

**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:** June 2007

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
1	<p><b>Implementation of the North London Joint Waste Strategy (NLJWS)</b></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 &amp; Officers.</p> <p>Constituent borough planners' forum established to assist with the identification land resources and resolution of planning issues. Agreement reached to produce a Joint Waste Development Plan Document for the NLWA. Lead borough, Camden, has appointed a full-time Programme Manager. NLWA/constituent council officer liaison at Chief Officer level to manage the implementation of NLJWS.</p> <p>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.</p>	3	1-5	3-15	Head of Waste Strategy and Contracts/ Advisers/ Finance Officer/ Financial Adviser – Procurement Sponsor – post 2014	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
2	<p><b>Meeting Government Targets</b></p> <p>Achieving Government led objectives/directives particularly in relation to achievement of the Landfill Directive:</p> <ul style="list-style-type: none"> <li>- up to 2009/10</li> <li>- up to 2012/13</li> <li>- up to 2019/20</li> </ul> <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 &amp; 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><b>NB</b> There are many external factors that could increase the likelihood score for 2012/13 and 2019/20.</p>	1 2 2	3 4 5	3 8 10	<p>Need to gather / provide up-to-date &amp; timely data from / to constituent councils.</p> <p>Commence actual procurement so that NLWA can quantify real prospective tenderers proposals from a technical, financial, legal and risk perspective.</p> <p>As in 1 &amp; 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>	1 2 2	3 4 5	3 8 10	Head of Waste Strategy and Contracts & Financial Adviser – Procurement Sponsor – post 2014	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
3	<p><b>Recruitment and retention of staff</b></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 &amp; 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 &amp; Contracts Team all manager posts are now filled and the recruitment to other vacancies is underway.</p> <p>Approval has been gained for the creation of a Procurement Director reporting to the Financial Adviser, and the recruitment process is underway here too; there will further changes to the procurement section during the forthcoming year.</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>A recruitment process for the post of Contracts Manager will be initiated.</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/ Financial Adviser – Procurement Sponsor – post 2014	Every Authority meeting cycle matters are reported to Members on an exception basis
4	<p><b>Procurement Process</b></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 approving 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</p>	(i) 3	(i) 3	(i) 9	<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, and negotiation of inter-authority agreements and application for PFI credits.</p> <p>Complete recruitment process and enhance the Procurement</p>	(i) 2	(i) 3	(i) 6	Advisers/ Head of Waste Strategy and Contracts/ Finance Officer	Every Authority meeting cycle matters are reported to Members on an exception basis
			(ii) 4	(ii) 5	(ii) 20		(ii) 2	(ii) 5	(ii) 10		

		<p>increase the in-house officer support team to work with the external consultants in the 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>Project Team</p> <p>Continue to rollout and develop governance arrangements, stakeholder communications/ 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>					
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
5	<b>Treasury operation</b>  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.	1	2	2	Financial Adviser/ Finance Officer	Every Authority meeting cycle matters are reported to Members on an exception basis
6	<b>Landfill Allowance Trading Scheme (LATS)</b>  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.  <b>NB</b> There are many external factors that could increase the likelihood score for 2012/13 and 2019/20.	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. Review current/possible future market trends with a view to developing a trading strategy/monitoring arrangements/scheme of delegation and secure Member approval.  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

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
7	<b>Waste Incineration Directive (WID)</b>  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).	Post refurbishment of the boilers, the Company continues to closely manage the performance of the refurbished boilers and other WID improvements.  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.	2	5	10	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).	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	<b>Terrorist attack/action by pressure groups</b>  Internal/national implications  Loss of one or more disposal points due to action by terrorists/pressure groups or other incidents	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  LondonWaste Ltd keeps under review the security arrangements at its operating sites.  Key contracts are stored at both Camden and Haringey.  IT security is at item 12.	2	4	8	Keep Emergency Plan under review.  Continue to monitor operational/security arrangements through regular contract liaison meetings.	2	4	8	Head of Waste Strategy and Contracts	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
9	<b>Prudent financial management</b>  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 and Head of Waste Strategy 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	Every Authority meeting cycle matters are reported to Members on an exception basis
10	<b>Employee Fraud or corruption</b>	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	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
11	<b>Overpayment to contractor</b>	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, 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	Every Authority meeting cycle matters are reported to Members on an exception basis
12	<b>Technology/IT security</b>  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	<b>New legislation</b>  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, and for financial or accounting legislation with the Finance Officer.  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	Every Authority meeting cycle matters are reported to Members on an exception basis
14	<b>London Mayor's aspirations for a London-wide waste disposal authority</b>  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 progress of GLA Bill through parliament 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 exception basis



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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
15	<b>Joint venture with Sita (UK)</b>  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.  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	Every Authority meeting cycle matters are reported to Members on an exception basis
16	<b>Decisions based on incomplete information/biased in favour of a constituent council over the others</b>  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	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
17	<b>Best Value</b>  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	<b>Environmental Risk</b>  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	<b>Reputation</b>  General performance of the Authority and perception of service users/government departments/inspectors 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	Keep under review.  Review and update the NLWA Website.  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	Every Authority meeting cycle matters are reported to Members on an exception basis

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
			Likelihood (Probability) [L]	Impact (Severity) [I]	Risk factor [IxL]		Likelihood (Probability) [L]	Impact (Severity) [I]	Residual Risk Factor		
20	<b>Performance Management</b>	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	Every Authority meeting cycle matters are reported to Members on an exception basis