

Project Name	Regina Road Regenerations
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Version	1
Date Created	30/11/22
Date Updated	

Risk Identification and Assessment
Consider Both Opportunities And Threats

	Service disruption	Financial Loss	Reputation	Failure to provide statutory service/meet legal obligations	People
Extreme 5	Total failure of service	Over £5m	National publicity > than 3 days. Resignation of leading Member or Chief Officer.	Multiple civil or criminal suits. Litigation, claim or fine above £5m	Fatality of one of more clients/staff
Very high 4	Serious disruption to service	£500k- £5m	National public or press interest.	Litigation, claim or fine £500k - £5m	Serious injury. Permanent disablement of one of more clients/staff
Medium 3	Disruption to service	£50k -£500k	Local public/ press interest	Litigation, claim or fine £50k - £500k	Major injury to individual
Low 2	Some minor impact on service	£5k - £50k	Contained within department	Litigation, claim or fine £5k - £50k	Minor injuries to several people
Negligible 1	Annoyance but does not disrupt service	< £5k	Contained within unit/section	Litigation, claim or fine less than £5k	Minor injury to an individual

Risk Rating/Scoring = Impact*Likelihood

20-25	Those risks requiring immediate management and monitoring
09-19	Those risks requiring management and monitoring but less time critical
01-08	Those risks which require ongoing monitoring

Likelihood Classification

- 5. *Almost Certain* – Expected to occur in most circumstances (> 80%).
- 4. *Likely* - Will probably occur in most circumstances (51% - 80%).
- 3. *Possible* – *Fairly likely to occur* (21% - 50%).
- 2. *Unlikely* - Could occur at some time (6% - 20%).
- 1. *Rare* - May occur only in exceptional circumstances (0 – 5%)

5 x 5 Matrix - Croydon uses a 5 x 5 risk likelihood and impact matrix (as below) to assess the value of a risk.

Likelihood	5 Almost Certain	Low (5)	Medium (10)	Medium (15)	High (20)	High (25)
	4 Likely	Low (4)	Low (8)	Medium (12)	Medium (16)	High (20)
	3 Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	Medium (15)
	2 Unlikely	Low (2)	Low (4)	Low (6)	Low (8)	Medium (10)
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
		1 Negligible	2 Low	3 Medium	4 Very High	5 Extreme
Impact						

Likelihood – likelihood is looking at the possibility of the risk materialising (normally within the next 12 months). The table below helps estimate the likelihood.

Level of Likelihood	Description	% likelihood
5 - Almost Certain	Expected to occur in most circumstances	>80%
4 - Likely	Will probably occur in most circumstances	51%-80%
3 - Possible	Fairly likely to occur	21%-50%
2 - Unlikely	Could occur at some time	6%-20%
1 - Rare	May occur only in exceptional circumstances	0-5%

