

APPENDIX A - REVISED AND NEW TOP RISKS

Generated on: 20 February 2015



Risk Code	TR59	Risk Title	Waste & street cleansing contract renewal
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2014	Corporate Priority	Living within our Means
Risk Description	<p>The waste and street cleansing contract is due for renewal on 31st July 2017. There are number of risks to this procurement that have been identified on a project risk log. Due to initial discussions with EHDC the possibility of extending the existing contract until 31st March 8th May 2018 is being explored and a VEAT notice has been published.</p> <p>As a result of</p> <ul style="list-style-type: none"> - unavailability of key staff - a poorly worded/unclear specification - lack of tenders/collaboration - the complex and evolving statutory environment - Uncertainty and changes in disposal infrastructure - extensive lead in time for any new supplier - new procurement legislation - Veolia's software not producing data in a usable format to provide clarity to bidders - other corporate projects calling upon key Officer resource - opportunities for collaborative working - health and safety risks arising from use of HGV's and manual handling - lack of up to date information held by NHDC - key staff being involved in the procurement - age of existing contract - lack of NHDC ownership of a depot or transfer station - Delays in taking a political decision <p>There is a risk that</p> <ul style="list-style-type: none"> - there will be insufficient staff skills and experience leading to a poor quality tender specification/contract terms - the contract fails to deliver expectations - the contract costs increase - procurement will not be delivered on time - the procurement does not follow latest legislation - errors and omissions are made in the evaluation and award of contract - incorrect information is provided in the tender documents - the procurement will be delayed due to conflicts with other projects/support service availability - the procurement is delayed due to negotiation and decision making time frames with stakeholders/partners/staff/politicians - there is a breach of health and safety legislation by the contractor - there is a decline in business as usual - current service standards may prove more costly - potential bidders may not find suitable depot sites which may increase operational costs - Existing contractor may become complacent and service standards may drop during re-tendering 		
Opportunities	To provide a modern cost-effective waste and street cleansing service with a contract that is easily performance managed.		
Consequences	<p>The consequences of this risk include</p> <ul style="list-style-type: none"> - a poor quality tender specification/contract terms - a legal challenge that would be costly and possibly delay the letting of the contract 		

	<ul style="list-style-type: none"> - the cost of the new contract exceeds budget - incorrect tender pricing by a contractor due to poor data - missed collections/deterioration in street cleansing leading to increased customer complaints and a possible negative impact on public health - injuries, HSE investigations and insurance claims/HSE fines - lack of bids, transferring waste outside the district and/or high contract price - Non-compliance with the Waste Regulations 	
Work Completed	<p>Employment of experienced Contracts Manager for Waste & Street Cleansing Project identified as key in Priorities for the District 2014/15.</p> <p>Existing service standards in some areas are below that specified in the contract so any decline in service standards may not be noticed.</p> <p>Bury Mead Road to be used as transfer station in the short/medium term</p> <p>Project team established</p> <p>Cabinet report drafted to request authority to develop a joint working business case.</p>	
Ongoing Work	<p>Procurement advice could be outsourced</p> <p>As a contingency in the event of staff unavailability, support could be obtained from HCC/HWP. To undertake "soft" market test and build any ideas from this into spec.</p> <p>To benchmark contract specification with other authorities as part of the joint working business case</p> <p>Seek input from Procurement/Contracts solicitor.</p> <p>Include pricing schedule reviews in the spec.</p> <p>Undertake consultation with parishes, Letchworth Garden City Heritage Foundation, Hitchin BID</p> <p>Invite dialogue and engage with potential suppliers at a pre procurement stage.</p> <p>Draw up timeline and allocate tasks with waste team</p> <p>Use Delta to ensure there is a transparent audit trail.</p> <p>Review contract & customer data to improve data.</p> <p>To stipulate in contract that NHDC has more control over the data held by the contractor.</p> <p>Prompt decision required as to whether this is to be a joint procurement.</p> <p>H & S to be asked for at PQQ stage and to be key areas in spec.</p> <p>Good contract management to identify any apparent H & S risk areas or breaches.</p> <p>To work with IT to transpose current data.</p> <p>Produce mapped data with inspectors to audit information.</p> <p>To review CRM information and IT integration.</p> <p>Members/public/CSC to direct enquiries to others in waste team not involved in procurement</p> <p>Identify sites for potential Northern Transfer Station and depot site. Purchase site and obtain planning permission.</p>	
Current Impact Score		Current Likelihood Score
Current Risk Matrix		
Date Reviewed		Next Review Date
	FINANCIAL	
	INFORMATION	
	OPERATIONAL	
	PEOPLE	
	REGULATORY	
	REPUTATION	
	STRATEGIC	

