

WASTE CREDIT GOVERNANCE COMMITTEE

11 DECEMBER 2019

RISK REGISTER

Recommendation

- 1. The Chief Financial Officer recommends that:**
 - a) The open risks set out in the Risk Register are considered; and**
 - b) The Committee consider whether to report any matters to Council.**

Introduction

2. As set out in its Terms of Reference, the Committee will need to review the risks being borne as a result of the funding provided by the Council to Mercia and consider whether the risks being borne by the Council, as lender, are reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice.
3. A Risk Register was established which set out the unmitigated and mitigated risks associated with the loan arrangements. Now that takeover is complete and all but two of the risks have expired, they have been reclassified into open and closed. The two remaining open risks have been substantially mitigated.
4. An updated version of the Risk Register was brought to Committee in March 2019 and no further risks have been identified since the last report which is attached as Appendix 1. Members are asked to consider the risks set out in the Register.
5. Members should note that only two risks at this point remain open as the EfW Plant has now achieved completion following Actual Takeover and both assessments of these risks are Green. Also an risk has been added to the register in relation to the impact on the ratio analysis testing of the availability of an updated financial model
6. A copy of the Mercia Waste Loan Facility Repayment Analysis is attached as Appendix 2.
7. At the last Committee, members wanted to understand the reporting mechanisms in place at Herefordshire Council. The papers from this Committee are discussed at Herefordshire Audit and Governance Committee which has the responsibility for Waste Credit. The last meeting where the waste loan review was on the agenda was on the 24 September 2019.

Contact Points

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Supporting Information

- Appendix 1.1 – Risk Register Open Risks
- Appendix 1.2 – Risk Register Closed Risks for information
- Appendix 2 - Mercia Waste Loan Facility Repayment Analysis

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Agenda papers and Minutes of the meeting of the Waste Credit Governance Committee held on 18 October 2019