

## RISK ASSESSMENT

Complete a new line for each risk category. For the 'Probability of risk' and 'Impact of risk' column, please colour the cells according to the following code:

High - Red 16+  
 Medium - Orange 9 to 15  
 Low - Green Below 9

Application Details	
Lead organisation	Nottingham City Council
Brief description of project	LAD 1b
Maximum risk rating	25

### Risk assessment

Category	Description	Probability of risk	Impact of risk	Risk score	Measures to mitigate risks
1 Covid-19	Covid-19 - Delay	4	4	16	Covid-19 is creating problems for the delivery of 'construction' projects. There are many mitigation activities to limit Covid-19 risk. But these cannot cover all of the potential ways that Covid-19 can create programme delays and guarantee that the delivery programme will not be deliverable. Hence Covid-19 is a risk that simply can not be managed away completely. That said, there is lots that we can do to mitigate Covid-19 risks: design-in cover for key people (as far as possible) - expect significantly increased absence levels and at very short notice; ask contractors about their supply chains; possibly advance purchase materials (so we hold stock); plan for tenant communication to take longer and be harder; expect residents to potentially be reluctant to have anybody in their homes.
2 Supply Chain	Insufficient capacity to match demand (f) / Supply chain capacity	3	4	12	Supply chain capacity is a significant risk. The funding available through GHG and SHDFD is considerable. These competitions are likely to take up available capacity for some elements of project delivery (really experienced deep retrofit designers). There is significant risk that demand will create supply pressures somewhere in the chain. We can mitigate some elements for example: early resolution of contracts; potential advanced supply of materials; incorporate delivery training (so we can supply in additional personnel).  The short delivery timeframe means, particularly for Strand 1, measures to be completed on LAD 1b properties included earlier within the project timescales.
3 Consumer demand	Insufficient demand from potential recipients (e) / Not having enough residents engaged up front for the quantities needed	3	4	12	Customer service staff time included in project costs, and EPC insight analysis to shortlist properties and areas for targeted marketing.
4 Legal	Planning	2	5	10	Impact is severe IF the project is blocked by planning. Early engagement, samples, should help to ensure that planning are on-side. We have already selected a solution with a high quality finish.
5 Covid-19	Covid-19 - Death / Infection	2	5	10	We have split out the potential for the death of a tenant/ occupier from Covid-19 and the possibility (or perception) that it may have been contracted through the delivery of the project. This is because this risk is the driver for the 'Covid-secure' measures on site and ensuring these standards are maintained. Organisation of site facilities; limits on numbers at any location; one way systems; staggered breaks; additional cleaning; additional hygiene (anti bac etc); sequencing to limit and better control internal works; resident and tenant engagement methodologies.
6 Financial	Project becomes significantly off-track	2	4	8	Delays could be due to Covid-19 and/or supply chain capacity and/or struggling to sign-up households with mitigations as outlined above. Maintain communications with BEIS if challenges threaten to materialise.
7 Delivery	Installations not meeting quality standards (a) / Substandard Performance of buildings	2	4	8	We will use service providers with a track record in deep retrofit, solid wall insulation and solar installation. We will follow PAS 2035 and use Trustmark registered providers.  For the delivery of the Solar PV systems to owner occupied homes, NCC will be using its own in-house Solar PV team and DLO for survey, design, installation and compliance. To increase capacity, NCC will be using a previously, compliantly, procured supplier framework to increase labour, being delivered under the project management of this team. The Solar PV team is MCS certified and a history of installing major Solar PV projects. The team and any additional contracts will be Trustmark registered by the point of delivery.  For the delivery of solid wall insulation to NCC owned corporate stock, existing compliant procurement frameworks that the Council has access to will be used to procure the contractor(s). The Council and NCH have extensive experience of these projects.  For the WHR fabric work on roofs, wall and floors, the works will be delivered through compliant procurement routes and the contracting arrangements will reflect third-party requirements and compliance with state aid. There are existing WHR projects in the city that have been compliantly procured and have the necessary governance and commercial agreements in place that can be drawn upon.  All contractors and sub-contractors will be TrustMark registered companies and covered by PAS2035:2019, ensuring that they install all project measures in accordance with these standards. All measures delivered will be lodged into the TrustMark data warehouse. Existing programmes and arrangements will be utilised where possible, and will also be emulated for training, onboarding and best practice approaches.
