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To: Councillors: Nancy Matthews, N. Phillips, Michael Priestly,
Eryl Williams, Arwel Pierce, W. G. Roberts, Thomas H. Jones,
Ieuan Williams, Sharon Frobisher and Meirion Hughes

CS/NG

25 May 2011

Nicola Gittins

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Dear Sir / Madam

A meeting of the **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE** will be held in the **COUNCIL CHAMBER, BODLONDEB, CONWY** on **FRIDAY, 3 JUNE 2011** at **10.30a.m.** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

1. **APOLOGIES**
2. **DECLARATIONS OF INTEREST**
3. **APPROVAL OF PREVIOUS MINUTES**
4. **MATTERS ARISING FROM PREVIOUS MEETING**

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

5. **PROGRESS REPORT (SO REPORT)**
6. **RIR – RISK STATUS UPDATE (SP REPORT)**
7. **COMMUNICATIONS UPDATE (SO REPORT)**
8. **PROCUREMENT RAIL UPDATE (REPORT)**
9. **ANY OTHER BUSINESS**



NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Minutes of the meeting of the Joint Committee held in the Council Chamber, Russell House, Rhyl on Friday 25th March 2011 at 10.30am

PRESENT:

Councillor M. Priestley – Conwy County Borough Council
Councillor S. Frobisher – Denbighshire County Council
Councillor N. Matthews - Flintshire County Council (Chair for the meeting)
Councillor A. Pierce – Gwynedd Council
Councillor A. Aldridge (Commissioner for the Isle of Anglesey County Council)

ALSO PRESENT

Denbighshire County Council

Mr Steve Parker (Head of Environment)
Miss Emily Corfield (Committee Administrator)

Conwy Borough Council

Mr Andrew Kirkham (Head of Corporate Finance)

Flintshire County Council

Mr Carl Longland (Director of Environment)
Mrs Kerry Feather (Head of Finance)
Ms Louise Pedreschi (Solicitor)
Mr Barry Davies (Head of Legal and Democratic Services)

Gwynedd County Council

Mr D. Williams (Corporate Director)

Isle of Anglesey County Council

Meirion Edwards (Chief Waste Management Officer)
Mr Dewi R. Williams (Head of Service: Highways & Waste Management)

North Wales Residual Waste Treatment Partnership

Mr Stephen Penny (Project Director)
Mr Steffan Owen (Project Manager)

ENTECC: Alex Green (Associate Director)

Pinsent Masons LLP: Neil Tindall (Partner)

Grant Thornton UK LLP: Saeefar Rehman (Manager)

In Councillor E Williams' absence the Vice Chair, Councillor N. Mathews, presided over the meeting.

1. APOLOGIES:

Councillor R. Hughes (Conwy County Borough Council)



Councillor N. Phillips (Flintshire County Council)
Councillor E Williams (Denbighshire County Council)
Mr. Colin Everett (Flintshire County Council)

2. DECLARATIONS OF INTEREST

None declared

All those present agreed to sign a 'confidentiality agreement', created by Flintshire County Council as lead authority, restricting the disclosure of information relative to the Invitation to submit Outline Solutions (ISOS) evaluation process

3. APPROVAL OF PREVIOUS MINUTES

The minutes of the meeting held on 14th January 2011 (previously circulated) were submitted.

RESOLVED that the minutes be received and approved as a correct record.

4. MATTERS ARISING FROM PREVIOUS MEETING

There were no matters arising

5. PROGRESS REPORT

The report, (previously circulated) presented by the Project Manager (PM), gave Members an overview on the developments in the Waste Treatment Project during the period of 7th January– 18th March 2011.

In referring to the overall project status, he noted that the Procurement Working Group had met on the 8th March to review the evaluation process and to finalise the scores of the bids submitted.

He was pleased to report that the actual and profiled expenditures had been under budget for the project up to the end February 2011.

In referring to specific activities due to be completed by 18th March 2011, the Project Director (PD) reported that in respect of item 32 progress had been very slow and that the Landowner of the particular site had agreed to push for the option for purchasing the site to be in place by the end of May 2011.

Since there were no major concerns and Members were confident in the progress made and forward planning with the project, the committee:

RESOLVED to note the progress report and that the issues raised be appropriately addressed



6. RISK STATUS UPDATE

A report (previously circulated) was presented by the PD. In addition to providing Members with a regular update as requested, the report also highlighted some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that were in place.

The PD reported that the new risk identified in 3.1 concerning the potential commercial implications of multiple participants seeking control of sites was no longer a concern and thus removed from the register, this was due to a the relationship of one particular participant with the rail head operator being confirmed as non exclusive, and therefore available to all participants.

In referring to the ‘change to the risk/issue levels identified in the reporting period’ (3.2) the PD advised that a draft Municipal Sector Plan had been published by the Welsh Assembly Government (WAG) in support of the the Wales Waste Strategy, Towards Zero Waste, and that the project team had engaged with WAG for clarification on a number of issues within it. WAG had not confirmed how the project’s final business case would be assessed in terms of waste reduction targets when setting minimum tonnage guarantees and therefore some element of risk still applied. He went on to advise that the item had been removed for the time being but the matter would be taken up with the Head of Programme in WAG.

Members had no matters to raise in relation to the ‘top (red) risks and issues’ outlined in appendix 1 and the changes made during the period (appendix 2) and therefore:

RESOLVED that the joint committee note the updated risk register for the project and the issues raised be appropriately addressed

7. COMMUNICATIONS UPDATE

The report, (previously circulated) presented by the PM, updated Members on Communication matters concerning the NWRWTP.

The PM referred to the Invitation to Submit Detailed Solutions (ISDS) Shortlist press release which was currently being drafted. The intention was to name the participants going through to the ISDS stage only, with no naming of potential sites or technology. Concerns were raised regarding the possible implications involved in publishing information of a sensitive nature; therefore the Committee decided that in striving to sustain equal measure and avoiding potential assumptions being made by cross-authority Members, the final draft of the intended press release should be circulated to all partner authority members before issuing to the media.



The PM went on to give a brief overview of the communication and engagement activities for 2011/12 stressing that the approach adopted by the NWRWTP would be a proactive one including a consultation process with key stakeholders and a particular emphasis on rail. The report outlined the issues which could influence the process.

Following the Stakeholders consultations (stage 1) there would be a wider public consultation, designed to inform as well as obtain public views. This would take place over the next 12 months.

RESOLVED that the Joint Committee:-

- (a) notes the content of the report,
- (b) agrees, in principle to the timetable for communication and engagement activities as outlined in the report,
- (c) agrees to a two stage consultation process as noted in the report whilst requesting that the outcomes be communicated fully at future meetings of the Joint committee, and that
- (d) the ISDS shortlist press release, once finalised, be circulated to Members before issuing to the media

PART II

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 1 of Schedule 12A of the Local Government Act 1972

8. OUTCOME OF THE ISOS EVALUATION AND RECOMMENDATIONS TO PROCEED TO THE NEXT STAGES AND THE PROCUREMENT PROCESS

The PD gave a brief overview of the background to the NWRW treatment project and an insight into the timeline of events and stages which had led to the evaluation Stage for participants to progress to the Outline Solution Stage (ISOS). He stressed that the procurement process had been constructed around very fair criteria.

A presentation was delivered by three external advisors summarising their key findings of the technical (A Green, *Entec*), financial (S Rehman, *Grant Thornton*) and legal (N Tindall, *Pinsent Masons*) evaluations of the Outline Solutions submitted to Flintshire County Council.

