

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: ANNUAL RISK REVIEW

REPORT OF: DIRECTOR OF CORPORATE SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING


DATE: 25 APRIL 2024

SUMMARY OF REPORT:

This report provides the annual review of the Authority's high-level risks for consideration by Members.

RECOMMENDATIONS:

The Authority is recommended to note the report and comment on its contents.

SIGNED: Director of Corporate Services

DATE: 15 April 2024

1. BACKGROUND

1.1. This is the regular report for Members' review of NLWA's high-level risks. The risk register is updated throughout the year and presented to Members on an annual basis.

1.2. Appendices to this report are:

Appendix A: High Level Risk Register

Appendix B: Scoring Matrix

2. SUMMARY

2.1. NLWA has a high-level corporate risk register for strategic risks, where the responsible officer is the Director of Corporate Services. NLWA's risk profile reflects a focus on safety, maintenance of aging infrastructure and navigating external challenges including changing legislation, insurance availability and stakeholder engagement.

2.2. Construction works and ongoing operational services co-existing on a small site bring risks additional to those faced by the two separate operations arising from the interface between them.

2.3. NLWA is proactively responding to the growing risk of operational failure of the existing energy from waste (EfW) facility. In the last year, a condition report was commissioned to analyse this existing asset and form the basis of a plan to keep it operating until the new facility is established. From this a plan of works has been developed to maintain operational capability until the plant is decommissioned.

2.4. New risks, such as potential delay to the scheduled ERF completion date and availability of insurance require proactive monitoring and mitigation. Insurance for waste infrastructure has become harder to secure nationally, so LondonEnergy Ltd (LEL) and NLWA have acted strategically to find suitable insurance for the existing plant through more than one provider and are undertaking early market engagement to ensure competitive cover for its new facilities.

3. MANAGING OUR RISK REGISTER

3.1. NLWA integrates relevant risks from each service area into its high-level register. It has further enhanced its oversight by taking greater account of the North London Heat and Power Project (NLHPP) and LEL risk registers. Risks, opportunities and mitigations often sit across more than one organisation, and this approach allows the Authority a clear sight of all major risks so that it can assist and respond at pace to changing priorities and issues.

3.2. The risk register is presented in Appendix A, and it outlines the assessment of risks both pre- and post-mitigation. Residual risk is the assessed risk level remaining after applying the mitigating controls to reduce exposure. The scoring matrix in Appendix B presents risks by multiplying the probability of occurrence of between 1 to 5 by the impact of between 1 to 5.

4. KEY RISK AREAS

4.1. The key risks are those with a score of between 12 and 25 deemed unacceptable prior to mitigation and are set out below.

Area	Description
Health & Safety	Oversight of the risk of injury to individuals involved in the NLHPP and on NLWA sites.
Financial	Not optimising commercial income; increased cost of operating, maintaining and replacing operational assets; and unavailability of adequate insurance
Policy changes	Being adversely affected by or not correctly implementing new government policy and waste management legislation
Energy from Waste (EfW) plant	Operational failure or lack of availability
NLHPP interface and transition to new facilities	Project management or operational issues which could lead to delay and/or additional costs affecting the Authority levy
Organisational resilience	Failure to secure appropriate capacity, capability, skills, systems and resources to enable excellence
Stakeholder Relationships	Loss of confidence from Regulators, Boroughs or Residents in NLWA and the NLHPP
Unavailability of waste infrastructure (new risk)	NLWA and/or Borough services are adversely impacted

5. KEY MITIGATIONS

5.1. The last review of the register by Members was at the Authority meeting on 27 April 2023. Since that time a thorough refresh has taken place of NLWA's risk exposure. The key mitigations undertaken in the last year by risk area are outlined below.

