

West London Waste Authority Risk Register

SUMMARY

This report provides the Committee with the Authority's updated risk register. The key points are:

- The risk register has been reviewed regularly by Senior Leaders and Chief Officers
- The risk register provides focus on strategic and significant risks
- There are no notable (red) risks

RECOMMENDATION(S)

The Committee is asked to:-

- 1) Note the content of the Risk Register (Appendix 1)

1. The Authority's Risk Management Policy reported in January 2024 identifies the risk register as a key tool for managing risk. This sets out the main risks to which the Authority is exposed to and the actions management is taking to mitigate those risks. This is in line with good corporate governance.
2. The Corporate Risk Register is a formal document that is reviewed regularly by risk owners and is a standard agenda item for both WLWA Officer and Senior Leadership Team meetings which are held regularly throughout the year, where risks and actions are considered and updated routinely.
3. The risks are grouped according to the widely used PESTLE framework - political, economic, social, technological, legislative, and environmental risks. Each risk is reviewed individually with risk owners taking responsibility for updating the register and highlighting significant changes and new risks. At the end of the risk register there is a matrix which helps Officers to score individual risks in terms of their probability and potential impact should they crystallize.
4. The key changes from the risk register since presented in January 2024 are:
 - a. The inclusion of increased insurance costs or inability to insure within risk 1.
 - b. Continued waste growth in risk 2.
5. Functional risk registers are being developed within the Authority for each business function and projects. These will be reviewed by the relevant Senior Leadership member and linked back to the Corporate strategic risk register.
6. Training will be provided to all Senior Leadership and Management teams around the production of risk registers and ensuring a consistent approach.
7. Appendix 1 provides the latest risk register which was updated and considered at the latest round of management meetings. In overall terms, the risk register identifies 8 key strategic risks facing the Authority and the mitigating actions to reduce the risk. There are no notable (red) risks.