There were seven submissions received and all were noted to have met and dealt with the concern of centralising waste to one location.



Some of the criteria used in the evaluation were:

- Whole life cost & affordability
- Site and planning deliverability
- Technology performance and reliability
- Financial Quality
- Financial robustness

Following the consideration of the detail within the presentation and ensuing discussion, Members agreed that the top 3 scoring participants should go through to the next stage of the procurement process. The key focus was on the participants' commitment to the project which the committee felt would be at less risk in limiting the number of invitations to the next stage to 3, as all 3 participants had strong potential to win the contract.

RESOLVED that the Joint Committee:-

- (a) approves the list of Participants to be invited to be invited to the next stage of the procurement process, and
- (b) agrees to proceed to the next stage of the procurement process with issue of Invitation to Participate in Dialogue (ITCD) and associated documents

9. INVITATION TO CONTINUE DIALOGUE (ITCD) / INVITATION TO SUBMIT DETAILED SOLUTIONS (ISOS)

The PD delivered the report (previously circulated) which outlined the documentation and its content which would be utilised in communications with bidders in respect of the ITCD and the ISOS.

He emphasised that next stage would be primarily focussed on driving down the price points and went on to report that there was a review underway in terms of the sub criteria used but the over-all scope for service would remain the same.

RESOLVED that the Joint Committee:-

- (a) approves the NWRWTP Invitation to Continue Dialogue and associated documents,
- (b) authorises the Project Director to consult with the Lead technical, financial and legal officers to make minor amendments to the Invitation to Participate in Dialogue (ITCD) and associated documents before issue to Participants, and that
- (c) the Joint Committee also formally agrees to the recommendation made in item 3.15 of the report to decrease the 'Affordability' element of the evaluation framework down from 40% to 36%

10. ANY OTHER BUSINESS



NWRWTP

North Wales Residual Waste Treatment Project

The PM circulated cue cards offering a fact file and 'at a glance' useful tips for members to refer to when questioned about the NWRWTP



AGENDA ITEM NUMBER 5

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT PROGRESS REPORT

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Date : 3 June 2011

Period: 19th March 2011 to 26 May 2011

PROJECT SUMMARY

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Green	<p>Invitation to Continue in Dialogue (ITCD) documentation issued to bidders apart from Project Agreement. Session held with advisors to finalise Project Agreement, which is intended be issued on 20th May 2011.</p> <p>Technical dialogue sessions held with participants on delivery points (waste transfer sites) in early May. Clarifications arisen from those sessions which are being addressed individually with the partner authorities.</p>
Budget status	
Green	<p>Final accounts for 2010/11 have been completed, and invoices sent to the partner authorities. Final project expenditure for 2010/11 was £867,431.71, which equates to £173,486.34 per authority.</p>

Status	Meaning
Green	There are no problems; all is progressing well and to plan
Amber	There are some minor/ less significant problems. Action is



	needed in some areas but other parts are progressing satisfactory
Red	There are significant problems and urgent and decisive action is needed.

PROJECT UPDATE – Activities due for completion 7th January 2011 to 18th March 2011 (and highlighted longer term actions).

ID	Activity	RAG status	Comments	Forecast	Actual
32	Option developed on second site that is capable of acceptance by Joint Committee	Amber	HOT's signed. Full option has been provided to partnership but is not acceptable in present form. PD has met with landowner 9 May to resolve. Landowner to provide updated option for further consideration by partnership.	May 2011	
35	Develop proposed timetable and methodology for dealing with TUPE	Amber	List of potential transferees now gathered. To be passed on to participants	May 2011	Complete
42	Engage with WAG re: potential rail related funding	Amber	Meeting with WAG held.	March 2011	Complete
52	Commencement of development of ISDS documentation	Green	All ITCD documentation drafted (apart from Project Agreement that will be finalised and issued to bidders by 20 May 2011)	March 2011	21 April 2011
58	Issue draft programme to bidders through to Invitation to Submit Detailed Solutions (ISDS) stage.	Green	Issued to participants and feedback received.	29 March 2011	Complete
59	Issue Invitation To Continue Dialogue (ITCD) documentation	Green	All ITCD documentation issued (apart from Project Agreement that will be finalised and	April 2011	21 April 2011



NWRWTP

North Wales Residual Waste Treatment Project

			issued to bidders by 20 May 2011)		
60	Identify issues with potential use of existing sites arising from ISOS submissions	Green	Additional dialogue sessions held with participants week commencing 2 May 2011 to discuss waste transfer sites and waste related activities that partner authorities wish to continue on those sites. A number of clarifications and further dialogue sessions will be required to agree final positions prior to ISDS submissions.	September 2011	
61	Liaise with technical officers on waste flows following 2010/11 outturn data.	Green	Individual sessions with each partner authority's technical officers to review latest available waste data and to agree growth rate assumptions to inform the ISDS waste flow model that will be issued to participants.	June 2011	
62	Procure advisors to plan and carry out consultation exercise on approach of partnership	Amber	See Item 7 on the agenda.	End Feb 2011	
63	Decide on engagement and facilitation support	Amber	See item 7 on the agenda.	March 2011	
64	June Dialogue sessions	Green	Meetings with participants as part of competitive dialogue process	June 2011	
65	July Dialogue sessions	Green	Meetings with participants as part of competitive dialogue process	July 2011	
66	August Dialogue sessions	Green	Meetings with participants as part of competitive dialogue process	August 2011	



NWRWTP

North Wales Residual Waste Treatment Project

67	September Dialogue sessions	Green	Meetings with participants as part of competitive dialogue process	September 2011	
68	Briefing pack provided to minerals and waste planning officers	Green	Project Team with the aid of external technical advisors developing a briefing pack to be provided to minerals and waste planning officers prior to participants engaging with them on a confidential pre-application basis (to ensure that all participants are dealt with in a consistent manner).	June 2011	
69	Issue ISDS Waste Flow Model to participants	Green	Following action 66	End of June 2011	
70	Process for assessment of road / road-rail solutions to be determined	Green	Road / road-rail solutions will be proposed by participants, the project team will develop a methodology for assessing these in order to provide relevant information to Finance, Technical and Legal Officers prior to the Project Board and the Joint Committee.	July 2011	
71	Project Team to receive early indications of content of potential ISDS submissions including pricing information etc	Green	To aid internal project team and partner authority Finance Officers such that there are no "surprises" when ISDS submissions are ultimately received.	August 2011	
72	ISDS solutions to be submitted by participants	Green	As per procurement timetable	16 September 2011	
73	Assessment of ISDS submissions	Green	Key information provided to Finance, Technical and Legal	September 2011	



NWRWTP

North Wales Residual Waste Treatment Project

			Officers prior to developing recommendations to Project Board and Joint Committee		
74	Participants informed of partnership's decisions on road / road-rail, and invited to submit refinements to their ISDS submissions in the light of decision	Green	As revised procurement timetable	October 2011	
75	Submission of Refined ISDS by participants	Green	As revised procurement timetable	November 2011	
76	Refined ISDS submissions Evaluated	Green	As revised procurement timetable	January 2011	
77	Negotiation positions to be agreed by Project Board	Green	The PD will develop a number of "best" and "backstop" positions for approval by the Project Board, that will be used to take commercial positions within the procurement process	July 2011	
78	The second IAA (IAA2) to be commenced	Green	This to commence once ISDS solutions are known (and the likely contract structures are more certain). Some preliminary discussions and development work to be carried out during summer 2011.	November 2011	
79	Partnership sites title information and related constraints gathered and identified	Green		June 2011	

KEY RISKS – See item 6 on this agenda.



NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 6

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 3 JUNE 2011

REPORT BY: PROJECT DIRECTOR

SUBJECT: RISK REGISTER REPORT

1. PURPOSE OF REPORT

- 1.1. The members of the NWRWTP Joint Committee have requested that they are provided with an update of the risk register at each meeting of the Joint Committee.
- 1.2. This report will highlight some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that are in place.

2. BACKGROUND

- 2.1. The Risk Register will require continual update throughout the project.

3. CONSIDERATIONS

- 3.1. There are no new risks identified this reporting period.
- 3.2. There is a change to risk PO4 (Change in Legislation or guidance at a national or internal level). WAG have now clarified the position on use of IBA (bottom ash) so the likelihood of policy change in relation to this has reduced. Two new sector plans have been published by WAG for consultation (the Collections, Infrastructure & Markets Sector Plan and the Food, Manufacture, Service and Retail Sector Plan). Within these consultations reference is made to the possible introduction of a tax on waste to energy although the documents acknowledge that at present WAG does not have the power to do this. No previous indication has been given to the project team that WAG has in any way been giving consideration of such measures and whether it would only apply to C&I waste only (e.g. not household waste). The actions to mitigate this include raising this issue with WAG and bringing this to the attention of the WLGA. The likely hood level has been set at low at present as WAG do not have the powers to introduce this. If WAG were to introduce such a tax the financial impacts cannot be determined at this point but could potentially be considerable. To be prudent the impact assessment has been increased from 3 to 4 to reflect this uncertainty. The NWRWTP Project have written jointly with Project Gwrydd to WAG setting out the two procuring organisations' concerns in this regard and seeking reassurances that WAG do not intend to introduce such a tax within the life of this project. The Project team await WAG's response.



NWRWTP

North Wales Residual Waste Treatment Project

- 3.3. The Top 8 risks (after controls have been put in place) are shown in appendix 1.
- 3.4. The changes this period are shown in appendix 2.
- 3.5. The risk register will continue to be reviewed by the Project Director and reported to the Joint Committee at future meetings.

4. RECOMMENDATIONS

- 4.1. That the Joint Committee note the updated risk register for the project.

5. FINANCIAL IMPLICATIONS

- 5.1. Not applicable

6. ANTI-POVERTY IMPACT

- 6.1. None

7. ENVIRONMENTAL IMPACT

- 7.1. Not applicable

8. EQUALITIES IMPACT

- 8.1. Not applicable

9. PERSONNEL IMPLICATIONS

- 9.1. Not applicable

10. CONSULTATION REQUIRED

- 10.1. Not applicable

11. CONSULTATION UNDERTAKEN

- 11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:



NWRWTP

North Wales Residual Waste Treatment Project

None

Contact Officer: Stephen Penny NWRWTP



Appendix 1 Top (Red) risks and issues

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Implem Date	Review Date	Closure Date	Additional explanatory notes	
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall					
Policy & regulatory Risk – Change in WAG objectives / regulations																	
PO1	WAG changes financial support available for residual waste treatment projects due to WAG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WAG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD					5	3	15	Ongoing	Nov-10	
PO2	WAG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD	Project team develop a partnership consultation response (for approval by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WAG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.				4	4	16	Ongoing	Feb-11	WAG have indicated in the draft Municipal Sector Plan (MSP) just published that they may adopt a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The existing OBC has growth rates modelled at 0.5% growth pa (to reflect projected HH number increases in the partnership area). The WAG MSP does not as presently written take any account of individual or partner authority HH or population growth rates. The Partnership has now received guidance from WAG that reduces the risk to the Partnership by Confirming that the Partnership has to make its own assessments of waste arisings and is therefore not bound by the MWP waste reduction target. The Partnership will however need to be cognisant of the target when setting any minimum tonnage guarantees.
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	3	5	15	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WAG and liaise with WLGA on this issue.				3	4	12	Ongoing	Sep-10	WAG have in correspondence with the WLGA indicated that DEFRA's lawyers do not agree with WAG's guidance that bottom ash will count towards the solution's and partner authority recycling performance. If the recycling cannot be counted it will reduce the size of the proposed solution as the solution modelled was a maximum 30% EFW net of recycling (total circa 37% EFW). Any change would
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																	
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20			Project team will ensure an adequate stakeholder engagement and communications plan in place. Alternative site work will continue during early stages of procurement process.	PD			4	3	12	Ongoing	Sep-10	
Procurement Strategy and Process																	
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting" and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1	Partner authorities	Procurement process to ensure that is delivered in timely manner with the risk of late delivery of the residual waste treatment service minimised.	PD			4	3	12	Ongoing	Sep-10	
Planning and permitting -ability to secure successful planning and permitting outcome for solution																	
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team are identifying sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Commence negotiations with land owners of (further) additional sites identified as potentially suitable for location of facilities with the aim of securing options/ heads of terms for sites.	PD			5	3	15	Ongoing	Sep-10	
Wastes																	
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15			Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis being delivered by WAG through WRAP. Initial work commencing in June 09. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed	PD			3	4	12	Ongoing	Sep-10	Technology specific. EFW less sensitive to waste compositional change.
Performance																	
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16			Ensure market deliverability demonstrated as part of procurement evaluation process.	PD			4	3	12	Ongoing	Sep-10	Electricity sound, ash uncertain. Project and market saturation dependant.



Appendix 2 Changes this Period

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment		How the risk will be managed and controlled			risk after management			Implem Date	Review Date	Closure Date	Additional explanatory notes	
			Impact	Likelihood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact					Likelihood
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WAG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Apr-11	WAG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. However recent sector plan consultations have raised the potential for the introduction of a tax on waste to energy. The Project team will engage with WAG to determine if this this is a policy intent or is just one of a number of options that WAG may consider. If WAG were to introduce such a tax the financial impacts cannot be determined at this point but could potentially be considerable. (dependant on whether this would apply to household waste or just to C&I wastes). The Project team have submitted a joint letter in conjunction with project green to WAG. The Project team are now awaiting a response.

