



**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) infraction



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 finalMunicipal 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 Heirarchy. 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 heirarchy.
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	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 infrastrucutre 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)

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				
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	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		
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.	Unsuccessfull 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 planing teams engaged with WG Waste Policy section to seek required ammendments 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

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			Impln Date	Review Date	Closur e Date	
			Impact	L'hood	Overall	Already in Place	Who is Managin g	Not in Place (Proposed)	Who will Manage	Impa ct	L'ho od	Ove rall				
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 WVG / Local Partnerships in relation to projected cots 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																
PD4	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.
PD5	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 underperformacne in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individvual partner authorities. See also risk WM	Partner authorities	Procurment process to ensure that is dlievred ina timley manner with the risk of late delivery of the residual waste treatemtn service minmised.	PD	4	2	8	Ongoing	Feb-12		Updated waste flow modelling demosntrates that potential comissioning dates will not lead to significant LAS exposure to parnter authorities.