Risk

Assumption

Issue

Dependency

Regina Road Regeneration Risk / Issue/ Assumption/ Dependency Register														
Ref. No.	RAID	Risk/ Issue/ assumption/ dependency	Owner	Impact if unmitigated (Consequences and Scale)	Existing control measure	Current Risk			Future control measure	Target date	Future Risk			Comments
						Probability	Impact	Rating			Probability	Impact	Rating	
R1	Risk	Viability as seen by any development partners such as Housing Associations or private developers, coupled with site attractiveness relative to other development opportunities in South London	RGS	Ensure well designed project with residents, that is commercially feasible.	Savills are conducting options appraisals	3	5	15	Re-visit options appraisal if necessary	Mar-24	2	3	6	
R2	Risk	Residents might not support rebuilding of the three tower blocks	RGS	Council re-assess regeneration strategy for Regina Road Estate	Good quality information prior to ballot	3	5	15	Good quality engagement throughout the process. Before and after ballot has taken place.	Jun-23	2	4	8	
R3	Risk	Residents of medium and low-rise development might prefer refurbishment to address the obsolescence of their homes rather than rebuilding	RGS	Council to re-assess regeneration strategy for Regina Road Estate, focus on the three towers, and then refurbish medium and low rise	Good quality information prior to ballot.	3	5	15	Good quality engagement after ballot has taken place	Jun-23	3	2	6	
R4	Risk	Economic uncertainty, particularly round the possibility of a further rent freeze or cap restricting the financial flexibility within the HRA	RGS	Rent increase of 7% from April 2023 agreed. Future rent changes unknown Significant risk around cost of the project	Future rent increases	3	5	15	Future rent increases	Apr-24	2	4	8	
R5	Risk	Costs to returning tenants and leaseholders arising from regeneration	RGS	Returning residents find increased costs through rent and service charges unaffordable	LBC confirms in landlord offer that rents will be held at existing levels, if returning to a property. Consider impact of design on service charge levels	3	5	15	LBC to review landlord offer					
R6	Risk	Critics might argue that refurbishment is more sustainable than redevelopment, so whole life carbon assessments will be needed alongside option development to refute any criticism	RGS	Reputational damage with climate change activists. Intelligence on comparable schemes suggests this may become an issue	Good quality information, and undertaking of Carbon Assessment	3	3	9	Good quality information and sharing of Carbon Assessment outcome. Environmental consideration of future building design e.g. no gas	Jun-23	2	2	4	
R7	Risk	Leasehold/freehold properties might in due course require Compulsory Purchase Orders which would delay progress	RGS	Additional cost of CPO and delay to project. Planning applications would need to be submitted to apply for a CPO, which may take a couple of years to obtain. 25 leaseholders.	Early engagement with leaseholders and freeholders.	4	4	16	Council mounts CPO For low rise blocks - adjustments to scheme Consider Phase 1 approach which does not include any demolition	Nov-23	4	1	4	
R8	Risk	Some tenants may need to move more than once, with a right-to-return	RGS	Additional cost to council. Additional upheaval to residents.	Careful design of phasing - Phase 1 (approx. 120 units) can be developed through using Trellis Mews and Moltan House to re-house residents Learning from other similar projects in London (B&D)	3	4	12	Revised design of phasing. Outcome of final housing needs assessments may impact the number/size of units required for the decant.	Jun-23	3	3	9	
R9	Risk	Risk to trust in council because of recent S114 notice, relationship breakdown between residents and Croydon. Previous engagement about the future of the estate, has left residents distrustful	RGS	Lack of effective resident engagement. Low ballot turn out (or negative turnout). Growth of campaign groups. Low ballot turn out may impact application for GLA funding	Good quality communication and explanation. Include project in future housing investment programme. Appointment of IFLA Mapping of campaign groups, and relationships with these groups Named Tenant Officer on estate. Named repairs officer on the estate. Offer right of return for moved after 16/11/22	4	4	16	Good quality communication and explanation	Jun-23	2	3	6	
R10	Risk	Unsuccessful in obtaining GLA funding to build additional social housing	RGS	GLA tightening of eligibility of schemes not delivering additional social housing	Dialogue with GLA. Early application for funding. Financial modelling should GLA funding not being obtained, with greater private or housing association involvement in scheme Thorough viability assessment	3	4	12	Re-apply to GLA Further ballot with different offer Proceed with replacement units for Regina Road only, and curtail building of any additional council housing on this site.	Nov-23	2	4	8	
R11	Risk	Campaign against LPS blocks and mould	RGS	Urgent need to decant residents from blocks	Survey being undertaken by Ridge, and ongoing monitoring	3	3	9	Ongoing monitoring	Jun-23	3	2	8	