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE									Additional explanatory notes	
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	Review Date		Closure Date
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
Policy & regulatory Risk – Change in WAG objectives / regulations																
PO1	WAG changes financial support available for residual waste treatment projects due to WAG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WAG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD				5	3	15	Ongoing	May-11	
PO2	WAG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WAG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD				4	4	16	Ongoing	May-11	WAG have indicated in the draft Municipal Sector Plan (MSP) that they may adopt a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The existing OBC has growth rates modelled at 0.5% growth pa (to reflect projected HH number increases in the partnership area). The WAG MSP does not as presently written take any account of individual or partner authority HH or population growth rates. The Partnership has now received guidance from WAG that the Partnership is free to make its own assessments about future waste arisings and as a result planning risk is now moderated. However the guidance re-iterates that procuring authorities should take the waste reduction target into account when setting minimum tonnage guarantees. WAG do not however expand on what is meant by this (e.g. will be this be assessed as part approval of the Final Business Case

PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WAG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Apr-11	WAG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. However recent sector plan consultations have raised the potential for the introduction of a tax on waste to energy. The Project team one of a number of options that WAG may consider. If WAG were to introduce such tax the financial impacts cannot be determined at this point but could potentially be considerable. (dependant on whether this would apply to household waste or just to C&I wastes). To be prudent the impact assement has been increased from 3 to 4 to reflect this uncertainty. The Project team have submitted a joint letter in conjunction with project green to WAG. The Project team are now awaiting a response.
PO5	WAG fail to provide clarity within their strategic objectives	Delay and loss of stakeholder support	3	4	12	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD			3	3	9	Ongoing	May-11	
Strategy risk – change in any participating council's waste strategy or technology / solution preference															
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WAG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	2	8	Ongoing	May-11	

Political

AP1	Multi-Authority Approach leads to protracted discussions to resolve issues	Consultancy costs increase. End date not met. LAS penalty risk increased.	3	3	9	Project Plan detailing timescales. OBC Approvals process mapped out for each partner authority. Offer of support form project team and advisors in approvals processes.	PM		3	2	6	Dec-09	May-11			
AP2	Decision on award of contract is multi authority	Selection of Contractor is delayed due to multi-Authority Involvement (Cabinet Process)	4	3	12			Project Champions from participating Authorities shall evaluate the bid	PD	4	2	8	July - Aug 2011	May-11		
AP4	Lack of Council political support within one or more of the Partner Authorities.	Delays to project, increase in costs, loss of competitive pressure, threat to VFM, possible procurement challenge, or total abortion of the project	4	3	12	Existing work on PID has fleshed out core principles of agreement. Provision of briefings and information to partner authorities - offered proactively by project team and advisors. Ongoing communication and engagement on key project parameters.	Lead chief Executive, Project Board members (lead Officers for each partner authority)		4	2	8	Ongoing	May-11			
AP5	Change in priorities in a Council	Major funding issues	4	3	12	OBC has identified affordability of project and benefits of the reference solution in terms of costs management.	Lead chief Executive, Project Board members (lead Officers for each partner authority)		4	2	8	Ongoing	May-11			
AP6	Local Government re-organisation	Confusion and uncertainty	4	4	16	To be managed if and when prospect occurs during the project period	TBC		4	2	8	Ongoing	May-11			
Joint Working – one or more partners exiting the partnership																
JW1	One of the Partner LA's withdraw during procurement process	New OJEU notice has to be placed	5	2	10	IAA 1 signed by partner authorities that shows clear consequences of Authorities leaving the process during and after procurement phase.	BD		5	1	5	Ongoing	May-11			
Finance & Affordability																
F1	Lack of Budget profile leads to unexpected surplus	Surplus is absorbed and re-application required	3	2	6	Finance Officer to be appointed to the team. Payments based on milestones. PD has updated project budget profile. PD to monitor and manage	PD		3	1	3	Ongoing	May-11			
F2	Procurement delays lead to increased procurement costs (due to extended procurement process)	LA's seek additional funding or withdraw	1	2	2	Affordability envelope has been agreed that includes delay to the project	PD	Manage procurement delays by appropriate design of procurement process.	PD	3	2	6	Jan-10	May-11		

F3	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WAG / Local Partnerships in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD		4	2	8	Ongoing	May-11		
F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile.	PD		3	3	9	Ongoing	May-11		
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WAG / Local Partnerships in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution	4	2	8	Ongoing	May-11		
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	5	2	10	Ongoing	May-11		Indications of support from funders provided by participants at ISOS stage. Testing of funders commitment to technology will become more apparent at ISDS
F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including finance structure) are capable of being awarded the contract	4	2	8	Ongoing	May-11		
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WAG, PUK and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	3	2	6	Ongoing	May-11		
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WAG) and carried out sensitivity analysis as part of OBC development	PD		4	2	8	Ongoing	May-11		

F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WAG) and carried out sensitivity analysis as part of OBC development	PD		4	2	8	Ongoing	May-11			
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	2	8	Ongoing	May-11		
F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	3	9	Ongoing	May-11		
F13	WAG financial support evaporates	Project potentially unaffordable	5	3	15	Assurances already received from WAG that funding is available for the project as has been agreed previously for project Gwyrdd. OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD		PD	5	2	10	Ongoing	May-11		
F14	WAG seeks unachievable levels of VFM at Final Business case review stage and approval process due to financial constraints	WAG funding support is less than anticipated making the project potentially unaffordable	5	3	15	OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD	Lobby WAG and liaise with WLGA on this issue.	PD	5	2	10	Ongoing	May-11		
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WAG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-11		
Advisers – change in key personnel																
AD 1	Key advisor personnel team leave or are no longer available to support the project	Delays and lack of familiarity with the project by any replacement advisory staff.	3	3	9	Advisor's project directors to keep an overview of the advisor work. Capacity of teams providing advice tested during appointment of the advisors. Ongoing monitoring of advisor situation to ensure adequate advisor cover an knowledge often project .	PD			3	2	6	Ongoing	May-11		
Project Delivery																

PD1	Potential bidders do not bid due to the costs associated with Competitive Dialogue process	Reduced Competition on bid process	4	2	8	To ensure a suitably streamlined, timely and well delivered procurement process adopted. Appropriate use and instruction of advisors. Input from WAG, WPPO and Local Partnerships.	PD		4	1	4	Ongoing	May-11			
PD2	Potential bidders do not bid due to the Risks being passed to the Contractor	Reduced Competition on bid process	4	3	12	A risk allocation workshop was held with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD	The Project Agreement will conform to standard from of contract as provided by WAG / Local Partnerships. Any derogations / changes from this standard position will be agreed with WAG/ Local Partnerships before implementation to ensure acceptable transfer of risks.	PD	4	2	8	Ongoing	May-11		
PD3	Potential bidders do not bid due to lack of cohesiveness of the Partnership	Reduced Competition on bid process	4	3	12	IAA signed & Governance Arrangements for procurement period defined in OBC/ IAA.	PD	IAA signed by all partner authorities.	PD	4	2	8	Ongoing	May-11		
PD4	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4	3	12	Procurement is to be "Technology Neutral"	PD	Ensure appropriate design of procurement process.	PD	4	2	8	Ongoing	May-11		
PD5	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4	3	12	Good level of market interest demonstrated.			PD	4	2	8	Ongoing	May-11		
PD6	Too many bidders come forward and difficult to de-select to suitable shortlist	Delays to procurement programme, increased development phase costs	3	3	9	Procurement process designed and resourced to allow a number of bidders to assessed.	PD			3	1	3	Ongoing	May-11	Maximum of 8 bidders to be invited to ISOS stage, 3 participants taken through to ISDS stage	
PD7	The Preferred Bidder drops out or fails to reach a satisfactory commercial/financial close	Programme delay, increased development phase costs, excessive LAS penalties, loss of competitive pressure and possible increase in overall solution costs	5	2	10			Procurement process designed to ensure ability and /or appetite for contract closure is understood pre preferred bidder appointment. No major issues to be allowed to remain unresolved prior to preferred bidder.	PD	5	1	5	Ongoing	May-11		
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	3	12			Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.	PD	4	2	8	Ongoing	May-11		
PD9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	3	3	9			Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD	3	2	6	Ongoing	May-11		

