

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: ANNUAL RISK REVIEW

REPORT OF: DIRECTOR OF CORPORATE SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 24 APRIL 2025

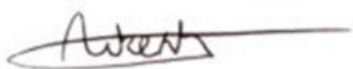
SUMMARY OF REPORT:

This report provides the annual review of high-level risks for noting by Members.

RECOMMENDATIONS:

The Authority is recommended to comment on the risk register and note this update.

SIGNED:



.....Director of Corporate Services

DATE: 10 April 2025

1. BACKGROUND

- 1.1. This is the regular report for Members' review of the North London Waste Authority's (NLWA) high-level risks. The risk register is kept updated through the year and presented to Members on an annual basis.
- 1.2. Appendices to this report are:
 - 1.2.1. Appendix A: High Level Risk Register
 - 1.2.2. Appendix B: Scoring Matrix

2. SUMMARY

- 2.1. NLWA has a high-level corporate risk register for strategic risks, where the responsible officer managing the process is the Director of Corporate Services. The NLWA's risk profile reflects this year's focus on safety, organisational skills and competencies and delivery of new infrastructure at the EcoPark. The Authority continued to maintain the existing waste infrastructure, monitored the external environment to help navigate challenges such as new legislation, and kept stakeholders informed.
- 2.2. The Authority maintained its unwavering commitment to a safe working environment and prioritised the health, safety, and well-being of its workforce across the organisation. This was recently demonstrated by attainment and retention of the prestigious 5-Star 'Ultra Site' status for North London Heat and Power Project (NLHPP) under the Considerate Constructors Scheme (CCS). The NLHPP reported 12-month rolling Accident Frequency Rate (AFR) for reportable incidents was zero for February.
- 2.3. The Authority mobilised corporate resourcing to improve internal staffing capabilities, and reduced reliance on consultants, leading to savings on the NLHPP. A new contract was negotiated with Biffa to continue recycling services for boroughs at a competitive cost. The roll-out of the upgraded Waste Data Management System improved sharing of faster and more accurate waste data to boroughs and will facilitate the development of improvements to waste management processes.
- 2.4. In the past 12 months, the Resource Recovery Facility (RRF), Reuse and Recycling Centre (RRC) and EcoPark House (EPC) were all completed and successfully transitioned to a business-as-usual state. Risks associated with their design, construction and handover reduced and finally expired. For the Energy Recovery Facility (ERF), a workstream was set up to consider options for delivery certainty and to mitigate the risk of delay.

- 2.5. NLWA continued to take a proactive stance towards the maintenance of the ageing Energy from Waste (EfW) plant. Following a condition analysis in 2023, a further report was commissioned by LondonEnergy Ltd (LEL) this year to update understanding of the maintenance required for the existing facility. This report is due in Quarter (Q)1 2025 and will inform a plan to keep the plant operational and avoid a major failure. In the meantime, the Authority is developing a refreshed business continuity plan and building financial resilience to cope with future risks.
- 2.6. Enhanced mitigating actions for risks in the areas of stakeholder relationships, particularly by increasing engagement with central government, and in financial management successfully prevented risks from increasing or becoming issues.

3. MANAGING THE RISK REGISTER

- 3.1. NLWA regularly reviewed and integrated risks from internal departments and across the group. This approach allowed clear sight of changing priorities and broad issues and enabled the Authority to assist and respond to major risks at pace.
- 3.2. Officers sought to both reduce the likelihood of risks occurring and, also, reduce the impact in case a risk be realised. The high-level risk register is presented in Appendix A. It outlines the assessment of both inherent and mitigated risks. Inherent risk is the level of risk occurring in the absence of any actions by management to alter either the risk's impact or probability. Residual risk is the assessed risk level remaining after applying the mitigating controls to reduce exposure.
- 3.3. The risk register includes two scores. On the left of the table, the score shows the underlying risk on each issue, and on the right of the table, the score shows officers' current assessment of the risk after mitigating actions have been taken. The mitigating actions are described. The risks include some which have been successfully managed for some time, for example, continued operation of the existing facility. The scoring matrix shown in Appendix B determines risks by multiplying the probability of occurrence, scored between 1 and 5, with the impact, also scored between 1 and 5.

4. KEY RISK AREAS

The key risks now are those with an inherent score of 15 or more, to the maximum of 25. Risk themes are identified below.

Area	Description of risk
Health & Safety	Injury to individuals at NLHPP and across NLWA sites more broadly.
ERF delivery	Failure of contractor engagement of suppliers and adverse external political and economic factors across the broad supply chain.

