

Revised Waste Risks

Updated: February 2020



In November 2019, the Risk Management Group approved proposals for changing the existing Waste risks, in order to ensure that they focussed on and clearly defined the main operational and strategic risks facing the service. The group reviewed the relevant changes at its next meeting in February 2020.

Below is a summary of these changes, along with details of the new and retained risk entries.

There are four risk entries in total:

- **Delivery of the Waste Collection and Street Cleansing Services Contract (Corporate Risk)** – This covers the previously highlighted risks relating to Staffing, Management and Monitoring Arrangements, Contact Handling, Street Cleansing and Trade Waste.
- **External Factors Affecting the Future Provision of Waste Services (Corporate Risk)** – This covers the previously highlighted risks relating to Disposal Arrangements for Waste (Northern Transfer Station) and Emerging External Factors.
- **Sale of Recyclable Materials (Operational Risk)** – This is an updated version of the existing risk entry.
- **Organic Waste (Operational Risk)** – This is an updated and retitled version of the existing Food and Garden Waste risk entry.


Deleted Risks

- **Snow and Ice** – Officers scored this risk, highlighted in the previous overarching Corporate Risk, as Low in terms of both likelihood and impact. Officers have implemented updated processes relating to the relevant duties. Although there will always be a risk of claims for personal injury/property damage, officers believe that this has been managed to an appropriate level.
- **Depot and Recycling Material Transfer Station (Buntingford)** – The main risks relating to the Buntingford site were the failure to secure the Environment Agency permit and the failure to agree a cost-effective alternative to a fire suppression system. Both of these risks have been managed to a successful conclusion. Updated risk assessments and business continuity plans have been developed to manage the residual risk of losing operational use of the site due to fire, health and safety incidents etc. The risks relating to EHDC's decision to direct residual waste into the site are solely its responsibility, although it is referenced in the new contract delivery Corporate Risk, as a possible cause for problems delivering the contract.
- **Route Optimisation of Collection Rounds** - Implementation of the initial Phase 2 changes was completed and following the Cabinet decision on 30 July 2019 to retain the existing weekly collection of residual waste from multi occupancy properties, the risks associated with a change to fortnightly collections were removed. Although NHDC continues to work with the contractor to resolve associated residual issues as a business as usual activity, the significant risks relating to the service changes are no longer there.

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Risk Code	CR66.01	Risk Title	Delivery of the Waste Collection and Street Cleansing Services Contract
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2019	Corporate Priority	Respond to challenges to the environment
Risk Description	<p>Waste management and recycling is the highest profile service that affects every resident of the district and it is the most significant service delivered by NHDC. NHDC is the lead authority for the joint waste contract with East Hertfordshire District Council (EHDC).</p> <p>There is a risk that:</p> <ul style="list-style-type: none"> - The contractor could fail to collect kerbside waste in line with the relevant specifications. - The contractor could fail to collect commercial waste in line with the relevant specifications. - The contractor could fail to maintain the cleanliness of streets to the levels specified. - The contractor's contact centre (systems/staff) could fail to manage the volume of customer contacts effectively. - NHDC could fail to identify service deficiencies and to apply appropriate penalties. <p>This could lead to:</p> <ul style="list-style-type: none"> - NHDC not achieving best value from the contract. - Waste accumulating for residents/businesses. - An increase in complaints from residents. - Residents not taking up or renewing the chargeable garden waste service. - Businesses not taking up or renewing the chargeable trade waste service. - Payments not being received for justified performance penalties. <p>Possible causes:</p> <ul style="list-style-type: none"> - Issues with the implementation of new and revised services. - Contractor's staffing levels being below required levels. - Industrial action. - Staffing of the NHDC client team being below required levels. - High volume of customer contacts received during service changes. - Due to the closure of the Westmill landfill site, EHDC directing its residual waste via the Buntingford depot. 		
Opportunities	<ul style="list-style-type: none"> - Achieving value for money through the effective management and operation of the Waste Collection and Street Cleansing Services contract, with minimal service issues and public complaints. 		
Consequences	<ul style="list-style-type: none"> - Damage to NHDC's reputation. - Poor performance against associated targets. - Relevant budgets not achieved. - Possible environmental hazards and health implications to the public relating to the accumulation of waste. 		
Work Completed	<ul style="list-style-type: none"> - New telephone system installed and waste related calls directed to Urbaser (November 2018). - Implemented contingency measures to deal with the high number of customer contacts relating to the renewal of the garden waste collection service. - Inter Authority Agreement agreed and signed. - Clarified NHDC, EHDC and contractor responsibilities and formalised contractual arrangements. - SIAS audit of the Joint Waste Contract reported July 2019. - Following on from the high priority SIAS audit recommendation, all 64 criteria within the Performance Monitoring Regime (PMR) are now live and operational for the Urbaser contract. - Full establishment of staff appointed with additional temporary staff employed to meet the current challenges (August 2019). - Business Continuity Plans in place to implement necessary resilience arrangements, if required. 		
Ongoing Work	<ul style="list-style-type: none"> - Implementing a sustainable joint work programme, approved by the Partnership Board. - Monitoring performance of the contractor's contact centre and providing support to enable it to meet expectations. - Embedding the recently implemented PMR. - Ongoing discussions with Urbaser regarding performance levels. - Developing plans with EHDC to achieve more consistency and collaboration regarding commercial waste, which will lead to increased efficiencies. 		