PD10	Construction contractor goes into liquidation/receivership during construction phase	Delay to commencement of waste processing, excessive LAS costs, replacement constructor required - increased capital costs	3	3	9	Bidders to demonstrate financial position as part of PQQ and also re-checked at key stages during procurement process		PD	3	2	6	Ongoing	May-11		
PD11	Insufficient project resource (numbers and knowledge/experience of staff/project team)	Delays to projects, increased development costs to 'repair' project, reduced market interest and consequent loss of competitive pressure VFM	3	3	9	PD and PM now in post	Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	Individual Partner Authorities	3	2	6	Ongoing	May-11		
PD12	Negotiations on contract are protracted beyond planned programme	Contractor has opportunity to re-bid, price escalation, loss of VFM, affordability threatened, project delay, possible excessive LAS costs.	3	4	12		Procurement process will be clearly defined. Clear partner positions to be articulated to the bidders at all stages.	PD	3	2	6	Ongoing	May-11		
PD15	Inadequate project management discipline	Possible delay to project programme, LAS compliance costs incurred, delivery management objectives not met, internal stakeholders complain	2	2	4	PD and PM now in post. PD to check that adequate PM controls in place. Internal audit to be engaged prior to Procurement. 1st gateway review completed - project amber green. Recommendations made and taken on board by project team.	Furthe WAG gateway review prior to ISDS. PD to take on board any recommendations.	PD	2	1	2	Ongoing	May-11		
PD16	Facilities not commissioned on time	Possible delay to project programme, LAS compliance costs incurred.	3	3	9	Procurement process designed to ensure sites are identified and understood in terms of planning deliverability. Preliminary site investigate works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	PD		2	2	4	Ongoing	May-11		
PD18	Only one acceptable bidder comes forward	Delay to project, increased cost of going back to market, increased bid prices, failure to secure VFM, excessive LAS compliance costs	4	2	8	PD has commenced market engagement. Good feedback and high level of interest already expressed by a number of potential bidders.	Ensure consistency of message to market.	PD	4	1	4	Ongoing	May-11		10 companies submited EOI. 10 submitted PQQ responses. with 8 pre-qualifying. 3 participants invited to ISDS stage

PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs associated with inflation and need to revisit market to secure an acceptable solution. Partnership reputation damaged.	5	2	10	Good level of market interest demonstrated.	PD		5	1	5	Ongoing	May-11	Low risk - however risk cannot be closed until PB appointed
PD20	Participants are concerned that one or more other Participants have gained a commercial advantage by gaining control of a site that may be required to deliver their solution	Participants withdraw from the procurement process	4	3	12	Partnership issue clear instruction to participants in relation to sites. Procurement team to enforce sanctions that may apply against participants that breach these instructions. The PD has received verbal assurances from a rail undertaker that their newly required option on the site in question will not be used solely to give one or more participants a competitive advantage in securing access to a rail head.	PD	Written confirmation gained for the alternative site operator that has secured an option of the site to ensure that all Participants can achieve equal access to the site if required (agreement to a non-exclusive engagement with all participants if required).	4	2	8	Ongoing	May-11	

Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.

CO1	Mis-information to Members caused by differences in reports and documentation	Authorities working to different agendas/outcomes leading to a breakdown in the consortia	3	3	9	Communication Officer Group established, with a media protocol agreed to ensure consistency of message.	PM		PM	3	2	6	Ongoing	May-11	
CO2	Risk of challenge to planning approvals if opportunity not given to stakeholders to input to the development of the evaluation framework that will underpin the procurement and subsequent facility planning approvals process.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	Consultation sessions with members of the 5 authorities and external stakeholder held during July - Sep 2010 to get input into the evaluation framework.	PM		PM	4	2	8	Jul-10	May-11	
CO3	Reference sites identified within OBC could lead to significant opposition to proposed development. As a result planning committee(s) and /or judicial review may not support a positive planning outcome if early engagement is not carried out with affected communities.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	"Drop in" sessions held in the area of the Reference Site. Contact made with key businesses around Reference Site.	PM	Further engagement work around reference site (and other reference sites if identified) at key stages of project.	PM	4	2	8	Ongoing	May-11	

CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Alternative site work will continue during early stages of procurement process.	PD	4	3	12	Ongoing	May-11		
Timescales																
T4b	Procurement delays lead to increased procurement costs (due to extended Approvals processes)	LA's seek additional funding or withdraw	3	3	9	PID identifies projected timeline and key decision points.			PD	PD	3	2	6	Ongoing	May-11	
T5	Key Activities not identified in Project Plan	Potential for project to be delayed due to lack of resource or dependability issues	3	2	6	WAO and Local Partnerships experts to scrutinise Project documentation			PD	PD	3	1	3	Ongoing	May-11	
Procurement Strategy and Process																
P2	Existing contracts and facilities prevent all participating authorities to utilise all elements of the proposed final solution	Payment made by authorities in duplication	2	2	4	Facilities paid for on a gate fee by use. Agreement on Universal gate fee principal written into IAA. Projected timeline for commencement or residual waste treatment service clearly communicated to partner authorities. No existing partner authority contracts will overlap with commencement of this service.			PD		2	1	2	Ongoing	May-11	
P10	Differing funding proposals from bidders leads to extended procurement period	Delays to service commencement	2	2	4	Different funding proposals to be considered as part of Evaluation Framework			PD	PD	2	2	4	Ongoing	May-11	
P12	Solution offered is not technically viable	landfill diversion not obtained, LA's incur infraction penalties	5	3	15	LAS infraction fine passed to contractor. Technical viability scored within Evaluation Framework			PD	PD	5	2	10	Ongoing	May-11	

P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting" and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1	Partner authorities	Procurement process to ensure that is delivered in a timely manner with the risk of late delivery of the residual waste treatment service minimised.	PD	4	3	12	Ongoing	May-11		
P14	Bids scored by inexperienced internal team	Solution selected is not the most advantageous tender and is open to challenge by unsuccessful bidders	4	3	12	Bid team selected by Project Director including mix of appropriate skills (including advisors)	PD		4	2	8	Ongoing	May-11			
P15	Bids scored by external consultants	Solution selected does not meet local requirements and is not accepted by LAs	4	3	12	Bid team selected by Project Director including mix of appropriate skills (including officers from partner authorities and specialist external advisors)	PD		4	2	8	Ongoing	May-11			
P16	Officer(s) are perceived to have preconceived ideas of the 'best' solution	Lack of trust of bidder selection and solution selected	4	3	12	Agreed scoring criteria and Evaluation Framework. Stakeholder input to evaluation framework. Moderation of scores to ensure consistency of evaluation approach. Input from local partnership's transactor.		PD	4	2	8	Ongoing	May-11			
Scope Change – Material change in the scope of services required																
SC1	Material change in the scope of services required	Delay to procurement process of bidders withdraw from procurement due to uncertainties	4	3	12	Technical officer input on draft specification and approved as part of OBC by partner authorities	PM		PM	4	2	8	Ongoing	May-11		
Planning and permitting -ability to secure successful planning and permitting outcome for solution																
PS1	Regional Waste Plan is in conflict with potential solutions	Reduced Competition on bid process	4	3	12	Planning and Site Workstream has been set up to assist in reducing site and planning uncertainty and improve prospects for a positive planning outcome for the project.	PD		4	2	8	Ongoing	May-11			
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team are identifying sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Complete negotiations with land owners of (further) additional sites identified as potentially suitable for location of facilities with the aim of securing options/ heads of terms for sites.	PD	5	3	15	Ongoing	May-11		