Area	Description of risk
Organisational resilience	Not having the right skills, systems and resources to enable excellence.
Financial	Financial aspects cut across many risks but the Authority maintains a particular focus on costs associated with NLHPP delivery and assets.
Energy from Waste (EfW) operational failure	Risk of plant failure, which would mean an extensive need to use third party facilities for treating the Authority's waste.
Transition to deliver and operate new facilities	Cross-organisational functions may not be well managed across partners and suppliers and could lead to delays, service decline and additional off-siting.
Litigious Contractor	Risk of progress to project delivery is impacted by a difficult contractor relationship
Environmental permit compliance	Risk of enforcement action and necessity to off-site, or delays to the new energy recovery facility
Relationships with stakeholders	Loss of confidence in the Authority's ability to deliver its responsibilities effectively and in collaboration with constituent boroughs.

5. KEY MITIGATIONS UNDERTAKEN

The last review of the register by Members was at the NLWA meeting on 25 April 2024. Since that time a thorough refresh has taken place of NLWA's risk exposure. The key mitigation actions undertaken in the last year by risk area are outlined below.

Area	Mitigations
Health and safety	<p>Risks HLN012 and HLN025 cover Health and Safety management and the risk of injury to individuals at all sites.</p> <p>Through regular dialogue with delivery organisations and robust monitoring of safety performance the Authority continued to maintain compliance with safe working practices covering all parts of the organisation.</p> <p>Health and Safety campaigns and initiatives were carried out on the NLHPP throughout the year including, for example, a 'don't drink or drug drive' wellbeing initiative for December. This was backed up with a takeaway leaflet on mental health awareness over the Christmas period and an opportunity to discuss the session with the wider team in the site canteen.</p> <p>Acciona have their own schedule and undertook daily walkovers and weekly inspections for which they hold records internally and share with their sub-contractors.</p>

Area	Mitigations
	<p>More recently, safety measures were put in place for visits to EcoPark House.</p>
Corporate Excellence	<p>Risks HLN013, HLN019 and HLN020 cover the internal skills and competencies of the Authority officer team:</p> <p>Robust group governance has been established and supports best practice decision-making. This includes, for example, Authority review of LEL Finance, Chairs' and Transition Boards and attendance at LEL Audit & Risk Committee (ARC). Integration with LEL often features at SLT discussion and there are regular joint digital strategy meetings and risk reviews.</p> <p>Regular 'people reporting' to SLT continues and the Authority introduced a monthly technology steering group to consider digital and technology requirements. A staff development plan is in place and Officers are planning a 'Developing our people' offer to build career pathways and prospects for staff to build skills and encourage retention. Monthly Anchor Days, which provide whole-staff interaction, collaboration and training, continued.</p> <p>Additional specialist staff and apprentices were taken on over the last 12 months and the Authority established EcoPark House education and visitor centre arrangements. Across the group, LEL and NLWA have been working more closely together on EcoPark House to deliver resourcing efficiencies.</p> <p>NLHPP was restructured to provide more effective resourcing and improved management and reporting now that EcoPark South is complete.</p>
Delivery of New Facilities	<p>Risks HLN016, HLN029 and HLN030 relate to the NLHPP supply chain and delivery of the new facilities.</p> <p>EcoPark South snags are being successfully closed out with the main contractor Taylor Woodrow and the transition period was officially completed with the award of Building Control Practical Completion. Progress was made on outstanding items with a clear plan for resolution. The RRF and RRC were successfully delivered and are operating now in business-as-usual arrangements. Then EcoPark House was delivered and, following successful testing, service delivery there is now increasing.</p> <p>In Q2 2024, NLWA convinced Acciona that they were failing to engage effectively with the supply chain. Acciona responded by indicating they considered the requirements for National Agreement for the Engineering Construction Industry (NAECI) were hampering their procurement. Negotiations to agree a way forward were followed by a contractual 'stay period' but a difference of opinion between the Authority and the contractor remained over the significance of delays.</p>

