



NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 6

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 13 DECEMBER 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 are no new risks identified this reporting period.
- 3.2. There have been the following changes to existing risks in this reporting period: -
 - PO4 (Policy & regulatory Risk – Change in WG objectives / regulations) commentary amended to reflect final Collections, markets and infrastructure sector plan publication and risk therefore reduced.
 - SR1 (Strategy risk – change in any participating council's waste strategy or technology / solution preference) commentary amended to reflect recent elections within partner authorities.
 - F13 (financial) text amended in relation to R1 and WG funding.
 - PD9 (Utility connections may not be available for the solution),
 - P10 (Differing funding proposals from bidders leads to extended procurement period).
 - CO4 (Pressure from lobby groups against the preferred solution and location).
 - P12 (Solution offered is not technically viable) commentary all amended to reflect solutions being proposed by bidders with reduced risks.
 - PS1 (Regional Waste Plan is in conflict with potential solutions) text amended to reflect role of recently published Collections, markets and infrastructure sector plan.



- PS5 (Suitable sites are not in council ownership to support development of the solution) commentary amended to reflect the inability to secure AAM option on site.
- W3 (Composition of waste is different from that anticipated) commentary amended to reflect the fact that waste composition lies with the Contractor and not the Partnership.

3.3. The Top 10 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 members 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



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LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

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	May-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	Sep-12		WG's Municipal Sector Plan (MSP) adopted 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 as the waste reduction target is aspirational. 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.
PO4	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	Sep-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 initial draft of the CIM (collections, markets and infrastructure plan) contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.

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

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					
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	Sep-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.
Communication & stakeholders – failure to proactively engage with key stake holders 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	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4		4	16	Ongoing	Sep-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 identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5		3	15	Ongoing	Sep-12		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
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 Planing team and WG planing teams engaged with WG Waste Policy section to seek required ammendments to draft CIM			PD	4		3	12	Ongoing	Sep-12		WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1

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

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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	Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
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	Sep-12		Waste composition risk not being accepted by partnership - risk lies with contractor
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	Sep-12		
Strategy risk – change in any participating council's waste strategy or technology / solution preference																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS 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.	PM & partner authorities			4	3	12	Ongoing	Sep-12		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EMW)

Appendix 2 Headline Changes this period

IDENTIFYING THE RISK or ISSUE			MANAGING THE RISK or ISSUE											Additional explanatory notes		
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Finance & Affordability																
F13	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 Gwyrdd. OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD			PD	5	2	10	Ongoing	Sep-12	WG has indicated that in the event that any solution that may involve energy recovery fails to achieve (or later loses) R1 energy efficiency status, may be at risk of losing the WG financial support. All 3 bidders at ISDS stage have proposed technologies that are above R1 thresholds. The technical team are looking at this issue to see how likely it is that a solution could fall below R1 and if so under what circumstances. The team are also looking to ensure suitable risk allocation with the contractor in this respect.
Project Delivery																
PD9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	3	3	9			Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD	3	2	6	Ongoing	Sep-12	Bidders have demonstrated that utility connections are deliverable.	
Communication & stakeholders – failure to proactively engage with key stake holders 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	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	Sep-12	National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.	
Procurement Strategy and Process																
P10	Document redacted. The Information has been redacted as it relates to the financial or business affairs of the partners, and others in accordance with Rule 10 of the Access to Information Procedure Rules															
P12	Solution offered is not technically viable	landfill diversion not obtained, LA's incur infraction penalties	5	3	15	LAS infraction fine passed to contractor. Technical viability scored within Evaluation Framework	PD		PD	5	1	5	Ongoing	Sep-12	All 3 ISOS submissions taken through to ISDS stage clearly meet partnership's landfill diversion requirements. All are proven technologies with good track records.	

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PO4	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 WVG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WVG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Sep-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 initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.	
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Planning and permitting -ability to secure successful planning and permitting outcome for solution																	
PS1	Regional Waste Plan is in conflict with potential solutions	Reduced Competition on bid process	4	3	12	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 planing team now in place.	PD				4	2	8	Ongoing	Sep-12		Collections, Infrastructure and markets plan now published by WG. Additional Regional residual waste treatment capacity clearly defined.
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 identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD			PD	5	3	15	Ongoing	Sep-12		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
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