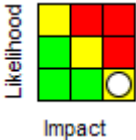
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Current Impact Score	3	Current Likelihood Score	2
Overall Risk Score	8	Current Risk Matrix	
Date Reviewed	28 January 2020	Next Review Date	28 May 2020
Latest Note	<p>In November 2019, the Risk Management Group (RMG) approved proposals for changing the existing Waste risks. This new risk entry, reviewed and approved by the RMG in February 2020, covers the previously highlighted risks relating to Staffing, Management and Monitoring Arrangements, Contact Handling, Street Cleansing and Trade Waste. It focuses on the operational effectiveness of the contractor and the potential high-profile impacts on residents, businesses and the Council's reputation. It will be a Corporate Risk and the current risk score, with a Medium likelihood, reflects improvements in service provision and the positive direction of travel of performance in recent months.</p>		


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Risk Code	CR66.02	Risk Title	External Factors Affecting the Future Provision of Waste Services
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2019	Corporate Priority	Respond to challenges to the environment
Risk Description	<p>There is a risk that:</p> <ul style="list-style-type: none"> - Post 2024, HCC could direct NHDC residual waste to transfer facilities outside of the district or directly to landfill sites. <p>This could lead to:</p> <ul style="list-style-type: none"> - Significant increased costs to NHDC, e.g. additional transport costs. - Significant increased vehicle emissions and environmental impact of service delivery. <p>Possible causes:</p> <ul style="list-style-type: none"> - HCC not continuing to operate a residual waste transfer solution for NHDC collected waste from the Bury Mead, Hitchin Transfer Station when the current contract ends in 2024. <p>There is a risk that:</p> <ul style="list-style-type: none"> - NHDC could be forced to change its preferred service delivery models and charging regimes. <p>This could lead to:</p> <ul style="list-style-type: none"> - Associated costs to implement the changes required. - Loss of income from current chargeable services. - Services being designed to meet budget restrictions and not focussing on the achievement of waste minimisation objectives. <p>Possible causes:</p> <ul style="list-style-type: none"> - New emerging Government strategies coming into force, e.g. national consistency of services, free garden waste collections and a circular economy to promote sustainable production. - Further reductions to HCC's Alternative Funding Model (AFM), beyond the approved £500K per annum reduction over a three-year period commencing in 2020/21. 		
Opportunities	<ul style="list-style-type: none"> - Minimising transport costs and the environmental impact of service delivery. - Consolidating existing facilities, i.e. transfer station for residual waste and Letchworth HWRC, by working with HCC and other Hertfordshire authorities to develop a Northern Transfer Station. - Partnership working for other services, resulting in shared costs and economies of scale. - Improving operational efficiencies. - Achieving waste minimisation objectives. 		
Consequences	<ul style="list-style-type: none"> - Negative impact on the Council's overall financial position. - Negative impact on the local environment and the achievement of NHDC's Climate Change objectives. 		
Work Completed	<p><u>Transfer of Residual Waste</u></p> <ul style="list-style-type: none"> - Worked with HCC in identifying suitable locations for a Northern Transfer Station and possible Stevenage/North Herts location aborted due to planning restrictions. - Contract let by HCC for continuation of transfer until March 2024. - NHDC accepting a Royalty payment based on commercial activity at the site, to ensure the medium-term availability of the site. - Bury Mead contaminated land investigations undertaken with contractor - HCC and NHDC undertook a feasibility study (approximately four years ago) for a Northern Transfer Station and joint depot facility for East and North Hertfordshire. However, the successful operation of the Buntingford depot and the continued use of the Works Road, Letchworth depot significantly reduced the associated risks and the need for a new joint depot facility. <p><u>Preferred Service Delivery Models</u></p> <ul style="list-style-type: none"> - NHDC's new waste contract significantly improved performance in relation to AFM (an increase of £180K per year in 2018/19). The current Medium Term Financial Strategy was calculated on the lower base figure. Therefore, the £1.5M of AFM savings HCC made in 2019 should have no negative impact on the current MTFs or service provision. 		