Area	Mitigations
	<p>The substantial first phase of the ERF civil construction works is nearing completion. The workforce carrying out the activities covered by the NAECI is currently delivering the structural steelwork for the boiler, flue gas treatment and access platforms. The sub-contractors engaged by Acciona on the ERF have demonstrated consistent performance and competency.</p> <p>A detailed audit review of Acciona's engineering, procurement, and construction (EPC) activities to date is under way by an independent audit team. The audit will provide a detailed understanding of the current project status and a likely delivery roadmap. The audit is expected to complete in May. Subsequent recommendations, alongside potential impacts on project completion date, will then be discussed so that an underpinned programme of works and associated costs can be agreed.</p>
Financial and Commercial	<p>Risks HLN008, HLN010, HLN023 and HLN024 cover good financial practice and commercial activities.</p> <p>NLWA continued to use Camden's Financial Management Strategy, as well as maintain its own Data Management Strategy to maximise the effective use of financial information. The accounts for the years ending March 2022 and 2023 were successfully audited by external accountants, the March 2024 accounts were approved in advance of the Government backstop date, while regular internal audits by Camden support the continuous improvement of processes and assurance.</p> <p>A new capital purchase order system tracks spend against Purchase Orders and Task Orders, and quarterly forecasting provided updates to Members.</p> <p>An improved understanding of, and reporting from, NLHPP systems was established. Increased operational reporting and the strategic communications strategy served to manage stakeholders' expectations and embrace transparency while fulfilling our governance remit.</p> <p>To mitigate the risk of insufficient NLHPP contingency, cost management actions at the project level were combined with the aim of reducing the impact at the programme level. There was continuous monitoring and reporting of risk exposure against contingency which informed decision-making. Monthly cost reporting and the integration of the NLWA and NLHPP financial teams provided enhanced scrutiny.</p> <p>A new Contracts Manager was recruited and the recycle contract with Biffa was renewed to ensure continuation of recycling services for boroughs. A cross functional workstream to consider capacity in the new plant is being led by Head of Strategy & Services.</p>

Area	Mitigations
<p>EfW Operational Failure</p>	<p>HLN001, HLN002 are two significant risks associated with operational failure of the ageing Energy from Waste (EfW) facility.</p> <p>LEL delivered a series of capital projects in 2024 to support the resilience of the EfW. Further project plans were developed which can be initiated promptly, if necessary, for the continued operation of the facility.</p> <p>The largest investment was for Boiler House asbestos abatement, with two of the boilers refurbished in August 2024. Work on the other two boilers is scheduled for this year, 2025. Flue gas treatment structure repairs and work to the bottom ash conveyor steelwork are also planned.</p> <p>A further condition survey has been commissioned by LEL to understand how the life of the EfW can be further extended and avoid a major failure. Following the survey report, an action plan and required investment will be considered by the LEL Board.</p> <p>Officers worked closely with LEL to maintain service continuity through a joint plan, in accordance with the LEL contract. Preventative measures were taken by NLHPP to ensure that project activities did not interrupt LEL business operations. The NLWA business continuity plan is currently being refreshed to reflect all latest developments.</p>
<p>Transition</p>	<p>Risks HLN005 and HLN027 cover risks arising during transition to new infrastructure and services.</p> <p>The Authority is developing operational readiness and asset management plans for the ERF, with adherence to the Asset Assurance Framework as part of the Asset Management Strategy. Officers benchmark maintenance processes and costs accordingly.</p> <p>A cross-organisational (NLWA, LEL, NLHPP) working group was stood up in March '25 for internal transparency and assurance of transition projects, and reporting to Members and Boroughs. There will be a review and refresh of management information, reporting, assurance and governance processes.</p> <p>Officers worked with colleagues at LB Barnet and LEL on plans for a new Transfer Station site in the west of the area, at Geron Way. The Authority expects to approve the design by the end of April 2025, recognising the site capacity restrictions. The design will be costed by LB Barnet and officers are working to ensure that appropriate permits and insurance are put in place.</p>

Area	Mitigations
Stakeholder relationships	<p>HLN014 and HLN015 cover the risk that the Authority may not maintain good working relationships with key stakeholders, particularly LEL and the Boroughs.</p> <p>Officers have led an increased engagement with all stakeholders in the last 12 months at boards, meetings and working groups, including political leaders, borough staff and residents. In view of continued financial pressure on councils, additional meetings with Borough Directors of Finance and the Environment were held to keep officers more up to date and engaged.</p> <p>Robust governance arrangements with LEL have been established and support best practice decision-making. This includes, for example, Authority review of LEL Finance, Chairs' and Transition Boards and attendance at LEL Audit & Risk Committee (ARC). The coordination and integration with LEL functions is a regular feature of discussion at NLWA SLT, and there are regular joint digital strategy forum and risk review meetings.</p> <p>LEL provides quarterly reports to the Authority covering the financial performance of the Company and the main operational issues experienced. This enables Members to be briefed on key information concerning LEL.</p> <p>NLWA engaged with DEFRA and other government departments to prepare for, and benefit from, legislative change across all waste management activities. Officers developed a Public Affairs strategy, produced policy responses and position statements, and communicated with MPs to keep them informed and generate support.</p> <p>Following successful testing of EcoPark House in December 2024, many bookings were taken for Spring and Summer sessions and NLWA was awarded the 'Learning Outside the Classroom' Quality Badge, backed by the Department for Education.</p> <p>The new Joint Waste Strategy was drafted and feedback gathered during a community engagement exercise which engaged with broad and diverse sections of north London communities and reached over 3000 individuals. Constituent Boroughs will consider the final Strategy at Cabinet meetings during the summer of 2025.</p>
Compliance	<p>Risk HLN004 covers environmental compliance and approvals. The Authority tracks permit requirements, manages contracts and liaises proactively with LEL and the Environment Agency to ensure all compliance requirements are met in accordance with the Design Consent Order (DCO).</p> <p>The Authority performed thorough checking of calculations used to develop theoretical emissions: These indicate that the plant will operate well within the specified Environment Authority limits. Until testing and commissioning</p>

Area	Mitigations
	of the ERF commences, Officers continue to monitor and manage the performance of engineering, procurement and construction projects.