PS6	There is a delay on obtaining planning permission (identified reference site)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consulters. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-11		
PS7	There is a delay on obtaining planning permission for WTS sites requiring planning	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD			3	2	6	Ongoing	May-11		
PS8	There is a delay on obtaining planning permission (alternative main reference site solution)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Early identification of potentially suitable alternative main site. Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	3	9	Ongoing	May-11		
PS9	Planning permission has onerous conditions	Sub-optimal solution, performance below required level, increased costs	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-11		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS10	Planning permission not secured even after appeal.	Diversion performance is below required level, excessive LAS penalties, increased costs	5	3	15	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful planning outcome.			PD	5	2	10	Ongoing	May-11		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS12	Environmental Permit not secured in accordance with project programme	Project development costs exceed expectations, delays to project, excessive LAS penalties	4	3	12	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful permit application.			PD	4	2	8	Ongoing	May-11		

PS13	Planning application from successful bidder fails to demonstrate Best Practicable Environmental Option (BPEO)	Unsuccessful planning application	4	4	16	To identify BPEO in Life Cycle Assessment (LCA) (Wizard) as part of OBC development, and to ensure supplementary measures employed to deliver sites and evaluation framework for procurement process, thereby supporting delivery of BPEO			PD	4	2	8	Ongoing	May-11		
Sites																
S1	Site conditions are not as anticipated	Delay in project programme, excessive LAS costs, excessive Capex prices, possible threat to affordability	3	3	9	Technical advisors have been tasked to review site constraints	PD		PD	3	2	6	Ongoing	May-11		
S2	Single site not available for residual facility	Re-define the project, delayed, cost,.etc	5	3	15	Initial reference solution site already identified. Further site identification work to be carried out prior to and including early stages of procurement process			PD	5	2	10	Ongoing	May-11		
S3	One or more of the sites not available for some residual facilities	Re-define the project, delayed, cost,.etc	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-11		
S4	One or more of sites not available for some WTS facilities	Disproportionate costs on some partner authorities	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-11		
Wastes																
W1	A Council fail to reach recycling targets by not delivering enhanced "front end" recycling and composting services	Potential excessive project costs due to excess residual waste, threat to affordability, possible excessive LAS penalties if facilities under-sized and fines applied by WAG to authorities for underperforming against recycling targets.	3	4	12	Initial discussions already held on key payment mechanism and inter authority principles to describe risk and how costs will be assigned amongst the partner authorities for under/ over provision of waste tonnages as a result of under/over recycling/ composting performance against agreed waste profiles.	PD	Ongoing engagement and communication with partner authorities to understand proposed waste recycling and composting services so that tonnage profiles can be finalised prior to ISDS stage of the procurement process. Partner authorities to develop plans for meeting enhanced recycling and composting services.	PD	3	3	9	Ongoing	May-11		Councils may reach targets but not all plans in place

W2	Waste flow model is inaccurate due to incorrect assumptions	Possible re-bidding resulting in increased project costs, delays to project, possibly excessive LAS compliance costs and increased landfill costs (If waste more than predicted), possible "put or pay" liabilities (if waste less than predicted).	3	4	12	A number of sensitivities are being carried out to that the impact of differing assumptions used can be understood.	PD	Ensure that the waste flows can be modified through early stages of procurement (up to ISDS). A range of sensitivities to be modelled and used as a basis for dialogue with bidders.	PD	3	3	9	Ongoing	May-11	Standard contract has substitute waste provisions so that contractor has duty to seek additional 3rd party waste if Partnership under deliver.
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15			Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WAG through WRAP providing a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.	PD	3	4	12	Ongoing	May-11	
W4	Potential changes in the legal definition of (currently) non-Municipal Solid Wastes such that they become the responsibility of the partnership authorities	Additional wastes may have to be accommodated in solution	3	2	6	Project team to continue monitoring WAG and UK Government Policy	PD		PD	3	2	6	Ongoing	May-11	
Performance															
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-11	
PE2	The selected technology fails to perform to required level (unreliable or poor performance)	Excessive LAS compliance costs, Environment Agency close facility, contractor defaults, need to modify the solution resulting in increased Capex	3	3	9	Ensure technical track record proven, adequate test of contractor operations experience and that contractor proposals are explored in detail and well understood.			PD	3	2	6	Ongoing	May-11	
Contractor															

C1	Contractor default	Re-procurement and additional costs	5	3	15		Ensure track record of contractor, deliverability of proposal (as at reasonable commercial return to the contractor) understood. Those contractor proposals viewed as potential high risk of non-delivery will be marked accordingly in line with the evaluation framework	PD	5	2	10	Ongoing	May-11		
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Key

PD

Project Director

PM

Project Manager

BD

Barry Davies (FCC Monitoring Officer)



NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 7

REPORT TO: NWRWTP PROJECT BOARD

DATE: 19 MAY 2011

REPORT BY: PROJECT MANAGER

SUBJECT: COMMUNICATIONS UPDATE

1. PURPOSE OF REPORT

- 1.1. To update the Project Board on communication matters concerning the North Wales Residual Waste Treatment Project (NWRWTP).

2. BACKGROUND

- 2.1. The Project Board has requested regular updates on communication matters relating to the NWRWTP. This report provides an update on progress to date.

3. CONSIDERATIONS

COMMUNICATIONS UPDATE

3.1. Second Site Press Release and Member Newsletter

Following feedback from the Project Board and the Communication Officer Group, a press release announcing that the NWRWTP is in discussions with Anglesey Aluminium (AAM) about securing an option to purchase part of their land near Holyhead is to be released on Monday, 16 May 2011. AAM have confirmed that they will be issuing a press release about the sale of their main site at 12pm on 16 May 2011, therefore the NWRWTP's release will be issued at 12:15pm. A Welsh and English copy is included in Appendix 1 below.

In addition to the press release noted above, a Member Newsletter will be issued to all Members of the partner authorities during the morning of Monday, 16 May 2011. The content of the newsletter is a shorter version of the press release noted above, with an additional paragraph informing Members of the two Member sessions that are to be held during June as part of the consultation exercise. A Welsh and English copy is included in Appendix 2 below.

3.2. Consultation Exercise

3.2.1. Consultation Booklet

Following extensive discussions at the last Project Board, a draft consultation booklet has been drafted which is attached in



NWRWTP

North Wales Residual Waste Treatment Project

Appendix 3 below (the design has been put together by Flintshire County Council's own printers 'Design and Print'). The booklet gives a background to the project, outlines the need for the project, summarises what has been done so far and explains why the exercise is being carried out. This is then followed by 7 main questions.

The Project Board's comments and subsequent approval are sought on the content of this document.

The booklet will be available on the Project's website, and will be printed and distributed via the local communication officers to Council offices and other relevant locations such as libraries and leisure centres.

It is intended that the final version will be completed and printed (3,000 copies in the first instance) at the latest by 6 June 2011.

3.2.2. Member Sessions

The first consultation sessions will be held with Members of the partner authorities. Two "combined" Member sessions will be held, which will be on the following dates and locations:-

- Friday 17th June at 2 pm at the Technium CAST, Parc Menai, Bangor
- Wednesday 29th June at 2 pm at the Optic Technium, St. Asaph

The above dates/times have been chosen as they do not clash with any other Member meetings in the authorities' diaries. The locations were chosen for their ability to host a potentially large number of Members, but also a smaller number in a smaller room (it is unknown at the present time how many Members will attend). Also, they are convenient locations with good parking.

