in relation to v4.5 - text colour changes changed from red to black to reflect these are not new actions since last report.	Y

		risks PD13,PD14 & PD 17 Closed as now complete. Risk PS11 closed as is duplicate of risk CO4. Actions relating to PD15 updated. Proposed actions moved to in place for some risks.	Y
15/09/10	v4.7	W2 risk level and description changed to reflect discussion held at project board meetings of September 2010.	Y
14/10/10	v4.8	PO1 ammended to reflect increased risks relating to WAG funding availability, New risk F14 relating to WAG FBC, F15 re availability of funding to support "front end" recycling services. W1 ammended to reflect risk of partner authorities not increasing front end recycling levels.	Y
09/11/10	v4.9		
14/02/11	v4.10	New PD 20 relating to Participants seeking control of sites.	y
22/02/11	v4.11	PD 20 ammended and PO2 due to issue of additional WAG guidance	y
	v4.12	Minor updates on progress	y
	v4.13	Minor updates on progress	y
15/09/11	v4.14	New PS12, F2 ammended to reflect ISDS extension request. Other minor updates.	Y
14/11/11	v14.15	Ammended PS12 CO4	Y
07/12/11	v4.16	Amended F13	Y
09/02/12	v4.17	Amended PO2	Y
01/03/12	v4.18	Minor changes	y
01/04/12	v4.19	Updated to reflect stage of procurement process	y
30/05/12	v4.20	No changes this period	y

Approvals This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version
Stephen Penny				

Distribution

This document has been distributed to:

Author

Version:

see version number above

live Status

PROJECT GOAL & OBJECTIVES

Goal	To procure a long term waste management contract to treat the residual waste fines from the five Councils within the Partnership that will allow the Council to be compliant with the WAG National Waste Strategy.
Objectives and Assumptions	1. LAS Compliance: To procure waste treatment capacity and/or infrastructure in a timely manner that ensures the Authority's long term LAS requirements are achieved. 2. To maximise resource recovery from the treatment of the delivered residual waste. 3. Funding: To employ the most appropriate funding approach for the procurement project. 4. Delivery Management: To implement an effective project management regime, as recognised by OGC etc, with good governance, explicit resource planning, appropriate use of advisors and active risk minimisation. 5. External Stakeholders: To consult and acknowledge the perceptions of external stakeholders (WAG, PUK, Public, etc) to shape and influence the project for the benefit of developing of the project. 6. Internal Stakeholders: To ensure that internal stakeholders are continually aware of progress and impacts of the future impacts of waste management and to maintain their support for the project over its term. 7. Value: To maintain market interest through thorough engagement of suppliers and the provision (by the Partnership) of an adequate suitable site(s). 8. A single common gate fee from the point of receipt for all Partner Authorities.

ID	Risk / Issue (i.e.: Threat to the Project)	IDENTIFYING THE RISK or ISSUE			MANAGING THE RISK or ISSUE						
		Current Assessment			How the risk will be managed and controlled			after			Additional explanatory notes
Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impacted	L'tho Over all	Impn Date	Review Date	Closure Date
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive costs associated with securing and implementing an alternative solution	4 4 16	Advisors have utilised current market pricing and liaisoning with WG / Local Partnerships in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood.	High market interest encouraged by Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	May-12
Project Delivery	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4 3 12	Procurement is to be "Technology Neutral"	Ensure appropriate design of procurement process.	PD	4	1	4	Ongoing	May-12
	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4 3 12	Good level of market interest demonstrated.		PD	4	1	4	Ongoing	May-12
P021	Network Rail approvals are not secured to allow delivery of a rail based transport solution.	Transport element of Rail based solution becomes undeliverable or partially undeliverable.	3 4 12	Following the decision of Joint Committee at its meeting in March 2012, it was agreed that a review of progress would be made in September 2012 to see if key Network rail approvals had been secured. In the event that little or no progress had been made the Partnership may decide to revert to a road based transport solution.	PD	3	3	9	9	Sep-12	Sep-12
	Technological solutions offered are not commissionable within LAS Infringement timescales	LAs face infringement fines for additional landfill above allowance	4 4 16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting, and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1		Partner authorities	Procurement process to ensure that LAS delivery is timely manner with the risk of late delivery of the residual waste treatment service minimised.				Updated waste flow modelling demonstrates that potential commissioning dates will not lead to significant LAS exposure to partner authorities.
P13						PD	4	2	8	Ongoing	May-12

