

# **Risk Management & Health & Safety Update**

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# Risk Update

## Executive Summary

Key areas of risk identified include compliance with grant funding conditions, construction delivery, health and safety, and particularly Programme and Financial risks—both of which require special attention due to their potential impact on the project's success and sustainability.

**Programme Risks:** The project faces significant risks related to its delivery timeline, including potential delays due to contractor appointment, technical challenges arising from working with residents in-situ, and insufficient supply of vacant properties for temporary decants. These risks, if realised could impact compliance with funding deadlines, threatening the financial stability of the project.

**Financial Risks:** Financial exposures are significant, stemming from potential cost overruns, unforeseen works, and the high costs associated with emergency accommodations if residents need to be temporarily decanted.

**Mitigation strategies** for these critical risks include the adoption of advanced project management tools, the use of a two-stage tendering process to allow for greater cost certainty, enhanced financial planning with detailed budget monitoring, and strategic resource allocation. Regular risk reviews and stakeholder engagement are in place to adapt strategies as necessary and to ensure transparent communication throughout the project lifecycle.

## Risk Profile

Medium

## Summary of risks by category

### Programme

1. There is a risk of a high demand for decants and other respite, causing a lack of available properties and affecting the speed/progress/cost of the refurbishment
2. There is a risk that the works are not sequenced in a way which will minimise cost, disruption or complexity (Heat Network, external works and internal works, grant funding)
3. Delays in procurement process may lead to programme delay and increasing costs

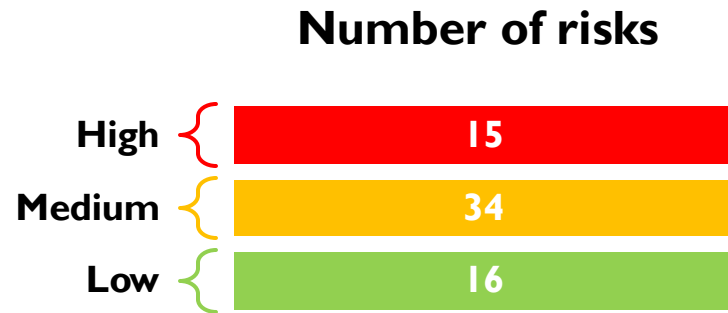
### Finance

1. Not having enough money for the options that we present
2. External risk to budgets of cost uncertainty and external conditions
3. There is a risk that we may lose grant funding because we are not able to meet conditionality of the grant

### Health & Safety

1. In-situ refurbishment may lead to accident, injury or major incidents affecting a resident, residents, staff, clients, contractors or member of the public

# LWE Refurbishment Risk Profile




## Key Risks: Programme

Risk Description	Score	Change	Actions we're taking to mitigate the risk
There is a risk of high demand for decants and other respite, causing a lack of available properties and affecting the speed/progress/cost of the refurbishment	20	↑	<ul style="list-style-type: none"><li>• Work on buybacks</li><li>• Creating voids which can be used as respite</li><li>• Respite offer 3.0</li><li>• Identify the minimum level of decants that we need based on scope of work and vulnerability of residents.</li><li>• Friends &amp; Family offer</li></ul>
There is a risk that the works are not sequenced in a way which will minimise cost, disruption or complexity (Heat Network, external works and internal works, grant funding)	16	↔	<ul style="list-style-type: none"><li>• Draft logistics plan now in place and reviewed across the team</li><li>• Using the heat network programme as the skeleton around which all interdependencies are looked at.</li><li>• Consolidated programme now supplemented with a construction programme</li><li>• Enhanced procurement and governance monitoring and management</li></ul>
Delays in procurement process may lead to programme delay and increasing costs	20	↑	<ul style="list-style-type: none"><li>• Closely working with internal governance and procurement colleagues</li><li>• Legal advice sought on mitigating delays to RIBA stage 3 reports</li><li>• Clarify design responsibilities</li></ul>

## Key Risks: Financial

Risk Description	Score	Change	Actions we're taking to mitigate the risk
Not having enough money for the options that we present	20	↑	<ul style="list-style-type: none"> <li>• Cost plan workshops with project managers and Consultants</li> <li>• Senior PMs to focus on cost plans and programme management</li> <li>• Develop analysis on materials and options</li> <li>• Validate cost plans directly with manufacturers</li> <li>• Developing leasehold charging strategy</li> <li>• Developing skills and expertise of refurb team to through targeted workshops and recruitment</li> <li>• Proactively working with corporate finance and UKIB on business planning and preferential lending</li> <li>• Options appraisal for cost saving opportunities</li> </ul>
External risk to budgets of cost uncertainty and external conditions	20	↔	<ul style="list-style-type: none"> <li>• We continue to develop robust cost plans and are working with external stakeholders to understand market conditions as well as creating opportunities with external funders.</li> <li>• Proactively engaging external funders to protect existing grant funding</li> <li>• Seeking additional grant funding and preferential loans and investment</li> <li>• Proactive management of cost consultants to ensure VFM realised</li> <li>• Contingency increased from 5% to 10%</li> <li>• Engaged internal Audit team to look at our commercial processes.</li> </ul>
There is a risk that we may lose grant funding because we are not able to meet conditionality of the grant	20	↑	<ul style="list-style-type: none"> <li>• Ongoing communication with funders</li> <li>• Promote lessons learned from programme so far</li> <li>• Work with funders to extend deadlines</li> <li>• Communicate project benefits to funders</li> <li>• Explore further additional non-grant funding options</li> <li>• Recruiting Retrofit overseer</li> <li>• Work with UK Investment Bank</li> </ul>

## Key Risks: Health & Safety

Risk Description	Score	Change	Actions we're taking to mitigate the risk
In-situ refurbishment may lead to accident, injury or major incidents affecting a resident, residents, staff, clients, contractors or member of the public	20		<ul style="list-style-type: none"><li>• Improved process on how we log and manage H&amp;S cases, incident reporting, taking a whole team approach, registering and feeding back.</li><li>• Proactive communication on Health &amp; Safety issues at management meetings</li><li>• In House training on health and safety building expertise and resilience</li><li>• Recruited for a full-time Clerk of Works</li><li>• Data driven approach to identify and manage resident vulnerability</li><li>• Establishing decant options during works.</li><li>• Proactive CDM risk management with Derisk</li><li>• RAMs Reporting in place</li><li>• Undertaking daily inspections of all live projects</li></ul>

## Key Risks: Construction/Delivery

Risk Description	Score	Change	Actions we're taking to mitigate the risk
Risk of disturbance / disruption to residents whilst works around the area are in progress.	16	↔	<ul style="list-style-type: none"><li>• Summer activities ongoing</li><li>• Training and Employment Hub</li><li>• Work to look at developing spaces for working or studying</li><li>• Refurb respite 3.0</li><li>• Housing free up as much decants as possible</li><li>• Friends and family offer</li><li>• Construction logistics programming</li><li>• Recruiting additional RLOs</li></ul>
There is a risk that contractors may encounter unforeseen works after starting works	16	↔	<ul style="list-style-type: none"><li>• Detailed surveys in place</li><li>• Ensure an adequate contingency sum is included for under the contract.</li></ul>
Resident refusal or deferment of intrusive works may lead to significant delays or require re-designing of work packages.	16	↔	<ul style="list-style-type: none"><li>• Project to progress leasehold variations has been scoped and is underway, this will commence with the comms work to both tenants and leaseholders in May 2024.</li><li>• Further work required to consider required resource for individual engagement and liaison to sit alongside legalistic work for variations.</li></ul>