

APPENDIX 3 RISK MANAGEMENT

1.1 Risk Management

The following schedule sets out the key risks identified for Northumberland Park:

Table 1-1 Key risks at Northumberland Park

Item	Risk	Impact	Severity	Likelihood	Management Strategy
1	CPO and Land Assembly Council unable to fully acquire third party interests by private treaty or CPO, and therefore cannot fully assemble the land	<ul style="list-style-type: none"> Delays the project and/or increases the costs of completing the CPO and private treaty; some contracts may be set aside Pre-commencement costs invested by the JV at risk prior to land draw-down In worst case, the HDV is unable to redevelop some or all of the site, reducing overall benefits to residents and the Council 	H	H	<ul style="list-style-type: none"> The Council and Lendlease will agree robust rehousing strategy, and clear private treaty and CPO strategy Agree targeted rehousing strategy for re-provision and satellite sites that supports the demolition and phasing strategy CPO programme to be closely aligned with re-provision of affordable housing, including accelerator phase, to provide accommodation and flexibility for relocation Develop unit-by-unit leaseholder engagement plan to ensure all leaseholder needs and issues are addressed, within the overall objectives of the CPO and private treaty Ensure engagement plans fully consider needs, requirements and programme for non-resident leaseholders
2	Residents, Community and Stakeholders Scheme does not meet community or stakeholders expectations, and/or causes significant disruption to residents' lives	<ul style="list-style-type: none"> Community disenchantment with the proposed scheme design results in adverse publicity for the project and HDV Project is potentially delayed as community and stakeholder expectations are re-worked into the scheme Project phasing, demolition and construction works may materially impact the day-to-day lives of residents and neighbours with commensurate reputational impact on the Council and HDV 	H	H	<ul style="list-style-type: none"> Early stakeholder mapping, supported by dedicated stakeholder engagement team (as detailed in the Engagement and Communication Strategy) to specifically understand and address resident and community expectations Detailed early discussion with the Council to ensure the HDV seamlessly picks up the existing community and stakeholder engagement undertaken by the Council Ensure day-to-day resident and community needs remain at the forefront when designing the detailed phasing and delivery plan for the scheme Ensure site permeability, where possible, to allow residents to access their existing social, community and leisure uses, and walking and transit routes Apply best practice lessons learned from other regeneration schemes Maintain ongoing review of any pertinent political and/or statutory changes which may affect the scheme
3	Safety, Health and Wellbeing On- and off-site logistics, noise, dust, emissions and disruption	<ul style="list-style-type: none"> Increased disruption and nuisance to the local residents and community through increased vehicles, noise, dust and emissions associated with construction activity in close proximity to residents 	H	H	<ul style="list-style-type: none"> Ensure Phasing and Delivery plans fully consider the impact of scheme delivery on residents and neighbours Apply the HDV Health and Wellbeing requirements and Incident & Injury Free protocols Implement a dedicated construction management plan All sub-contractors will be members of the Considerate Contractors Scheme Implement security protocols to maintain effective site security at all times Logistics plan to ensure site is accessible with minimum impact on the safe operation

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					<p>of the Red Route, pedestrian pavements and crossings, and CS8</p> <ul style="list-style-type: none"> Vehicle waiting areas to be agreed with the Council (and TfL if appropriate)
4	<p>Market Risk - Sales</p> <p>Slowdown of London housing market and impact on sales pricing and absorption</p>	<ul style="list-style-type: none"> A slowdown in London and/or local housing market would impact sales prices and absorption rates, impacting JV financial returns Reduced sales rates slow the progress of the overall scheme; start on site for individual plots may be delayed until market conditions recover 	H	M	<ul style="list-style-type: none"> Sales approach, including phased delivery, will ensure the scheme can cope with market cycles during delivery, whilst ensuring the HDV meets its affordable and social infrastructure obligations Pre-sales hurdle target to be appropriate to market conditions, to ensure surety of delivery and mitigate cost at risk exposure Agree business plan that allows for market price movements Enable flexibility in design to enable the HDV to respond to market conditions (for example PRS versus open market homes) Thoroughly market test non-residential uses through agent advice and seek relevant end users at an early stage (e.g. RCA for culture) PRS model to accelerate place making