		IDENTIFY THE RISK OR ISSUE		CURRENT MEASURE(S)		MANAGING THE RISK OR ISSUE		RESULT(S) AFTER MANAGEMENT		REVIEW DATE	
ID	Risk / Issue / Threat to the project	Consequence	Impact	L'hood	Owner	Actions in Place	Who is Managing	Not in Place / Proposed	Who will Manage	Overall	Implement Date
Policy & Regulation Risk - Change in WG's objectives & regulations											
P01	WG have indicated that they want to move away from a more centralised approach to a more localised approach. This would mean less involvement from the Project Office and more involvement from the local authority. This would also mean less involvement from the Project Office and more involvement from the local authority.	Project team to monitor WG's position in terms of budget availability and identify at what level if any such reduction in the proposed budget may be imposed.	PO							15	Opening Feb-12
P02	WG Environmental policy and objectives change	Project is now inappropriate	PO							12	Opening Feb-12
P04	Change in legislation either at European, National or Regional level (as required)	Could require visit, could require revised LAS compliance costs	PO							12	Opening May-12
F15	Failure to make financial provision for supporting services with competing services with increased recycling levels that are required	Failure to meet WG target for recycling levels with increased residual waste as a result.	PO							12	Opening May-12
FINANCIAL & AFFORDABILITY											
C04	Partner authorities failure to meet WG target for recycling levels with increased residual waste as a result.	Find an alternative to devolving term funding and component services.	Partner Authorities							12	Opening May-12
COMMUNICATIONS THREAT TO THE RISK OR ISSUE											
C04	Risk / Issue / Threat to the project	Consequence	Impact	L'hood	Owner	Actions in Place	Who is Managing	Not in Place / Proposed	Who will Manage	Overall	Implement Date
C04	There is no timely communication between the Project Office and the local authority. This has led to a lack of understanding of the local authority's needs and requirements. This has led to a lack of understanding of the local authority's needs and requirements.	There is no timely communication between the Project Office and the local authority. This has led to a lack of understanding of the local authority's needs and requirements.	PO							15	Opening May-12
P05	There is no timely communication between the Project Office and the local authority. This has led to a lack of understanding of the local authority's needs and requirements.	There is no timely communication between the Project Office and the local authority. This has led to a lack of understanding of the local authority's needs and requirements.	PO							15	Opening May-12
P05	The recent issue of the Circular Economy Sector Plan (CESP) by WG has led to uncertainty as to how it will affect the local authority. There is also uncertainty as to how it will affect the local authority.	Unsuccessful planning application	PO							12	Opening May-12
P05	The recent issue of the Circular Economy Sector Plan (CESP) by WG has led to uncertainty as to how it will affect the local authority. There is also uncertainty as to how it will affect the local authority.	Unsuccessful planning application	PO							12	Opening May-12
WASTES											
W03	Performance waste is different from that anticipated (poor results, excessive LAS collection costs increases)	Performance waste is different from that anticipated (poor results, excessive LAS collection costs increases)	PO							12	Opening May-12
PE1	Marathon to get out of the meeting room in time for the next one	Marathon to get out of the meeting room in time for the next one	PO							12	Opening May-12

IDENTIFYING THE RISK OR ISSUE								MANAGING THE RISK OR ISSUE										
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment	Impact	L-hood	Overall	Already in Place	How the risk will be managed and controlled	Not in Place (Proposed)	Who will Manage	Residual risk after management	L-hood	Overall	Impln Date	Review Date	Closure Date	Additional explanatory notes	
P01	Policy & regulatory Risk – Change in WG objectives / regulations	WG changes financial support Residual waste treatment available for residual waste projects due to WG affordability / budgetary constraints in the current economic climate	Impact L-hood	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD				5	3	15	Ongoing	May-12		
P02	WG Environmental policy and objectives change	Project is now inappropriate	Impact L-hood	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD				4	3	12	Ongoing	May-12	WG have indicated in the final Municipal Sector Plan (MSP) that they may adopt a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings and as a result planning risk is now moderated. WG has now published guidance on the Waste Hierarchy. This is viewed by the project team as helpful and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste hierarchy.	
P04	Change in legislation on guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	Impact L-hood	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD				4	3	12	Ongoing	May-12	WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The Project team will review the now published (July 2012) Collectors and Infrastructure plan to see how affects overall risks.	
P05	WG fail to provide clarity within their strategic objectives	Delay and loss of stakeholder support	Impact L-hood	3	4	12	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD				3	3	9	Ongoing	May-12		
Strategy risk – change in any participating council's waste strategy or technology / solution preference								Existing MWNS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi-partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.						4	2	8	Ongoing	May-12
Political																		

