

## **WASTE CREDIT GOVERNANCE COMMITTEE**

### **24 JUNE 2022**

## **RISK REGISTER**

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### **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. Members are asked to consider the risks set out in the Register as set out in Appendix 1.

4. An additional risk has been added to take on board the ongoing negotiations with Mercia Waste services and the Council to extend the contract for 1 further 5 years. This will not effect the loan repayments timetable but may have an impact on the ratios used to measure the company's ability to repay the loan within the financial model.

5. A copy of the Mercia Waste Loan Facility Repayment Analysis is attached as Appendix 2.

### **Contact Points**

#### Specific Contact Points for this report

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