Risk Code	TR59.001	Risk Title	Trade Waste
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2007	Corporate Priority	Living within our Means
Risk Description	<p>The impact of legislative changes to trade waste collections and loss of business to other providers. Trade waste and recycling service does not meet the current needs of the business community by not providing value for money and services as required. Landfill tax continues to increase by £8 per tonne per year Loss of revenue due to financial climate. Costs of waste transfer make our collections cost prohibitive for businesses. Recycling service does not facilitate businesses to reduce costs sufficiently. Veolia contract due for retendering in August 2017/ May 2018 and contract prices likely to increase The risks are:</p> <ul style="list-style-type: none"> - Not offering recycling collections will result in loss of market share - Loss of customers to other providers due to poor/ expensive services - Loss of income to NHDC/ Potential costs to general fund. 		
Opportunities	To maximise profitability and demand for our trade waste service, which currently makes a contribution to revenue, to develop and provide a full trade waste recycling service to all existing and potential new customers.		
Consequences	Leads to: <ul style="list-style-type: none"> - Trade waste service loses profitability - Loss of income for NHDC general fund - Reduces the viability of the trade waste service for sale - Services offered do not meet needs of businesses in the district 		
Work Completed	<ul style="list-style-type: none"> -New service costs for 2015/16 developed - majority of costs have increased by contract rises. New charges proposed for trade waste recycling. - Changes to HMRC guidance means our customers are exempt from VAT - competitors required to charge (2015 update this is currently being challenged) -Trade waste sales drive has increased profitability of the service substantially - Review in September 2011, indicated the Council's intention to retain or sell this service – service retained - NHDC Officers presented to PB during October 2012 their recommendations for a commercial recycling pilot trial - PB agreed to the new venture upon the basis that the newly won financial standing of the trade waste service was protected - It was agreed that a six month recycling trial be run to ascertain the commercial value of providing / operating such a service - Commingled recycling option introduced for existing commercial customers. - Recycling service continues but it will be reviewed to determine if it can be self-sustaining – new prices proposed for 2015-16 		
Ongoing Work	<ul style="list-style-type: none"> -Ongoing work to manage the capacity of the recycling services - Cardboard round review to try to open up capacity for additional work on alternative days - Review of pricing structure for April each year – proposed implementation of new commingled recycling charges for October 2015 		
Current Impact Score	2	Current Likelihood Score	1
Current Risk Matrix			

Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
	FINANCIAL		
	OPERATIONAL		
	REGULATORY		

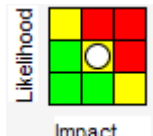
Risk Code	TR59.002	Risk Title	Waste and Recycling Services for flats
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2013	Corporate Priority	Living within our means
Risk Description	<p>A new commingled recycling, weekly food waste and weekly residual waste collection service was introduced in the summer of 2013 for flats. There are a number of risks arising from and to this new service:</p> <ul style="list-style-type: none"> - Due to the tendering of the commingled recycling service by the HWP, there is a risk that the cost of the service will increase leading to additional revenue expenditure for the Council - There is a risk that the AFM payment received from HCC will stop in 2016/17. This would lead to a loss of income to the revenue account. - A sum of £853,000 was provided by the DCLG to introduce a recycling service to flats in North Herts. Liners have to be provided to flats or there will be a risk that the Council is in breach of the funding agreement with the DCLG - Decision on the continued viability of weekly services is required in line with the new waste and street cleansing contract procurement. 		
Opportunities	<ul style="list-style-type: none"> - Increased recycling - Reduced waste to landfill - Reduced waste arisings 		
Consequences	<p>The consequences of this risk include:</p> <ul style="list-style-type: none"> - An investment bid may be required to support the continuation of the service and this could result in other services having to be reduced to fund the weekly flats waste collection service - Failure to meet residents' expectations if caddy liners are no longer provided, resulting in increased complaints - Contamination of food waste or recycling, resulting in more waste going to landfill 		
Work Completed	<ul style="list-style-type: none"> - New service rolled out in the summer of 2013, resulting in an increase in recycling rate and less waste going to landfill - Further caddy liner delivery completed 		
Ongoing Work	- Review of success of food waste collections in 2015		
Current Impact Score	2	Current Likelihood Score	2
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
	FINANCIAL		
	OPERATIONAL		
	PEOPLE		
	REPUTATION		