Area	Mitigations
Health and safety	Risks HLN012 and HLN025 cover Health and Safety management and the risk of injury to individuals at NLHPP and on NLWA sites. NLHPP continues to operate within a 'Safety Culture Maturity Model' which includes oversight of contractor operations to ensure compliance with safe working practices. Regular health and safety activities include training sessions such as 'Take 5' on behavioural safety and the mental

Area	Mitigations
	<p>health ‘Mates in Mind’, monitoring, audits and feedback opportunities. These measures provide confidence that all appropriate action is being taken to reduce the risks associated with working in an inherently dangerous environment.</p>
Financial and Commercial	<p>Risks HLN007, HLN008, HLN010, HLN017, HLN018, HLN023, HLN026. Pressure on Council budgets reinforces the need for strong financial management and the Authority has refreshed its approach to corporate resourcing and budgeting. Improvements to financial systems and reporting, such as electronic invoicing, are providing enhanced monitoring and oversight. Successful financial audits for 2020-21 and 2021-22 demonstrate the Authority’s sound financial practice.</p> <p>The introduction of a Levy Model, Reserve Strategy and extensive stakeholder engagement have strengthened NLWA’s financial resilience and will give boroughs greater long-term financial certainty. A benchmarking exercise against other large disposal authorities and private sector operators demonstrated that the NLWA unit cost, per tonne of waste disposed (residual and non-household) is lower than other, similar, waste authorities. Two new independent members were recruited to the Audit Committee which provides an additional layer of financial oversight and assurance.</p>
Operational Failure	<p>HLN001, HLN002 are risks associated with operational failure of the ageing Energy from Waste (EfW) facility, which if they materialise would require alternative disposal routes for residual waste and increased disposal costs. The EfW plant requires significant maintenance until the new Energy Recovery Facility is operational. Under the combined NLWA and LEL Joint Operational Resilience Plan, an extensive technical conditions inspection and report was commissioned, which identified operational challenges to the EfW through to 2030. A maintenance plan is now being implemented to extend the useful life of the assets and to avoid unexpected and unbudgeted repair and maintenance costs.</p> <p>To mitigate against turbine failure, a fifth turbine was brought into service and has already proved to be prudent. Officers liaise with Borough Finance Directors on the risks associated with maintaining the existing EfW and the potential costs involved. While the plant continues to be maintained in good working order, its increasing age means that its end date cannot be guaranteed.</p>
Transition to New Facilities	<p>Risks HLN005, HLN006, HLN016 and HLN021 relate to the procurement and commissioning of new facilities and the transition between existing operations and the construction of new facilities. Managing old and new assets simultaneously, while ensuring continuity of service presents health and safety, operational and financial risks and is a crucial focus for NLWA. This year has seen handover of parts of the site, including</p>

Area	Mitigations
	<p>Lee Park Way which is now open to the public. A Site Working Group and Transition Board ensure information sharing, forward planning and oversight of transition activities.</p> <p>A major milestone was achieved with the full construction areas handed over to Acciona to allow construction of the Energy Recovery Facility in late 2023 and in March this year the RRF was completed. Officers continue to monitor and assess our suppliers in line with contractual obligations and to avoid single points of failure.</p>
Corporate Excellence	<p>Risks HLN013, HLN019, and HLN020 cover the internal skills and competencies of the Authority officer team: NLWA has expanded its resources to further improve delivery of key business activities. The introduction of the online SharePoint database is facilitating collaboration between teams and external partners. The upgrading of the Waste Data Management system is providing more robust and up-to-date information for both NLWA and the boroughs. The Corporate Peer Review, and the positive follow-up twelve months later, provide confidence that the Authority is performing strongly.</p> <p>The purpose and vision of the Authority is well understood by Members (councillors from the constituent boroughs), who draw on their experience of executive or committee roles in their home boroughs to add valuable strength to NLWA governance.'</p> <p>Liaison with boroughs has increased, with regular meetings with Directors of Finance, Directors of Environment, Chief Executives and borough officers, all of whom have noted an increase in transparency and openness.</p>
Stakeholder relationships	<p>HLN015 is the risk that the Authority may not maintain good working relationships with key stakeholders, including residents and boroughs. Officers recognise the importance of keeping stakeholders onboard and provide regular updates in public meetings to ensure members are fully briefed on progress and issues including future financial pressures and possible increases in the levy.</p> <p>Since April 2023, 160 visitors have been on site visits to the NLHPP. This includes representatives from HM Treasury, Borough officers, including Climate leads, and university groups from London, Germany & Nigeria. Regular updates about construction progress have been shared with key stakeholders in north London via four videos, three community newsletters and a variety of social media channels with ongoing monitoring of local public affairs to identify and respond to emerging issues.</p>