R12	Risk	Project costs were initially estimated in 2021. Current economic climate has seen significant cost price increases, particularly in the construction industry, which may adversely affect project budget	RGS	Delay to scheme as project becomes unaffordable	Savills are producing financial modelling. Budget modelling has allowed for inflationary increases.	3	4	12	Potentially demolish the tower blocks, and sale of land. Options appraisals to be completed, and modelling will account for changes in costs (inflation). Initial options for ballot in April 23, then detailed costings to be produced following ballot outcome.	Apr-23	2	3	6	28/02/23 Savills feedback is scheme is expensive, so need further private investment. To look at other mitigations, so to review other regeneration in HRA estate. There is capacity in HRA to meet this. Will need to investigate the appetite for the project considering the cost level.
R13	Risk	Financial risk to leaseholders, if their properties are refurbished.	RGS	Large cost to leaseholder, which are likely to be unaffordable. Reputational damage to Croydon	Promote re-building. Investigate leases for Section 21 usage	4	4	16	Leaseholder buy back scheme (at market value) +10%, and covers fees. Possible shared equity scheme. Council's preferred approach will be demolition which results in minimal costs to leaseholders	01/05/23	1	1	1	28/02/23 To be reviewed following March cabinet
R14	Risk	Current construction industry pressure, may impact on Croydon's ability to secure a contractor to conduct any required works to progress the project, in the required timescales	RGS	Increased costs and delay	Work with Savills to produce options to attract contractors	4	4	16	Continue working on options and financial modelling. Flexibility in design and quality specification	Ongoing	4	1	4	
R15	Risk	Reputational risk and media attention - estate has been featured in national press	RGS	Reputational damage to Croydon. Negative impact and influences residents	Good communications and PR. Fast responses to social media. Appointment of Creative Bridge and corporate comms teams	5	3	15	Good communications and PR. Fast responses to social media. Appointment of Creative Bridge and corporate comms teams	Ongoing	4	2	8	
R16	Risk	Insurance risk: Construction risks / works in progress insurance being difficult to obtain	RGS	Greater costs incurred by the council	Procurement to check financial stability of contractors. Use Joint Contract Tribunal (JCT) contracts. Have relevant insurance in place (if cost effective).	4	4	16	Contract monitoring for early warnings of impending insolvency. Regular site meetings on progress. Contingency plans in place.	Ongoing	2	3	6	
R17	Risk	Capacity for project management of the Regina Road project - key personnel dependency. Recruitment and retaining of competent clienting staff	RGS	Loss of control, delay and additional expenses. Impact on quality.	Approval to recruit Programme Delivery Team. Retain competent clienting staff.	4	4	16	Retain competent clienting staff. Performance management and regular supervision of Programme team.	Ongoing	2	2	4	
D1	Risk	Failure to integrate green space management and refuse collection in future management of rebuilt estate.	SCRER	Breakdown of relationship with residents.	Engage with key stakeholders throughout the planning, design and delivery	3	4	12	Engage stakeholders in workstream activity	Ongoing	1	1	1	
R18	Risk	Planning: Risk that local residents outside of the estate may object to planning	RGS	Delay to project.	Started pre-application discussions with planning to ensure compliance with council and GLA policy. Engaging with local residents (outside of the redline).	4	2	8	Engagement and good communication	Ongoing	2	2	4	
R19	Risk	Early procurement of contractors (prior to ballot outcome), to ensure arrangements are in place to commence potential works in late 2024. If contractors are then not required, there will be charges for cancellation / abortive work	RGS	Delay to commencement of any work	Procurement process to commence in advance of decision making	4	4	16	Detailed project timelines to ensure processes are followed with sufficient time to follow procurement processes	Ongoing	3	2	6	
R20	RISK	Planning: Risk that LBC and GLA planning considers scheme unacceptable against the development plan	RGS	Planning permission will not be given. Regeneration is unviable	Negotiate with planning throughout pre-application process.	2	5	10	Engagement in pre planning stages	Ongoing	2	2	4	
R21	RISK	Residents might not support the Landlord offer at Ballot	RGS	Delay while council considers alternative offer	Good communications and PR. Fast responses to social media. Appointment of Creative Bridge and corporate comms teams	3	4	12	Another ballot on a more developed scheme, or proceeding with a reduced scheme without GLA funding	Ongoing	2	2	4	
R22	RISK	Inability to obtain any GLA funding until LBC has resolved historic compliance issues with past GLA funding.	SS	For RR project phase 1, GLA funding would need to be applied for in June 2023. Inability to apply for funding in June 2023, until compliance issue is resolved. Potential delay to Regina Road project.	LBC to provide required documents to GLA for compliance audit to be completed.	5	5	25	Ensure compliance with GLA criteria on all projects	Ongoing	2	2	4	