Risk Code	TR59.003	Risk Title	Northern Transfer Station and Ancillary Facilities
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2012	Corporate Priority	Living within our means
Risk Description	<p>NHDC owns the Bury Mead Hitchin Transfer Station which has been leased to the private sector. Hertfordshire County Council (HCC) currently operate a residual waste transfer solution for NHDC collected waste from this site until 2017.</p> <p>Maintenance of this site or an alternative Northern Transfer Station station is required to prevent additional transport costs for NHDC if refuse collection vehicles would need to travel outside the district and tip directly at the landfill site of up to £280,000 (gross of HCC transport subsidy of £100,000) and increased vehicle emissions</p> <p>The risks associated with a Northern Transfer Station project are:</p> <ul style="list-style-type: none"> - Failure to agree a suitable site along the A1 corridor and development of a viable business case - Failure to obtain planning permission - Failure to gain required permits - Diversion of NHDC resources to support the project - Failure to develop a site in time, leading to significant increased financial and environmental risks - lack of control over a transfer station asset by either NHDC or HCC may lead to increased costs in the retendering of the waste contract - Failure of the Radwell site to accommodate any increase in recycling <p>These risks could lead to the site not being built, which would lead to increased transport costs to transfer to alternative transfer sites and a failure to capture all savings from having one dedicated waste and recycling site/depot.</p> <p>Lack of a depot and recycling transfer station could impact on the procurement of the waste and street cleansing contract procurement as potential bidders may not find suitable depot sites which may increase operational costs.</p>		
Opportunities	<ul style="list-style-type: none"> - Reduction in transportation costs for NHDC and HCC and minimising the impact on the environment - Consolidation of existing facilities (depot, transfer stations for recycling and residual waste, HWRC) and dependant on location, working with other partners for other services (shared costs, economies of scale) - To improve operational efficiencies by providing one site for Household Waste (HCC), a depot and waste and dry recyclates transfer station - Work with East Herts, Stevenage and HCC on not only the transfer station but also potential amalgamation of waste contracts for economies of scale 		
Consequences	<p>The consequences of this risk are:</p> <ul style="list-style-type: none"> - Transportation costs to ultimate disposal site continue to increase - Detrimental impact on the environment - Radwell operating 'at capacity' and service may be impacted if material can not be moved quickly enough. e.g in times of adverse weather , or peak collections (Christmas/Easter) , problems with haulier. - Radwell and Works Road depot not available to bidders for waste collection and street cleansing contract may lead to poor competition/ increased cost. 		
Work Completed	<ul style="list-style-type: none"> - Feedback to HCC strategic site allocation planning - Worked with HCC waste services in identifying suitable locations for a Northern Transfer Station - Stevenage/North Herts location aborted due to planning restrictions - workshop held to brief members on the issue at Bury Mead - Equality Assessment has shown there are no direct or indirect discrimination should the Sunday service cease. - Cabinet agreed to the cessation of Sunday residual waste disposal facility at Bury Mead - Contract let by HCC for continuation of transfer until March 2017. New contractor on site for October 2014. - Preliminary discussion held between HCC and NHDC on viability of sites within the Waste 		

	Allocations Document for combined depot and northern transfer station. Feb 2015 -tender out for consultants to undertake new site search.		
Ongoing Work	<ul style="list-style-type: none"> - Property Services, Estates, Waste and Legal working to resolve dilapidations at Burymead with Biffa to enable surrender of the lease. This could cost NHDC about £50,000 - NHDC accepting a Royalty payment based on commercial activity at the site. - Dilapidations and contaminated land investigations ongoing with new contractor. <p>Work in progress to resolve risk re Northern Transfer Station</p> <ul style="list-style-type: none"> - Consider developing a transfer station in North Herts - Consider working with neighbouring authorities to develop a shared transfer site – informed by Herts Waste Partnership peer review in 2014 - Development of a PID 		
Current Impact Score	3	Current Likelihood Score	1
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
	FINANCIAL		
	OPERATIONAL		
	REPUTATION		

