

Risk Management & Health & Safety Update

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Risk Update

Executive Summary

The main risks that are facing the programme are a shortage of funds to cover the full forecast costs and our ability to work within the required timeline to meet the grant funding deadlines. Other risks we are working through include how we will safely deliver improvements to homes with as little disruption to residents as possible.

Programme Risks: The programme has several major risks that could affect its completion schedule. These include possible delays in hiring contractors, technical difficulties from working with residents who are still living in their homes, and not having enough empty properties available for temporary relocation. If these risks happen, they could cause the project to miss funding deadlines, which would threaten its financial stability

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 include using advanced project management tools, a two-stage tendering process for better cost accuracy & value for money, improved financial planning with detailed budget tracking, and smart resource allocation. Regular risk reviews and engagement with stakeholders will help adapt strategies as needed and ensure clear communication throughout the project's duration.

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 and governance process may lead to programme delay and increasing costs

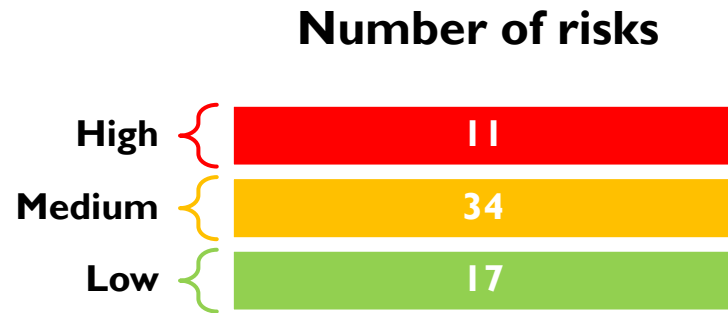
Finance

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"> • Work on buybacks • Creating voids which can be used as respite • Respite offer 3.0 • Identify the minimum level of decants that we need based on scope of work and vulnerability of residents. • Friends & Family offer
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"> • Draft logistics plan now in place and reviewed across the team • Using the heat network programme as the skeleton around which all interdependencies are looked at. • Consolidated programme now supplemented with a construction programme • Enhanced procurement and governance monitoring and management
Delays in procurement and governance process may lead to programme delay and increasing costs	15	↓	<ul style="list-style-type: none"> • Closely working with internal governance and procurement colleagues • Ongoing training of LWNT officers on governance and procurement processes • Proactive communication of upcoming decisions with decision-makers
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"> • 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. • Further work required to consider required resource for individual engagement and liaison to sit alongside legalistic work for variations. • Ongoing work with RLOs to ensure early and regular communication of upcoming work. • Exploring less disruptive technical solutions, particularly within leasehold properties such as bulkheads as opposed to lowering ceiling. • Windows and EWI not charged to leaseholders. • Developing reports for contact details of 'hard to contact' cohorts, e.g. non-resident leaseholders. • Contingency planning for legal route to obtain access and authority to do necessary works.

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"> • Cost plan workshops with project managers and Consultants • Senior PMs to focus on cost plans and programme management • Develop analysis on materials and options • Validate cost plans directly with manufacturers • Developing leasehold charging strategy • Developing skills and expertise of refurb team to through targeted workshops and recruitment • Proactively working with corporate finance and UKIB on business planning and preferential lending • Options appraisal for cost saving opportunities
External risk to budgets of cost uncertainty and external conditions	20	↔	<ul style="list-style-type: none"> • 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. • Proactively engaging external funders to protect existing grant funding • Seeking additional grant funding and preferential loans and investment • Proactive management of cost consultants to ensure VFM realised • Contingency increased from 5% to 10% • Engaged internal Audit team to look at our commercial processes.
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"> • Ongoing communication with funders • Promote lessons learned from programme so far • Work with funders to extend deadlines • Communicate project benefits to funders • Explore further additional non-grant funding options • Recruiting Retrofit overseer • Work with UK Investment Bank

Key Risks: Construction/Delivery

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">• Improved process on how we log and manage H&S cases, incident reporting, taking a whole team approach, registering and feeding back.• Proactive communication on Health & Safety issues at management meetings• In House training on health and safety building expertise and resilience• Recruited for a full-time Clerk of Works• Data driven approach to identify and manage resident vulnerability• Establishing decant options during works.• Proactive CDM risk management with Derisk• RAMs Reporting in place• Undertaking daily inspections of all live projects
There is a risk that contractors may encounter unforeseen works after starting works	15	↔	<ul style="list-style-type: none">• Detailed surveys in place• Two stage tender process should help to reduce this risk• Ensure an adequate contingency sum is included for under the contract.

Key Risks: Resident Engagement

Risk Description	Score	Change	Actions we're taking to mitigate the risk
There is a risk that we may encounter legal challenges, considering leaseholder challenges, resident pushback for compliance matters	20	↔	<ul style="list-style-type: none">• Leaseholder costs being worked on at present hopefully mitigate this risk completely• Ensure effective communication and engagement with residents
Risk of disturbance / disruption to residents whilst works around the area are in progress.	16	↔	<ul style="list-style-type: none">• Summer activities ongoing• Training and Employment Hub• Work to look at developing spaces for working or studying• Refurb respite 3.0• Housing free up as much decants as possible• Friends and family offer• Construction logistics programming• Recruiting additional RLOs