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<p>Ongoing Work</p>	<p><u>Transfer of Residual Waste</u> - Working with and supporting HCC to identify the most effective solution for a potential Northern Transfer Station for residual waste collections and improved Household Waste Recycling Centre facilities for Letchworth. <u>Preferred Service Delivery Models</u> - Representations through feedback to the government consultation process on emerging strategies. Responded that any proposed new initiatives (e.g. free garden waste collections (which could result in a loss of revenue of approximately £1M per year) and weekly food waste collections for all collection authorities in the country) needed to be funded fully by the government. - The expectation would be that Central Government would recompense NHDC, under New Burdens doctrine, for any mandated changes to charging regimes or collections. - Working closely with the HWP to ensure a consistent and coherent approach to consultation responses and to maintain positive partnership working in light of reduced AFM funding.</p>		
<p>Current Impact Score</p>	<p>3</p>	<p>Current Likelihood Score</p>	<p>1</p>
<p>Overall Risk Score</p>	<p>6</p>	<p>Current Risk Matrix</p>	
<p>Date Reviewed</p>	<p>28 January 2020</p>	<p>Next Review Date</p>	<p>28 May 2020</p>
<p>Latest Note</p>	<p>In November 2019, the Risk Management Group (RMG) approved proposals for changing the existing Waste risks. This new risk entry, reviewed and approved by the RMG in February 2020, covers the previously highlighted risks relating to Disposal Arrangements for Waste (Northern Transfer Station) and Emerging External Factors. It will be a Corporate Risk in view of its strategic nature and the long lead-in times required to manage the risks effectively. These are mid to long-term risks and are currently assessed as unlikely, although the impact would be high if they did materialise.</p>		

