

Service: NORTH LONDON WASTE AUTHORITY

Service Objective: Responsible for the waste disposal function of waste arising from NLWA constituent councils

Compiled by: Robert Bench in consultation with the Head of Waste Strategy and the NLWA Advisers

Date Completed: January 2008

No	Key Objective/Identified Risk(s) [Threat/Opportunity]	Current Controls	Assessment of Risk Score as it is now with current controls			Action Plan to improve current controls and/or additional control measures	Assessment of Residual Risk with control measures implemented			Responsible Officer	Timescale/ Review Frequency
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1	<p>Implementation of the North London Joint Waste Strategy (NLJWS)</p> <p>Covers the ability of the Authority - in conjunction with the NLWA partner authorities - to fully implement the strategy due to a failure to take timely decisions and secure the necessary planning consents and resources.</p>	<p>All Partners have now formally approved the draft strategy, and the London Mayor has given his formal comments that will be considered at the same time as the Strategic Environmental Assessment (SEA) in summer 2007.</p> <p>Regular reports to the NLWA.</p> <p>Strategy monitored/reviewed and developed by Strategy Implementation Board (SIB) - Members & Officers.</p> <p>Constituent borough councils actively developing a joint land-use planning framework, with established Member and officer groups. Camden has appointed a full-time Programme Manager.</p> <p>NLWA/constituent council officer liaison at Director of Environment level to manage the implementation of NLJWS. There is a direct link between procurement and the key objective and risk areas 2, 3 and 4.</p>	3	1-5 Depending on particular circumstances	3-15	<p>Ensure timely completion of SEA and consideration of London Mayor's comments. Provide framework and support for SIB to develop strong/cohesive direction and make recs. to partner authorities for implementation / financing / achievement of the NLJWS.</p> <p>Continue to develop working relationships with planners and constituent boroughs to assist with the timely completion of this work and develop relationships with regeneration officers.</p> <p>Continuation of liaison with constituent borough Chief Officers of relevant disciplines, led by Directors of Environment.</p>	3	1-5	3-15	Head of Waste Strategy and Contracts/ Advisers/ Finance Officer/ Financial Adviser – Procur'ment Sponsor – post 2014	Every Authority meeting cycle matters are reported to Members on an exception basis

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2	<p>Meeting Government Targets</p> <p>Achieving Government led objectives/directives particularly in relation to achievement of the Landfill Directive:</p> <ul style="list-style-type: none"> - up to 2009/10 - up to 2012/13 - up to 2019/20 <p>Failure to provide new treatment facilities and/or failure by constituent boroughs to provide the necessary operational infrastructure to supply the new facilities could result in the NLWA exceeding its annual landfill allowance from the Government. The NLWA, and indirectly, the constituent boroughs, could face fines of £150 per tonne for any exceedances.</p>	<p>Strategy monitored/reviewed and developed by Strategy Implementation Board (Members & Officers).</p> <p>NLWA benefits from a rising LATS Allowance allocation (DEFRA) in the period to 2009/10 but thereafter suffers a steep stepped reduction in allowances through to 2019/20. It therefore:</p> <p>Continuously monitors the residual waste stream and arrangements for final disposal, and the recycling and composting activity by constituent boroughs.</p> <p>The NLWA Procurement Strategy has reassessed the likely facility and investment need.</p> <p>There is a direct link between procurement and the key objective and risk areas 1,3 and 4.</p> <p>NB There are many external factors that could increase the likelihood score for 2012/13 and 2019/20.</p>	<p>1</p> <p>2</p> <p>2</p>	<p>3</p> <p>4</p> <p>5</p>	<p>3</p> <p>8</p> <p>10</p>	<p>Need to gather / provide up-to-date & timely data from / to constituent councils.</p> <p>Establish prudential borrowing indicators approve a capital programme for the acquisition of suitable sites for new waste facilities.</p> <p>Ensure that there is sufficient revenue budget to meet the cost of the procurement process over the coming year.</p> <p>Complete OBC for PFI credits so that NLWA can quantify real prospective tenderers proposals from a technical, financial, legal and risk perspective.</p> <p>As in 1 & 4 provide framework for effective decision-making and implementation of NLJWS, including assistance to constituent boroughs to identify and address possible operational infrastructure deficiencies that may otherwise lead to insufficient appropriate wastes being separately collected.</p>	<p>1</p> <p>2</p> <p>2</p>	<p>3</p> <p>4</p> <p>5</p>	<p>3</p> <p>8</p> <p>10</p>	<p>Head of Waste Strategy and Contracts – pre-2014 & Financial Adviser – Procurement Sponsor with Director of Procurement – post 2014</p>	<p>Every Authority meeting cycle matters are reported to Members on an exception basis</p>