Risk Code	TR59.004	Risk Title	Commingled Waste
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2013	Corporate Priority	Living within our Means
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Challenges being made at a national level by environmentalists and by companies involved in source separated materials, such as glass, who are using the requirements set out in the Waste Regulations around TEEP (Technically, Environmentally and Economically Practicable) to argue that MRFs (Material Recycling Facilities) do not perform as well and are less environmentally friendly in terms of processing glass and other such material than a source separated at kerbside - Cross contamination of commingled recycling - The quality of glass in commingled recycling - failure of the contractor for commingled waste - the limited capacity at Radwell - reduced income from material sale <p>There is a risk of:</p> <ul style="list-style-type: none"> - Contaminated loads going to the MRF - Negative impact on recycling performance and diversion of contaminated recycling material being sent to landfill - Failure to make best use of glass collected for recycling - A decrease in the price received for commingled recycling - Material not going to closed loop recycling - Legal challenge from 2015 on the quality of material being recycled via commingled recycling compared to kerbside sorted material. The Environment Agency is the enforcing authority and will review local authority positions in 2015. - failure of the Radwell site to be able to accommodate any increase in recycling - reduction in income due to changes in waste composition and a fall in the markets for material sale 		
Opportunities	<ul style="list-style-type: none"> - To ensure our co-mingled material is within defined limits (less than 5%) of contamination at source, to prevent legal and financial challenges - To argue our case if challenged that our co-mingled material and the MRF that it is sent to is "Fit for Purpose" and the challenges made under TEEP demonstrate we have improved on performance and is more efficient and effective than our previous source separated service 		
Consequences	<p>As a result of these risks:</p> <ul style="list-style-type: none"> - High levels of contamination may result in downgrading our material and significant increased costs; this then may lead to higher risk of challenge on quality and performance under TEEP - Glass may have to be removed from commingled recycling if sufficient quality cannot be achieved at the MRF - Textiles may need to be reviewed if contamination persists in the commingled waste stream - Increased costs if the Council has to use an alternative MRF - Negative impact on our residents and potentially on the performance, reducing our recycling performance if glass is sent to landfill - Option of going back to kerbside sort for glass, this would have financial implications to the revenue budget for waste - Defending any legal challenges made may have additional revenue or opportunity costs - Reputational issues - Successful challenge would result in whole scale service change costs - reduced income inevitable for 2014/15 and potential processing costs likely for 2015/16 year if materials markets do not improve. 		
Work Completed	<ul style="list-style-type: none"> - Cardboard now removed from compost improving the quality of the compost - Commingled contract implemented - Change in publicity in relation to textiles, now in a bag outside of the bin, to help prevent contamination - Staff resource at Radwell to assist in removing contamination - waste composition reviewed for year 2 of contract 		

	- consultant engaged to undertake TEEP assessment		
Ongoing Work	<ul style="list-style-type: none"> - Waste and recycling contractor removes as much contamination as possible before the recycling is transported to the MRF - AFM payments for reducing amount sent to landfill should compensate for reduction in income from recyclates in 2014/15, although possible large reduction in income for 2015/16, AFM funding is uncertain after 2016-17 - Communication with our residents to assist us in minimising contamination in the commingled waste stream - Herts Waste Partnership have agreed that they will support any district/borough that has a legal challenge about the quality of their commingled recycling - HWP contributing to cost of TEEP assessments undertaken by March 2015 - Review of textiles collections - in the event of failure of the contractor the Council would seek an alternative provider but may have to send some potentially recyclable materials to landfill in the interim. - Review of material stream pathways and TEEP assessment 		
Current Impact Score	2	Current Likelihood Score	3
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
	FINANCIAL		
	OPERATIONAL		
	REPUTATION		

Risk Code	TR59.005	Risk Title	Street Cleansing
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2014	Corporate Priority	Living within our means
Risk Description	<p>The district is divided into "zones" with different cleaning standards associated with different zones. As a result of</p> <ul style="list-style-type: none"> - having allocated different types of location to different zones and having a different level of cleansing for different zones there is a risk that will be no parity with East Herts Council (EHC) - increasing the cleaning of high speed roads there is a risk that the cost of the contract would increase substantially - maintaining the current level of cleaning of high speed roads there is a risk that the appearance of the district will not improve and/or there will be a negative environmental impact. - reducing the number of litter bins could lead to more litter being dropped - deciding not to clear leaf fall there is a risk of increased complaints and the possibility of more people falling and injuring themselves - Zoning of streets is outdated and review is required 		
Opportunities			
Consequences	<p>These risks can lead to</p> <ul style="list-style-type: none"> - increased contract costs - increased complaints form the public - increased dissatisfaction with the level of street cleanliness - possible claims for injury (eg as a result of falling on wet leaves/detritus) 		
Work Completed	Programme of high speed road cleaning arranged annually.		
Ongoing Work	<p>If a joint procurement goes ahead to agree with EHC what standards of cleaning are required. To consult with members and other stakeholders for new contract minimum standards To communicate any changes in standards to the public with an explanation as to why the decision has been taken (eg savings)</p>		
Current Impact Score	2	Current Likelihood Score	2
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
	FINANCIAL		
	OPERATIONAL		
	PEOPLE		
	REGULATORY		
	REPUTATION		