6. NEW AND CLOSED RISKS

- 6.1. Two new risks were introduced in response to the changing external environment and in view of the relationship with the principal contractor:
- 6.2. New risks HLN031 is the risk of a litigious relationship with the NLHPP contractor. The impact of this could be lengthy and costly delays which distract from the programme construction and management.
- 6.3. New risk HLN032 is the risk of failing to secure leases for all the sites operated by the Authority /LEL. The impact of having no lease is ambiguity over tenure, rights, insurance, and responsibility for repairs and maintenance. The Authority could be held liable for Stamp Duty Land Tax or, at worst, could be locked out or evicted from a site at short notice.

Risk No.	New Risk	Mitigation
HLN031	A litigious relationship with the NLHPP contractor	Officers encourage normal contractor relations on site and are planning to expand dispute support to ensure that the programme team continues to focus on contracted programme delivery.
HLN032	Failing to secure leases for all the sites operated by the Authority /LEL	Officers have pushed to agree leases which remain outstanding and maintain good relations with the boroughs to keep well informed of their plans for potential changes to sites. Officers are planning to re-engage boroughs at senior levels to highlight the risks, for all parties, associated with the absence of leases.

- 6.4. One risk was mitigated, has expired and was removed from the High-Level Risk Register in the last 12 months: HLN006 - The interface between NLHPP and ongoing services might adversely affect the project timetable and/or service to boroughs:
- 6.5. EcoPark South construction works and ongoing LEL services sat side-by-side on a very small site footprint, bringing significant disruption risks. With completion of the EcoPark South works this risk significantly reduced.

Risk No.	Closed Risk	Mitigations
HLN006	The interface between NLHPP and ongoing services might adversely affect the project timetable and/or service to boroughs	Pro-actively manage the interface between the construction of new facilities and existing operations; Maintain highest levels of safety; The ERF is self-contained within the contractual construction boundary, with its own entrance. NLHPP management reviews will continue to ensure that all current and planned working practices remain safe and appropriate.

7. RISK REVIEW

- 7.1. The high-level risk register contains 27 key risks, including two new and the removal of one risk where successful mitigations and expiry enabled the risk to be closed. In addition to the key risks previously discussed, the leadership team has picked out two other risk areas and mitigating actions which are the following:

Risk No.	Risk	Mitigation
HLN021	Failing to plan for, and manage, changing technology on waste	<p>A review of emerging technologies in the 'rest of the world' was commissioned this year in conjunction with the Islington Environmental Alliance and is due to be published by September 2025.</p> <p>The opportunity for carbon capture and storage (CCS) technology at the new ERF is under investigation.</p> <p>A technical waste planner is reviewing options for medium and long-term waste infrastructure needs.</p>
HLN026	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.	<p>The Authority was granted £14m from DEFRA under the Extended Producer Responsibility funding, with a total for all eight North London authorities of approximately £36 million. £6.3m will be used to reduce in-year costs while the remainder will be transferred to the maintenance reserve to manage future cost pressures.</p> <p>A second senior policy and consultation officer was recruited to investigate waste reforms and develop a forward-looking</p>

		strategy to enable safeguarding of our financial settlement in future years. This will support NLWA to continue its journey from being reactive to becoming a much more pro-active Waste Authority.
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8. RECOMMENDATION

- 8.1. The high-level risk register is at Appendix A to this report, and the scoring matrix which shows the value of risk impact identified is at Appendix B. Members are recommended to note the report and register.