The Member Newsletter gives the dates, times and locations of the meetings, however a formal invite will be sent to Members via the individual partner authority Member Services.

The sessions will be led by Stephen Penny and Steffan Owen, with support from John Twitchen and an external facilitator (discussions have been had with Participation Cymru who have been given favourable feedback from Waste Awareness Wales). The presentation to be given will be based on the consultation booklet and is currently being worked on.

3.2.3. Other Sessions

The other sessions that are in the process of being organised are as follows:-



Session(s)	Number of sessions & Duration	When
Interest Group Session	1 x Two hours (evening)	Late June
Community Group sessions	2 per authority – 10 in total	July – early Sept
Invited sessions (e.g. Flintshire County Forum)	Unknown	July – early Sept
Drop in session Deeside	2 days (Friday and Saturday)	5/6 August
Drop in session Anglesey	2 days (Friday and Saturday)	12/13 August
Drop in session Gwynedd	1 day (PM and evening)	Mid / Late July
Drop in session Conwy	1 day (PM and evening)	Mid / Late July
Drop in session Denbighshire	1 day (PM and evening)	Mid / Late July

4. RECOMMENDATIONS

- 4.1. To note the content of this update report.
- 4.2. That the Project Board note the timing of the issue of the press release and Member newsletter
- 4.3. That the Project Board provide feedback on agree the consultation booklet.
- 4.4. That the Project Board note the different sessions that will be held over the summer months.

5. FINANCIAL IMPLICATIONS

- 5.1. Not applicable.

6. ANTI-POVERTY IMPACT

- 6.1. Not applicable.

7. ENVIRONMENTAL IMPACT

- 7.1. Not applicable.

8. EQUALITIES IMPACT



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8.1. Not applicable .

9. PERSONNEL IMPLICATIONS

9.1. Not applicable.

10. CONSULTATION REQUIRED

10.1. See above.

11. CONSULTATION UNDERTAKEN

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen NWRWTP



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Appendix 1 – Second site press release



CYNGOR SIR
YNYSS MON
ISLE OF ANGLESEY
COUNTY COUNCIL



CYNGOR
Sir Ddinbych
Denbighshire
COUNTY COUNCIL



16th MAY 2011

Solving the waste problem in North Wales – North Wales Residual Waste Treatment Project in talks about securing a potential site in Anglesey

The North Wales Residual Waste Treatment Project (NWRWTP) has announced that it is in talks with Anglesey Aluminium Ltd about securing an option to purchase land from them on the former aluminium works near Holyhead on Anglesey. An initial agreement for an option to purchase the land has been reached between the Partnership and Anglesey Aluminium Ltd. It is hoped that the full agreement will be signed soon.

The North Wales Residual Waste Treatment Project (NWRWTP), a partnership of Flintshire County Council, the Isle of Anglesey County Council, Conwy County Borough Council, Denbighshire County Council and Gwynedd Council, is committed to finding a more sustainable solution for treating the waste that is left over after people have recycled and composted as much as they can. The Partnership anticipates that any new facility would not be fully operational until 2016 at the earliest.

Councillor Eryl Williams, Chair of the NWRWTP's Joint Committee, said: "We are very pleased that the Partnership is a step closer to securing this site. We've always stated our intention to seek a site in the West of the Partnership area as an addition to the site already identified in the East of the area at Deeside, Flintshire. The Anglesey site also has good connections to the rail system and the potential use of rail is something that the Partnership is keen to explore".

The actual location of the waste facility has yet to be decided as the procurement process is still on-going, with bidders ultimately able to propose their own sites or choose one of the partnership sites. With the project representing a potential investment of up to £800 million, it is the single largest joint local government procurement in North Wales.

Lead Chief Executive for the project and Flintshire County Council, Colin Everett, said: "This project is a major part of the commitment from all five partner authorities to deliver the Welsh Assembly Government's Waste Strategy, and working together on this procurement will help ensure that it is delivered in the most efficient and sustainable way for the residents of North Wales".



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Sending waste directly to landfill is simply not an option for the future, and councils across Wales will have to build a new generation of waste treatment facilities capable of dealing with the waste that every single one of us creates at home. If we continue landfilling our waste, the environmental and financial cost of doing so will prove unsustainable, and therefore must be avoided in the future. This project aims to do this through securing a long term solution. This project has come about as a result of this shared challenge and will provide a shared solution for the communities of North Wales.

Landfill is no longer a viable option for the disposal of waste as there is little remaining space and strict European and Welsh Assembly Government targets are driving the development of more sustainable alternatives.

Keeping the communities of North Wales well informed, and involving residents on key aspects of the project, is a priority for the Partnership. Events are being planned throughout the region during the summer months to ensure that people have an opportunity to engage with and help inform the project as it progresses.

The next step in the procurement process is for bidders to submit their detailed solutions, which they have to do in November this year. These will be thoroughly evaluated, before recommendations are made to the Member Committee regarding de-selection of any bidder. The remaining bidders will then submit their final tenders in Spring 2012 and the preferred bidder appointed in late 2012 / early 2013. A planning application would then follow.

If you would like to find out more about how North Wales can treat its waste in a more sustainable way, please visit www.nwrwtp.org

Ends

Notes to Editors

The North Wales Residual Waste Treatment Project is a partnership of:

- Flintshire County Council
- Isle of Anglesey County Council
- Gwynedd Council
- Conwy County Borough Council
- Denbighshire County Council

The Partnership was set up to jointly manage residual (left over) waste generated in the five local authorities. Residual waste is the waste which is left over after recycling and composting as much as possible. Until now, this leftover waste has been sent to landfill. The North Wales Residual Waste Treatment Project has started a procurement process to let a contract for managing this residual waste using an approach other than landfill.

As Wales becomes the first country in the UK to set legally binding recycling targets, the service will not be a replacement for recycling. Every council in the Partnership is committed to increasing their recycling levels to reach the Welsh



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Assembly Government's target of 70 percent by 2025. The Welsh Assembly Government has also set challenging targets for the amount of waste that Welsh Councils can landfill in future, with only 5 percent of waste allowed to be taken to landfill after 2025. Even after increasing recycling rates, there still remains some waste to treat in order to meet these targets. The UK government has stated its intention to continue to increase year on year taxes on every tonne of waste that goes to landfill, increasing the costs that every local authority in Wales must pay. No matter how small the amount of waste that needs to be treated, the solution still represents a significant avoidance of costs when compared to landfill and is also an exciting opportunity for managing resources in a more environmentally sustainable way.

The procurement process is entirely technology neutral. This means that all bidders were free to put forward any solution, and identify any technology, that would be able to treat waste that is not recycled.

The project aims to find a solution for the up to 150,000 tonnes of waste that is projected to remain after the residents of North Wales have recycled and composted as much as they can.

The project represents an investment of between £600-800 million over the lifetime of the project which is estimated to be around 25 years.

The Partnership has previously announced that a site at Deeside Industrial Estate (Flintshire) could potentially be used to locate a residual waste treatment facility.

