

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

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# Risk Update

## Executive Summary

Proactive risk management remains embedded throughout the programme. All projects maintain up-to-date risk registers that help identify, rank and manage risks continuously. Lessons learned form a key part of our risk management strategy and facilitate cross-project learning and sharing of best-practice principles. This report highlights the major risks across the programme and presents assurance on the ongoing actions to manage them. It also provides information on risks that remain critical to the programme's deliverability for the board to note.

### Critical Risks

- **Insufficient budget:** As previously shared with the Board, the existing budget is not sufficient to deliver on the full scope of the programme. In addition, all projects are susceptible to unforeseen costs due to incomplete data on properties, which becomes evident once intrusive works commence. This highlights the need to carve out higher contingency fees than previously anticipated. Failure to do this introduces additional risks to the programme and to residents.
- **Programme delivery:** The complexity of the programme, particularly its expected delivery with minimal planned decants, constrained geographical space and the sensitivities involved in working at Lancaster West create unique challenges. It is important that all these are considered in both their financial, time and resident impact perspectives.
- **Delays in decision-making process:** Largely a consequence of the programme complexity, the governance processes in place to effectively manage the programme may lead to delays on site, resulting in extension of time claims from contractors. This could result in both increased costs and a poor experience for residents as individual projects go beyond their planned completion dates. While these processes are necessary, it is important to note the above impacts.

## Risk Profile

Medium/High

## Summary of critical risks by category

### Finance

- Not having enough money to deliver on the joint commitment to residents in line with the core principles agreed.
- There is a risk that we may lose grants and other funding received from government because we are not able to meet conditionality of the grant
- External risk to budgets of cost uncertainty and economic conditions

### Programme

- Risk of high demand for decants and other respite in the backdrop of limited suitable options.
- Delays in procurement and governance process may lead to programme delay and increasing costs
- Risk that works may not be sequenced in a way which will minimise cost due to complex considerations of potentially conflicting priorities.

### Construction/Delivery

- There is a risk that contractors may encounter unforeseen works after starting works
- 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

Programme Theme	Risk Severity		
	High	Medium	Low
Programme	4	15	7
Finance	3	6	
Construction/Delivery	2	5	2
Resident Engagement	2	3	7
Health & Safety	2	1	
Design		4	
Sustainability Ambitions			2
Total	13	34	18

## Key Risks: Programme

Risk Description	Current Score	Change	Actions we're taking to mitigate the risk
Risk of high demand for decants and other respite in the backdrop of limited suitable options.	25	↑	<ul style="list-style-type: none"> <li>Identify the minimum level of decants that we need based on scope of work and vulnerability of residents.</li> <li>Develop an effective decant strategy that will meet programme needs</li> <li>Working with contractors to sequence works in a way that minimises need for long term decanting.</li> <li>Creating voids which can be used as respite</li> <li>Respite offer 3.0</li> <li>Enhanced 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)	20	↔	<ul style="list-style-type: none"> <li>Draft logistics plan now in place and reviewed across the team</li> <li>Weekly coordination meetings in place to ensure clarity and transparency around M&amp;E and Refurb projects across the estate.</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 and governance 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>Ongoing training of LWNT officers on governance and procurement processes</li> <li>Proactive communication of upcoming decisions with decision-makers</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> <li>Ongoing work with RLOs to ensure early and regular communication of upcoming work.</li> <li>Exploring less disruptive technical solutions, particularly within leasehold properties such as bulkheads as opposed to lowering ceiling.</li> <li>Windows and EWI not charged to leaseholders.</li> <li>Developing reports for contact details of 'hard to contact' cohorts, e.g. non-resident leaseholders.</li> <li>Contingency planning for legal route to obtain access and authority to do necessary works.</li> </ul>

## Key Risks: Financial

Risk Description	Current Score	Change	Actions we're taking to mitigate the risk
Not having enough money to deliver on the joint commitment to residents in line with the core principles agreed.	25	↑	<ul style="list-style-type: none"> <li>• Cost plan workshops with project managers and Consultants</li> <li>• Continuous development of analysis on materials and options</li> <li>• We validate cost plans directly with manufacturers</li> <li>• We are developing a leasehold charging strategy</li> <li>• Developing skills and expertise within refurb team to through targeted workshops and recruitment</li> <li>• Proactively working with corporate finance and GLA on business planning and preferential lending</li> <li>• Ongoing 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 funding received from government because we are not able to meet conditionality of the grant	20	↔	<ul style="list-style-type: none"> <li>• Ongoing communication with funders to update with project plans, risks and assurance reports.</li> <li>• Capture and promote lessons learned from programme so far</li> <li>• Work with funders to extend deadlines where necessary</li> <li>• Communicate project benefits to funders</li> <li>• Explore further additional non-grant funding options</li> </ul>