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Risk Code	RR569	Risk Title	Sale of Recyclable Materials
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2015	Corporate Priority	Respond to challenges to the environment
Risk Description	<p>There is a risk that:</p> <ul style="list-style-type: none"> - There is an increase in the net cost for processing materials. - There is an increase in relevant contract values at renewal. - The contractor rejects loads that are considered contaminated. <p>This could lead to:</p> <ul style="list-style-type: none"> - A significant financial loss to NHDC. - A stockpile of plastic waste. - Damage to NHDC's reputation linked to the lack of associated end markets for materials. - Material that could be recycled going to landfill or for incineration. <p>Possible causes:</p> <ul style="list-style-type: none"> - Increasing supply and lack of market demand for materials. - Lack of competition. - Impact of China's restrictions on plastics for recycling/Brexit. - Reduction in price for commingled material and paper. - Increased contamination of materials. - A change in the composition of materials collected. - Reduction in volume of recyclates collected. 		
Opportunities	- NHDC obtains maximum income for all materials it has collected for recycling.		
Consequences	<ul style="list-style-type: none"> - There is a negative impact on the Council's General Fund. - NHDC may have to cut services to meet any associated shortfall. - Material that could be recycled goes to landfill or for incineration. - Negative press coverage relating to service efficiency/final destination of materials. 		
Work Completed	<ul style="list-style-type: none"> - NHDC is part of a consortium for paper with other Hertfordshire authorities. - Site visits to monitor contamination. - Requests for data on material composition. - Promotional campaigns to reduce contamination and increase the quality of materials. - New paper contract procured as HWP started in January 2017. - New contract procured jointly with EHDC started in May 2018. - Developed BCP for Lot 2 contract. - £130K risk realised in Q1 2018/19 and permanent adjustment made to budget. - Financial risk identified for 2019/20, "Increase in the net cost of recycling services due to either or all of; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected" (High/£100K) and retained for 2020/21. - Forecast shortfall in income from paper collected for recycling reported in the second quarter 2019/20 revenue monitoring report. - New consortium contract for paper agreed with Palm (March 2020 – May 2021); although the agreed rate is substantially lower than the previous rate, it is significantly higher than the current market value. 		
Ongoing Work	<ul style="list-style-type: none"> - Joint procurement of contracts reduces risk exposure. - Impact on budget continually monitored and reviewed throughout the year. - Monthly review of market price fluctuations. - Contractor established alternative markets for materials and can stockpile baled materials. - Working with Pearce and Urbaser regarding the quality of materials collected. 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	


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Date Reviewed	28 January 2020	Next Review Date	28 May 2020
Latest Note	<p>In November 2019, the Risk Management Group (RMG) approved proposals for changing the existing Waste risks. This existing risk entry, reviewed and approved by the RMG in February 2020, will be retained as an operational risk and the latest update includes the re-rendering of the paper contract and the decreasing tonnages/value of this material, which was reported in the second quarter revenue monitoring report. This risk has effectively materialised and remains ongoing. The overall risk score has been assessed as Medium, as although there is a low likelihood of a high impact, there is a greater likelihood of a low/medium impact.</p>		

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Risk Code	RR570	Risk Title	Organic Waste
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2018	Corporate Priority	Respond to challenges to the environment
Risk Description	<p>On 16 October 2017, Cabinet approved the introduction of weekly food waste collections and a chargeable garden waste collection service for the new contract, which commenced on 9 May 2018.</p> <p>There is a risk that:</p> <ul style="list-style-type: none"> - The contractor has problems delivering the garden waste collection service, i.e. ensuring residents that have paid have their waste collected and that residents that have not paid do not. - Residents fail to utilise the food waste caddies and dispose of food waste in their purple bins. - NHDC fails to maintain the required number of residents paying for the chargeable garden waste collection service and to ensure concessionary rates are claimed correctly. - Residents dispose of garden waste by inappropriate means, i.e. fly-tipping. - The service fails to implement the necessary arrangements for the introduction of concessionary rates and direct debit payments, both of which could happen at the same time, and/or fails to have a payment system at all in time for renewals. <p>This could lead to:</p> <ul style="list-style-type: none"> - NHDC not achieving the income figures specified in the budget. - Reduced performance (increased residual waste and decreased recycling rate). - Increased incidents of fly-tipping. - A high number of complaints and negative press coverage. - Customer contact centres being unable to cope with a high volume of calls. - Possible increased costs and negative impact on future AFM payments. <p>Possible causes:</p> <ul style="list-style-type: none"> - Residents failing to use the permit stickers provided. - Residents unawareness of the benefits of recycling food waste. - Residents being unwilling to pay the £40 per year charge due to a perceived lack of service value. - Problems with the payment/renewal process and transfer of data to the operating system. - Limited resources/time to progress the potentially complex projects of introducing concessionary rates and direct debit payments. - Urbaser having to appoint a new provider for a web payment portal that can incorporate a two-tier payment system and direct debits. 		
Opportunities	<ul style="list-style-type: none"> - NHDC maximises take up of the chargeable garden waste collection service and the associated income. - The amount of food waste collected in caddies increases. 		
Consequences	<ul style="list-style-type: none"> - Recycling performance reduces closer to the legislative requirement of 50%. - Anticipated savings are not realised. - Negative impact on NHDC's finances. - Damage to NHDC's reputation. - Re-assessing the implementation/timing of concessionary rates and direct debit payments. 		