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3	<p>Recruitment and retention of staff</p> <p>Critical issue in terms of service delivery and long-term planning.</p>	<p>Member approval in July 2004 to strengthen the Waste Strategy & Contracts team (WSCT) from 6 to 13 posts to ensure that the Authority had sufficient resources within the Team to deliver the NLJWS.</p> <p>In the Strategy & Contracts Team all manager posts and non-procurement are now filled.</p> <p>Director of Procurement reporting to the Financial Adviser has been appointed, and will establish a team dedicated to the procurement of post-2014 services</p> <p>See also risk area 4</p> <p>There is a direct link between procurement and the key objective and risk areas 1,2 and 4.</p>	3	3	9	<p>Manage the separation of staff working on the longer term post-2014 procurement and the establishment of the new team.</p> <p>Liaison with and visits to other waste disposal authorities to help formulate firm proposals for staff and support arrangements for NLWA in the future.</p> <p>Complete recruitment process as soon as practicable</p>	2	3	6	Advisers/ Head of Waste Strategy and Contracts/ Director of Procurement / Financial Adviser – Procurement Sponsor – post 2014	Every Authority meeting cycle matters are reported to Members on an exception basis
4	<p>Procurement Process</p> <p>(i) Requirement to fully procure and provide new facilities pre-Dec 2014 to deliver the NLJWS and achievement of the Govt's targets for recycling, composting and landfill avoidance.</p> <p>(ii) Ability to procure and provide necessary new facilities for the new main waste disposal contract post-Dec 2014.</p>	<p>Financial, legal and technical external consultants assisted the Authority in reviewing and implementing a Procurement Strategy for meeting both the renewal of the Main Waste Disposal Contract in 2014 and also the additional treatment capacity needed in the period leading up to 2014.</p> <p>Keeping the Authority and Constituent Councils informed of developments.</p> <p>Approval has been gained to increase the in-house officer support team to work with the external consultants in the</p>	(i) 3 (ii) 4	(i) 3 (ii) 5	(i) 9 (ii) 20	<p>Seek to achieve actions identified at 1, 2 and 3.</p> <p>Manage consultants to advise on the actual procurement of the facilities / services identified in the Procurement Strategy., including:</p> <p>Site identification, negotiation of memorandum of understanding and application for PFI credits.</p> <p>Complete recruitment process and enhance the Procurement Project Team</p> <p>Continue to rollout and develop governance arrangements, stakeholder communications/</p>	(i) 2 (ii) 2	(i) 3 (ii) 5	(i) 6 (ii) 10	Advisers/ Director of Procurement / Finance Officer	Every Authority meeting cycle matters are reported to Members on an exception basis

		<p>Procurement Project Team, particularly in relation to finance and legal support.</p> <p>There is a direct link between procurement and the key objective and risk areas 1,2 and 3.</p>				<p>consultation/challenge forums to ensure that the Authority and its Constituent Councils are in a position to take informed decisions.</p> <p>Commence actual procurement.</p> <p>Actions from risk area 3 above will improve ability to procure.</p>					
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5	Treasury operation Exposure to third party institutions, global and UK money market, returns on investment and potential internal check failures.	i) Compliance with CIPFA Code of Practice (ii) Share Camden Treasury Management Strategy which is approved annually by Camden Members (iii) Memorandum of Understanding setting out the NLWA exposure to potential financial loss (pro rata to Camden investment) currently under negotiation. (iv) External/internal audit work undertaken annually on Treasury Management systems (iv) Camden Treasury Management Practices Manual. (vi) Checks and balances/and officer schemes of delegation operated by the LB Camden.	1	2	2	Keep under review Secure agreement to the Memorandum of Understanding, including consultation with constituent borough Directors of Finance. Review treasury management arrangements in the light of the decision to establish a capital programme.	1	2	2	Financial Adviser/ Finance Officer	Every Authority meeting cycle matters are reported to Members on an exception basis
6	Landfill Allowance Trading Scheme (LATS) Exposure to risk of trading volatility in a new, and as yet ill-defined scheme that came into being on 1/4/05 with targets in the following years: - up to 2009/10 - up to 2012/13 - up to 2019/20 Need to minimise risk of penalty/excess cost and maximise income potential.	Initial modelling of the Authority's projected landfill requirements indicated that the Authority should enjoy a favourable trading position up to 2009/10 but thereafter the landfill avoidance target becomes more challenging, particularly just before the NLWA/London Waste Ltd contract comes to an end in December 2014 and thereafter. There is a direct link between LATS and risk areas 1,2, 3 & 4. No trading at present. Continuous monitoring of the residual waste stream and arrangements for final disposal, and of the recycling and composting activity by constituent boroughs. NB There are many external factors that could increase the likelihood score for 2012/13 and	1 2 2	3 4 5	3 8 10	Complete work currently being undertaken to determine the timing and need for new treatment facilities and as a consequence review the Authority's assessment of its projected landfill requirements and LATS compliance. Implement agreed trading strategy Review current/possible future market trends with a view to continuous monitoring of trading strategy. Continue to implement BIPs scheme. Secure necessary training. As in 1 & 4 provide framework for effective decision making and implementation of NLJWS	1 2 2	3 4 5	3 8 10	Finance Officer/ Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis

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7	<p>Waste Incineration Directive (WID)</p> <p>Ability of LondonWaste Ltd to continue achieving the new lower emission requirements for at least the remainder of the NLWA contract with LondonWaste Ltd (expires in December 2014).</p>	<p>Post refurbishment of the boilers, the Company continues to closely manage the performance of the refurbished boilers and other WID improvements.</p> <p>Officers are able to keep check on performance both as part of 'A' Director briefings but also through regular contract liaison meetings with LondonWaste Ltd.</p>	2	5	10	<p>Continue to monitor performance and report to a future meeting of the Authority on the outcomes of the project including financial and environmental issues. This will also include determination/agreement with LondonWaste Ltd of the Authority's share of costs (to be funded out of future dividend payments only – until 2014).</p>	2	5	10	'A' Directors Finance Officer/ Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis
8	<p>Terrorist attack/action by pressure groups</p> <p>Internal/national implications</p> <p>Loss of one or more disposal points due to action by terrorists/pressure groups or other incidents</p>	<p>NLWA is no longer an operational authority so instead relies on the Emergency Plan of its main contractor to deal with business interruption of services</p> <p>LondonWaste Ltd keeps under review the security arrangements at its operating sites.</p> <p>Key contracts are stored at both Camden and Haringey.</p> <p>IT security is at item 12.</p>	2	4	8	<p>Keep Emergency Plan under review.</p> <p>Continue to monitor operational/security arrangements through regular contract liaison meetings.</p>	2	4	8	Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis

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9	Prudent financial management Assurance of financial processes and procedures and timing investment decisions to ensure that resources are available to meet statutory obligations.	Prudent budgeting and contingencies established when the annual levy is determined, having regard to specific financial risks. Prompt and robust assessment of unbudgeted proposals and developments. Appropriate insurance policies. Review by the external auditor.	1	1-3 Depends on circumstance	1-3	Continue to maintain strong professional standards and best practice. Continuing close working between Finance Officer, Head of Waste Strategy and Director of Procurement to ensure that the Authority's revenue and capital budgets are sufficient to meet the core costs of operating the Authority and that resources are in place to implement the NLJWS.	1	1-3	1-3	Finance Officer/ Head of Waste Strategy and Contracts/ Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis
10	Employee Fraud or corruption	Robust arrangements for controlling payments and assets. Adequate supervision and transparency for contract management and negotiations. Staff training. The Authority benefits from robust procedures and systems established and enforced by the lead boroughs of Camden and Haringey (including whistleblower schemes). Internal Audit (LB Camden and Haringey) Review by external auditor	1	1-3 Depends on circumstance	1-3	Continue to maintain strong professional standards best practice. Internal Audit (LB Camden and Haringey) to keep under review robustness of procedures and systems and to report, as appropriate, with recommendations.	1	1-3	1-3	Finance Officer/ Head of Waste Strategy and Contracts/ Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis

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11	Overpayment to contractor or consultants	Robust arrangements for checking contracts and invoices Segregation of duties and built-in checks to ensure that payments are made for services provided by the appointed suppliers / contractors / consultants, and that the rates and prices are in accordance with the agreed terms. Comparison with Budget Provision.	1	2-3 Depends on circumstance	2-3	Continue to maintain strong professional standards and best practice. Continue to monitor payments and scrutinise the validation of invoices	1	2-3	2-3	Financial Officer/ Head of Waste Strategy and Contracts/ Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis
12	Technology/IT security Access and reliance on financial and operational data needed for decisions and/or accountability.	The Authority benefits from the security procedures established and enforced by the lead boroughs of Camden and Haringey. Off-site back-up arrangements established and maintained. Staff training.	2	3-4	6-8	Keep under review.	2	3-4	6-8	Advisers/ Finance Officer/ Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis
13	New legislation Compliance with legislative or statutory requirements (including European legislation) that impact on service provision.	Primary responsibility for monitoring technical matters within Waste Strategy and Contracts Team, for financial or accounting legislation with the Finance Officer and for procurement legislation with the Director of Procurement. Authority also benefits from the monitoring arrangements within Camden and Haringey. Major change - operational and financial - reported to the Authority Finance Officer/Head of Waste Strategy & Contracts responses to consultations and action on potential legislation.	1	2-3	2-3	Keep under review	1	2-3	2-3	Head of Waste Strategy and Contracts/ Finance Officer/Legal Adviser/Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis
14	London Mayor's aspirations for a London-wide waste disposal authority Relates to the operational and financial impact of forming a London-wide body.	The Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister) consulted upon the London Mayor's proposal to form a London-wide waste disposal authority (inter alia), and concluded this is not needed. The London Mayor continues to lobby for it.	2	4	8	Monitor creation of London Waste & Recycling Board and make any representations that may be necessary to the Authority.	2	4	8	Advisers/ Finance Officer/ Head of Waste Strategy and Contracts/	Every Authority meeting cycle matters are reported to Members on an

