Joint Energy from Waste Project: Outline Risk Register

v6 Oct 2016

No.	Risk Description *Threat to achievement of business objective*		Potential Consequences of Risk	Risk Control Measures		Risk Assessment (likelihood x impact) = risk			Mitigating action	Controls effective ?	Revised Risk Assessment (after controls)		
						Likely (1-6)	Cons (1-4)	= risk			Likely (1-6)	Cons (1-4)	= risk
	Current risks are identified in this report with **white** background, Greyed-out risks are resolved, or are no longer current												
	General												
	Requirment for pre-sort residual waste		Increased costs			3	3	9	Seek derogation from SEPA to reduce liklihood of requiring pre-sort	Partial	2	2	4
	Partners cannot reach agreement on time		Project delayed, or abandoned			2	4	8	Joint approach benefits demonstrated by option appraisals. Strong justification for compromise / agreement	Yes	2	2	4
	Council not willing to enter into long-term partnership deal		Project delayed, abandoned or Coucnil withdraws from joint project			2	4	8	Joint approach benefits demonstrated by option appraisals. Strong justification for compromise / agreement	Yes	2	2	4
	Terms of agreement not in best interests of Council		Council disadvantaged operationally / finacially			2	4	8	Ensure Inter-authority offers equitable protection / benefit to all partners	Yes	2	2	4
	Cannot deliver EfW residual waste solution in time to address 2021 regulatory requirements		Potential censure / fines if solution not delivered on time (or credible solution not well advanced by 2021)			3	4	12	Effective contribution to joint project to ensure timely delivery. Each Council to develop a "Plan B"	Yes	2	4	8
	Implications of BREXIT		Potential for time delay while implications pf BREXIT are included within Contract			3	4	12	Keep informed of impilcations as they become known primarily via legal advisers	Yes	3	4	12
	Site Risk												
	No suitable site in local plan		Planning permission much more difficult			6	3	18	ACC site in local plan	Yes	0	0	0
	No suitable site in Council ownership		Site must be aquired - may be difficult			6	3	18	ACC acquiring site	Yes	0	0	0
	Site may not be identified suitable for CHP		Site must be near potential Heat customers for credible heat plan			5	3	15	ACC site is excellent for CHP and part of ACC long-term plan / policy	Yes	0	0	0
	Delay in acquiring site		May not develop plant in time to meet 2021 regulatory requiremen			5	4	20	Site expected to be acquired by mid 2016	Yes	3	4	12
	Long transport times to site, and/or requirement for revised transfer station location(s)		Increased costs (transports, transfer station(s))			5	3	15	AWPR & Coast Road upgrade will reduce travel times / costs	Yes	4	2	8
	Planning Risk												
	No site in local plan		More difficult for planners to support application			6	2	12	ACC site in local plan	Yes	0	0	0
	No cross-party buy-in for local plant		Application may be opposed			5	3	15	Strong communication required ahead of decision	Yes	4	2	8
	Proposed site deemed unsuitable		Permission refused			4	3	12	Proposed site already approved - in local plan	Yes	0	0	0
	Larger plant to accommodate 3-Council requirments opposed by members / public		More difficult to acquire permission, or permission bay be refused			4	3	12	Build effective political, public, business and media support for joint project	Partial	2	3	6
	Planning permission refused over lack of commitment to District Heating network		Project delayed, or abandoned			3	4	12	Commitment to developing DH network required form ACC	Partial	2	4	8
	Planning appealled - overturned by court / SG		Project delayed, or abandoned			3	4	12	Build effective political, public, business and media support for joint project. Ensure application is thorough and meets application requirements	Yes	2	4	8
	Technology Risk												
	Choice of technology is not proven		Plant may not work			4	3	12	ACC proposal is for proven incineration technology	Yes	3	3	9
	Choice of technology does not comply with regulatory requirements		Plant not permitted by SEPA			4	3	12	Proposals already discussed with SEPA in principle	Yes	3	3	9
	Choice of technology does not perform		Plant may be ineffective / expensive / breach regulations			4	3	12	ACC proposal is for proven incineration technology capable of operating over a wide CV range	Yes	3	3	9
	Political Risk												
	No buy-in from members		Project is not supported / opposed at Planning, or during financing stages			5	3	15	Extensive member engagement and reporting, Establishment of Joint Members' Working Group to support the project	Yes	0	0	0
	Financial Risk												
	Local plant too expensive to build		Best value cannot be demonstrated			4	3	12	Economies of scale demonstrated by AMEC / E&Y cost model undertaken by ACC, and similar work for AC by SLR	Yes	2	3	6
	Local plant too expensive to operate		Best value cannot be demonstrated			4	3	12	Economies of scale demonstrated by AMEC / E&Y cost model undertaken by ACC, and similar work for AC by SLR	Yes	2	3	6

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	Proposals to self-fund project cannot be delivered by all partners at contract sign-off		New financing options required			2	3	**6**	Refinance the project	Yes	2	2	**4**		
Partnership Risk															
	One or more Councils cannot Agree Stage 1 IAA		Partnership fails, or must be modified			1	4	**4**	Establish common areas of agreement	Yes	0	0	**0**		
	One or more Councils cannot Agree Stage 2 IAA		Partnership fails, or must be modified			2	4	**8**	Establish common areas of agreement	Yes	1	4	**4**		
	One or more Councils do not agree to sign-off contract proposal		Partnership fails, or must be modified			3	4	**12**	Establish common areas of agreement	Yes	1	4	**4**		
Regulatory Risk															
	Cannot demonstrate "heat plan"		Permit refused			5	3	**15**	Separate "heat plan" proposed & integral to ACC fuel poverty strategy	Yes	0	0	**0**		
	More onerous future recycling requirements		Plant not economic / no longer performs (low CV)			4	3	**12**	Wide-CV technology proposed	Yes	3	3	**9**		
	Future waste minimisation reduces tonnage		Plant sub-optimal, or no longer viable			4	3	**12**	Include wide range of operating scenarios in design specification	Partial	3	3	**9**		
Commercial Risk															
	Plant too small to attract interest of key market players		Limited competition. Higher prices / less choice of solutions / less experienced suppliers			3	3	**9**	Joint approach for regional facility will make project more attractive to market	Yes	0	0	**0**		
New	Delivery model / contract does not attract market / incentivise operator		High cost / poor / no tender response			3	4	**12**	Optimise design of contract following soft-market testing	Partial	2	4	**8**		
New	Option in contract for Councils to take O&M in-house deoes not attract market / incentivise operator		High cost / poor / no tender response			3	4	**12**	Optimise design of contract following soft-market testing	Partial	2	4	**8**		
	Introduction of an Incineration tax (?)		Increased costs			2	2	**4**	Exemption for established plants ?	Partial	2	2	**4**		
Operational Risk															
	Plant failure		Accumulation of waste with no disposal option			2	4	**8**	Technical design to include buffer capacity; Reciprocal arrangements with other plants; Risk transfer to operator. Use ACC's RDF facility (if still available) for short-term mitigation	Partial	2	2	**4**		
	Plant breakdown		Accumulation of waste with no disposal option			3	3	**9**	Technical design to include buffer capacity; Reciprocal arrangements with other plants; Risk transfer to operator. Use ACC's RDF facility (if still available) for short-term mitigation	Partial	3	2	**6**		
	Disruption of residual waste supply (e.g. industrial relations dispute - collections)		Reduced supply impacting on performance; In extreme case plant shutdown may be required			1	4	**4**	Technical design to include buffer capacity to smooth feedstock supply interruptions	Partial	1	2	**2**		