

Strategic Housing And Regeneration Programme (SHARP) Strategic Development Programme

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18 - 25
9-17
1 - 8

Item	Risk Description	Pre-mitigation			Assurance Controls currently in place	Further Mitigating Actions Required	Owner	By When	Post-mitigation			Change in Period
		Probabilit (1:5)	Impact (1:5)	Total Prob x Imp					Probability (1:5)	Impact (1:5)	Total Prob x Imp	
1.0 Strategic Risks												
1.01	Programme Delivery - SHARP does not deliver 500 new Council (200) and Affordable (300) new homes due to insufficient land availability, complex internal land ownership arrangements (including State Aid) and risk awareness to cross-subsidy and commercial viability	4	5	20	Work is progressing well on The Walks, Flint and on a further four different sites which will deliver a combined total of 126 HRA and Affordable units. Work is scheduled to begin on two further sites at Connah's Quay and Aston in November which will deliver a further 15 units. Site investigation and appraisal work is also being undertaken on a number of Council-owned and other public sector sites have been identified for inclusion within Batch 3 sites which will potentially potential to deliver a projected 363 Council, Affordable Rent, Lo-Cost Home Ownership and Market Sales properties. A new scheme at Maes Gwern, Mold will deliver 48 Council, Affordable Rent and Affordable Low Cost Home Ownership units was approved by Cabinet in July 2017. A further 4 sites have been prepared for consideration by Council prior to Community Consultation Events scheduled for October 2017 prior to proposed planning application and Cabinet approval in November 2017.	Plans for the development of the former Canton Depot which will potentially deliver 40 additional HRA units are being bought forward. Potential for additional sites are being explored with both public and private land owners including Welsh Government and Betsi Cadwallader Heath Authority.	Housing programmes Manager	on-going	3	5	15	Same
1.02	Programme Delivery - Scheme costs are expensive making them unfeasible for the Council and NEW Homes.	4	5	20	Detailed site feasibility works undertaken identify any potential issues with ground conditions which either preclude or make scheme development particularly expensive; Council / NEW Homes have invested in Proval Development software to evaluate new build housing schemes, including projected rent levels from the scheme to cover repayment obligations; From 2018/19 Housing Finance Grant indicative allocation of £3.144M for SHARP will enable SHARP to potentially deliver more schemes in Flintshire. In addition, £20M will be available over 2 year period initially for "Innovative Housing" initiative to deliver 1,000 new homes across Wales. Criteria for this funding is currently being developed by WG. Following 14 march Cabinet additional scheme investment now also available be in the form of commuted sums (£735K) and Shared Equity Redemption Payments (£676K). From 1st April 2017, WG Housing Finance Grant will become available to fund SHARP schemes.	Wates and FCC are conducting a comprehensive review of costs on all elements of the SHARP. These will be independently verified to ensure value for the Council. Review of contractual KPIs also being undertaken to assess whether more opportunities can be channelled to the local supply chain.	Housing Programmes Manager	On-going	2	4	8	Lower
1.03	Inadequate internal capacity to deliver SHARP in terms of cost, and reputational damage to both the Council and NEW Homes.	4	5	20	Additional resource is required to ensure adequate staffing resources to inform and monitor the delivery of each scheme in order to maintain H & S regulations, quality, cost and timeframe for delivery. Recruitment for the appointment of a Delivery Manager to oversee the operational delivery of the SHARP has been unsuccessful to date.	Review of internal processes underway to release more capacity; Employment Agencies approached to identify suitably qualified individuals in short-term;	Housing Programmes Manager	31/07/17	3	4	12	Same

