

Directorate Details

Directorate

Regeneration Programmes

Profile Totals	0	2	0	15	0	Total	17
Changes				2	-12		2 -12

0	0	0	0	0
0	0	0	0	0
0	2	3	5	0
0	2	4	1	0
0	0	0	0	0

Total Risks including Unassigned 17

Risk Register - Regeneration Programmes

Manager Maria Denton

Profile Totals	0	2	0	15	0	Total	17
Changes				2	-12		2 -12

0	0	0	0	0
0	0	0	0	0
0	2	3	5	0
0	2	4	1	0
0	0	0	0	0

Total Risks including Unassigned 17

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Risk of delayed land assembly for Bridge Close	RGP0010	Kirsty Moller	<div style="width: 30%; background-color: red;"></div>		24/11/2023

30 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
The Bridge Close project is in the land-assembly phase, with private treaty negotiations taking place with land-owners.	Should there be delays with completions or breakdown in communication, this could result in project delays.	<ul style="list-style-type: none"> Strong engagement with landowners and clear communication on acquisitions programme <i>Kirsty Moller</i> 	In Progress	30/10/2023	4	Medium	12 High Medium

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Rainham Beam Park - Project Viability & Delivery of Essential Transport Infrastructure	RGP0009	Kirsty Moller	<div style="width: 45%; background-color: red;"></div>		24/11/2023

45 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Land values, stagnated local housing growth, increased costs and uncertainty around Beam Park station have created viability difficulties with the Rainham & Beam Park regeneration scheme	Delays with bringing forward affordable housing, regeneration aspirations for the area are not achieved if the project cannot move forward	<ul style="list-style-type: none"> Review of Options for the Rainham JV <i>Kirsty Moller</i> Lobbying relating to Beam Park station <i>Kirsty Moller</i> 	In Progress	31/07/2023	9	Medium	12 High Medium

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Risk Register - Regeneration Programmes

Manager

Maria Denton

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Potential impact of increased costs from Building Safety Act, Climate Change requirements etc.	RGP0024	Kirsty Moller	<div style="width: 33%; height: 10px; background-color: red;"></div> 33 % complete		20/09/2023

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Inflationary risks Rise in UK Bank of England base rate PWLB borrowing rates Construction industry inflation Cost of labour & materials Cost of energy due to Russia/Ukraine conflict	Increased costs for construction and financing of regeneration schemes	• Benchmark industry costs through joint venture partners including the monitoring of procurement outcomes <i>Kirsty Moller</i>	In Progress	01/09/2023	9	Medium	12
		• Maintain sufficient scheme contingencies <i>Kirsty Moller</i>	In Progress	01/09/2023		High	Medium
		• Regular scheme review to forecast impacts on overall costs <i>Kirsty Moller</i>	In Progress	01/09/2023			

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Risks to the delivery of the Regeneration of Waterloo Estate	RGP0028	Kirsty Moller	<div style="width: 0%; height: 10px; background-color: red;"></div> 0 % complete		21/06/2024

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
The Waterloo Estate project is currently under review following construction cost increases and changes to building regulations following the Grenfell fire.	Delayed delivery of essential affordable housing, delays to project completion, potential negative public perception	• Review of delivery options being conducted <i>Kirsty Moller</i>	In Progress	11/12/2023	9	Medium	12
						High	Medium

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Sales Values Falling	RGP0021	Kirsty Moller	<div style="width: 0%; height: 10px; background-color: red;"></div> 0 % complete	21/06/2023	21/08/2023


Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating

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Sales values are monitored through property valuations and professional advice taken for business planning activity, sales values are currently in keeping with business plans with options to flip tenures to affordable housing should open market sales values fall significantly	Impact on overall viability of JV schemes where cross-subsidy is important in delivering affordable homes, this also impacts the housing waiting list and means the council spends more on temporary accommodation/B&B etc. Programmes are severely impacted as schemes cannot proceed without meeting the required viability threshold	• Regular review and updates from housing professionals <i>Kirsty Moller</i>	In Progress	01/09/2023	12	Medium	16	
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Review Comments Updated risk to reflect current position
21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Sale / Rental Income - MLH Schemes	RGP0018	Kirsty Moller		21/06/2023	24/11/2023