Area	Mitigations
	<p>Lobbying has been undertaken to further understand and influence proposed government changes to waste management legislation. The corporate Peer Review 2023 noted that NLWA is lobbying for change to assist waste reduction and reuse objectives. In March, NLWA led a well-attended London waste leaders meeting where attendees agreed to improve coordination, promote successes and call for the changes needed to drive better waste outcomes for London.</p> <p>Collaborative working has resulted in a new operational contract with LEL, signed in March 2024, which is well understood and will meet all our requirements. In other areas, close working with LEL colleagues continues to improve mutual understanding and knowledge sharing. An emerging shared Digital Strategy will underpin alignment and guide the future shared digital capabilities and de-risk interfaces. Meetings with major contractors, such as Biffa and Acciona, take place on a regular basis to discuss forward planning and current issues. The Environment Agency continues to be kept well informed of permitting developments.</p>

6. NEW RISKS

6.1. Five new risks have been added to the risk register this year.

Ref	Risk	Description
HLN026	Government policy and legislation	Government regulation of waste management adversely affects costs, or the Authority fails to implement legislation in a way which maximises effectiveness and value for money. The Authority continues to argue for fair funding, using operational data, and liaising with peer organisations. This is to help ensure that regulatory decisions are made with the best information, and we understand the implications of changes.
HLN027	Unavailability of waste transfer stations	Risk of unavailability of one or more transfer stations. This would result in the off siting of waste and increased disposal costs. Officers are reviewing site leases and working closely with LEL on business continuity and service resilience plans.
HLN028	Insurance availability	Insurance premiums within the waste industry have significantly increased in recent years - for example, the West London Waste Authority has reported its insurance premiums have increased by over 500% since 2016; Insurance companies consider the waste industry to be high risk following an increase of fires, floods and heat claims. In response to reduced availability of insurance via the standard market, LEL established a captive arrangement in 2022 to provide access to the reinsurance market. This has

Ref	Risk	Description
		provided benefits in the short run and offers mechanism which will increase resilience in the longer term.
HLN029	NLHPP costs	There is a risk that increased funding would be required. The project was established with a contingency allowance to address risk and unplanned developments. The level of available contingency is monitored and reported on. Most cost and schedule risks on the ERF have been transferred to Acciona, and we are monitoring their delivery with ongoing dialogue and contract management activity.
HLN030	NLHPP ERF delivery	There is a risk of delay to ERF delivery due to contractor performance such as in commissioning or due to the non-availability of sufficient specialist engineering and construction personnel.

7. RISK REVIEW

Review Process and Key Risk Areas

- 7.1. The high-level risk register contains 25 key risks, including the five new ones described above. The main themes and key mitigating actions which Members should be aware of include:
- 7.2. **Permit compliance:** Risk HLN004 is the risk that the new ERF fails to meet the environmental permit requirements. NLHPP closely manages contracts and liaises proactively with LEL and the Environment Agency and in the event of non-compliance the Authority would seek to ensure that any remedial work was carried out by the responsible contractor.
- 7.3. **Supply Chain Failure:** HLN016 covers the risk of supply chain failure, which officers adjudge to be a low likelihood but with a high impact, so careful monitoring of supplier health is undertaken, along with resilience planning.
- 7.4. **Unavailability of Waste Transfer Stations:** HLN027 reflects the risk of off-siting of waste with increased disposal costs. Officers continue to work closely with colleagues at LEL to regularly review and update business continuity, waste disposal alternatives and service degradation plans. Active measures are taken by NLHPP to ensure that project activities do not interrupt LEL operations.

Risks Removed from High-level Register

- 7.5. Two risks - HLN017 'Economic pressure to drive down resources available to NLWA' and HLN009 'New LEL contract might not provide the right incentives and governance structure to operate in the best interests of North London' have been

removed from the Register but internal monitoring in relation to these issues continues.

Closed risk

- 7.6. Risk HLN022 covered EfW operational failure with similar impact and mitigations to Risk HLN001 so has been combined with that and closed.

8. RECOMMENDATION

- 8.1. Members are recommended to note the report and comment on its contents.

9. EQUALITIES IMPLICATIONS

- 9.1. Equalities implications are taken into account in determining actions to mitigate identified risks. It is especially important that NLWA continues to provide a service which ensures the safe, responsible and effective disposal of waste on behalf of all residents.

10. COMMENTS OF THE LEGAL ADVISER

- 10.1. The Legal Adviser has been consulted in the preparation of this report and has no comments to add.