AP1	Multi-Authority Approach	Consultancy costs increase	End date of met. LAs discussions to resolve issues	9	Project Plan detailing process mapped out for each partner authority. One team and advisors in approvals processes. IAA sets out governance arrangements and reserved matters.	PM														
AP2	Decision on award of contract is multi authority	Selection of Contractor is delayed due to multi-Authority involvement (Cabinet Process)	4	3	12	IAA sets our governance arrangements. Provision of briefings and information to partner authorities to proactively by Project team and advisors. Ongoing communication and engagement on key project parameters.		Project Champions (technical officers from participating Authorities shall be involved in evaluating the bids	PD	4	2	8	Jy - Aug 201	May-12						
AP4	Lack of Council political support within one or more of the Partner Authorities.	Delays to project, increase in costs, loss of competitive pressure, threat to VFM, possible challenge, or total abortion of the project	4	3	12	OBC has identified benefits of the reference solution in terms of cost management.	Lead chief Executive, Project Board members (Lead Officers for each partner authority)			4	2	8	Ongoing	May-12						
AP5	Changes in priorities in a Council	Major funding issues	4	3	12	To be managed if and when prospect occurs during the project period	TBC			4	2	8	Ongoing	May-12						
AP6	Local Government re-Confusion and uncertainty	4	4	16	IAA signed by partner authorities that it shows clear consequences of leaving the process during and after procurement phase.	MO				5	1	5	Ongoing	May-12						
3. Working – one or more partners exiting the partnership		New OJEU notice has to be placed	5	2	10															
4. Finance & Affordability		IAA's seek additional funding (due to extended procurement process)	3	2	6	Finance Officer to be appointed to offer team. Payments based on milestones. PD has updated project budget profile. PD to monitor and manage	PD				3	1	3	Ongoing	May-12					
F1	IAA's seek additional funding (due to extended procurement process)	1	2	2	Affordability envelope has been agreed that includes delay to the project	PD														
F2	Commodity and construction prices increase significantly during procurement and construction phases	4	5	20	Advisors have utilised current market pricing and liaising with NGOs / local Partnerships in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD														
F3	Long term interest rates volatility beyond current anticipated levels	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile	PD														
F4																				

F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilized current market pricing and bidding with WG. Local Partnerships in turn under competitive dialogue enabling the partnership to seek to drive down costs of the system. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	May-12							
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15	Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	May-12							
F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12	Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	4	2	8	Ongoing	May-12							
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9	Ensure that adequate advice is taken from WG, Local Partnerships and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	May-12							
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OSC development	PD				Ongoing	May-12							
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OSC development	PD				Ongoing	May-12							
F11	WG financial support evaporates	Project potentially unaffordable	5	3	15	Assurances already received from WG that funding is available for the project as has been agreed previously for project Gwydr. OSC funding award letter defines the conditions for payment of funding - this is consistent with the Partnership's expectations.	PD				Ongoing	May-12							
F12	WG seeks unachievable levels of VFM at Final Business case review stage and approval process due to financial constraints	WG funding support is less than anticipated making the project potentially unaffordable	5	3	15	OSC funding award letter defines the conditions for payment of funding - this is consistent with the Partnership's expectations.	PD				Ongoing	May-12							
F13	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities				Ongoing	May-12							
F14	Advisers - change in key personnel																		
F15																			

