

Risk		Likelihood	Impact	Risk management
<b>Infrastructure (RDC)</b>				
1	<b>Budget increases</b> – Final delivery cost exceeds new budget approval.	High	High	£1.1m project contingency – close liaison with Employers’ Agent and infrastructure contractor (Breheny). Road embankment designs with East Sussex County Council for consideration and approval.
2	<b>Delays</b> - Delays (weather etc) leading to further inflationary cost increases.	Medium	Medium	£1.1m project contingency. Slight delays due to impact of new housing scheme now realised. Completion of phase 1 moved from July to September 24.
3	<b>Project resources</b> - Overall programme resource and oversight not being in place leading to issues being overlooked and not adequately addressed in a timely manner.	Low	Medium	Overall programme resource (to encompass the entire scheme and Blackfriars housing delivery) considered by the Senior Leadership Team and addressed. New Employers Agent RDC Programme Manager in place
4	<b>External grant funding</b> - Homes England Funding change request not accepted resulting in no future drawdowns.	Low	High	Extended milestones and additional HIF funding formally requested and under consideration. Continuous engagement with Homes England.
5	<b>Outcomes</b> - The original outcomes anticipated from this scheme are not met.	High	High	Given the increased costs forecast for completion of the infrastructure scheme and the wider housing delivery there will be a cost to the Council as opposed to any financial return. The programme will unlock a stalled site to deliver 200 new homes built to high environmental standards. The risk is that the scheme may not deliver any affordable housing due to the viability issues. The housing scheme and market conditions remains under review.
6	<b>Scheme changes</b> - Company housing scheme redesign leads to additional changes to infrastructure scheme and a resultant increase in costs.	Medium	Medium	All aspects of the redesign impact on the road have been progressed.  Ongoing dialogue with the Council’s officers and Employers Agent and various parties from the Company to continue.
7	<b>Support</b> - That political support for the scheme to progress is not provided, resulting in abortive costs and reputational damage.	Medium	High	There is ongoing engagement with Cabinet and the wider membership regarding the progression of the scheme and the challenges being faced to include the recent decision by the housing company to apply to remove the s106 affordable housing planning obligation.

8	<b>Reputation</b> - The Council's reputation is negatively impacted if the infrastructure scheme is not delivered.	Low	Low	The infrastructure project has significantly progressed onsite reducing this risk.  The recommendations contained within this report should enable the completion of the infrastructure element of the project.
9	<b>Land transfer/Land value</b> - The required land transfer/disposal is not completed, preventing the Company from commencing construction -The Council is required to seek best value for the sale of the land to the company.	Low	High	Officers are aware of this requirement and are currently considering the timing of the transfer.  The Council will continue to seek legal and audit advice to demonstrate best value of the land disposal
10	<b>Clawback of funding</b> - The additional funding request to deliver the infrastructure element of the scheme is not approved and a loss is incurred on the expenditure to date, with the Homes England funding being withdrawn.	Medium	Low	Whilst there is currently a deficit forecast on the infrastructure element of the scheme this is less than the Housing Infrastructure Fund (HIF) grant allocation (£8.7m).
11	<b>Loan facility</b> - There are risks to the Council in providing a loan funding facility to a company that currently holds no assets.	Low	Medium	The Housing Company has demonstrated a viable scheme to proceed with.  A Capital Funding Agreement and Loan Funding Agreement is the final stages of being agreed by both parties, drafted by the Council's solicitors Bevan Brittan, this will be back up by a debenture that provides the Council with security over the lenders assets once developed.
	<b>Housing Company</b>			
12	<b>Income receipts</b> - Registered Provider receipt not realised.	Medium	High	Ongoing engagement with RP's interested in delivering affordable housing provision with and without the s106 planning obligation to achieve best value
13	<b>Income receipts</b> - Open market sales receipt not realised.	Medium	High	Ongoing monitoring of projected receipts based on current market forecasts. Alternative sales options being explored
14	<b>Budget increases</b> - Final delivery cost exceeds budget forecasts.	High	High	Updated cost forecasts based on the revised design plans have been received from the housing contractor. These are currently being assessed and challenged before a final budget is approved.

15	<b>Revised planning approval</b> - Delay in achieving new planning approval leads to additional inflationary costs.	Low	Medium	Aiming for December 23 or January 24 planning committee. This will allow a start by May/June 24 should progress on the road permit an earlier start.
16	<b>Delays</b> - Delays (weather, planning decision) etc) leading to further inflationary cost increases.	Medium	Medium	An appropriate contingency budget has been allowed for this. This will be reviewed against delivery risks.
17	<b>Planning rejected</b> - Failure to achieve new planning approval resulting in lower income generation.	High	High	Pre-planning consultation completed, public consultation in June. Ongoing engagement with planning to ensure a policy compliant scheme can be demonstrated.
18	<b>Liquidation</b> - Failure of the Company .	Low	High	Ongoing Company and cashflow monitoring.
	Lack of loan funding <b>Loan funding agreement</b> - agreement resulting in cashflow and funding uncertainty for the HCo.	Low	Medium	Working Capital Agreement progressed and in final stages of approval, to be supported by the more detailed Loan Funding Agreement by the end of the year.
19	<b>Interest rates</b> - Borrowing costs continuing to increase, further impacting on viability.	High	High	This risk has been realised and has been incorporated in the housing company appraisals accordingly. Company to proceed with Option 2) 100% open market sales to ensure a scheme can generate a surplus
20	<b>Abortive costs</b> - If the scheme does not progress-	Low	High	The recommendations contained within this report should enable completion of the infrastructure element of the project and a viable housing scheme to proceed with
21	<b>Lack of overall viability</b> – the Directors have a duty to not act recklessly and only act in the best interests of the Company. If the scheme is not viable from a Company perspective the scheme will not progress.	Medium	High	The Company has approved to proceed with Option 2) as outlined in this report to help mitigate this risk