

WASTE CREDIT GOVERNANCE COMMITTEE

2 JULY 2021

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 and are green although Risk (f) has been updated to take into effect the mitigating actions required to minimise the impact of COVID-19.
4. An additional risk was added to the register in December 2019 in relation to the impact on the ratio analysis testing of the availability of an updated financial model. However, this has since been closed as it has been addressed by the ratio testing assessment undertaken by KPMG in March 2020 who found that all the ratios met the requirements of the Senior term loan facility agreement.(STFLA). Members are asked to consider the risks set out in the Register as set out in Appendix 1.
5. A copy of the Mercia Waste Loan Facility Repayment Analysis is attached as Appendix 2.

Contact Points

Specific Contact Points for this report

Rob Wilson

Pensions Investment, Treasury Management & Capital strategy manager

Tel: 01905 846908

Email: RWilson2@worcestershire.gov.uk

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) there are no background papers relating to the subject matter of this report.