50 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Sales and private rental market could slow, or cost of living crisis impacts residents' ability to pay rent	Value of loss will be linked to length of delay to construction programme. Profit from sale properties yet to be determined but value will only be delayed, not lost Reduced absorption rate will mean units are sold or let later than initially modelled.	• MLH closely monitor the situation, market advice is taken on sales values <i>Kirsty Moller</i>	In Progress	11/12/2023	6	Medium	9 Moderate Medium

Review Comments Risk is monitored closely by MLH to assess potential impacts & insurance is in place for rental income losses
21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Impact of the regeneration programme on the commercial performance of Harold Hill Town Centre	RGP0029	Kirsty Moller			21/06/2024

0 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
The forthcoming regeneration programme may create uncertainty for business owners, impacting lease renewals and business rates and parking income for the Council	As above	• Professional advice on commercial negotiations <i>Kirsty Moller</i>	In Progress	11/12/2023	6	Medium	9 Moderate Medium

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
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Manager

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Shortage of budget to deliver the Romford Ring Road and Beam Parkway Linear Park infrastructure schemes	RGP0012	Kirsty Moller	<div style="width: 20%; height: 10px; background-color: red;"></div>	21/06/2023	31/10/2023
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20 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
TfL Funded scheme, TfL have experienced financial difficulty during the pandemic due to reduced activity on public transport, this has impacted funding for their LIP and Major scheme funding	Small funding packages are being agreed with TfL with next funding announcement to come in July 2021. Update 13/12 - TfL's financial difficulty continues with various funding packages being withdrawn, this scheme is currently on hold. Unknown time impact as awaiting confirmation from TfL on whether this scheme will be funded in the future	<ul style="list-style-type: none"> Continued discussion with TfL and value engineering to reduce costs on the scheme if funding is secured at a lower rate. <i>Kirsty Moller</i> Bidding for internal CIL funding and making best use of local S106 contributions <i>Kirsty Moller</i> 	In Progress		9	Medium	
			In Progress	31/10/2023		9	Moderate
						Medium	

Review Comments Reviews are taking place to establish the best way forward for both the Liveable Neighbourhoods ringroad scheme and the Beam Parkway Linear Park project, budget shortages remain but there has been some success in securing CIL funding for a total of £ 2.2m across the 2 projects
21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Availability of Funding from JV Partners	RGP0001	Kirsty Moller	<div style="width: 0%; height: 10px; background-color: black;"></div>	20/03/2023	01/09/2023

0 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
	A potential impact of the situation will be that our partners either decide not to use the funding they have, or cannot get funding, with a result that some schemes are paused for a period. Additional costs for financial and legal advice on structuring of deals, possible costs for re-procurement with no guarantee of similar costs due to current market conditions. Revisions to JV structures or potential necessary re-procurement would be detrimental to programme timelines, including utilisation of timebound grant or RTB funding	<ul style="list-style-type: none"> Review structure of deals with JV partners to establish the Council's financial risk should other financing be withdrawn <i>Kirsty Moller</i> 	In Progress	11/12/2023	4	Medium	16
						8	-8
						High	
						Low	

Review Comments Mitigation remains in place, recent review as part of the JV business plan update process
20/03/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date

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Delays to achieving vacant possession (Residential)	RGP0013	Kirsty Moller	<div style="width: 0%; height: 10px; background-color: red;"></div>	21/06/2023	30/10/2023
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0 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Delays with negotiating property acquisitions with home owners, current high mortgage rates impact home owner options when looking for new properties	<p>The possible financial impact relates to eligibility of applicants for mortgages which could delay relocations, this impacts achieving vacant possession and possible extension of PCSA costs, delay in drawing down GLA grant.</p> <p>Delays in achieving vacant possession has impact on any demolition and construction programmes, but this may be mitigated by temporarily amending hoarding boundaries where possible to exclude the occupied properties from the works space</p>	<ul style="list-style-type: none"> Monitor situation closely with Housing colleagues, review complex cases to find alternative solutions <i>Kirsty Moller</i> 	In Progress	30/10/2023	1	Medium	6 Low Medium

Review Comments Regular meetings are held to discuss progress with buy-backs, solutions are identified for complex cases to mitigate delays with achieving vacant possession
21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Cost & Availability of Construction Materials	RGP0015	Kirsty Moller	<div style="width: 30%; height: 10px; background-color: red;"></div>	21/06/2023	21/08/2023

