

4. Risk Management Strategy

Risk will be managed by the completion and consideration of the risk assessment form at every project meeting.

Emerging or potential risks must be reported to the project manager throughout the lifespan of the project.

No	Risk & Impact (Threat/Opportunity to achievement of business objective)	Assessment of Gross Risk			Risk Treatment Measures Implemented	Assessment of Current Risk [With control measures implemented]		
		Impact (Severity) [I]	Likelihood (Probability) [L]	Risk Score [IxL]		Impact (Severity) [I]	Likelihood (Probability) [L]	Residual Risk Score [IxL]
1	Insufficient internal resources to implement Project	4	4	16	Establish project team with dedicated project manager and appropriate support. Commitment from other teams- tenant participation, assets, communications and consultation teams. Ensure that that budgetary resources are available to support the project. Review requirements on a regular basis	4	2	8

2	Failure to resource appropriate advice and expertise	4	2	8	Support of external consultants to provide expertise to support project delivery. Ensure that required resources are identified within a project budget. Review requirements on a regular basis.	4	1	4
3	Unable to recruit developer	4	2	8	Appropriate procurement process selected to enable the most suitable agent be recruited. Ensure that the brief is clear and comprehensive. Ensure wide advertising. Ensure sites are cleared and minimise risks to make them more attractive to developers	4	1	4
4	Tenants, residents and other stakeholders actively oppose recommendations	4	4	16	Deliver communications strategy and commit appropriate resources to ensure that concerns and enquiries are dealt with. Ensure that the business case and process are clearly communicated.	3	3	9
5	Expectations of tenants in relation to timescales etc exceed what can be offered.	3	4	12	Ensure communications are clear and that tenants are supported to understand the programme and how this will affect them	2	1	2

6	Council is unable to acquire appropriate assets including leasehold properties and businesses and land.	3	4	12	Ensure resources available and that early action taken. Ensure full understanding of CPO processes and that Council is ready to implement this if needed.	3	3	9
7	Council is unable to decant tenants within timescale necessary to achieve re-development	4	2	8	Timely decision made and implemented. Long term resourced approach taken	4	1	4
8	Site issues cause delay to the redevelopment eg contamination, rights of way, investigations requiring the entire site to be cleared.	3	3	9	Preparatory work commences as early as possible, dependencies identified in the overall project plan and time allowed for risk. Consultants expertise in managing problems utilised.	2	2	4

9	Planning requirements make the development difficult or undeliverable due to reduction in unit numbers.	4	2	8	Maintain involvement of planning colleagues to inform design decisions. Early identification of issues and plan appropriately. Engage in pre-application discussions. Ensure there is sufficient flexibility within the financial model for the schemes to remain viable with reduced unit numbers using variances in social and market rents and outright sale.	2	2	4
10	Political support not maintained throughout the regeneration process	3	3	9	Cross party communication and briefings. Targeted Communications and clear strategy	3	1	3

11	Reduction in income on Tinkers Green & Kerria through demolition has a negative impact on the HRA business plan.	4	4	16	The relationship to the HRA business plan has been modelled and the loss of income is offset by the loss of maintenance and management liability. In addition, on Tinkers Green there is a net growth in the social rented numbers. Any losses in income on the Kerria can be offset by corresponding acquisitions	3	3	9
12	Decant home-loss payments and commercial compensation exceed the financial assumptions that have been calculated.	4	4	16	Financially prudent decisions have been made for disturbance and home loss payments but exact costs won't be realised until actual negotiations with tenants' and retailers. Legal advise and expertise will continue to be obtained to mitigate any risk and secure the best financial deal for the council. The serving of the initial demolition notices protects the council from further RTBs as outlined.	4	2	8

13	Build costs have been assumed at £1150 per sq metre. This is an industry standard based on soft market testing, however until this is procured exact costs are not known	2	2	4	The build costs, within the model, are financially prudent and are average costs. Procurement in the current financial markets may yield a lower cost	3	1	3
14	The Pay back period for both schemes is based on capital borrowing and not revenue.	2	2	4	Revenue surpluses exist due to efficiencies within existing budgets. Pay back periods are less than overall asset values of the proposed site.	1	1	1
15	Right to Buy assumptions have been made based on forecasted numbers. This is unpredictable as sales vary in terms of property, discount levels and timing.	3	2	6	RTB receipts will be monitored and flexibility within the financial model built in to take account of the risk of lower than predicted sales.	1	1	1

16	Levels of affordable and social housing may be limited to normal planning regulations should Kerria be sold for market housing	2	2	4	By using a competitive dialogue process the council will be able to assess the cost benefits of open market land sale v the council developing the land and selling the subsequent properties developed.	1	1	1
17	100% of properties will be Council owned properties for rent. However a future Cabinet report will be required to consider whether rents are to be at 'social' or 'affordable' levels.	3	3	9	There is flexibility within the model and this will be reported to Cabinet as decisions present themselves.	2	4	8
18	If numbers of properties achieved in redevelopment is less than those existing there will be an impact on the receipt of new homes bonus for the authority	3	2	6	NHB and increasing the overall supply of housing are key considerations for master planning stage and included as an objective for competitive dialogue process	1	1	1

19	Redevelopment activity may cause significant disturbance to remaining residents.	3	3	9	Planned communication and consultation will ensure local people are involved and understand the redevelopment process. All care will be taken to minimise disruption through dialogue and careful planning.	3	2	6
20	Lack of consultation and communication or unrealistic expectations of residents causes negative publicity for TBC. There is a risk to TBCs reputation.	3	3	9	Clear communication planning, relationship building with local press and through consultation plan ensures residents understand the regeneration process and expectations are realistic.	2	2	4