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

					Inherent Assessment			Risk Management			Residual Risk		
Risk Number	Risk Description	NLWA Risk Owner	Impact /Consequence	Category	Likelihood	Impact	Risk Score (RAG)	Current Control Strategy	Date	Next actions	Likelihood	Impact	Risk Score
NLWA - HLN016	Failure of NLHPP supply chain due to contractor failure to engage suppliers, or economic and political climate	Programme Director	Failure to meet the Authority's NLHPP contractual goal, with resultant lateness of works carried out onsite, with cost impacts, delays and friction between teams.	Contractual	5	5	25	Officers continue to monitor our contractual supply chain. This includes assessing costs and monitoring supplier performance. In addition, we are undertaking a 'deep-dive' audit of the project with specific reference to procurement.	Ongoing	Officers will consider the audit report findings to understand how best to complete the project. An underpinned programme of works and associated costs will be agreed.	3	3	9
NLWA - HLN012	Risk of failing to ensure sufficient and effective measures taken to protect staff, contractors or members of the public against injury	Managing Director	Personal injury associated with NLWA conducting its activities, affecting the wellbeing of individuals. Also damage to the Authority's reputation and stakeholder confidence.	Operational	4	5	20	Weekly and monthly health & safety reporting to the senior leadership team covers NLWA, London Energy and the North London Heat and Power Project. This ensures compliance with best practice and enables appropriate and timely action to be identified. Regular dialogue with delivery organisations and routine monitoring of safety performance maintains compliance with safe working practices. Most recently, safety measures were put in place for EcoPark House.	Ongoing	Current safety measures are under review and further audits are being planned.	2	3	6
NLWA - HLN030	Significant delays to ERF delivery beyond end 2026 due date. Could be caused by contractor performance such as issues arising during commissioning and the availability of sufficient specialist engineering and construction personnel.	Programme Director	Programme overruns with associated additional costs and reliance on old plant or off-siting costs Delay to delivery of ERF and disruption to waste services at the EcoPark, impacting boroughs Financial implications could impact the delegated authority and a requirement for new sources of funding	Strategic	5	4	20	Regular meetings with Acciona. An extended Stay Period was introduced to find and agree a way forward together and an audit was commissioned. Risk management of individual projects and mitigation of potential delays across the NLHPP programme.	Ongoing	Continuing to work with the contractor to meet and resolve issues wherever possible. Make every effort to avoid resorting to arbitration. Review audit when it is published and agree next steps.	5	3	15
NLWA - HLN005	Transition process to deliver and operate new facilities may not be well managed across a number of partners and suppliers	Managing Director	This could lead to delays or a loss of service and/or capacity while problems are rectified. This has financial and reputational consequences.	Strategic	4	4	16	The RFPF and RRC at EcoPark South have been delivered and are operating at a business-as-usual level. Service delivery at EcoPark House is under way and increasing. Officers are developing operational readiness and asset management plans for the ERF and monitoring a benchmarking of maintenance processes and costs. A cross-organisational (NLWA, LEL, NLHPP) working group was stood up in March '25 to mitigate this risk.	Ongoing	NLWA Transition Board will be re-instigated for internal transparency and assurance of transition projects, and reporting to Members and Boroughs. Review and refresh of management information, reporting, assurance and governance processes. Actions from the EcoPark South Lessons Learned exercise will be implemented for the ERF.	1	4	4