30 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
The conflict in Ukraine is likely to impact the cost and availability of certain materials, the long term rebuilding of destroyed cities could also drive demand and further price increased across Europe	Current construction contracts are locked-in to pre-2022 prices, future schemes are reviewed regularly by cost consultants and employers' agents to ensure we're aware of market changes for business planning purposes	<ul style="list-style-type: none"> Regular review by cost consultants <i>Kirsty Moller</i> 	In Progress	30/10/2023	1	Medium	6 Low Medium

Review Comments Current construction contracts are locked-in to pre-2022 prices, future schemes are reviewed regularly by cost consultants and employers' agents to ensure we're aware of market changes for business planning purposes
21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Risk of slow or reduced sales rates on regeneration schemes	RGP0025	Kirsty Moller	<div style="width: 20%; height: 10px; background-color: red;"></div>		21/06/2024

20 % complete

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating

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Sales market slows, difficulties obtaining mortgages due to high interest rates, saturation of market from other new build products	Sales income is behind profile, can increase finance costs. Potential surplus sales units	• Monitoring of market by specialist JV sales team <i>Kirsty Moller</i>	In Progress	11/12/2023	4	Medium	6 Moderate Low
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Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Increased PWLB interest rates erode Council profit from MLH activities	RGP0026	Kirsty Moller	0 % complete		21/06/2024

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Increased interest rates will reduce the principle rate of interest on lending between MLH and the Council, less profit is made by the Council as the Council repays debt at a higher rate	Reduced profit for the Council, MTFS savings are not achieved	• Monitoring of PWLB rates and Bank of England interest rates <i>Kirsty Moller</i>	In Progress	11/12/2023	4	Medium	6 Moderate Low

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Availability of HRA capital funding (borrowing within headroom)	RGP0027	Kirsty Moller	0 % complete		21/06/2024

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Requirements across approved existing regeneration schemes and stock investment & acquisition programmes compete for HRA capital funding	Reduced expenditure on essential works, competing priorities that may not all be deliverable	• Close monitoring and regular review of the HRA business plan <i>Kirsty Moller</i>	In Progress	11/12/2023	4	Medium	6 Moderate Low

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Mercury Land Holdings development pipeline	RGP0030	Kirsty Moller	0 % complete		21/06/2024

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Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Lack of development opportunities will impact the sustainability of Mercury Land Holdings as income is required to service company debt, income from interest on loans is built in to the Council's MTFS	As above	<ul style="list-style-type: none"> Development opportunities on Council disposal sites <i>Kirsty Moller</i> 	In Progress	11/12/2023	4	Medium	6 Moderate Low

Review Comments

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Delayed planning decisions or refusal to grant permission	RGP0003	Kirsty Moller	<div style="width: 75%; background-color: yellow;"></div> 75 % complete	21/06/2023	30/10/2023

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Shortage of planning staff to review large development projects Members having negative views on scheme design	Strategic Planning Committee refusing permission for schemes would significantly impact progress, procurement, financial planning and risk external funding (e.g. GLA grant deadlines)	<ul style="list-style-type: none"> To mitigate this risk a number of member reviews around design take place before the SPC meeting <i>Kirsty Moller</i> Communication with Planning Colleagues <i>Kirsty Moller</i> 	In Progress Implemented	11/12/2023 21/06/2023	4	Low 4 Low Low	

Review Comments Risk and mitigations have been reviewed as required, comments updated 21/06/2023

Risk Title	Risk Ref	Owner	Control Progress	Last Review date	Next Review Date
Availability of skilled labour in construction market	RGP0016	Kirsty Moller	<div style="width: 25%; background-color: red;"></div> 25 % complete	21/06/2023	30/10/2023

Causes	Effects	Control Measures	Control Status	Target Date	Target Rating	Current Risk Rating	Previous Current Rating
Brexit has impacted the construction labour market	Increased costs, delays with projects	<ul style="list-style-type: none"> Professional advice on construction market <i>Kirsty Moller</i> Stimulation of the local skilled labour market <i>Kirsty Moller</i> 	In Progress In Progress	30/10/2023 11/12/2023	4	Low 4 Low Low	

Review Comments Risks and mitigations updated as per requirements 21/06/2023

