

Business Objective	Risk Title	Consequence /effect: - <i>What would actually happen as a result? How much of a problem would it be? To whom and why?</i>
	There is a risk that the contractor will not comply with the terms and conditions and the performance will be less than the Councils are paying for. (Compliance)	Service disruption. Temporary full or partial closure of facilities.
	Contractor default needing emergency action and/or leading to contract termination. NEW RISK	Service disruption. Temporary full or partial closure of facilities.
	Failure to pay the Contractor or deliver waste could result in the Councils being in breach. Failure to correctly apportion the costs could result in one Council paying more than is necessary. NEW RISK	Contractor could terminate contract and seek damages
	Fraud NEW CORPORATE RISK	Contractor could attempt to charge for more than they are entitled to/Client team could collude with Contractor

To meet our statutory obligation under the Environmental Protection Act 1990 for “places to be provided at which persons resident in its area may deposit their household waste and for the disposal of the waste so deposited”. To contribute towards achieving the European Union Recycling Target for England of reaching 50% recycling overall by 2020

<p>Ensure the balance of risk between Contractor and BDR is maintained. NEW RISK</p>	<p>Councils could take more risk than anticipated</p>
<p>Serious injury/death of a member of staff or public through service operation (MAJOR INCIDENT AT ITS/AD)</p>	<p>Personal tragedy. Health and Safety Executive intervention. Possible service disruption. Possible corporate liability offence</p>
<p>Obtaining required terms for Insurance is difficult or impossible due to market conditions (Insurance costs increase)</p>	<p>There is a lack of Markets for Insuring waste plants</p>
<p>Changes to Collection services to support budget savings that impact on the PFI Contract (waste volumes change)</p>	<p>Potential to impact on the performance of the plant. Potential to impact on the Third Party Revenue Share due to the Councils. Implications on PFI Credits. Implications on Inter Authority Agreement.</p>
<p>Changes in Government Law/Regulations (Legislative Change)</p>	<p>Potential financial implications to cover the cost of required service change</p>
<p>Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance)</p>	<p>Reputational damage and adverse publicity from pollution emanating from State of the Art Facility. Potential for Local/National interest</p>

<p>Failure of plant equipment results in withdrawal of credits (Review of WICS)</p>	<p>Reputational damage and adverse publicity emanating from poor performance of state of the art facility. Potential for Local/National interest. Budget impact</p>
<p>Lack of resources due to restructures, and staff resignations failure to have a knowledge management plan (Business Continuity - BDR)</p>	<p>Failure to monitor the contract effectively/make payments resulting in Breach</p>
<p>Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility)</p>	<p>Service disruption. Temporary full or partial closure of facilities.</p>

Existing actions/controls - What are you doing to manage this now?	Number of Control Measures Implemented	Risk Score with existing measures (See scoring table)		
Regular contract meetings/Monitoring and review procedures/Emergency plan/Contingency facilities in place/Performance deduction , Step in provisions exist. It is likely that the Funders would step in an appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retenderd	6	2	4	10
A series of performance bond and Parent Company Guarentees exist to provide and/or pay for interm/alternative arrangements to be made. Funders step-in. Robust contract monitoring procedures	2	4	2	8
Process for checking Tickets from each Council is in place. Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guarenteed minimum tonnage requirement for the Coincils. Regular reports to Steering Group/Joint Waste Board. Systems inplace to pay the Contractor Internal and External Audits undertaken	9	1	1	1
Process for checking Tickets from each Council is in place. Financial and Legal Officers form part of team. Information shared across all 3 Councils Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guarenteed minimum tonnage requirement for the Coincils. Regular reports to Steering Group/Joint Waste Board. Systems inplace to pay the Contractor Internal and External Audits undertaken	9	3	2	6