11. COMMENTS OF THE FINANCIAL ADVISER

- 11.1. The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

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APPENDIX A: HIGH LEVEL RISK REGISTER

Risk Number	Risk Description	NLWA Risk Owner	Consequence	Category2	Inherent Risk Assessment			Risk Management			Residual Risk			Date Updated
					Likelihood	Impact	Risk Score (R-A-G)	Current Control Strategy	Date	Further Actions	Likelihood ²	Impact ²	Risk Score (R-A-G) ²	
NLWA - HLN012	Ensuring sufficient and effective measures taken to protect staff, contractors or members of the public against injury	Martin Capstick	Risk of injury associated with NLWA conducting our activities, affecting the wellbeing of individuals and the Authority's reputation	Operational	5	5	25	We will continue to engage with and monitor the performance of our delivery organisations, understand our legal requirements and ensure that appropriate policies are in place to minimise risk.	On-going	We will maintain and monitor health & safety policies that cover NLWA, London Energy, and the North London Heat and Power Project, and follow best practice.	1	3	3	28/02/2024
NLWA - HLN025	Ensuring sufficient and effective action taken to maintain high safety standards into the NLHPP in order to achieve acceptable health, safety and well-being standards, particularly as construction significantly increases	Douglas Chisholm	Risk of injury during the construction process for NLHPP at the EcoPark, affecting the safety and wellbeing of individuals	Operational	5	5	25	We will maintain careful oversight of contractor operations to ensure compliance with safe working practices and standards demanded by the NLHPP Safety First Programme.	On-going	HSW performance will be comprehensively reported to the senior leadership team, as well as regularly reviewing and updating the HSW manual, which is included in all works contracts to ensure compliance by all parties to the project.	2	5	10	28/02/2024
NLWA - HLN026 NEW	Government regulation of waste management adversely affects costs, or the Authority fails to implement legislation in a way which maximises effectiveness and value for money.	Michael Clarke	Loss of income; loss of potential income; increased costs. Eg Allocation of increased funding from Extended Producer Responsibility does not result in proportionate gains to NLWA	Financial	4	4	16	We engage with Defra and other gov depts on an ongoing basis so that we are well placed to prepare for, and benefit from, legislative change across all waste management activities.	On-going	We will work even more closely with government to understand and influence forthcoming legislation	3	3	9	28/02/2024
NLWA - HLN030 NEW	Risk of delay to ERF delivery Could be caused by contractor performance such as issues arising during commissioning and the availability of sufficient specialist engineering and construction personnel.	Douglas Chisholm	Increased reliance on current plant and risk of increased expenditure needed to maintain it. Risk of uncertainty in timing of transition	Strategic	4	4	16	NLHPP Management of individual projects and mitigation of potential delays across to programme	On-going	Lesson learned from EcoPark South and other projects. Assessment of re-scoping options	3	3	9	28/02/2024
NLWA - HLN001	The existing EfW could have a major operational failure, impacting on the life of the plant. This affects LEL's finances and the Authority has to meet substantial extra costs for disposal	Martin Capstick	This would significantly affect LEL's finances and require new disposal routes for very large volumes of residual waste. The Authority would have to meet substantial extra costs for disposal or to support LEL as a going concern	Financial / Commercial	3	5	15	We are embarking on a maintenance programme following recommendations made in an externally commissioned 'EfW condition report' last year. We continue to review the operational performance of our facilities and are working very closely with LEL to maintain a joint operational resilience plan.	On-going	We maintain due diligence for the large capital assets and this includes appropriate legal provisions and insurance. We maintain a joint Asset Management Plan and continuous financial planning with LEL. We continuously seek the most effective mitigations for the risks and the potential costs involved should they occur.	2	5	10	28/02/2024
NLWA - HLN006	The interface between NLHPP and ongoing services might adversely affect the project timetable and/or service to boroughs	Douglas Chisholm	The effect could be an unplanned delay to delivery of NLHPP and/or unplanned disruption to waste services at the EcoPark, affecting boroughs	Operational	3	5	15	We ensure very close coordination across all NLHPP and LEL services, including via a site working group and Transition Board to avoid disruption to service delivery and project works.	On-going	There is regular onsite traffic modelling and design control meetings, adviser collaboration and change management reviews to manage scenarios, logistics, interface management and governance arrangements, all to ensure that current and planned working practices are safe and appropriate.	2	3	6	28/02/2024
NLWA - HLN013	The Authority might not maintain a team with the right skills and resources to cover its evolving responsibilities	Nikesh Shah	The Authority would not have the expertise and skills to respond to new challenges	HR / People	3	5	15	We continue to take initiatives to improve our offering to staff and ensure our recruitment is on track to recruit the right staff and skills. We monitor and report on our people and capability-related activity and regularly assess our need for specialist services.	On-going	We continue to deliver and review a prioritised people related pipeline and report on this. We have initiated enhanced resilience planning and continue to manage our suppliers on a regular basis.	2	3	6	28/02/2024
NLWA - HLN015	The Authority may not maintain good working relationships with key stakeholders including boroughs	Joe Sheeran	New levels of engagement are necessary at a time where new assets transition into business as usual. This is to ensure coordination across boroughs and other stakeholders.	Partnership & Communication	3	5	15	We ensure all stakeholders in the area are properly engaged with, with effective stakeholder communications and effective programme climate change strategies We share key information across boards, meetings and working groups including borough staff, residents and political leaders.	On-going	Whilst this has been positively noted in the recent Corporate Peer Review, there is further potential to do more. We will continue to operate and keep up to date our framework for engaging with our stakeholders, and map out our engagement processes.	1	4	4	28/02/2024