AD 1	Key advisor personnel team leave or are no longer available to support the project	Delays and lack of familiarity with the project by any replacement advisory staff.	Adviser's project directors to keep an overview of the advisor work. Capacity of teams providing advice tested during appointment of the advisors. Ongoing monitoring of advisor situation to ensure adequate advisor cover an knowledge often project.	PD				3	2	6	Ongoing	May-12
P'D1	Potential bidders do not bid due to the costs associated with Competitive dialogue process	Reduced Competition on bid process	To ensure a suitable streamlined, timely and well delivered procurement process adopted Appropriate use and instruction of advisors. Input from WG, WIPPO and Local Partnerships.	PD				4	1	4	Ongoing	May-12
P'D2	Potential bidders do not bid due to their being passed over by the Contractor	Reduced Competition on bid process	A risk allocation workshop was held with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD				4	2	8	Ongoing	May-12
P'D3	Potential bidders do not bid due to lack of cohesiveness of the Partnership	Reduced Competition on bid process	IAA Signed & Governance Arrangements for procurement period defined in OBCI / IAA	PD				PD	4	2	Ongoing	May-12
P'D4	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	Procurement is to be "Technology Neutral"	PD				PD	4	1	Ongoing	May-12
P'D5	Potential bidders do not bid as the volumes of waste are too small	Reduced Competition on bid process	Good level of market interest demand stated.	PD				PD	4	1	Ongoing	May-12
P'D6	Too many bidders come forward and difficult to de-select to suitable shortlist	Delays to procurement programme, increased development phase costs	Procurement process designed and resourced to allow a number of bidders to be assessed.	PD				3	1	3	Ongoing	May-12
P'D7	The Preferred Bidder drops out or fails to reach a satisfactory commercial/financial close	Programme delay, increased development phase costs, excessive LAS penalties, loss of competitive pressure and possible increase in overall solution costs	Procurement process designed to ensure ability and/or appetite to contract. Assess understanding pre preferred bidder appointment. No major issues to be allowed to remain unresolved prior to preferred bidder.	PD				PD	5	1	Ongoing	May-12
P'D8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	Procurement process designed to ensure ability and/or appetite for contract. Closure is understood as final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.	PD				PD	4	2	Ongoing	May-12
P'D9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD				PD	3	2	Ongoing	May-12
P'D10	Construction contractor goes into liquidation/receivership during construction phase	Delay to commencement of waste processing, excessive LAS costs, construction required - increased capital costs	Bidders to demonstrate financial position as part of PQQ and also re-checked at key stages during procurement process	PD				PD	3	2	Ongoing	May-12

		PD and PM in post	Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	3	2	6	Ongoing	May-12	
PD11	Insufficient project resource (numbers and knowledge/experience of staff/project team)	3 9							
PD12	Negotiations on contract are protracted beyond planned programme	3 4 12	Contractor has opportunity to re-bid, price escalation, loss of VFM, affordability threatened, project delay, possible excessive LAS costs.						
PD15	Inadequate project management discipline	2 4	Possible delay to project programme, LAS compliance costs incurred.	PD and PM now in post. PD to check that adequate P&M controls in place. Internal audit to be engaged prior to Procurement 1st gateway review completed - project objectives not met, internal stakeholders complain	Further VFM gateway review prior to ISDS. PD to take on board any recommendations.	PD	3 2	6	Ongoing
PD16	Facilities not commissioned on time	3 9	Possible delay to project programme, LAS compliance costs incurred.	Procurement process designed to ensure sites are identified and understood in terms of planning delivery. Preliminary site investigation works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	Procurement process designed to ensure sites are identified and understood in terms of planning delivery. Preliminary site investigation works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	PD	2 1	2	Ongoing
PD18	Only one acceptable bidder comes forward	4 2 8	Delay to project, increased cost of going back to market, increased bid prices, failure to secure VFM, excessive LAS compliance costs	PD has commenced market engagement. Good feedback and high level of interest already expressed by a number of potential bidders.	Ensure consistency of message to market	PD	4 1	4	Ongoing
PD19	There is no market interest due to limited capacity within the industry	5 2 10	Delay to project programme, excessive LAS compliance costs, excessive costs associated with initiation and need to revisit market to secure and an acceptable solution. Partnership reputation damaged.	Good level of market interest demonstrated.	Written confirmation gained for instruction to participants in relation to sites.	PD	5 1	5	Ongoing
PD20	Participants are concerned that one or more other Participants have gained a commercial advantage from the procurement process by gaining control of a site that may be required to deliver their solution	4 3	Participants withdraw from the procurement process	Procurement team to enforce sanctions that may apply against participants that breach these instructions. The PD has received verbal assurances from a rail undertaker that their newly required option on the site in question will not be used solely to give one or more participants a competitive advantage in securing access to a rail head.	Written confirmation gained for instruction to participants in relation to sites.	PD	4 2	8	Ongoing