Change protocol in place, consideration needs to be given to level of risk as changes are negotiated.	2	3	2	6
Contractor has completed and regularly reviews full Risk Assessments. Staff training, H&S Inspections, Contract Monitoring and performance deductions for non compliance. External Audit has been undertaken by Consultants and RMBC Health and Safety Team Regular monitoring of the Contractual requirements in relation to Health and Safety Consistent application of the Payment Mechanism	7	3	3	9
Robust fire strategy, latest technology for fire suppression . Fire plan signed off by insurers BDR Technical advisors and Independent Certifier. Regular fire drills. Contractor liaison and education of insurance markets	4	2	5	10
Inter Authority Agreement measures. Significant collection change clause in the PFI Contract. Current WIDP/DEFRA position in terms of Credit Allocation position requires BDR to abide by the terms and conditions in the Promissary letter and the Final Business Case.	2	3	4	12
Procedure incorporated in the Contract Conditions. Impact and actions to be jointly agreed with the Contractor to mitigate costs as far as possible. Application of the Change in Law Clauses within the contract	3	3	4	12
Contractual controls and performance measures. Monitoring the contract. Pro-ative engagement with the local community . Sharing data Regular monitoring outside the perimeter of the plant	5	4	5	20

Regular contract meetings/Monitoring and review procedures/Contingency facilities in place/Performance deduction , Step in provisions exist. It is likely that the Funders would step in an appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retenderd	5	5	3	15
Contract manual to document the processes and procedures. To be maintained and updated when changes occur. Contrcat information held on CIPFA site and on a Sharepoint portal.	2	3		6
Contractual conditions provide a shared responsibility to agree measures to mitigate the effects and facilitate the continuation of the service. There are contingencies within the contract to divert waste to other waste facilities	2	4	3	12

Further management actions/controls required - What would you like to do in addition to your controls?	Further Control Measure	Target Score with further management actions/controls required (See Scoring Table)		
Ensure succession planning is adequate. Invest in training for the current team Project Management and COTC.	2	2	3	6
Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer	3	3	2	6
Ensure regular reports to Joint Waste Board/Steering Committee/Joint Waste Team	1	1	1	1
Make an agenda item at meetings	1	2	2	4

Councils may consider taking on more risk as long (as this is properly assessed) to deliver savings. Currently being investigated as part of the Operational Savings review	1	2	2	4
Regular visits by Health and Safety officers	1	3	2	6
Consider reviewing the insurance requirements regarding the business interruption.	1	2	5	10
Dialogue with WIDP/DEFRA and between BDR Councils. Test potential impacts to the contract/Councils against the IAA2. Lobby Government on recycling definitions.	2	3	3	9
Consider the need for the Change in Law retention fund.	1	3	4	12
Further plant investment in Acoustic measures	1	4	4	16

Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer close liaison with DEFRA	2	5	2	10
		2	2	4
Undertake a Communications campaign. Use contingency sites/ other Contracts where possible e.g. Veolia Landfill. Use emergency procurement if absolutely necessary.	3	3	3	9

Cost (of impact; of current controls; of further controls) £	Risk Owner (Officer responsible for managing risk and controls)	Risk Review Date	% Control measures implemented
Approximate costs for training in Project Management and COTC £4,000	Beth Baxter	01/05/16	75.00%
	Beth Baxter	01/05/16	40.00%
	Beth Baxter	01/05/16	90.00%
			90.00%

Approximate costs for financial advice £30,000 Legal advice would also be needed approximately £30,000 money already allocated in Operational Management Budget for this.	Beth Baxter	01/05/16	66.67%
	Beth Baxter	01/05/16	87.50%
	Beth Baxter	01/05/16	80.00%
	Beth Baxter	01/05/16	50.00%
	Beth Baxter	01/05/16	75.00%
	Beth Baxter	01/05/16	83.33%

Fine tuning of facility potential investment in redesign of refinement by Contractor.	Beth Baxter	01/05/16	71.43%
	Beth Baxter	01/05/16	
	Beth Baxter	01/05/16	40.00%