

Client: West Suffolk Council

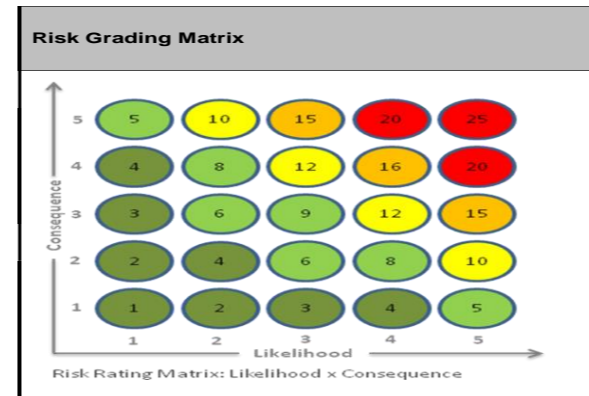
Project: Olding Road Recommended Option A - Essential Investment Option

Appendix D: Risk Register

Introduction

The purpose of the Risk Assessment procedure is to encourage the identification and awareness of potential risks to the project. The risks being identified and treated by this procedure are those that will impact, (usually adversely) on the project. The project will adopt a scale of 1 to 5 to measure likelihood and consequence; the most significant risks will be identified by multiplying likelihood by consequence:

Definitions	Estimating Risk		
	Likelihood	Consequence	Ratings
Risk = the likelihood of an event occurring in combination with the consequence of that event	1 = very unlikely	1 = insignificant	1 > 4 = very low
Likelihood = how likely is it that a particular event will occur (also known as chance or probability)	2 = unlikely	2 = minor	5 > 9 = low
Consequence = the likely foreseeable impact of event occurring	3 = fairly likely	3 = moderate	10 > 14 = medium
Risk rating = Likelihood (L) x Consequence (C)	4 = likely	4 = major	15 > 19 = high
Residual Risk = is the estimated risk that remains after any Mitigation Actions and controls have been implemented	5 = very likely	5 = very serious	20 > 25 = very high



Key	
DT	Design Team
PM	Project Manager
WSC	West Suffolk Council

RISK IDENTITY AND ASSESSMENT

Nr	POTENTIAL RISKS	Category	LIKELIHOOD (L) Graded 1 to 5	CONSEQUENCE (C) Graded 1 to 5	Risk Rating		Mitigation action	LIKELIHOOD (L) Graded 1 to 5	CONSEQUENCE (C) Graded 1 to 5	Residual Risk Rating (after Mitigation)		Risk Owner / Action	Status/Comments
					Value	Severity				Value	Severity		
1	Financial business case does not achieve a break even position.	Financial	3	4	12	M	Continue reviewing and updating the financial model at each milestone of the project to incorporate updated financial information. Do not proceed through gateways unless financial tests are met.	2	4	8	L	Client	
2	Budget not sufficient to deliver objectives	Financial	3	4	12	M	Council to ensure Budget provision is robust & reflects the intended scope.	2	4	8	L	Client	
3	Costs of construction are higher than budget allowance.	Financial	3	4	12	M	Appoint a cost consultant/quantity surveyor to manage pre and post contract costs in the next stages. Introduce a change control process to ensure scope creep does not result in overspends. Ensure a "design to cost" approach is taken as the design develops. Competitive tender process to ensure the most competitive price is obtained.	2	4	8	L	Cost Manager	
4	Professional fees are higher than budgeted.	Financial	2	4	8	L	Procure construction professionals via competitive tender to ensure value for money.	1	4	4	L	Client	
5	Rent levels are lower than modelled.	Financial	2	4	8	L	Seek to put in place Agreement for Leases with Tenants before committing to Building Contract.	1	4	4	L	Client	
6	Tenants' business failure or default on lease obligations	Financial	2	3	6	L	Carry out due diligence on tenants at evaluation. Only consider tenants with strong covenants.	1	4	4	L	Client	
7	Higher level of tenant voids than expected	Financial	2	3	6	L	Carry out due diligence on tenants and only consider tenants with strong covenants.	1	4	4	L	Client	
8	Retaining the existing frame results in a cost premium (for example: due to inefficient external wall to floor ratios, height of the building etc.)	Financial	2	4	8	L	Retention of the frame only if uses can make use of the height (storage and distribution, light industrial, trampolining, climbing ect.).	1	4	4	L	Design Team	
9	Delay to programme: Extent of asbestos removal greater than anticipated or increased demolition cost.	Financial	2	4	8	L	R&D asbestos survey already complete. Appoint licenced Contractor to carry out demolition works.	1	4	4	L	Client	
10	Interest rate rises increase cost of borrowing.	Financial	3	5	15	H	Contingency funding in the budget to enable an increase in borrowing costs to be accommodated.	2	5	10	M	Client	
11	Delay to programme causes uplift to inflation costs.	Financial	3	5	15	H	Monitor progress against the approved strategic programme and take early mitigating action to manage the impact of any delays that may arise.	2	5	10	M	Project Manager	
12	Insolvencies within supply chain.	Financial	2	4	8	L	Check company health before appointment of main contractor. Consider option of obtaining parent company guarantee or performance bond.	2	4	8	L	Client	