	Network Rail approvals are not secured to allow delivery of a rail based solution.	Transport element of rail based solution becomes undeliverable or partially undeliverable.	12	3	4	Following the decision of Joint Committee at its meeting in March 2012, it was agreed that a review of progress would be made in September / October 2012 to see if Key Network rail approvals had been secured. In the event that little or no progress had been made the Partnership may decide to revert to a road based transport solution.	RD	3	3	9	Sep-12	Sep-12												
FD22 Communication & stakeholders – failure to proactively engage with key stakeholders leading to delays and lack of public support for the proposed solution.																								
CO1 Misinformation to Members																								
CO1	Authorities working to cause differences in reports and documentation	Authorities working to different agendas/outcomes leading to a breakdown in the consortia	3	3	9	Communication Officer Group established with a media protocol agreed to ensure consistency of message.	PM	3	2	6	Ongoing	May-12												
CO2	Risk of challenge to planning approvals if opportunity not given to stakeholders to input to development of the evaluation framework that will therefore inability to deliver underpin the procurement and the project as procured.	3	3	12	Consultation sessions with members of the 5 authorities and external stakeholders held during July -Sep 2010 to get input into the evaluation framework.	PM	4	2	8	May-12	Evaluation framework completed before ITPD issued. Risk can now therefore be further mitigated. However, risk of successful challenge although very low still remains. Therefore risk cannot be closed.													
CO3	Reference sites identified within OBC could lead to significant opposition to proposed development. As a result planning committee(s) and/or judicial review may not support positive planning outcome if early engagement is not carried out with affected communities.	4	3	12	"Drop in" sessions held in the area of the Reference Site. Contact made with key businesses around Reference Site.	PM	4	2	8	Ongoing	May-12	Further engagement work around reference site (and other key stages of project)												
C04	Pressure from lobby group/public against the preferred solution and location.	4	5	20	Alternative solution has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	PM	4	4	16	Ongoing	May-12	National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.												
Timescales	Key Activities not identified in Project Plan	Local Partnership experts to scrutinise Project documentation	3	2	6	Alternative site work will continue during early stages of procurement process.	PD	3	1	3	Ongoing	May-12												
P10	Differing funding proposals from bidders leads to extended procurement period	Delays to service commencement	2	2	4	Different funding proposals to be considered as part of Evaluation Framework	PD	2	2	4	Ongoing	May-12												
P12	Solution offered is not technically viable	Landfill diversion not obtained, LAS incur interaction penalties	5	3	15	LAS infrastructure passed to contractor. Technical viability scored within Evaluation Framework	PD	5	1	5	Ongoing	May-12												
Procurement Strategy and Process																								
P10 Differing funding proposals																								
P12	Solution offered is not technically viable	Landfill diversion not obtained, LAS incur interaction penalties	5	3	15	All 3 ISOS submissions taken through to ISDS stage clearly meet partnership's landfill diversion requirements.	PD	5	1	5	Ongoing	May-12												

P13	Technological solutions offered are not commensurate within LAS timeframe	LAs face inflection lines for additional landfills above allowance	OBG modelling has shown partner authorities that each partner authority can meet LAS allowances if they increase their delivery of recycling and composting. Any underperformance in this 'front end' recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1	Procurement process to ensure that is delivered in time delivery of the residual waste treatment service commences.	PD	4	2	8	Ongoing	May-12		Updated waste flow modelling demonstrates that potential commissioning dates will not lead to significant LAS exposure to partner authorities.
P14	Bids scored by inexperienced internal team	Solution selected is not the most advantageous tender and is open to challenge by unsuccessful bidders	Bid team selected by Project Director including (mix of appropriate skills (including advisors)	PD	4	2	8	Ongoing	May-12		Technical, finance and legal officers involved in evaluation challenge sessions with advisors	
P15	Bids scored by external consultants	Solution selected does not meet local requirements and is not accepted by LAS	Bid team selected by Project Director including mix of appropriate skills (including officers from partner authorities and specialist external advisors)	PD	4	2	8	Ongoing	May-12		Technical, finance and legal officers involved in evaluation challenge sessions with advisors	
P16	Officer(s) are perceived to have preconceived ideas of the 'best' solution	Lack of trust of bidder selected and solution selected	Agreed scoring criteria and Evaluation Framework. Stakeholder input to evaluation framework. Moderation scores to ensure consistency of evaluation approach. Input from local partnerships' transaction.	PD	4	2	8	Ongoing	May-12			
Scope Change – Material change in the scope of services required			Technical office input on draft specification and approved as part of OBC by partner authorities	PM	4	2	8	Ongoing	May-12			
Planning and permitting – ability to secure successful planning and permitting outcome for solution			Planning and Site Workstream has been set up to assist in reducing site and planning uncertainty and improve prospects for a positive planning outcome for the project. North Wales regional waste planning team now in place.	PD	4	2	8	Ongoing	May-12			
PS1	Regional Waste Plan is in conflict with potential solution/prices	Reduced Competition on bid process	Project team have identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	5	3	15	Ongoing	May-12			
PS5	Suitable sites are not in council ownership to support development of the solution	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	2	6	Ongoing	May-12			
PS6	There is a delay on obtaining planning permission (identified reference site)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	2	6	Ongoing	May-12			
PS7	There is a delay on obtaining planning permission for WTS sites requiring planning	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	2	6	Ongoing	May-12			