The Partnership has also previously announced on 4 April 2011 that it has invited three bidders to the next stage of the procurement process and to work on detailed bids. Those companies were:-

- Sita UK Ltd
- Veolia ES Aurora Ltd
- Wheelabrator Technologies

The development of a residual waste treatment facility is aimed at helping deliver Welsh Assembly Government (WAG) policy and will be supported by WAG funding. Further details on the National Waste Infrastructure Procurement Programme can be found at: www.wales.gov.uk/environment

Any new operation to treat residual waste must first gain planning permission and receive a permit from Environment Agency Wales before it can be constructed and operated. When an operator receives an environmental permit, this will include strict conditions on how the plant works and is managed, and Environment Agency Wales will inspect the site regularly to ensure it meets these conditions. In addition to this, any facility will require planning consent, which will be subject to the required consultation processes.

For more information contact:

Steffan Owen, Flintshire County Council. Tel: 01352 704915
Email: info@nwrwtp.org



Appendix 2 – Member newsletter

Edition 7

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT (NWRWTP)

North Wales Residual Waste Treatment Project in talks about securing a potential site in Anglesey

Since the last edition of this newsletter in March 2011, the North Wales Residual Waste Treatment Project (NWRWTP) can now announce that it is in talks with Anglesey Aluminium Ltd about securing an option to purchase land from them on the former aluminium works near Holyhead on Anglesey. An initial agreement for an option to purchase the land has been reached between the Partnership and Anglesey Aluminium Ltd. It is hoped that the full agreement will be signed soon.

The Partnership has previously and consistently announced its desire to find a site in the west of the Partnership area that could potentially be used to host a treatment facility to deal with the Partnership's residual (left over) waste.

The procurement is still in progress, with bidders able to propose their own sites or choose one of the Partnership sites therefore the actual location of the waste facility has yet to be decided. With the project representing an investment of potentially up to £800 million into the North Wales region, it is the single largest joint local government procurement in North Wales.

Sending waste directly to landfill is simply not an option for the future, and councils across Wales will have to build a new generation of waste treatment facilities capable of dealing with the waste that every single one of us creates at home. If we continue landfilling our waste, the environmental and financial cost of doing so will prove unsustainable, and therefore must be avoided in the future. This project aims to do this through securing a long term solution. This project has come about as a result of this shared challenge and will provide a shared solution for the communities of North Wales.

The next step in the procurement process is for bidders to submit their detailed solutions, which they have to do in November this year. These will be thoroughly evaluated, before recommendations are made to the Member Committee regarding de-selection of any bidder. The remaining bidders will then submit their final tenders in Spring 2012 and the preferred bidder appointed in late 2012 / early 2013. A planning application would then follow.

Member Involvement – We need your input again at this next stage!

You may remember in the last newsletter that we informed you that the Partnership intends on consulting with Members on key aspects of the project, and giving feedback on the results of the sessions that were held with Members and other stakeholders during July – September 2010.

We will be holding two Member sessions in June, one in the east of the Partnership area, and one in the West. This will allow Members to meet and discuss the project with Members of the other partner authorities. The sessions will be held on:-

- Friday 17th June at 2 pm at the Technium CAST, Parc Menai, Bangor
- Wednesday 29th June at 2 pm at the Optic Technium, St. Asaph



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Invites will be sent soon to these sessions.

If you have any queries, please don't hesitate to contact the Project Team on 01352 704915 or info@nwrwtp.org.

Thank you

Project Team

North Wales Residual Waste Treatment Project

North East Hub Food Waste Project

The North East Hub Food Waste Project is about to enter the final phase of the process, with the Call for Final Tender documents being issued to the final two bidders in mid May. Following this, evaluation of the final tenders will take place before a preferred bidder is announced in early August.



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Appendix 3 – see separate documents



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AGENDA ITEM NUMBER 8

REPORT TO : **PROJECT BOARD**

DATE : **3 JUNE 2011**

REPORT BY : **PROJECT DIRECTOR**

SUBJECT : **PROCUREMENT RAIL UPDATE REPORT**

1.00 PURPOSE OF REPORT

1.01 To update members of the Joint Committee on the proposed approach for considering the potential adoption of rail as part for the NWRWTP solution within the procurement process.

2.00 BACKGROUND

2.01 The Partnership has made it clear to Participants throughout the procurement process to date that the Partnership wishes to explore the potential use of rail as part of any solution that may be developed for the Partnership.

2.02 Members of the Joint Committee meeting of 25 March re-confirmed their desire to ensure that rail is considered within the procurement process.

3.00 CONSIDERATIONS

3.01 The Partnership at some stage will need to decide if it desires rail or road as the basis for any solution that may be developed. The procurement evaluation framework (that was the subject of extensive external and internal stakeholder consultation) was issued to Participants at the ISOS stage and will again be re-issued to Participants in the next few weeks for the ISDS stage.

3.02 The Project team are concerned that if rail based solution were to prove affordable but higher in cost that a road based solution it may be that road based solutions (even with account taken of the environmental benefits of road verses rail) a road based solution may score higher than a road based solution within the evaluation framework. This could pose the risk that if the Partnership subsequently chose a solution (e.g. rail) that potentially had scored less in the evaluation framework as any participant that was de-selected at that stage could potentially successfully claim that the evaluation framework had not been fairly applied.



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- 3.03 Following discussion within the project team and its external legal advisors the following process is recommended that poses a low risk of challenge and still enables the partnership to make a policy decision on whether it desires a road or rail based solution at the appropriate stage.

Recommended Approach

- 3.04 For the ISDS stage Participants will be **required to submit fully developed road and rail solutions** in September 2011.
- 3.05 The Partnership will assess both the submissions. However the Partnership will initially focus on the information that will enable the Partnership to take a policy decision on whether it wishes road or rail as the basis for finalising the Partnership's requirements. This decision will be made at a joint Committee meeting to be held in October 2011. **No participants will be de-selected at this stage.** The Partnership will have the benefit at this stage of understanding the Participants' views on the deliverability of road/ rail and also provide a clear understanding of the differing risks and costs of road or rail. The Partnership will therefore be in a position to make a clear policy decision on its final requirement in this respect (please see the separate report on communication elsewhere on this agenda and how the outcome of consultation will also be available to the Joint Committee members to assist them into their decision).
- 3.06 Participants will then be informed of the Partnerships' decision (road or rail based solution) and given a further 3 weeks to refine their solution (via an Invitation to Submit refined solutions - ISRF) should the Participants wish to do so. This two-stage process has the effect of allowing a clear policy decision by the Partnership, allowing Participants to refine their solutions when they know the Partnership's decision before any Participants that have entered the ISDS stage are de-selected. This significantly reduces the risk of challenge to the process and the Partnership.
- 3.07 Participants' ISRF responses would be submitted in November 2011 with the Partnership making its decision on the two Participants to be taken through to the CFT stage in January 2012 (originally timetabled for November 2011).
- 3.08 This two stage process does extend the procurement process by up to a period of 3 months but it is the view of the project team that this additional stage is required to ensure rail can be appropriately considered.

RECOMMENDATIONS



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- 4.01 To endorse the proposed procurement approach to enable the Partnership to determine its policy preference in relation to the use of road or rail as the basis for solutions.

5.00 FINANCIAL IMPLICATIONS

- 5.01 There will be a slight extension in the procurement timeline at the ISDS stage. However any costs arising from this delay can be accommodated within the existing budget.

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

- 8.01 None

9.00 PERSONNEL IMPLICATIONS

- 9.01 None

10.00 CONSULTATION REQUIRED

- 10.01 None

11.00 CONSULTATION UNDERTAKEN

- 11.01 External and internal legal teams advice on design of the procurement process.

12.00 APPENDICES

- 12.01 none

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND DOCUMENTS

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