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15	Joint venture with Sita (UK) Strength of the relationship with Sita (UK) and monitoring of shareholder interest in LondonWaste Ltd.	Partner meetings between officers of NLWA and Sita (UK). Advice to 'A' Directors prior to LondonWaste Ltd Board meetings Board minutes of LondonWaste Ltd are a standing item on Authority meeting agendas (part 2) and Members are able to raise questions with the NLWA 'A' Director representatives on the LondonWaste Ltd Board. Annual report to the Authority by the 'A' Directors.	1	3	3	Continue to monitor and evaluate the Authority's shareholder interest in London Waste Ltd, particularly in the context of the future longer term procurement work. Review LondonWaste Ltd business plan (when available) and monitor performance and report to the Authority as appropriate.	1	3	3	Advisers/ Finance Officer/ Head of Waste Strategy and Contracts/ Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis
16	Decisions based on incomplete information/biased in favour of a constituent council over the others Involves collation/presentation of pertinent financial/operational data to ensure that Members are in a position to make an informed decision.	Standard procedures/regulations in place, which are regularly reviewed and updated, and which ensure that relevant advice is included as reports to the Authority are prepared. Lead borough arrangement and access to support of technical and corporate finance advisers enables the Authority to obtain ready access to professional resources. Regular Adviser meetings to discuss strategic issues. Arrangements are in place that enable key issues to be discussed with constituent borough Chief Executives, Directors of Environment or Directors of Finance. Well-understood protocol for handling conflicts of interest involving Members and/or officers.	1	1-3	1-3	Keep under review.	1	1-3	1-3	Advisers/ Finance Officer/ Head of Waste Strategy and Contracts/ Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis

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17	Best Value Possible risk of the Authority not meeting statutory requirements of Best Value process.	Best Value Performance Plan and PI's reported to the Authority. External audit assessment. Performance management and monitoring of Performance Indicators	2	2	4	Keep under review. Continue to monitor progress and secure Member input / approval to the Best Value Performance Plan each year.	2	2	4	Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis
18	Environmental Risk Environmental damage caused by Authority activities, and those of its contractors	NLWA no longer an operational authority. Contractual requirements. NLWA/Contractor Liaison meetings. Our contractors, primarily LondonWaste Ltd, are regulated by external environmental agencies.	2	1-5	2-10	Keep under review to protect services and NLWA's reputation	2	1-5	2-10	Head of Waste Strategy and Contracts	
19	Reputation General performance of the Authority and perception of service users/government departments/inspectorates deteriorates	Regular reports to the Authority. Best Value and statutory financial statements subject to external audit assessment. NLWA/constituent council officer forum established at Chief Officer level. NLWA/constituent council Technical Officer Group. NLWA Adviser meetings. North London Recycling Forum of public/private/community sector organisations and private individuals. Annual Report.	2	2	4	Media & marketing Officer employed. NLWA Website reviewed and updated Keep media coverage under review. Continue to proactively comment on waste issues that impact on the NLWA and on waste management issues generally.	2	2	4	Advisers/ Finance Officer/ Head of Waste Strategy and Contracts/ Media & Marketing Officer	Every Authority meeting cycle matters are reported to Members on an exception basis

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20	Performance Management	As evidenced in key objectives at 1 to 20 above the Authority has in place wide- ranging early warning mechanisms to ensure that it is well placed to provide an effective and efficient waste disposal service to its constituent councils. Nevertheless, many factors are not under the Authority's direct control.	2	3	6	Keep under review.	2	3	6	Advisers/ Head of Waste Strategy and Contracts/ Finance Officer / Director of Procur'ment	Every Authority meeting cycle matters are reported to Members on an exception basis