NLWA - HLN019	Lack of organisational resilience and dependence on specialist individuals	Director of Corporate Services	Loss of expertise and time work during staff absence.	HR / People	4	4	16	A staff development and succession plan is in place and there is regular people reporting. Anchor Days furnish staff with training sessions on a monthly basis and allow staff to come together as a whole organisation for interaction and collaboration. NLWA also works with service provider companies to promote resilience in service provision.	Ongoing	The next step for the Authority is to review internal functions including Finance and other Corporate Services departments. There is a need for increased capacity in the NLHPP core team.	1	3	3
NLWA - HLN031	Risk of litigious contractor relationship	Head of Legal	Lengthy and costly delays which distract from NLHPP construction and management of the programme;	Financial / Commercial	4	4	16	The Authority continues to encourage normal contractor relations on site. Planning to expand dispute support to ensure that programme team can continue to focus on contracted programme delivery.	Ongoing	Review of audit outcomes to agree best way forward.	3	3	9
NLWA - HLN001a	The existing EfW could have a major operational failure impacting on the life of the plant.	Managing Director	This would affect LEL's finances and the Authority has to meet substantial extra costs for disposal or to support LEL as a going concern. A single episode may be manageable but will incur very significant costs to NLWA.	Financial / Commercial	3	5	15	Business continuity insurance is in place and funding for resilience priorities is based on the comprehensive, previous, condition analysis report and planning.	Ongoing	A further condition survey has been commissioned by LEL to understand how the EfW can be maintained to avoid a major failure. Following the survey report, an action plan and investment required will be considered by the LEL Board.	2	5	10
NLWA - HLN002	The EfW could have a short term operational failure causing increased disposal costs for LEL	Head of Strategy & Services	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	Operational	5	3	15	NLWA maintains due diligence for the large capital assets and this includes appropriate legal provisions and insurance. Officers maintain a joint Asset Management Plan and continuous financial planning with LEL.	Ongoing	Officers will continue to review the operational performance of facilities and work closely with LEL to maintain business continuity through a joint operational resilience plan, in accordance with the LEL contract	2	3	6
NLWA - HLN001b	The existing EfW could have a major operational failure impacting on the life of the plant.	Head of Strategy & Services	The requirement for extensive off siting would significantly compromise the Authority's capacity to manage waste and require new disposal routes for very large volumes of residual waste.	Operational	3	5	15	Resilience priorities are delivered, based on the comprehensive condition analysis report and planning. The Authority engages with regulatory bodies eg fire brigade, Health and Safety Executive, Environment Agency to ensure comprehensive fulfillment of its risk mitigation obligations. Waste disposal alternatives for short-term offsiteing are in place while longer term arrangements are evaluated.	Ongoing	A further condition survey has been commissioned by LEL to understand how the life of the EfW can be maintained to avoid a major failure. The Business Continuity plan is being refreshed.	2	5	10
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	Programme Director	This would delay the start of operations of the new facility or mean that restrictions are placed on its operational capacity. Off-siting of waste by LEL would be required.	Regulatory	3	5	15	The Authority has performed thorough checking of calculations used to develop theoretical emissions and these all indicate that the plant will operate well within EA specified limits. In addition, the Authority tracks permit requirements, manages the contracts and liaises proactively with LEL and the Environment Agency to ensure all compliance requirements are met.	Ongoing	All permits will be fully tested as part of the ERF Testing and Commissioning phase with intense monitoring during Cold/Hot commissioning and steps take to prevent uncontrolled emissions. Until then, the Authority will continue monitor and manage the performance of its engineering, procurement and construction projects.	1	4	4