Risk Code	TR59.006	Risk Title	Shared Procurement Opportunity
Risk Owner	Vaughan Watson	Portfolio Holder	Cllr P Burt
Year Identified	2014	Corporate Priority	Living within our means
Risk Description	<p>There is an opportunity to share the procurement of the waste and street cleansing contract with East Herts District Council.</p> <p>As a result of</p> <ul style="list-style-type: none"> - lack of staff resources to support the project - a lack of ability to influence the design, delivery and performance of services in the future <p>There is a risk that</p> <ul style="list-style-type: none"> - a joint procurement is not viable due to a lack of time to produce a joint contract specification - the future contract is not suitable for the needs of NHDC 		
Opportunities	Improving the cost effectiveness and resilience of the waste collection and street cleansing contract		
Consequences	<p>If the risks materialise the consequences will be</p> <ul style="list-style-type: none"> - loss of ability to make savings through a joint procurement - continuing capacity problems at transfer locations - contract costs increase - lack of satisfaction with the service from residents leading to an increase in complaints - deterioration in level of recycling and increase in use of landfill. 		
Work Completed	December 14 Cabinet approved the development of a Business case VEAT notice issued to extend contract to 8 May 2018 to align with EHDC contract end.		
Ongoing Work	<p>To report back to Cabinet in June 2015 with an outline Business Case with the objective of a decision being made whether to approve the joint procuring of these services and specifically on how this joint project will be controlled and managed and the governance arrangements once the joint contract has been awarded.</p> <p>To consider back filling officer posts involved in the project if required.</p> <p>If necessary, use AFM funds to help fund the costs involved in the joint procurement</p> <p>If a joint procurement goes ahead:</p> <ul style="list-style-type: none"> - to agree composition of a management board and determine member involvement - to determine if contract will be self monitoring or client led. - to determine future contract management staffing arrangements. - to determine full contract scope - to determine joint policies - to determine financial implications 		
Current Impact Score	3	Current Likelihood Score	1
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	30-Jun-2015
Categories			

Risk Code	TR60	Risk Title	Increased Homelessness and Use of B&B
Risk Owner	Andy Godman	Portfolio Holder	Cllr B Lovewell
Year Identified	2011	Corporate Priority	Working with our communities
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Welfare reform - Major difficulties accessing the private sector - In the mid term, a rise in the base rate of interest - Lack of suitable temporary accommodation <p>There is a risk of:</p> <ul style="list-style-type: none"> - An increase in homelessness - A lack of alternative housing options - An increased use of B&B accommodation for homeless households 		
Opportunities	- Homelessness is minimised through prevention activity and there are options for those in housing difficulties		
Consequences	<p>An increase in homelessness levels could lead to the full occupation of temporary accommodation units. This in turn would lead to increased usage of B&B accommodation, which would have the following consequences:</p> <ul style="list-style-type: none"> - A significant budget gap for the Council as, on average, only around 35% of housing benefit costs can be reclaimed by way of government subsidy - Adverse impact on households as B&B accommodation in itself is not ideal and it could also be located anywhere in Hertfordshire, or beyond - Negative publicity for the Council 		
Work Completed	-A review of all homeless households accommodated by the Council in order to establish whether an ongoing accommodation duty exists and if so, the best way to manage this		
Ongoing Work	<ul style="list-style-type: none"> • Prioritising activities that establish whether a legal accommodation duty exists at the earliest possible stage • Liaising with registered providers and other local authorities in order to see whether alternative accommodation options exist • Liaise with Herts County Council on possibility of future specialist provision for single people • The ringfencing of social housing solely for homeless households in each weekly vacancy cycle • Review opportunities to improve move-on from temporary accommodation via the Common Housing Allocation Scheme • Review opportunities to improve access to the private rented sector • Work with temporary accommodation providers to closer manage occupants and determine whether possession action needs to be undertaken at an earlier stage • Work more closely with hostel residents in order to remove barriers to move-on eg rent arrears • Consider allowing homelessness acceptances to retain their status at their 'approach' address, thereby reducing the call on temporary accommodation 		
Current Impact Score	3	Current Likelihood Score	2
Current Risk Matrix			
Date Reviewed	20-Feb-2015	Next Review Date	31-Jul-2015
	FINANCIAL		
	PEOPLE		

