

**Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste Board
Meeting Council Report**

Risk Register Update

Risk management is about managing threats and opportunities. Managing the Partnerships contractual risks effectively allows for the successful delivery of the contract objectives.

At the inception of the BDR PFI Project a Risk Register was developed. This has been maintained during the various stages of the project.

In order to decide which risks are most important and merit most attention risks are scored along two dimensions:

- The **likelihood** (or probability) that the risk will occur
- The **impact** (or severity) that the risk will have if it occurs

These two figures are multiplied together and this is to identify the major risks. Once identified measures are put in place to minimise or mitigate these risks and the process is repeated the aim is to bring the level of risk down.

The Risk Register follows RMBC Corporate requirements for scoring as in appendix 1 and is scrutinised by Steering Committee on a monthly basis.

The key risks to the delivery of contract during the operational phase can be found in appendix 2.

Priority Risks

In recent months a number of the identified risks have occurred despite the mitigations that are in place.

Table 1

Risk	Issue	Further Action
Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance)	An Environment Agency noise survey identified a tonal noise that is likely to be the cause of residents concern.	A plan has been agreed with the EA to resolve the issue through additional acoustic mitigation.
Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance)	A number of fly complaints have been received from properties close to the facility.	Fly suppressant applications have been increased in the facility. Additional fly baits are in place. The properties have been visited and fly papers have been removed for analysis.

Risk	Issue	Further Action
Changes in Government Law/Regulations (Legislative Change)	Changes to legislation could result in costs or savings. Exiting the EU may result in more legislative change in the future.	Mitigations can only be put in place once the type of legislative change is known.
Obtaining required terms for Insurance is difficult or impossible due to market conditions - Insurance costs increase	The insurance costs for the facility are higher than those that were anticipated at close.	Insurance advisor has been appointed to review the insurance report. The Partnership has a different view of where the risk lies to the Contractor. The Partnerships view is supported by DEFRA.
Failure of plant equipment results in withdrawal of credits (Review of WICS)	The plant is not currently achieving the targeted recycling rate but it is performing above the minimum recycling rate of the contract.	The Contractor is undertaking some improvements to the plant to increase recycling. DEFRA are continually updated to ensure no risk to credits.
Changes to Collection services to support budget savings that impact on the PFI Contract - waste volumes change	Changes to collection services could result in an increase or decrease in waste and potentially affect the composition.	Indemnities exist in the Inter-Authority Agreement to protect the Authorities. A change mechanism exists in the PFI Contract to protect the Contractor. All Partner Council reports to include implications to the PFI Contract when considering changes to service
Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility)	There could be a catastrophic failure or the Environment Agency could take action to close the facility.	The Contractor would have to provide contingency delivery points for the Partnership Councils. A mechanism exists within the Contract to deal with Force Majeure events. Mitigations would be developed further depending on the event.

It should be noted that applies to the PFI Contract. At the last Steering Committee it was proposed to widen the scope of the Risk Register. A further paper on this will be presented to the next Joint Waste Board meeting.