PS8	There is a delay on obtaining planning permission (alternative main reference site solution)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Early identification of potentially suitable alternative main site. Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	3	9	Ongoing May-12
PS9	Planning permission has onerous conditions	Sub-optimal solution, performance below required level, increased costs	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing May-12
PS10	Planning permission not secured even after appeal.	Diversion performance is below required level, excessive LAS penalties, increased costs	5	3	15	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful planning outcome.			PD	5	2	10	Ongoing May-12
PS11	Environmental Permit not secured in accordance with project programme	Project development costs exceed expectations, delays to project, excessive LAS penalties	4	3	12	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful permit application.			PD	4	2	8	Ongoing May-12
PS12	Planning application from successful bidder to demonstrate Best Practicable Environmental Option (BPEO)	Unsuccessful planning application	4	4	16	To identify BPEO in life Cycle Assessment (LCA) Wizard as part of OBC supplementary measures employed to deliver sets and evaluation framework for procurement process, thereby supporting delivery of BPEO	A challenge session will be set up pre CfT with the two last remaining participants to test the way they will seek to demonstrate their solutions are BPEO within the planning context.		PD	4	2	8	Ongoing May-12
PS13	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WGs has led to uncertainty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities therefore exist at this is not addressed by wG.	Unsuccessful planning application	4	4	16	Project team and north wales regional waste planning team engaging with WGs on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning policy vacuum. Regional Planning teams engaged with WGs Waste Policy section to seek required amendments to draft CIM			PD	4	3	12	Ongoing May-12
Sites						Technical advisors have been tasked to review site constraints			PD	3	2	6	Ongoing May-12
S1	Site conditions are not as anticipated	Delay in project programme, excessive LAS costs, excessive Capex, threat to affordability	3	3	9		Initial reference solution site already identified. Further site identification work to be carried out prior to and including early stages of procurement process		PD	5	2	10	Ongoing May-12
S2	Single site not available for residual facility	Re-define the project, delayed, cost, etc	5	3	15	A number of potential sites PD	Additional assessment and potential acquisition work required.		PD	4	2	8	Ongoing May-12
S3	One or more of the sites not available for some residual facilities	Re-define the project, delayed, cost, etc	4	3	12								