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13	Post election re-boot of projects nationwide following a period of strategic pause in the market place. Contractors become more selective to bidding opportunities along with higher than forecast inflation levels.	Financial	3	4	12	M	Early engagement with framework contractors to establish level of interest. Monitor inflation trends post election and identify any cost uplift pressure early on.	2	4	8	L	Project Manager	
14	Building constraints including condition of existing frame/slab & facade.	Technical	3	4	12	M	Undertake further detailed condition surveys during the next stage.	2	4	8	L	Design Team	
15	Changes to scope during Tender/ Pre Contract period leads to programme delay and additional costs.	Technical	3	4	12	M	Put in place change control procedures in line with the RIBA plan of work to monitor costs.	2	4	8	L	Project Manager	
16	Contamination remediation solution more onerous than previously assumed and results in knock on consequences to site surrounding Depot.	Technical	3	5	15	M	Continue to work EPS to undertake further investigations and work through remediation procedures. Engage with LPA, EA and agree the remediation actions required.	2	5	10	M	Client	
17	Design & Build may not be the most appropriate contract if the essential investment option is a temporary "refurbishment".	Technical	3	4	12	M	Review procurement strategy with project team following approval.	2	4	8	L	Project Manager	
18	Mixed uses across site are not complimentary resulting in H&S and operational issues which need to be managed	Technical	3	4	12	M	Identify key risks early on in design programme so these can be designed out. Management policies to be put in place for any residual risks	2	4	8	L	Design Team	
19	Delays to pre-contract period linked to planning challenges.	Programme	2	4	8	L	Ensure proposals do not oppose Planning Policy. Early engagement with LPA to identify possible challenges.	1	4	4	L	Design Team	
20	Delays to programme due to poor governance arrangements, decision making process and/or lack of forward planning.	Programme	3	4	12	M	Ensure decisions are made at appropriate levels with clear lines of accountability. Ensure good governance arrangements are in place.	2	4	8	L	Project Manager	
21	Delays to programme due to extent of ground contamination from fuel tanks worse than anticipated.	Programme	2	5	10	M	Carry out further investigation as required. Consider carrying out any required remediation as enabling works/separate project concurrent to other programme activities.	2	4	8	L	Project Manager	
22	Tenants do not sign up to project in anticipated timescales resulting in delay.	Programme	3	4	12	M	Allocate resources to manage HoT/ legal aspects in line with programme.	2	4	8	L	Client	
23	Delay to programme: Nesting birds delay demolition resulting in withdrawal of interest from potential tenants.	Programme	2	4	8	L	Carry out the necessary surveys and recommendations prior to nesting season.	2	4	8	L	Client	
24	Delays linked to utility service connections and diversions.	Programme	3	4	12	M	Obtain quotes from statutory undertakers early in process.	2	4	8	L	Project Manager	
25	Delays to Agreement for Lease (AFL) results in delays to project.	Programme	3	5	15	M	Resource to be allocated to progress AfL. Regular updates to be provided so that proactive action can be taken to accelerate the process if the programme is at risk. If this is not possible, then a risk vs benefit assessment will be carried out to compare the inflation risk associated with a delay, against the abortive cost risk of continuing at risk until the AfL is in place.	2	4	8	L	Client	
26	Scheme not approved as it deviates from planning policy.	Planning	2	4	8	L	Early engagement with LPA.	1	4	4	L	Design Team	
27	Proposals for existing BESS do not meet planning requirements. This means the existing BESS needs to be relocated attracting significant additional costs linked to cabling and recommissioning.	Planning	3	4	12	M	Undertake early pre-application consultations with the LPA to develop design proposals which meet requirements to minimise the risk of this not being approved.	1	4	4	L	Design Team	
28	Highway improvements/contributions to on-site and off-site works exceed allowance within the project costs and programme.	Highways	3	5	15	M	Early engagement with LPA and Highways to discuss way forward. Consider appointing transport engineer to assist.	2	5	10	M	Project Manager	
29	Olding Road roundabout improvements trigger relocation of skatepark.	Highways	2	5	10	M	Early engagement with LPA and Highways to discuss. Consider appointing transport engineer to assist.	1	5	5	L	Project Manager	
30	Site connectivity for pedestrians may trigger requirement for ramp.	Highways	3	5	15	M	Early engagement with LPA and Highways to discuss. Consider appointing transport engineer to assist.	2	5	10	M	Project Manager	
31	Potential title issues: - Northern annex is sitting on the WSH title – ownership shared with SCC. - Any access and egress points from the building onto the WSH site will require permanent rights of access. - Any cabling in the WSH car park will require legal agreements with SCC.	Legal	3	3	9	L	Legal team to monitor risk as plans develop. Early conversations and negotiations with SCC.	2	3	6	L	Client	

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32	Tile & Stone – issues securing option agreement for highways works (if required).	Legal	2	4	8	L	Legal team to monitor risk as plans develop. Early conversations and negotiations with land owner.	2	4	8	L	Client	
33	Not complying with Client duties under the recently introduced Building Safety Act.	Legal	2	5	10	M	Ensure all new client obligations under the Act are met.	1	5	5	L	Client	
34	Marketing process fails to secure suitable tenants for the Warehouse scheme.	Demand	2	4	8	L	Monitor market demand. Ensure the opportunity is promoted widely by the agent via direct mailing and online marketing. Seek to get agreement for lease in place at an early stage.	1	4	4	L	Client	
35	Tenants offer unsuitable terms	Demand	2	3	6	L	Ensure particulars clearly set out our expectations.	2	3	6	L	Client	
36	The project attracts bad publicity.	Comms	2	3	6	L	Set up communications plan to proactively manage any reputational risks which may occur throughout duration of project.	1	3	3	L	Client	