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1.04	Delivery of poor quality product, leading to low customer satisfaction, high future maintenance costs, reputational damage to Council / NEW Homes	3	5	15	Robust contract specifications and design as set out in Flintshire House Standard and WG Development Quality Requirements (DQR); Products aligned to planned works specification; Council's Design and Consultancy Team employed Employers Agent to support the Housing Programmes Team on the strategic delivery of the SHARP, whilst the Council's Housing Asset Team have been employed Clerk of Works on site to oversee site delivery. Monthly Site, Progress and Delivery Meetings held to review progress on each individual scheme.	Regular Site Progress meetings held. Review of component specification undertaken at regular intervals. Handover and snagging process being reviewed to ensure processes are being adhered to and deliver value for money and quality end product.	E		3	4	12	Same
1.05	Failure to deliver scheme within budget due to site issues increasing costs, variations and tender costs etc.	4	4	16	Development framework with formal approval processes; Supply chain management of key products; Accurate estimates and site investigations undertaken; Monthly development scheme reviews: Monthly QS cost plans managed through monthly meetings with NEW Homes Financial Lead; Increase scheme costs and large contingency included to address inflation to both materials and labour; Robust contract management and control of loss and expense/variations etc.	Increase scheme costs and large contingency included to address inflation to both materials and labour; Robust contract management and control of loss and expense/variations etc.	Design and Consultancy Team	On-going	3	3	9	Lower
2.0 Health and Safety												
2.01	Breach of HSE Legislation leading to death or injury, site closure, reputational damage, improvement notice, prosecution.	5	4	20	CHAS registered contractors utilised; CDM Principle Designer role in place in line with updated regulations (2015); Robust CDM procedures and Construction Phase Plan; Site supervision; Weekly site checks undertaken in relation to Section 106 and PRS contractors.	Council's Health and Safety Officer now attends Site Progress meetings and has on-going dialogue with Principal Designer for the SHARP.	Wates Residential Space	on-going	3	3	9	Lower
3.0 Pre Construction / Design												
3.01	Programme Delivery Housing Need - Sites included in the programme do not reflect the strategic housing priorities of the Council or NEW Homes	3	5	15	All sites included in the SHARP are approved by Council Cabinet; Robust housing need exercise is undertaken for each site to determine the level and type of housing needed; This includes housing needs data supplied from SARTH and Flintshire Affordable Housing registers and the Specialist Housing Group. Process set out to approve individual sites by SHARP Partnership Board, Asset Management Board, NEW Homes, Community and Enterprise Scrutiny Committee prior to Cabinet approval.	Housing Need for each individual scheme regularly reviewed and analysed by Housing Programmes Team in consultation with Council Housing Manager; Community consultation undertaken with local Elected Members on proposed property mix / tenure as part of local consultation	Housing Programmes Team	On-going	2	2	4	Same
3.02	Delays in planning approvals Schemes not being approved in a timely manner or not attaining necessary planning advice. Also delays in signing off planning conditions	5	2	10	Regular consultation and dialogue with Planning Team has fostered an excellent, "can do" approach.	Design meetings and regular consultations held with Planning colleagues.	Design and Consultancy Team	on-going	2	3	6	Lower
3.02	Inaccurate construction time estimates leading to delay in handover, loss of rent to the Council and NEW Homes respectively	3	5	15	JCT Contractual terms and conditions will enable penalties/damage to be imposed for inaccurate delivery times. KPI targets have been established to monitor performance in this area.	Site Progress meeting regularly review and challenge proposed handover dates. Introduction of new snagging process will assist in brining more certainty to the process.	Design and Consultancy Team	on-going	2	3	6	Lower
3.03	Failure to reduce Environmental Impacts / manage sustainability risks	1	5	5	Sustainability risk assessment completed prior to each site to manage environmental impacts. KPI targets have been established to monitor performance in this area.	Site Progress and Design meetings monitor this area. KPIs show good performance in this area.	Design and Consultancy Team	on-going	1	4	4	Same
4.0 Construction / Delivery												

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4.01	Non-contractor site delays	3	4	12	<p>Local customer consultation events held on every scheme and with local Elected Member and Community Councils;</p> <ul style="list-style-type: none"> - Strong Project Management - Scheme monitoring arrangements - Effective working relationship established through early dialogue with key Council departments including Planning, Highways, Streetscene, Housing, Building Regulations, Legal, Estates and Valuation - Close working relationship developed with statutory agencies including Welsh Water, Scottish Power, British Gas etc. - Instruct statutory authorities as early as possible with letter of undertaking if necessary - Attain evidence from Wates that diversion/connection orders placed - Approach reviewed for dealing with statutory diversions and new supplies 	Site Progress and Design meeting identify potential issues in these areas at an early stage which can be addressed.	Design and Consultancy Team	Scheme by scheme basis	2	4	8	Same
5.0 Commercial												
5.01	Council funding option selected is expensive and present a risk to NEW Homes	4	4	16	Council funding option continues to be the cheapest funding option available to fund SHARP; Council Finance regularly review the market to make sure this remains the case; alternative funding options from the private sector regularly reviewed as existing cap on HRA borrowing may potentially limit the number of properties the Council can build if not increased.	Regular meeting with Council Housing Finance to review funding arrangements.	Finance / Housing Programmes Team	on-going	3	3	9	Same
5.02	Contractor failure to deliver SHARP	1	5	5	<p>Over Arching Agreement signed with Wates sets out the following controls;</p> <ul style="list-style-type: none"> - Contractor financial monitoring including subcontractor payments; - COW on site checking and recording progress and resources; - KPI and programme monitoring and reporting to NEW Homes / Council; - Monthly operational development meetings to review scheme by scheme progress; - Assessment of exposure (for development and investment work) against turnover; - Meetings with senior managers from contractors to carry out financial reviews where necessary; - Address performance at senior management level when necessary; - Significant Due Diligence work undertaken at tendering stage by independent auditors. 	Regular monthly meetings with Wates Managing Director and Flintshire's Chief Officer addresses any concerns around performance and delivery at an early stage; regular meetings between Wates and FCC officer monitor progress and delivery timeframes.	Housing Programmes Manager / Chief Officer Community and Enterprise	Ongoing	1	1	1	Same