	S4	One or more of sites not available for some WTS facilities	Disproportionate costs on some partner authorities	A number of potential sites PD	A number of potential sites PD required.	Additional assessment and potential acquisition work	PD	4	2	8	Ongoing	May-12	
Wastes			Potential excessive project costs due to excess residual waste, threat to affordability, possible excessive LAS penalties if facilities under-sized and fines applied by WG to authorities for underperforming against recycling targets.	3	4	Initial discussions already had on key payment mechanism and inter authority principles to describe risk and how costs will be assigned amongst the parties to the authorities for under/over provision of waste tonnages as a result of under/over recycling/composting performance against agreed waste profiles.	PD	3	3	9	Ongoing	May-12	
W1		A Council fail to reach recycling targets by not delivering enhanced "front end" recycling and composting services	12	4		Ongoing engagement and communication with partner authorities to understand proposed waste/recycling and composting services so that tonnage profiles can be finalised prior to ISDS stage of the procurement process. Partner authorities to develop plans for meeting enhanced recycling and composting services.	PD	3	3	9	Ongoing	May-12	WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services. See F-15
W2		Waste flow model is inaccurate due to incorrect assumptions	12	4	Possible re-bidding resulting in increased project costs, delays to project, possibly excessive LAS compliance costs and increased landfill costs (if waste more than predicted), possible 'put or pay' liabilities (if waste less than predicted).	A number of sensitivities are being carried out to test the impact of differing assumptions used can be understood. Ensure that the waste flows can be modified through early stages of procurement (up to ISDS). A range of sensitivities to be modelled and used as a basis for dialogue with bidders.	PD	3	3	9	Ongoing	May-12	Standard contract has substitute waste provisions so that contractor has duty to seek additional 3rd party waste if Partnership under deliver.
W3		Composition of waste is different from that anticipated poor data, policy changes, changes in collection practices	15	5	Performance is below required level, excessive LAS compliance costs	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.	PD	3	4	12	Ongoing	May-12	
W4		Potential changes in the legal definition of (currently) Municipal Solid Wastes such that they become the responsibility of the partnership authorities	6	2	Additional wastes may have to be accommodated in solution	Project team to continue monitoring WG and UK Government Policy	PD	3	2	6	Ongoing	May-12	
Performance						Ensure market deliverability demonstrated as part of procurement evaluation process.	PD	4	3	12	Ongoing	May-12	
P-E1		Market/outlet is not available for outputs from the facility(s)	16	4	Increased project operational costs, increase in demand for landfill void	Ensure technical track record proven, adequate test of contractor operations experience and that contractor proposals are explored in detail and well understood.	PD	3	2	6	Ongoing	May-12	Contractor will have maximum landfill allowance. If more materials are land filled this would be at cost to the contractor. Ultimately lead to contractor default if significant underperformance
P-E2		The selected technology fails to perform to required level (unreliable or poor performance)	9	3	Excessive LAS compliance costs, Environment Agency close facility, contractor defaults, need to modify the solution resulting in increased Capex		PD	3	2	6	Ongoing	May-12	
Contractor													

C1	Contractor default	Re-procurement and additional costs	3	15	Ensure lack of record of contractor deliverability of proposal is at reasonable commercial return to the contractor understood. Those contractor proposals viewed as potential high risk of non-delivery will be marked accordingly in line with the evaluation framework	PD 5	2	10	Ongoing	May-12	
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Key
 PD
 Project Director
 PM
 Project Manager
 MO
 FCC Monitoring Officer

R6	Consultants not appointed using correct procedures	Project delays whilst appointment challenges	4	1	4	Project Consultants Technical at ITT and Legal appointments about to be appointed. Financial outstanding but being progressed.	Take advice from Procurement specialists and PUK			Aug-09		27/07/09
HR2 (ex R2)	Unclear definition of responsibilities of the project team	Tasks not completed. Risks and issues not escalated	3	2	6	Job Descriptions for key roles	Project structure with outline Job Descriptions included in PID					08/09/09
A1 (EX P9)	Cost of Contract too High	Project Re-tendered					OBG options appraisal leading to identification of reference solution includes financial aspects of solution. Allow variants within the bid to remove elements to bring costs down. Use of competitive Dialogue will allow some iteration and amendment to risk allocation and specifications if required.			PD	3	1
A2 (EX R4)	Funding not Provided from Treasury	Project Delayed whilst costs are reduced or Project suspended		4	4	16				PD	4	3
P34	Outstanding Team appointments	Project team under resourced leading to project slippage		3	3	9	OBG planned programme that is designed to meet WAG requirements			PD	4	1
T7	Planning Permission not granted at identified Sites	Project delayed whilst suitable sites are secured		5	3	15	Proposed team requirements specified. Interim Project Director now in role. Project Manager interviews arranged following advertisement for internal secondee.	Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	Individual Partner Authorities	3	2	6
	Environment	Project/build at Activists seek to delay construction.		3	3	9	Pro-Active Communication Plan & involvement of EA and HIA	Alternative Site(s) to be identified and prioritised in order of suitability. Planning advisor appointed to project team and Planning/ sites workstream to be set up.	PD	4	2	8
	LAS Risk	insufficient competition for contractor deters potential bidders					Appointment of PR Consultants		PD			10/11/09 (duplicate of CO4)
	P3			4	2	8						Nov-09