## Key Risks: Construction/Delivery

Risk Description	Current Score	Change	Actions we're taking to mitigate the risk
There is a risk that contractors may encounter unforeseen works after starting works	20	↑	<ul style="list-style-type: none"> <li>Detailed surveys in place</li> <li>Two stage tendering process should help to reduce this risk through early identification of issues.</li> <li>Ensure an adequate contingency sum is included for within contract sums.</li> </ul>
There's a risk that we are not adequately prepared to respond to major climate events.	20	↔	<ul style="list-style-type: none"> <li>Produce comprehensive climate adaptation &amp; resilience plan that includes management response by July 2025</li> <li>Identify likely climate incidents that could occur within the estate and likely impact on residents.</li> <li>Explore which existing policies and procedure will need adapting to incorporate these risks.</li> <li>Develop a response plan, including available options and costs</li> </ul>

## Key Risks: Resident Engagement

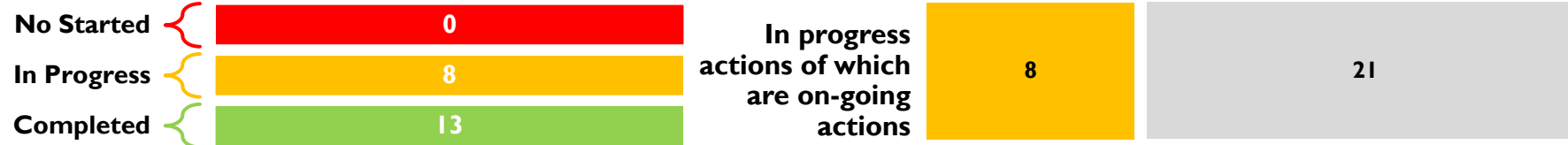
Risk Description	Current Score	Change	Actions we're taking to mitigate the risk
There is a risk that we may encounter legal challenges, considering leaseholder challenges, resident pushback for compliance matters	9	↔	<ul style="list-style-type: none"> <li>Leaseholder costs being worked on at present hopefully mitigate this risk completely</li> <li>Ensure effective communication and engagement with residents</li> </ul>
Risk of disturbance or 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>In-house and external resident liaison officers in place</li> </ul>

## Key Risks: Health & Safety

Risk Description	Current 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	15	↔	<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>
Risk that we do not have a consistent fire strategy, and the assurance that the delivery of the strategy is overseen on delivery	12	↔	<ul style="list-style-type: none"> <li>• Fire engineer appointed to critical friend role.</li> <li>• All major projects have specific fire strategies.</li> <li>• In addition, all MDCs are required to have their own fire engineer</li> <li>• Seeking to maximise fire safety beyond the regulatory minimums e.g. working in line with high-risk buildings BSA guidelines.</li> </ul>

# LWE Refurbishment EqIA Action Plan

## Action Plan Overview



## Key Progress Updates

1. LWNT team have introduced a contractor induction process which outlines the expectations of contractors. The induction process includes

- LWNT approach to health & safety and other risks
- Clear outline of the Grenfell Site rules
- Mandatory requirement for all contractors to wear photo ID
- LWNT's approach equality and diversity zero-tolerance policy towards any form of intolerance, harassment or discrimination towards any of our residents

2. Plans have been put into place to directly input into contractor toolbox talks to get across key LWNT messaging across

3. A formal site inspections process that has been implemented and is carried out alongside the contractor site manager on a regular basis. This allows for risks and health & safety issues to be picked up on a regular basis. There is also a daily site inspections process that has been implemented that allows for risks and health & safety issues to be picked up on a daily basis

4. Residents are always informed beforehand in writing where contractors require access to the property for refurbishments works. Communications to residents provide clear lines of communications with the Contractor RLO as the main point of contact followed by Senior RLO (LWNT).

5. LWNT run coffee mornings and range of other events for residents, providing a forum that allows residents to flag issues and concerns

6. LWNT are working to ensure that the majority of show flats are ground floor level / ramp access. This is subject to availability and prioritisation for residents with mobility or access needs

7. LWNT have begun to identify non-resident leaseholders within the Lancaster West Estate and work is currently being undertaken to engage with them and their tenants. A first draft Comms and Engagement Plan for leaseholders has been developed based on cross-team discussions. Engagement is being prioritised in the order that the refurbishment will be on site