

Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: Tuesday 15 September 2015

Report of: SLWP Management Group

Author(s):

Annie Baker – Strategic Partnership Manager

Chair of the Meeting:

Councillor Stuart Collins, Chair SLWP Joint Waste Committee

Report title:	SLWP Risk Report
Summary	This report presents the red risks around the Partnership’s waste disposal service contracts.
Recommendations to Committee	a) To note the key developments on the Risk Register and the mitigation of these risks.
Background Documents and Previous Decisions	Previous Risk reports and Risk Registers held by Chair of Management Group

1. Background

- 1.1 The Risk Register is currently reviewed by the Management Group in its entirety every 12 weeks and by a ‘highlight and review’ process every 6 weeks.
- 1.2 Following the outcome of the Judicial Review in relation to the ERF facility planning decision and the end of the relevant appeal process, “Satisfactory Planning Permission” has been achieved, Notice to Proceed has been issued and financial close has been reached. This means that several risks can now be closed and these are detailed in Section 3.
- 1.3 Construction work has now started at the Beddington Lane site.

2. Red Risks

2.1 There are no open red risks on the current risk register

3. Closed Risks

- 3.1 Financial risks 2.16, 2.17 and 2.21 which related to the potential movement of the currency markets, construction indexation and interest rates respectively have been closed now that the Notice to Proceed has been issued and financial close reached.
- 3.2 Planning risk 4.15 and Stakeholder risk 10.1 which related to the potential for change of political administration at the Greater London Authority and engagement with the GLA respectively, with potential impact on the planning determination have been closed as there is no longer any possibility of any impact on the planning process for the ERF.
- 3.3 Planning risk 4.14, Unsatisfactory Planning Conditions, has been closed following Viridor's confirmation that the planning conditions are considered satisfactory.

4. New Risks

- 4.1 Two new risks have been added to the risk register:
- Risk 1.15, STRAT 15, which describes the potential for reputational risk if the construction and associated communications work isn't well managed. This is mitigated through management of the contract with Viridor and regular review of their comms work;
 - Financial risk 2.23, FIN23, which describes the risk that construction completion is delayed. This could result in the Partnership paying 'Phase B interim' prices for longer than anticipated. The risk is mitigated through management of Viridor to ensure no unnecessary delay to construction plus a potential procurement exercise to seek a lower disposal price than the Phase B interim price.

5. Impacts and Implications

Legal

- 5.1 There are no direct legal implications arising out of the recommendation of this report.

Finance

- 5.2 The Band 1 gate-fee is now fixed.

Environmental Impact

- 5.3 Risks described in this report relate to the development of a residual waste treatment facility that would bring about significant environmental improvements by diverting waste from landfill.