Risk Number	Risk Description	NLWA Risk Owner	Consequence	Category2	Inherent Risk Assessment			Risk Management			Residual Risk			Date Updated
					Likelihood	Impact	Risk Score (R-A-G)	Current Control Strategy	Date	Further Actions	Likelihood ²	Impact ²	Risk Score (R-A-G) ²	
NLWA - HLN016	Supply chain failure due to economic and political climate	Doug Chisholm	With over 15 suppliers in NLWA and a small in-house core authority team, this could cause detriment to NLHPP, face unprepared legal issues and potentially reach a sub-optimal treasury approach.	Contractual	3	5	15	We will continue to monitor our supply chain in line with contractual expectations. This includes assessing suppliers costs, ensuring suppliers perform in line with their contracts, ensuring contractual supplier performance, making sure that we're taking commercial advantage of the market and avoiding single points of failure.	On-going	Resilience planning procedures are in place to ensure that our supply chain is robust. Ongoing planning and monitoring of our suppliers in line with contractual expectations.	1	5	5	28/02/2024
NLWA - HLN019	Lack of organisational resilience	Nikesh Shah	By being too "people-dependent", as well as being a small organisation, work / delivery tends to halt when there is staff absence. There is also a view to balancing the specialist / generalist capability as required	HR / People	5	3	15	We have a people pipeline in place, which includes regular review where we place copious attention ensuring we are a inclusive and diverse employer, demonstrated through various recruitment campaigns and more.	On-going	We will continue to integrate this with our digital activity where appropriate. We will continue to ensure we are resilient to staffing issues, through regular people reporting, and reviewing the technology that we work with and the ways in which we work.	1	3	3	28/02/2024
NLWA - HLN020	Ensuring suitable corporate systems and resources	Nikesh Shah	Corporate management is not optimised (e.g. performance management, staff development, coordinating with stakeholders etc)	HR / People	5	3	15	We have improved management reporting and ways of working including the successful introduction of a Hybrid Working policy. We continue to deliver Data, Digital and Technology improvements, seeking to ensure that the organisation works in the most efficient and effective way.	On-going	We will continue to develop more mature systems and integration to ensure smooth corporate management, through reviewing technology initiatives, projects and products within the organisation.	1	3	3	28/02/2024
NLWA - HLN023	Not optimising commercial strategy/income	Nikesh Shah	Not taking opportunity of capacity on our estate / assets	Financial / Commercial	3	5	15	Corporate Services Team has benchmarked other disposal authorities and private sector operators. This has been shared with Borough Finance Directors. A revised commercial strategy for NLHPP is establishing best delivery routes and constraints for optimising income. We continue to ensure that we understand our capacity and develop options for commercial income generation.	On-going	We continue to develop our commercial approach which will outline how best we will optimise the use of our assets.	1	5	5	28/02/2024
NLWA - HLN027 NEW	Unavailability of waste infrastructure such as waste transfer stations at one or more sites.	Michael Clarke	Offsiting of waste and increased disposal costs for LEL. At a sufficiently severe level this could create the need for Authority financial support for LEL. Repeated episodes will require significant intervention and NLWA financial input	Financial / Commercial	3	4	12	Officers continue to work closely with colleagues at LEL at all levels to regularly review and update business continuity, waste disposal alternatives and service degradation plans. Preventative measures are taken by NLHPP to ensure that project activities do not interrupt LEL business operations.	On-going	Review RRFs, discuss RRCs with boroughs	3	3	9	28/02/2024
NLWA - HLN028 NEW	Lack of adequate of insurance (through market unavailability or other failure)	Nikesh Shah	Inability to meet costs and claims arising from operational or contractual failure	Financial / Commercial	4	3	12	Early and ongoing engagement with insurance companies. Establishment of captive reinsurance arrangements to increase pool of insurance providers; LEL are insured for all operations 2024-25 so this is a longer term risk.	On-going	LEL to maintain and monitor high standards of safety and asset management, so that potential insurers continue to have confidence.	3	3	9	28/02/2024
NLWA - HLN029 NEW	There is a risk the estimated costs for the NLHPP may be exceeded	Douglas Chisholm	Increased funding would be required, requiring additional borrowing	Financial / Commercial	4	3	12	The project was established with a contingency allowance to manage risks and unplanned developments. Individual projects are subject to careful cost management and reporting. The ERF contract transfers main cost and schedule risks to Acciona. Monitoring and reporting of exposure against contingency informs early decision-making and a Lessons Learned exercise on the EcoPark South project will inform the ERF project.	On-going	Ongoing dialogue and contract management with Acciona, with good record keeping to protect the client position. Engagement with boroughs to share plans, gain views on risk management and mitigation	3	3	9	28/02/2024
NLWA-HLN024	Lack of single capital strategy incorporating asset management plans.	Nikesh Shah	Suboptimal use of future capital investment when new assets transition into Business as usual	Financial / Commercial	2	5	10	It was noted as part of the Corporate Peer Review, that whilst we didn't need a capital strategy immediately, we should look to establish a strategy in the run up to the opening of the Energy Recovery Facility.	Ongoing	Ongoing collaboration between the Authority and LEL, in preparation for establishing an effective capital strategy.	1	5	5	28/02/2024