NLWA - HLN015	The Authority may fail to maintain good working relationships with boroughs and other key stakeholders	Head of Strategic Communications	High levels of engagement are necessary as borough budgets are squeezed and new facilities come online.	Partnership & Communication	3	5	15	The Authority is leading an increased engagement with all stakeholders in the area, particularly borough officers, under the present NLHPP uncertainty. Officers share the programme communications at boards, meetings and working groups including political leaders, borough staff and residents. NLWA works closely with borough officers and community groups on various projects, with regular meetings and information sharing.	Ongoing	NLWA will maintain the current increased engagement with borough Directors of Finance and Environment, continue to promote the new RRC facilities to local residents and develop the schools' education offering at EcoPark House.	1	3	3
NLWA - HLN029	The contingency that has been allocated to fund project exposure is insufficient due to cost escalations and design/programme uncertainty	Programme Director	Estimated costs for the project may be exceeded causing undesirable impacts on borough levies.	Financial / Commercial	5	3	15	Individual project cost management actions combine to reduced the impact at the programme level. The continuous monitoring and reporting of exposure against contingency informs early decision-making. Monthly cost reporting and a greater integration of NLWA and NLHPP financial teams allow for enhanced scrutiny.	Ongoing	The audit will provide a detailed understanding of the current project status and a likely delivery roadmap. Subsequent recommendations, alongside potential impacts on project completion date, will underpin any contingencies allocated with a greater degree of certainty.	3	2	6
NLWA - HLN018	Risk of failure to demonstrate value for money	Director of Corporate Services	Audit concerns, loss of Confidence from constituent boroughs, political instability. Negative political press that could lead to impediments in business-as-usual and NLHPP.	Political / stakeholder	3	4	12	Authority financial audits are up-to-date and an additional NLWA independent audit panel member was recruited, providing greater transparency. The governance of transaction flows between key partners was strengthened following the recommendations of an internal audit last year, and value-for-money assessments are conducted. An improved understanding of, and reporting from, NLHPP systems has been established. Increased operational reporting and the strategic communications strategy serve to manage stakeholders expectations and embrace transparency while fulfilling our governance remit.	Ongoing	The Authority is working to further improve its corporate governance structure with the support of the enhanced Audit and Governance Committee. The recently increased DoE and DoF sessions on budget and deliverables will continue, and a NLHPP Steering Group governance initiative is in progress.	1	3	3
NLWA - HLN023	Not optimising commercial strategy/income short-term	Director of Corporate Services	Not taking opportunity of capacity on our estate / assets The loss of income or savings requiring a potential for increase in Borough levy	Financial / Commercial	3	4	12	NLWA continues to develop its commercial approach to best optimise the use of assets and a cross-functional workstream on commercialising additional capacity in the new plant is under way. A new contract for recyclate income compares very favourably with the previous one. A revised commercial strategy for NLHPP is establishing best delivery routes and constraints for optimising income, and inhousing of the PMO has reduced costs.	Ongoing	The Authority will continue to develop a commercial approach which will outline how best to optimise the use of assets.	1	4	4
NLWA - HLN025	Risk of failing to ensure sufficient and effective action to drive high safety standards into the NLHPP in order to achieve acceptable health, safety and well-being standards, particularly as construction significantly increases.	Programme Director	Injury affecting the safety and wellbeing of personnel during the construction process for NLHPP at the EcoPark	Operational	3	4	12	The Authority is very safety-focussed and conducts frequent audits of all works onsite, including operational behaviours, training and well-being initiatives. Safe practice is endorsed on a daily basis to ensure that accidents and injury are avoided. There have been no notifiable incidents in the last twelve months.	Ongoing	The Authority will continue to maintain careful oversight to ensure compliance with best practice safety and the high standards demanded by the NLHPP Safety First Programme but the likelihood of an incident or accident on a busy construction site remains, and the impact will always be high.	2	4	8
NLWA - HLN026	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	Head of Strategy & Services	Loss of income; loss of potential income; increased costs.	Financial / Commercial	3	4	12	NLWA engages with Defra and other government departments on a regular basis so that it is well placed to prepare for, and benefit from, legislative change, eg EPR, across all waste management activities. Officers have developed a Public Affairs strategy and produce policy reponses and position statements for central government policy. Officers communicate with MPs to keep them informed and generate support.	Ongoing	Officers are developing a Public Affairs delivery plan for the coming 12 months to ensure fairer outcomes for the Authority and boroughs. NLWA is engaging with local and national bodies to plan and develop a pan-London waste leaders forum.	2	3	6
NLWA - HLN028	Risk of unavailable, inadequate or unaffordable market insurance	Head of Legal	Unplanned or unbudgeted costs and claims.	Financial / Commercial	4	3	12	Insurance is in place for the ERF, EfW and all waste infrastructure. The Authority delivered on its insurance approach and supported LEL to keep the EfW facility insurable despite very challenging market conditions. The enhanced maintenance regime of the EfW contributed significantly to this outcome.	Ongoing	The Authority plans to continue to monitor insurance cover levels and a refreshed insurance strategy will be required when there is a NLHPP timeline refresh.	3	2	6
NLWA - HLN007	New (NLHPP) assets could prove more expensive to replace, operate and maintain than planned, affecting the Authority's long term finances	Director of Corporate Services	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	The Authority maintains adherence to the Asset Assurance Framework as part of the Asset Management Strategy. This ensures that, for the RRF & EcoPark House, LEL use a maintenance preventative plan linked to a financial asset management depreciation system. Officers also benchmark accordingly.	Ongoing	The Authority aims to build a maintenance reserve with governance by the Asset Management Steering Group. The whole-life asset cost modelling will be revisited when Acciona negotiations and the ERF plan refresh are completed.	1	3	3
NLWA - HLN008	Borrowing to fund NLHPP might not be managed to obtain the best terms	Director of Corporate Services	The Authority would pay more than necessary for services, putting pressure on borough finances and affecting boroughs' confidence in the Authority	Financial / Commercial	3	3	9	NLWA maintains the agreed, updated, Borrowing Strategy and continues to monitor terms available for loans/bonds from different sources. The latest levy modelling is regularly shared with stakeholders and Officers published prudential indicators in line with previous financial profile, in Feb 2025. The Authority continues to benefit from the advice of the Camden Treasury adviser on our board.	Ongoing	Further work is needed to consider future funding for the ERF	1	3	3