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Appendix 1 – Risk Register

Risk Area "There is a risk that..."	Analysis of Risk "Which will result in..."	Type	Assessment of Risk (original score in brackets)			Management Actions Implemented or Planned (in bold)	Assessment of Risk after mitigations (original score in brackets)			Responsible Officer
			Impact	Probability	Rating		Impact	Probability	Rating	
1. One or more operational shock(s) or long-term stress will cause contract or operational poor performance eg major fires, major mechanical failure, second pandemic, industrial action, increased regulatory requirements, change management, projects.	Transfer stations bottlenecks impacting collections. Change / perceived loss of service on HRRC sites for residents. Negative indicators on contract performance. Increased cost of service. Increased insurance costs or inability to insure.	Political	4	5	20	Fire prevention group established with clear ownership of actions. Increased measures to prevent flammable wastes arriving at transfer stations. Circular Economy and Net Zero team established at Authority to drive change and reduce waste. Weekly waste reporting, joint monitoring of KPIs and service monitoring with Boroughs and service partners. Regular communications with government and regulators at a senior level and with national associations. Business continuity planning and regular reviews of contingency arrangements on each contract. Continuity planning with Boroughs including reducing frequency of tipping and rescheduling tipping times at the transfer stations. Emergency / fast procurement capability using dynamic procurement system and ensure key potential off takers are registered on the DPS. £13m investments into cranes, weighbridges and compactors at rail linked sites. Lead on and encourage investment in HRRC/transfer station sites. Infrastructure investment plans linked to projects and change management. Stay aligned / maintain up to date knowledge of the waste market, waste flow planning. Regularly review insurance provisions and keep insurers informed of any emerging issues.	4	3	12	Director of Operations
2. Cost pressure due to waste growth or legislation eg Carbon tax / Emission trading scheme will happen faster than our change programmes to reduce waste. Boroughs may money needed to invest in change to plug short term funding gaps.	Failure to invest sufficiently in projects to reduce waste. Levy growth over the medium term, in particular PAYT levies.	Economic	5	4	20	WLWA medium term strategy review. Circular Economy and Net Zero team established at Authority to drive change and reduce waste. Savings strategy to reduce waste resulted in projects team - now growing in maturity. Harness additional savings / income for reinvestment in projects (EPR plan, electricity income, energy savings, recyclate income) Collaborative strategy planning with Boroughs, JMWMS, A plan for 2030. Regular reviews of the finance strategy and project KPIs with Senior Leadership Team, Environment Directors and Finance Directors. Investment in improvement to household residual waste at HRRCs to drive efficiencies. Food waste/Increased Access project to reduce waste, reduce cost and increase recycling rates. Digital twin project to map current services and waste flows and plan future opportunities of service changes/improvements. Social value and reuse project invests in income generation, supports community good growth and positively informs residents about the value of waste. Communications project tests the knowledge of residents against an ideal. Prepare to pro-actively remove plastics from EfW waste at the right time (legislation or to balance removal of food waste). EfWs to be included in Emissions Trading Scheme from 2028 – need further clarity on how it will work but the above actions should reduce fossil carbon in waste. The financial impact will need to be modelled after seeking legal advice and thereafter shared with boroughs,	4	3	12	Director of Finance
3. The economic climate will impact our ability to retain staff. Recruitment will be difficult and / or take a long while due to e.g.: scarcity or incomplete experience/training..	Additional pressure on HR, Managers and remaining staff. New people need time to be trained in skills for the future. Time lost on projects.	Operational	4	4	16	Tuesday morning strategic meetings. Monthly team meetings in person at either West Drayton or other sites to maintain cohesiveness with regular focus on knowledge, purpose, culture and values. Core training on coaching, insights, lean and six sigma and digital skills "the future of work" led and planned by SLT. Leaders and Managers training programme. Diversity, Equity and Inclusion programme. Leaders, Managers and Human Resources to monitor team turnover, and regularly review succession planning, skills gaps analysis, job descriptions and job market. Procure contracts to support the projects and spread the risk. Review the value of operational work in the current market and our ability to attract high quality staff. Offer secondment / staff sharing arrangements to maintain service levels with Boroughs and service partners. On boarding process to be designed to train new employees.	3	3	9	Chief Executive
4. The complexity of the PPP contract payment mechanisms results in unintended consequences.	Less income or savings than expected from contract variations.	Economic	4	3	12	SLT to deliver contract variations with support from Sharpe Pritchard using in depth contract knowledge and experience. Thorough checks and testing throughout negotiation and prior to finalising variations Financial modelling to support variation and contract management.	3	3	9	Director of Finance