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5.03	Maes Gwern, Mold site not developed to generate capital receipt for the Council and 30% affordable homes for NEW Homes to manage	4	5	20	Detailed site appraisal work has been undertaken by Wates and the Council detailing proposed scheme layout and numbers, site investigations and abnormal, development costs etc. A planning application is being prepared for submission. A valuation report of the site has been commissioned by the Council to provide a value of the site based upon a 30% affordable housing provision. The Council will need to approve the scheme in the Batch 3 of SHARP schemes.	Approval by Cabinet to sell land to Wates in principle; Development Agreement to instruct terms and conditions of sale; Scheme will be considered by Planning committee in October 2017.	Housing Programmes Manager	Jan-17	2	4	8	Lower
5.04	Missed opportunity for the Council to purchase Well Street, Buckley from WG at discounted price though All Wales Land Release Protocol. Site has capacity to accommodate 160 units	4	5	20	Council is currently negotiating potential purchase of 13.09 acre site. An initial valuation has been jointly commissioned with WG. This has been further informed by a Site Investigation Study by Opus international Consultants which has identified a number of site abnormal which has been deducted from the final overall land value of £31.M. WG are supportive of the Council purchasing the site in "tranche" payments. Detailed proposals will be presented for Council to consider early in 2017.	On-going negotiations taking place with WG on purchase of land; Council has commissioned further site investigation works to inform sale and site development potential; housing mix, including 40% affordable housing mix now agreed in principle; Report scheduled to go to Cabinet in November advising of proposed terms and conditions for the purchase of the site.	Housing Programmes Manager	Mar-17	2	2	4	Lower
6.0 Other												
6.01	Reputational risk through poor communication of Programme objectives progress and outcomes and lack of coordinated engagement with/responses to comments on the initiative via all media outlets	1	5	10	Communications and Community Benefits work stream established to oversee strategy for maximizing positive PR to the Council. Work stream meets monthly and is chaired by Delwyn Evans, FCC Communications and supported by Wates appointed PR company, Truth. Work is supported by Communications Plan which is regularly updated and monitored to ensure key communications and engagement opportunities are maximized.	SHARP Communications Plan integrated with WHQS Plan and reviewed at Community and Enterprise Programme Board.	Housing Programmes Team	Scheme by Scheme basis	1	3	3	Same
6.02	Stakeholder opposition to development Programme and / or housing specifications	3	5	15	Regular community information events take place and development details circulated e.g. the Flint Master Plan Event. Stakeholder feedback is reviewed and monitored and the progress of the initiative and consultation carried out with residents and community groups.	Community consultation event held for every scheme; information on all SHARP schemes appear on the Council's website to raise awareness locally.	Housing Programmes Team	Scheme by Scheme basis	2	4	8	Same
6.03	Local people not benefitting from jobs and training opportunities available	2	5	10	The realisation of permanent employment, training and work placement and apprenticeship opportunities have been contractualised within the SHARP. KPI targets have been agreed with Wates to monitor performance in this area. Failure to achieve these targets would be considered a serious default by Wates. Good progress is being made on this, with the first two apprenticeships awarded for The Walks, Flint and Custom House School schemes. The Council's Communities First and Business Development Team are key partners in the programme and are leading on key initiatives to maximize local opportunities for long-term unemployed or traditionally under-represented groups.	Working group established to monitor performance in this area. Further "meet the Buyer" events planned to co-inside with Batch 3 schemes approval. Apprenticeship and training opportunities being reviewed to maximize more opportunities in this area.	Housing Programmes Team / Communities First	On-going	2	3	6	Same
6.04	Failure to realise positive publicity on a local, regional and national level for the SHARP	2	5	10	Positive PR received, with recognition from WG received that Flintshire is one of the first local authorities in Wales to develop a Council House volume building programme	FCC / Wates have developed a co-ordinated approach to maximizing positive media opportunities through officer attendance and speaking at national conferences or submission of bids for national housing awards, e.g. FCC recently won Client of the Year Award at the Construction Excellence Wales Awards.	FCC Communications Team	On-going	2	2	4	Same
6.05	Failure to sell SHARP contract to other local authorities and public sector partners	3	4	12	On-going dialogue with a number of local authorities who have expressed a firm interest in using the SHARP contract	Powys CC are in process of obtaining necessary approvals to use SHARP contacts for an agreed fee.	Housing Programmes Manager	On-going	2	3	6	Same