NLWA - HLN010	Risk that financial management systems do not support the most effective running of the business	Head of Finance	Inefficient financial management would lead to poor (non-current) management information, lack of prompt invoice payment and protections against fraud not as robust as we'd like. Staff time/capacity then dissipated on inefficient systems	Financial / Commercial	3	3	9	NLWA continues to use Camden's Financial Management Strategy, as well as maintain its own Data Management Strategy to maximise the effective use of financial information. The accounts for 2022 and 2023 were successfully audited by Mazars, while regular internal audits by Camden support the continuous improvement of processes and assurance. A capital purchase order system tracks spend against Purchase Orders and Task Orders, and a quarterly forecasting exercise provides updates to Members.	Ongoing	Officers plan to prepare our next set of accounts in good time for external audit and to develop tools for real-time front-end financial interrogation and reporting.	1	3	3
NLWA - HLN013	The Authority might not maintain a team with the right skills and resources to cover its evolving responsibilities	Director of Corporate Services	The Authority would not have the expertise and skills to respond to new challenges	HR / People	3	3	9	The Authority has taken on more specialist staff and apprentices over the last 12 months. The Hybrid Working policy is proving effective while monthly Anchor Days, which provide whole-staff interaction, collaboration and training, continue to prove popular. Regular 'people reporting' to SLT continues and the Authority introduced a monthly technology steering group to consider digital and technology requirements. Long-term accommodation plans continue to make Berol House a more pleasant and effective working environment.	Ongoing	Officers plan to build a 'Developing our people' offer to build career pathways and prospects for staff to encourage retention and build skills to manage changing responsibilities.	1	3	3
NLWA - HLN020	Risk that corporate systems and resource do not meet the needs of the organisation	Director of Corporate Services	Corporate management capacity is not optimised and is distracted by e.g. managing grievances and staff performance and managing stakeholder expectations	HR / People	3	3	9	There have been improvements to Camden and Haringey digital systems and documentation over the last 12 months The Authority has grown its capacity base with more skilled staff being brought on board while the NLHPP PMO has been streamlined and largely brought in-house, with improved efficiencies. The Authority continues to review its resourcing on an ongoing basis and to conduct internal audits to enhance its processes.	Ongoing	The Authority is planning for a new IT provider in 2025-26 and will complete its digital approach implementation plan. NLWA will continue to mobilise EcoPark House for staff working and to further develop the service offering.	1	3	3
NLWA - HLN021	Failure to plan for & manage changing technology on waste	Head of Strategy & Services	Not capitalising on innovations in waste management to maximise effectiveness and value for money.	Political / stakeholder	3	3	9	NLWA reviews emerging technologies on a regular basis and is gathering evidence for development of a Decarbonisation Strategy. Our Joint Waste Strategy was published and is under review by Boroughs.	Ongoing	A review of emerging technologies world-wide, commissioned in conjunction with a local community group, will be published.	1	3	3
NLWA - HLN027	Unavailability of waste infrastructure at one or more sites, eg due to a short-term operational failure or closure by owner.	Head of Strategy & Services	If a local facility fails, there would be greater borough vehicle movements required - with associated costs - to transport bulky waste directly to the EcoPark. Failure of the RPPF would result in offsiteing all bulky waste with significant disposal costs for LEL and the need for Authority financial support.	Operational	3	3	9	The new Ecopark RPPF is fully operational, providing increased availability for bulky waste. Insurance is in place. 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.	Ongoing	The Authority will agree an insurance approach for the ERF and continue to progress plans to replace the former Hendon WTS with a site at Geron Way. The Authority will also continue to review all its sites and engage with colleagues at materials' recovery facilities eg Biffa.	2	2	4
NLWA - HLN032	Failure to secure leases on NLWA /LEL operated sites	Head of Strategy & Services	A borough could close a site or evict us without notice. Fines from HMRC and reputational damage for failing to show proper documentation.	Operational	3	3	9	NLWA has secured leases for a number of sites and are working to agree those that remain outstanding. Officers maintain good relations with the boroughs to keep well informed of plans for potential changes to sites.	Ongoing	Re-engage boroughs at senior levels to highlight the risks associated with the absence of leases for all parties (boroughs, NLWA and LEL).	2	2	4
NLWA - HLN024	Risk of the lack of a single capital strategy incorporating asset management plans.	Director of Corporate Services	Suboptimal use of future capital investment when new assets transition into Business as usual Revenue cost and impact on Levy	Financial / Commercial	2	4	8	A capitalisation policy was developed, following the recommendations of the previous Corporate Peer Review, as part of a capital strategy to be agreed ahead of the ERF becoming operational. A new financial system to manage assets was implemented and is being populated with new RRF assets. A study to explore the impact of the new financial standard IFRS16 will determine LEL ERF operating arrangements.	Ongoing	The Authority plans to develop a data driven approach to inform capital investment plans.	1	4	4
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	Director of Corporate Services	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	2	3	6	Robust group governance is established and supports best practice decision-making. This includes, for example, Authority review of LEL Finance, Chairs' and Transition Boards and attendance at LEL Audit & Risk Committee (ARC). The coordination and integration with LEL functions is a regular feature of discussion at NLWA SLT and there has been an increase in close physical working, and regular joint digital strategy forum and risk review meetings.	Ongoing	Governance review of NLWA/LEL relationship including shareholder agreement. Review of LEL transportation costs. In future, the LEL contract will be refreshed in line with the new ERF.	1	3	3
	CLOSED RISK												
NLWA - HLN006	The interface between NLHPP and ongoing services might adversely affect the project timetable and/or service to boroughs	Programme Director	The effect could be an unplanned delay to delivery of NLHPP and/or unplanned disruption to waste services at the EcoPark, affecting boroughs	Operational	2	4	8	With completion of the EcoPark South works this risk has been significantly reduced. The ERF has its own entrance and is completely self-contained within the contractual construction boundary.	Ongoing	Regular onsite management reviews will continue to ensure that all current and planned working practices are safe and appropriate.	1	2	2

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
	Unacceptable
	Tolerable
	Acceptable

Risk score = Probability x Impact