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						Independent audit of payment mechanism. Training and familiarisation with payment mechanisms. Periodic billing file audits and monthly reconciliation to tonnages carried out. Key stakeholders understand contract.				
5. IT systems will face cyberattack or suffer a major failure.	Loss of data Failure to submit statutory reports. Relying on Boroughs or Contractors for invoicing data. Operational shocks or projects delay.	Economic	4	4	16	All weighbridges except Brent and Richmond are run by the boroughs so need clarity around their systems and security. Data, Digital and IT strategy authorised in March 24, and reviewed annually to ensure IT requirements are efficient. Also reviewed due to the amount of third party data we are holding and the importance of that data to our savings projects. Data policy needed to ensure staff only use the cloud-based systems / use of hard drive is limited and backed up regularly. Educating employees and working with IT to ensure sensitive data is secure. Out-sourced cloud-based systems subject to a wide range of back-up and security measures including remote storage and performance to an agreed service level standards. Contractor deploys a range of security measures to prevent unauthorized access to systems including 2 factor authentication, firewalls, antivirus and antispyware. Restricting access to kit, communications and applications to authorised users only.	4	3	12	Director of Finance
6. Changes in law (which can include employment legislation) or savings projects will affect our operations and contracts (Item 3 above considers legislation designed to have financial implications)	Unanticipated cost for the Authority Contractor claims for QCIL Unanticipated changes to waste flows Needing change from Borough operations to take whole system approach	Operational	4	5	20	WLWA medium term strategy review. Collaborative strategy planning with Boroughs, JMWMS, A plan for 2030. Prepare to pro-actively remove plastics from EfW waste at the right time (legislation or to balance removal of food waste). Low contamination policies for all material streams Network with WNC,NAWDO, LEDNet, JWDA's to stay abreast of national impact of legislative changes and regulator imposed changes and potential funding (e.g. EPR). Analysis of the implications of legislative changes. Build costs into finance strategy and budgeting process. Operational support for projects to reduce waste / whole system costs Food waste project - Press Defra for capital funding for new food waste infrastructure. Digital twin project – Build operational digital skills. Social value and reuse project – Build operational Circular Economy skills. Communications project - test the knowledge of WLWA operatives against an ideal. Annual auditing of all HR processes/policies for compliance HR Manager designated to be alert and keep an eye on eye on new employment laws and high-profile legal situations.	3	4	12	Director of Operations
7. Environmental regulator will require more use of buildings and structures to prevent environmental damage.	Increased cost Increased cost of repair Potential fines Reputational damage	Operational	5	4	20	Build costs into the costs of Projects, budgeting process and finance strategy. Press Defra for capital funding for all requirements linked to legislative change. Network with WNC,NAWDO, LEDNet, JWDA's to stay abreast of national impact of legislative changes and regulator imposed changes and potential funding (e.g. EPR). Involving operations in the projects, building knowledge and skills. CoTC training, responses to consultations. Range of processes including internal daily and weekly monitoring. Regular review of operational risks and procurement policy. Monitor contractors' environmental performance and reporting.	4	3	12	Director of Operations
8. Pressure of change increases the risk of Health & Safety breaches. Circular Economy partners eg small charities are not as savvy to operational risk as they need to be.	Risk of injury to staff or public visitors to Authority sites. CE Partner organisations have less developed controls and need operational support and careful management. Early termination of CE small scale or trial services.	Operational	5	4	20	Specialist Health and Safety Advice contracted in. Occupational Health Services contracted in. Collaborative operational managers' group set up with Boroughs. Periodic internal audit of contractors included in H&S Advisor contract. Annual Action Plans to continuously improve. Monitor contractors' health and safety performance and reporting. Regularly test and review fire prevention/precaution measures at site including fire risk assessments. Fire prevention group. Communications project to address batteries and e-waste. Losses are covered by insurance policies. Organise sites to ensure adequate separation between operational areas and public or volunteers. Stress testing of CE partner business cases (financial and environmental). Undertaking appropriate research and vetting of the business and key individuals to properly understand the partner organisation / partnering risks. Leading on the development of processes and controls (including risk assessments) for the CE service offering to ensure appropriate controls are implemented to manage the operation and risk it entails. H&S termination clauses.	4	3	12	Director of Operations

Risk/ Impact Rating

Rating	Status	Service disruption	Financial Loss	Reputation	Failure to provide statutory service / meet legal obligations	People
5	Extreme	Total failure of service	Over £5m	National publicity > than 3 days Resignation of leading member or chief officer	Multiple civil or criminal suits. Litigation, claim or fine of above £5m	Fatality or one or more clients/staff
4	Very high	Serious disruption to service	£500k-£5m	National public or press interest	Litigation claim or fine £500k-£5m	Serious injury. Permanent disablement of one or more clients / staff
3	Medium	Disruption to service	£50k-£500k	Local public /press interest	Litigation claim or fine £50k-£500k	Major injuries to individual
2	Low	Some minor impact on service	£5k-£50k	Contained within department	Litigation claim or fine £5k-£50k	Minor injuries to several people
1	Negligible	Annoyance but does not disrupt service	< £5k	Contained within unit/section	Litigation claim or fine less than £5k	Minor injuries to an individual

Likelihood Classification

1. Rare - May occur only in exceptional circumstances (0-5%)
2. Unlikely- Could occur at some time (6%-20%)
3. Possible - likely to occur (21%-50%)
4. Likely-Will probably occur in most circumstances (51%-80%)
5. Almost Certain - Expected to occur in most circumstances (>80%)

Risk Rating/Scoring = Impact x likelihood. Prioritisation of Risks

20-25 (Red)	Those risks requiring immediate management and monitoring
10-19 (Amber)	Those risks requiring management and monitoring but less time critical
1-9 (Green)	Those risks which require ongoing monitoring