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NLWA - HLN004	Risk of loss of Environment Agency approval if the new Energy Recovery Facility does not fulfil the pre-operational /operational conditions contained within the environmental permit	Euston Ling	This would delay the start of operations of the new facility or mean that restrictions are placed on its operational capacity. Also damage to reputation.	Regulatory	3	3	9	We will continue to manage our contracts and liaise proactively with LEL and the Environment Agency to ensure all compliance requirements are met.	On-going	We continue to monitor and manage the performance of our engineering, procurement, and construction projects. The Authority would seek to ensure that any remedial work risk is transferred to the supply chain. We ensure all stakeholders in the area are properly engaged with, with effective stakeholder communications and effective programme climate change strategies. We share key information across boards, meetings and working groups including borough staff, residents and political leaders.	2	3	6	28/02/2024
NLWA - HLN002	The existing EFW could have a short term operational failure , causing increased disposal costs for LEL	Michael Clarke	This would be a lesser failure than risk HLN001, but at a sufficiently severe level that it creates the need for Authority financial support for LEL	Financial / Commercial	3	3	9	We are regularly monitoring and reporting on our operational conditions and performance, and ensuring that adequate plans are in place to avoid failure.	On-going	We will continue to maintain joint operational resilience planning with London Energy, in alignment with the Asset Management Plan and financial planning. We maintain robust business continuity and service degradation plans.	1	3	3	28/02/2024
NLWA - HLN005	Transition process to operate new facilities may not be well managed across a number of partners and suppliers	Michael Clarke	This could lead to a loss of service and/or capacity while problems are rectified. This has financial and reputational consequences.	Operational	3	3	9	We regularly monitor the transition plan and attend Steering Group and Operations meetings. We ensure robust LEL testing, training and handover processes to ensure a smooth transition process to new facilities. A service degradation plan is in place to prioritise actions and waste streams in the event of delay.	With respect to the opening of each facility	Whilst the risk of this nature is rarely ever eliminated, our ongoing operational readiness planning for the new facilities has minimised significantly.	1	3	3	28/02/2024
NLWA - HLN007	New (NLHPP) assets could prove more expensive to replace, operate and maintain than planned, affecting the Authority's long term finances	Nikesh Shah	If the new assets (facilities) are more expensive to replace and maintain than planned, the Authority may need to propose higher than planned levies on boroughs	Financial / Commercial	3	3	9	As we continue to maintain strong financial control in the Authority, we will proactively plan for any capital works revolving around our new assets. In practice this means forecasting future asset costs and benchmark asset maintenance costs to the best of our ability to avoid unplanned additional costs.	On-going	Whilst it has been noted in the Corporate Peer Review, that we are a well financially managed organisation, we need to ensure good financial plans for our new assets. We will agree the implementation of our Asset Assurance Framework as part of the Asset Management Strategy. We will also benchmark accordingly.	2	3	6	28/02/2024
NLWA - HLN008	Borrowing to fund NLHPP might not be managed to obtain the best terms and/or boroughs lose confidence in Authority financing plans	Nikesh Shah	The Authority would pay more than necessary for capital borrowing, putting pressure on borough finances	Financial / Commercial	3	3	9	From borrowing approximately two thirds of the NLHPP capital funding requirement, at an average rate of 2.4% relative to current interest rates of 4.8% we will continue to achieve strong financing minimising future borough levy payments.	On-going	We continue to evolve our financial plans and this includes updating our borrowing strategy.	1	3	3	28/02/2024
NLWA - HLN010	Financial management systems may not be used in a way which supports the effective running of the business	Paul Gulliford	The Authority might not maximise the use of developments in Camden's financial services to provide improved management information, prompt payments of invoice and strengthening of existing protections against fraud	Financial / Commercial	3	3	9	We will ensure effective use of our financial management systems, maximise the use of Camden's financial services to provide improved management information and strengthen fraud protection. We will do this through liaising with Haringey and Camden IT, setting an action plan for enhanced management information, and conduct Internal Audits to support continuous improvement in processes and assurance.	On-going	We will continue to utilise Camden's Financial Management Strategy, as well as maintain our own Data Management Strategy to maximise effective use of information.	1	3	3	28/02/2024
NLWA - HLN014	The Authority leadership may not drive strong enough integration between teams and with LondonEnergy Ltd, based on a clear direction to anticipate future challenges	Nikesh Shah	If strong internal cohesion is not maintained in the Authority, there is a risk of inconsistent assumptions and lack of alignment between teams; and the same applies if there is no effective coordination with LEL. This could particularly affect construction/operation liaison, and preparation for transition to new facilities	Strategic	3	3	9	Our strength as an Authority is that we operate a "one-team" dynamic whether we are dealing with our suppliers, our partners or our in house staff. We will maintain strong cohesion between us and our partners, assessing the relationship between the Authority and London Energy, managing our stakeholders, regularly discussing with our Senior Leadership Team and ensure closer physical working with London Energy.	On-going	We will continue to deliver and maintain improvement plans between us and London Energy, with financial improvements and scoping wider improvements.	1	2	2	28/02/2024

