

Appendix 4: Corporate Risks – New Build Programme

Risk	Likelihood	Impact	Mitigation
Cost increases on approved projects	5 – Certain Risk of increased budget requirements due to Brexit, Ukraine War, building reg. changes, inflation and supply chain cost increases are being encountered. Staffing and materials shortage and delays to SOS due to funding uncertainties increase potential for this risk.	5 -Certain 1.Committee approval needed for additional capital funding 2. Unplanned public expenditure 3. Loss of value for money 4. Reputational risk to Council 5. Reduction in overall delivery achievable	1. Cost plans are regularly reviewed and updated, and contracts are fixed price to the council. 2. Latest budgets consistently reviewed as part of BSR and MTFS Process. 3. Regular updated risk management and budgeting completed as part of risk reviews work across the Council. Supply chain and materials concerns under close monitoring. 4. Committee approval to progress schemes ahead of firm grant certainty mitigates cost increases ahead of entering into build contracts. 5. Depending on the extent of the additional cost this may be managed within scheme level contingencies approved in Budget Setting Report.
Securing Planning Permission on new schemes	3 – Noticeable Effect 1. Failure in obtaining planning permission or Conditions signoff cause delays and increase costs. 2. Delays in receiving a planning decision lead to increased costs being incurred and delays in submission of Funding Bids. 3. Additional time and effort required to redraft plans should revised applications be required.	3 - Noticeable effect Schemes are developed with planners through the pre-application process. Lack of planning resource and Planning Department staff shortages or substitution would lead to delays in arranging for the pre app meetings, and subsequently planning submissions and approvals.	1.Pre-app process used effectively, and schemes aim to be policy compliant. 2.Build in of additional lead time where required to ensure schemes progressing within target schedules 3. Ensuring officers and councillors are involved in decision making from project early stages

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Sales risk – exposing Council cash flow forecast	2 - Some possibility 1. deceleration of sales / purchase/ acquisition cycle 2. Depreciation of assets Influx of market led schemes now requires increased consideration of risk of income reducing against assumed margins.	1 – Little Chance Housing market fluctuations are beyond council control and current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term. Market sales have however performed well and the Cambridge market remains relatively stable. However significant market sale developments are progressing which may require review.	1. Close engagement with market through private sector partners 2. Share risk with private sector partners 3. Financial and sensitivity analysis for the new project site selections, before project starts. 5. Specialist partner input to sales forecasts
Decanting residents / leaseholders	4- Probable 1. Regeneration schemes will not be progressed if residents are not decanted. 2. Complication in buybacks where Lease/freeholders face difficulties for obtaining new mortgages for their onward purchase, in non-portable cases, or where challenges are made to CPO proceedings 3. Redevelopment of estates with high % Lease/freehold ownership poses greater risk of CPO proceedings being required	3 – Noticeable effect Decant of Schemes under the 10yr programme is on-going and if this is not achieved on time there will be impact on the costs of the project.	1. Decant and rehousing officers regularly liaising with residents requiring decanting to ensure successful rehoming. 2. Decanting and liaison with tenants started early on in the development process. CPO and NOSP process outlined to be proceeded as necessary on future schemes. 3. Additional resource to support this work allocated. 4. Resident liaison groups established.
Not securing necessary grant for new schemes	2- Some possibility In case the grant is not secured or at a lower level the business plan may need to be reviewed and the level of housing and tenure delivered may need to change.	3 - Noticeable effect HE Grant funding now secured on 7 schemes approved under the new 10yr programme, with additional funding allocated from separate streams at	1. Continual discussions with Homes England and other funding bodies are providing greater security on grant funding ability. Issues in securing the level required to support the costs of developing in Cambridge are an issue, and we will continue to

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		Aylesborough, and for Refugee housing. Remaining grant across new programme schemes not yet secured, other than that funding committed by the Council. The business plan for the MTFS and BSR assumes grant.	review assumptions in the business plan as negotiations develop. 2. A recent report from DLUHC has additionally highlighted major risk to the governments Affordable housing programme if grant rates remain static against current inflation.
Insufficient Project Management Resource to complete programme	3 - noticeable effect 1. Inability to properly manage projects 2. Council entering into contractual obligations without proper oversight	3 - noticeable effect Schemes brought forward to be managed by existing team on top of additional corporate developments (Civic Quarter, District Heating), cladding issues (Clay Farm, Virido) as well as managing legacy defects (communal heating issues at the Meadows) and staff overworked. Also there are increased need in adding data and compliance and fire safety statutory requirements to the projects	1. Appointment of new consultants 2. Resourcing fund for new recruitments to ensure capacity
Future anti- development campaigns	3 - noticeable effect 1.Potential for reputational damage for HDA and Cambridge City Council 2.unexpected extended time frame for the project 3. complications in submission of the scheme for planning consideration and funding approval.	4- Significant disruption increase in number of leaseholders/ freeholders in new larger schemes increases risk of push back against potential redevelopment activities	1.Establishing focussed steering groups early where necessary 2.Focus on early public engagement via different events and consultations 3. potential development to be informed by detailed options appraisals

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Failure to secure net unit gain on redevelopment sites	5- Certain Estate regeneration requires significant decant and buyback costs which may mean rental income streams may not offset initial investment	4- Significant disruption Estate regeneration through a mixed tenure approach holds inherent challenges in increasing net gain of affordable homes.	Prioritisation of investigations into Council holdings which indicate scope for net housing gain
Hanover and Princess-financial Viability	4- Probable 1) Reduced housing delivery 2) International economic uncertainty. 3)Cost inflation.	5 -Certain Leads to increased Financial pressure on HRA	Land value assessed, affordable price within range considered, sales values checked, build costs reduction in line with Cam Standard adoption expected.
Meadows- heating system issues which are affecting residents and community centre users	5- Certain 1)Significant disruptions to tenants 2)Cost increases to council and CIP 3)Significant delays in handover of new flats blocks and loss of revenue	4- Significant disruption Due to Reliance on specialist subcontractor which went into liquidation	M&E consultants advising Council on this matter. List of key actions provided to contractor, and they are working to resolve.
Agreed Fire strategy not enacted/in place across all affected blocks at Virido	4- Probable Risk to safety, and possible delays in the resale of affected Shared Ownership properties due to a lack of EWS1 Certification on the cladding system	5 -Certain Fire strategy and remediation actions confirmed for Clay Farm, Fire Strategy and plan of works is still to be agreed by Senior Management within the Council for Virido	Fire strategy and remediation actions confirmed for Clay Farm. Fire Strategy and plan of works to be agreed by Senior Management for Virido.