8 Delivery	Securing Retrofit Assessor capability	2	4	8	PAS2035 training for existing staff underway
9 Delivery	Failure of systems and/or processes which have been included within the Risk Register (g)	2	3	6	Experience from existing programs of works (e.g. WHR D21, in-house solar PV team) is the best possible preparation for avoiding challenges - each strand builds on existing work programs/structures. This will be achieved by having the right people, and using PAS2035 compliant delivery.
10 Delivery	Failure to deliver intended outcomes	2	3	6	Use of PAS 2035 for the project. Utilising experienced practitioners with a deep understanding of the issues.
11 Financial	Potential for Social Housing to undergo Right to Buy	2	3	6	High level of match funding reduces risk and included in sensitivity analysis. Property will be swapped if works have not started.
12 Delivery	Identity theft or falsely claiming low-income status (c)	2	3	6	NCC have identified an eligibility route which pre approves areas of the city with high levels of deprivation and fuel poverty and has updated it's LA Flex statement to support this. Any citizens outside of these areas will have income checks completed as part of the customer journey.
13 Delivery	Fraud arising through claims to multiple schemes (h)	2	3	6	As part of the customer journey, NCC will ask applicants to "sign off" that they have not applied and will not apply to other schemes. The customer services support team will ensure that information is provided to applicants to ensure that they understand these terms.
14 Delivery	Supply chain capability	1	4	4	We have identified a supply chain that understands what we need for each of the three strands.
15 Delivery	Programme start delays. Grant; Approval; procurement; contracting	1	3	3	Grant via MoU - which minimises risk, grant reviewed by CHEEPB prior to submission which should allow smooth internal ratification of arrangements for corporate properties (strand 3).  Use of existing Solar PV (Strand 2) and Solid Wall Insulation (Strand 3) frameworks.  The properties identified for WHR fabric work (Strand 1) are located alongside social housing included in our successful Social Housing Decarbonisation Scheme Demonstrator bid. We therefore have standard design details and cost estimates for each archetype. Through the SHDFD project NCC will be procuring and awarding 9 contracts which cover various measures, with Nottingham City Homes acting as principal contractor.
16 Delivery	Material condition of homes not improved	1	3	3	This is a lesser version of the risk above (included because it is specified in the MoU). The condition of the homes will improve, and we estimate a significant number to improve to at least an EPC C. We will signpost all householders receiving solar PV systems to information, advice and support from other local and national programmes for maximising their income, reducing bills and improving energy efficiency, in line with our Fuel Poverty Strategy, and wherever additional funding can be compliant or complementary to LAD. We expect this to lead to a greater set of works being undertaken and improvement in risks of/from fuel poverty in the city.
17 Financial	Private infill innovative whole house retrofit assumptions for VAT underestimate	1	3	3	Private infill (innovative whole house retrofit) £42,000 per property £48, 510 inc VAT (assumptions: higher rate of VAT charged, materials 70% of costs, labour 30%, unless eligible for lower rate of 5%). We expect this to be a reasonable worst case scenario, and cost savings may be made here
18 Delivery	Claims made for installations that haven't happened, haven't been completed, or that took place prior to launch date of the scheme (b)	1	3	3	As part of the customer journey, NCC will collect data from installers on installed measures and will also quality check work, including completion of pre and post retrofit assessments.
19 Legal	Liability of poor workmanship or maintenance issues with private households.	1	2	2	Householder to have contract with installer, rather than NCC, transferring liability. NCC to review contracts to ensure citizens are protected.
20 Financial	Installers overinflating costs (d)	1	2	2	NCC's procurement routes ensure that suppliers cannot inflate prices, either by using pre-procured frameworks, extensions of contract, or completing tender exercises.