S2	RDF produced Cannot be sold	RDF is landfilled	4	2	8					Review of this position to be undertaken in conjunction with advisors as part of procurement design process	PD			Nov-09	10/11/2009 (duplicate of PE1)	
S3	RDF quality not consistent due to inflow of residual	Purchaser of RDF rejects loads	4	2	8					Contractor to guarantee calorific value within tolerance limits. A risk allocation workshop to be programmed by the Project Director with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD			Nov-09	11/11/2009 (Duplicate of PE2)	
S4	LA fails to supply required volumes of waste for treatment	Contractor inolves penalty clause to meet targets	4	3	12					Waste volumes set at minimum levels and monthly monitoring of waste arisings until contract sign to provide clarity. A risk allocation workshop to be programmed by the Project Director with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD			Nov-09	11/1/2009 (Duplicate of W1)	
S5	Waste composition analysis not appropriate for treatment /EfW	Contractor unable to determine appropriate technology for treatment /EfW	2	3	6					Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis being delivered by WAG through WRAP. Initial work commencing in June 09.					10/1/09 (Duplicate of W3)	
S6	LA collection methodology leads to wide variance in volumes / composition	treatment plant unable to cope with peaks and troughs of supply	3	3	9					LA's sign LAA to ensure even flow of material to facilities as determined by the contract. A risk allocation workshop to be programmed by the Project Director with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD			Nov-09	10/1/09 (Too specific and covered under W1)	
S7	WAG waste management Authorities targets change	Local Authorities will incur penalties regardless of this project	4	4	16					Project Director to keep in close contact with WAG and PUK	PD	4	3	12	Nov-09	10/11/09 (duplicate of PO2)
S8	PO3 (ex S8)	Partner LA doesn't sign Inter Authority Agreement (IAA)	3	2	6					Newly appointed legal advisors to commence work on Partnership Agreement with Partner Authority legal leads	LP	4	2	8	Commence July 2009, Complete Nov 2009	10/11/09 (duplicate of AP4)

T8	OBC timeline OBC is delayed if required information is not generated in terms of tonnage, future diversion / performance (front end) and service available, costs are not ^{located to} WAG may be delayed if required to generate this information. If the OBC is developed without this information being fully available, costs are not available.	3	12		Engagement with technical consultants, and discussions with technical officers.	Until information received from partner authorities it is not known what further work will be required.	PM	Apr-10
PD13	Possible delay in production/a approval of OBC				PD/PM	Partner authorities to ensure that adequate senior management support given to approvals processes	4	Nov-09
PD17	Delay in production/a approval of inter-Authority agreement	3	0		Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities. Approvals all made in time for submission of OBC to WAG	, Corporate D	0	40282
PS11	OBC rejected by WAG (due to omissions, too much competition from other authorities)	3	3	0	Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities.	, Corporate D	0	Sep-10
					Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities.		0	Ongoing
					Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities.		0	Ongoing
					OBC follows WAG guidance. Regular meetings with WAG and input from PUK transactor.	PD	3	Sep-10
					Active stakeholder and communications plan.		4	Closed - this is a duplicate of CO4
							16	Sep-10
							4	Ongoing

T4b	Procurement delays lead to increased procurement costs (due to extended Approvals processes)	LA's seek additional funding or withdraw	3	3	9	PID identifies projected timeline and key decision points.	PD	3	3	9	Sep-11	Ongoing	CLOSED Duplicate of F2	40787
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Definition of Risk

Likelihood	High	5 (W)	10 (W)	15 (M)	20 (M)	25 (M)	M	Mitigate
	Medium / High	4 (W)	8 (W)	12 (M)	16 (M)	20 (M)	W	Watch
	Medium	3 (A)	6 (W)	9 (W)	12 (M)	15 (M)	A	Accept
	Low / Medium	2 (A)	4 (A)	6 (W)	8 (W)	10 (M)		
	Low	1 (A)	2 (A)	3 (A)	4 (W)	5 (W)		
	Low	Low / Medium	Medium	Medium / High	High			
				Impact				

Likelihood (probability of occurrence)

- | | | |
|---|---------------|-------------|
| 5 | High | 75% to 100% |
| 4 | Medium / High | 50% to 75% |
| 3 | Medium | 26% to 49% |
| 2 | Low / Medium | 11% to 25% |
| 1 | Low | < 10% |

Impact (affect on outcome)

- | | | |
|---|---------------|--------------|
| 5 | High | Catastrophic |
| 4 | Medium / High | Critical |
| 3 | Medium | Concerning |
| 2 | Low / Medium | Marginal |
| 1 | Low | Negligible |

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Agenda Item 10

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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