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<p>Work Completed</p>	<ul style="list-style-type: none"> - Cabinet approval for service changes (October 2017). - Contract mobilised. - Over 40% take up of the garden waste collection service at contract commencement, which increased to 54% by the end of 2018/19. - Urbaser installed new telephone system and increased the size of its contact centre, to improve the level of customer service provided. - Data cleansing exercise completed to address issues with data transfer to the operating system, which resulted in the initial collection issues and high number of complaints. - Communicated improvements to service delivery and resolved remaining implementation issues. - On 20 November 2018, Cabinet agreed initiatives that acknowledged the service disruption experienced by residents: <ul style="list-style-type: none"> -- Three-month extension to current payment period for garden waste (loss of income approximately £290K). -- Provision of a free roll of compostable liners to all households (cost approximately £30K). - Reconciliation process completed for 2018/19 relating to payments received and number of collections. - For second year, introduced a permit scheme to improve control/enforcement of service provision. - Extended the deadline for re-subscribing to the service. - Implemented NHDC contingency measures to deal with the high volume of customers contacting NHDC/Urbaser regarding renewal. - Report presented to Cabinet on 28 January 2020 regarding implementing concessionary rates and direct debits. 		
<p>Ongoing Work</p>	<ul style="list-style-type: none"> - Monitoring service performance. - Continue to monitor the impact on fly-tipping. - 50.6% (26,167) re-subscribed to the service at the end of December 2019. - Reconciliation process in place relating to payments received and number of collections. - Working closely with Urbaser regarding a new web payment portal provider and preparations for the introduction of a direct debit option for payments and the introduction of concessionary rates. - The service provider for garden waste charging has changed and currently tests are being undertaken to ensure their ability to deliver the quality of service expected and to implement the two new aspects (direct debits and concessionary rates). It has already been identified that cash payments for concessionary charges cannot be provided due to limitations on kiosk payments and only online or phone payments will be accepted. - Plans to include a soft launch of both new initiatives, including a phased renewal period to mitigate the risk of high call volumes. - Planning communications to encourage customers to use online payment options in the future (channel shift). - Ongoing communications relating to food and garden waste. - Composition analysis of residual waste scheduled for February 2020. 		
<p>Current Impact Score</p>	2	<p>Current Likelihood Score</p>	2
<p>Overall Risk Score</p>	5	<p>Current Risk Matrix</p>	
<p>Date Reviewed</p>	28 January 2020	<p>Next Review Date</p>	28 May 2020

Revised Waste Risks

Latest Note	<p>In November 2019, the Risk Management Group (RMG) approved proposals for changing the existing Waste risks. This existing risk entry, reviewed and approved by the RMG in February 2020, will be retained as an operational risk and it has been updated and retitled Organic Waste. For garden waste, the originally identified risks related to the introduction and commencement of the new chargeable service and in the main, they are no longer relevant. NHDC has now also gone through the first service renewal process. The updated risk now highlights the risks relating to the introduction and management of concessionary rates and the introduction of direct debits. The main risk relates to implementing/testing a new payment system that can deliver the two new initiatives within a relatively short timeframe. For food waste, the main risk relates to residents failing to utilise caddies and continuing to dispose of food waste in purple bins. A composition analysis is scheduled for February 2020, in order to identify how residents are disposing of their waste. In view of the environmental impact, this risk remains part of the combined Organic Waste risk entry.</p>
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