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NLWA - HLN018	Not being able to demonstrate value for money	Nikesh Shah	Negative political press that could lead to impediments in BAU / NLHPP. This could also create future audit issues.	Political / stakeholder	3	3	9	We will continue to demonstrate value for money through communicating our achievements and progress, assessing value for money on our work and projects, assessing future commercial opportunities, and demonstrating competitive procurement.	On-going	We will continue to evolve our communications plans, as well as annual operational planning, commercial strategies, and value for money assessments on our work.	1	3	3	28/02/2024
NLWA - HLN021	Changing technology on waste	Michael Clarke	Not capitalising on innovations in waste management to maximise effectiveness and value for money.	Political / stakeholder	3	3	9	We continue to assess technological advancements in waste management to ensure high performance. We also keep up to date with costs and performance of new technologies. Work is under way with technical advisors to develop a carbon capture and storage programme to be an early implementer amongst ERF plants.	On-going	We are developing the new North London Joint Waste Strategy which will set the authority's ambitions leading up to 2040. We will also maintain an Asset Management Plan and review emerging technologies on an ongoing basis.	3	3	9	28/02/2024

APPENDIX B: SCORING MATRIX

Risk Matrix

		Impact				
		1	2	3	4	5
Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5

Scoring	
RAG	Risk Level
Red	Unacceptable
Yellow	Tolerable
Green	Acceptable

Risk score = Probability × Impact