

| Risk Number | Risk | Consequence /effect: - What would actually happen as a result? How much of a problem would it be? To whom and why? | Existing actions/controls - What are you doing to manage this now? | Risk Score with existing measures (See scoring table) | | Current Score | Further management actions/controls required - What would you like to do in addition to your controls? | Target Score with further management actions/controls required (See Scoring Table) | | Target Score | Risk Owner (Officer responsible for managing risk and controls) | Risk Review Date | Movement |
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| 14 | Insurance for the BDR Waste Treatment Plant is not available | The Councils would become the insurer of last resort. The Contractor would have to approach the market every 4 months to attempt to obtain insurance/ Contract would be terminated | Contractor in liaison with Insurer is implementing upgrade of the Fire Protection systems, this is now reducing risk. Insurance broker is working with Insurance market to build confidence | 4 | 3 | 12 | Robust case against Uninsurable argument. Ensure Contractor completes the fire improvement works. | 5 | 2 | 10 | BDR MANAGER | 30/12/2019 |  |
| 9 | Changes in Government Law/Regulations including the UK exiting the European Union (Legislative Change) | Potential financial implications to cover the cost of required service change | 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 | 5 | 15 | Consider the need for the Change in Law retention fund. | 3 | 4 | 12 | BDR MANAGER | 30/12/2019 |  |
| 17 | Contractor breached financial requirement | Funder have to step in | Contractor to limit exposure to unnecessary costs and protect income during any negotiations of change | 3 | 5 | 15 | Ensure levels of insurance are appropriate | 3 | 3 | 9 | | 30/12/2019 | NEW RISK |
| 7 | Obtaining required terms for Insurance is difficult due to market conditions - Insurance costs increase | There is a lack of Markets for Insuring waste plants | 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. Contractual position on insurance. Implementation of fire improvement works. | 2 | 5 | 10 | Consider reviewing the insurance requirements. Enforcement of Contractual positions | 2 | 4 | 8 | BDR MANAGER | 30/12/2019 |  |
| 10 | Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance) | Reputational damage and adverse publicity from pollution emanating from State of the Art Facility. Potential for Local/National interest | 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 | 3 | 4 | 12 | Increased fly spraying during the fly season. Communicate to householders to wrap waste. Ensure biofilters are adequately maintained | 3 | 3 | 9 | BDR MANAGER | 30/12/2019 |  |
| 13 | Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility) | Service disruption. Temporary full or partial closure of facilities. | Contractual conditions provide a shared responsibility to agree measures to mitigate the effects and facilitate the continuation of the service. There are contingencies and other controls within the contract to divert waste to other waste facilities. No current short to medium threat. | 3 | 2 | 6 | Undertake a communications campaign. Use contingency sites and/or other contracts where possible e.g. Veolia landfill contract. Use emergency procurement if absolutely necessary. | 3 | 2 | 6 | BDR MANAGER | 30/12/2019 |  |
| 15 | Recycling Markets | Lack of recycling markets impacts on Contractors ability to achieve recycling rate | Reviewing disposal points, ensuring Contractor has contingency in place | 2 | 5 | 10 | Councils may consider taking on more risk (as long as this is properly assessed) to deliver savings. Currently being investigated as part of the Councils' operational savings review. | 2 | 4 | 8 | BDR MANAGER | 30/12/2019 |  |
| 16 | Contractor exits UK Municipal market due to financial pressures | The PFI model anticipates several stages where the private sector entities – Operating Sub-Contractor, Contractor (Equity and Junior Debt investors) and Senior Lenders – all progressively take risk (and lose all their investment/loans) before the Councils bear additional cost risk. In particular the Contractor may choose to replace the Operating Sub-Contractor and/or Senior Lenders may choose to replace the Contractor with a suitable substitute service provider and continue the Contract to maximise their ability to see their outstanding loan repaid | The PFI Contract has several layers of protection including Lenders stepping in. Termination of City of Derby Council/Derbyshire County Council PFI contract. | 5 | 3 | 15 | The Councils will identify areas where they could work with the Contractor to help reduce the losses they are currently facing whilst maintaining the intended risk transfer and achieving the required service performance. However, they should ensure that the outcome of any negotiations does not result in the Council being liable for increased compensation on termination costs should a termination still be likely as a result of the contract being considered more valuable on a market tendering | 5 | 2 | 10 | Chair of Steering Committee | 30/12/2019 |  |

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| 6 | Serious injury/death of a member of staff or public through service operation (MAJOR INCIDENT AT ITS/AD) | Personal tragedy. Health and Safety Executive intervention. Possible service disruption. Possible corporate liability offence | 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 | 4 | 2 | 8 | Regular visits by health and safety officers. Quarterly health and safety meetings. | 3 | 2 | 6 | BDR MANAGER | 30/12/2019 |  |
| 8 | Changes to Collection services to support budget savings that impact on the PFI Contract - waste volumes change | 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. | 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 | 4 | 8 | 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 | 6 | BDR MANAGER | 30/12/2019 |  |
| 2 | Contractor default needing emergency action and/or leading to contract termination. | Service disruption. Temporary full or partial closure of facilities. | A series of performance bond and Parent Company Guarentees exist to provide and/or pay for interm/alternative arrangements to be made. Funders would work with BDR to bring in a new contractor to deliver the service. Contingency arrangements may be implemented in the short term. Robust contract monitoring procedures | 4 | 2 | 8 | Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer | 3 | 2 | 6 | BDR MANAGER | 30/12/2019 |  |
| 11 | Failure of plant equipment results in withdrawal of credits (Review of WICS) | Reputational damage and adverse publicity emanating from poor performance of state of the art facility. Potential for Local/National interest. Budget impact | 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 | 3 | 2 | 6 | Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer close liaison with DEFRA. Contractor has improved the refinement and is introducing further measures to ensure plant performance continues to improve | 3 | 1 | 3 | BDR MANAGER | 30/12/2019 |  |
| 12 | Lack of resources due to restructures, and staff resignations failure to have a knowledge management plan (Business Continuity - BDR) | Failure to monitor the contract effectively/make payments resulting in Breach | Contract manual to document the processes and procedures. To be maintained and updated when changes occur. Contract information held on CIPFA site and on a Sharepoint portal. Staff training and development. Knowledge management plan. | 3 | 2 | 6 | Staff retention could be improved if a clear career path existed. CIPFA Asset Management system to hold all relevant documentation. | 2 | 2 | 4 | BDR MANAGER | 30/12/2019 |  |
| 5 | Ensure the balance of risk between Contractor and BDR is maintained. | Councils could take more risk than anticipated | Change protocol in place, consideration needs to be given to level of risk as changes are negotiated. | 3 | 2 | 6 | 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 | 2 | 2 | 4 | BDR MANAGER | 30/12/2019 |  |
| 4 | Fraud | Contractor could attempt to charge for more than they are entitled to/Client team could collude with Contractor | 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 Councils. Regular reports to Steering Group/Joint Waste Board. Systems inplace to pay the Contractor Internal and External Audits undertaken | 3 | 2 | 6 | Make an agenda item at meetings | 2 | 2 | 4 | BDR MANAGER | 30/12/2019 |  |
| 1 | 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. | Service disruption. Temporary full or partial closure of facilities. | 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 | 2 | 2 | 4 | Ensure succession planning is adequate. Invest in training for the current team Project Management and COTC. | 2 | 1 | 2 | BDR MANAGER | 30/12/2019 |  |