

Risk Detail	Net Risk Evaluation & Score
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8040 Waste PFI - City Strategy - Resources and Business Management

City of York is working in partnership with North Yorkshire County Council to deliver a Joint Waste Strategy to deal with the area's waste for the next 25 years. Part of delivering the waste strategy is to treat residual waste - the rubbish which remains after Reduce, Reuse and Recycle activities have taken place, and Recover value from it. The Councils are working together to obtain a Private Finance Initiative (PFI) solution to achieve this.

Project terminated	Critical	22
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Cause The project could be deemed unacceptable by Council Executives.

Consequence This would leave the Council exposed to increasing landfill costs, including landfill tax and trading scheme penalties.

Controls

Communication Strategy

Actions

Contract negotiation with preferred bidder and back to back arrangements with NYCC

Failure to secure planning consent	Critical	23
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Cause Failure to secure planning consent on any of the selected sites. If there is not enough of preparation to ensure the site is the most appropriate and all the required testing has been complete. Environmental Impact assessments etc.

Consequence This could result in non-delivery of project.

Controls

Identification of suitable alternative sites

Actions

Audit of the preparation process

Solution is unaffordable	High	17
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Cause The Government have imposed penalties designed to reduce the amount of BMW going to landfill and these penalties are prohibitive and the Council cannot achieve the reduction in BMW to landfill without a disposal facility. The cost of this facility highly significant but lower than the penalties. The Government has contributed £65m through PFI credits towards these costs, however, the likely net impact is still highly significant to the Council. Should the Council fail to set the monies aside to deal with

Consequence The Council will be subject to penalties which will cost even more.

Controls

Highlighted as a budget requirement as part of the MTFs.
The Council has signed up to closing the affordability gap

Risk Detail		Net Risk Evaluation & Score	
Lack of corporate commitment		Medium	13
<u>Cause</u>	Lack of corporate commitment from NYCC, CYC and Districts.		
<u>Consequence</u>	This could lead to partnership dissolving and loss of PFI credits.		
Inability to fund the procurement		Critical	21
<u>Cause</u>	Insufficient budget in order to fund project requirements.		
<u>Consequence</u>	The procurement will be delayed or might not occur or the contract could be inappropriate.		
Actions			
Application for growth bid			
Failure to agree back to back agreement		High	19
<u>Cause</u>	There are factors such as costs and political issues that could affect this risk.		
<u>Consequence</u>	The Council will not have access to a disposal facility.		
Potential challenge of process		High	18
<u>Cause</u>	If the losing bidder deems the evaluation has been inappropriate		
<u>Consequence</u>	The Council could be sued and incur costs and therefore may not be able to award the contract.		
Controls			
Auditable trails of documentation			
Planning delays could lead to increased costs		Critical	23
<u>Cause</u>	Due to the cost of land filling being higher than the cost of the treatment facility any delay in the construction and operation of the facility will cause increased costs.		
<u>Consequence</u>	Planning delays.		
Controls			
Work with bidders and NYCC planners			
Inability to secure private finance		High	20
<u>Cause</u>	Bidders may be in a position where they are unable to secure the lending they require, due to the current eeconomic climate.		
<u>Consequence</u>	This could result in significant delays or even in the project having to be terminated .		
Actions			
Look into alternative ways of funding the project			