

**PROJECT RISK EVALUATION.**

where **IMPACT OF RISK x LIKELIHOOD OF RISK OCCURRING = DEGREE OF RISK**

IMPACT				
Rating	Project Aims/Objectives (PAO)	Programme/Budget (P/B)	Safety/Health/Environmental (SHE)	Commercial
5	-Threat to project survival	-Budget overrun which impacts on client's programme of works -Client/Business stakeholder interests severely damaged	-Multiple fatality -Major environmental incident involving threat to public health or safety -Criminal liability	> £1m
4	-Significant threat to project aims and objectives	-Significant and non-recoverable impacts in budget spend -Programme overrun resulting in penalties and additional audits	-Worker/Public fatality -Environmental incident leading to breach -Criminal liability and compensation costs	£100k - £1m
3	-Client dissatisfaction and damage to stakeholder relationships	-Minor and recoverable budgetary fluctuations -Minor and recoverable programme overrun that impacts critical path	-Major injury to worker or third party -Operation likely to cause damage, complaint or nuisance	£10k - £100k
2	-Client and stakeholder relationships strained -Negative feedback received	-Minor budgetary fluctuations within allowance given by client -Minor delays not impacting on critical path	-Minor injury to worker or third party -Environmental impact requiring management response to recover	£1k - £10k
1	-Negligible impact	-Negligible impact	-Negligible impact	<£1,000

LIKELIHOOD	
5	Almost Certain (>70%)
4	Probable (50-70%)
3	Possible (30-50%)
2	Unlikely (10-30%)
1	Negligible (<10%)

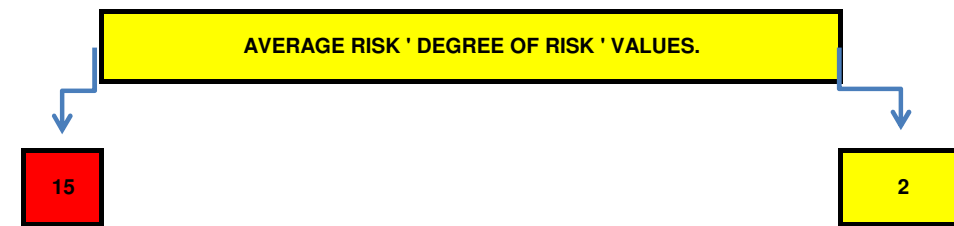
=  
Impact (max rating)

DEGREE OF RISK					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Degree of Risk	Risk Level
1 to 4	Trivial
5 to 8	Tolerable
9 to 12	Substantial
13 to 25	Unacceptable
	Close

**CONTRACT RISK ASSESSMENT**

Client: **BwDBC**  
 Contract: **DEDC**  
 Stage : **3**  
 Provider: **Capita**  
 Date **09/10/2017**  
 Author **Timo Murphy**  
 Rev **14**



No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
1	Joint pre-planning consultation and engagement with Miller Homes on the 22/23 November.	Consultation does not satisfy the requirement to undertake pre-planning consultation and engagement., resulting in judicial review or further consultation events later in the programme.	5	4	1	0	2	10	Planning Consent Granted.	0	0	0	0	0	0	BwD	Close	
2	Unidentified resource to provide planning advice to the project.	Planning strategy not identified resulting in exposure to planning application objections and potential judicial review.	5	3	0	0	2	10	Procure resource to undertake the role of the Planning Consultant. Agree planning strategy and ensure consistent consultation with stakeholders. Janette Findlay appointed as Planning Consultant, Planning officer from BwD identified as John Wilson.	0	0	0	0	0	0	Capita	Close	

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
3	Phasing strategy and alignment not agreed for Baileys Field.	Potential impact on the business case to the LEP and what is communicated through the consultation events on the 22 and 23rd November. Inability to progress the scheme to detailed design resulting in prolongation of the programme and inability to meet the funding timescales agree with the LEP.	3	4	1	4	4	16	Phasing strategy and alignment to be agreed. Capita to undertake further analysis of BCR and options analysis to enable an informed decision to be made. Phasing to be agreed at Gateway 2 on the 17th May. Alignment agreed with David Bailey of Lea Hough at a meeting on the 10th May.	0	0	0	0	0	0		Capita	Close
4	Procurement Strategy not confirmed.	Inability to assign resources to complete tender documentation. Confidence on deliverability of the scheme is lost.	5	4	1	3	5	25	Procurement strategy has been developed. A meeting has been held with BwD Head of Procurement to provide assurance on the proposed strategy. Agreed at the Gateway Review to implement.	0	0	0	0	0	0		Capita	Close
5	Affordability of the scheme.	Scheme is currently estimated at circa £1m over budget and relies on developer contributions to close this gap. Scheme may require value engineering resulting in low BCR.	5	5	1	5	5	25	Scheme has been costed to be deliverable within the funding envelope. Other elements will be delivered through future funding LTP. Following an open tender exercise all tender returns were within the assigned funding.	0	0	0	0	0	0		BwD	Close
6	Section 278 works on Pole Lane not known.	Interface, logistical and programme issues. Holistic design not achieved. Potential conflicting design. Potential impact on BCR.	5	4	1	0	1	5	Meeting arranged with Saf Alam on the 8th December to understand the extent nature and timing of the 278 works on Pole Lane. Section 106 agreement formalised with the developer on the 8th May.	0	0	0	0	0	0		Capita	Close
7	The timing of the planning application and business case submission and the interdependencies is unknown.	Potential for not meeting the funding requirements as defined by the LEP which could be withdrawn.	4	4	0	3	4	16	Detailed programme to be put in place identifying the dependencies, timing and deliverables with the planning application and business case submission. Resources to be assigned accordingly.	0	0	0	0	0	0		BwD	Close

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
8	Timescales associated with Network Rail for Bridge works on Sough Road and Grimshaw Street.	The engagement with network rail and required process could result in programme delays depending on the phasing of the scheme.	5	5	4	4	4	20	Detailed programme to be developed with all activities and timescales associated with the Bridge Works. Meeting held with Liam Hames, Alan Niemeyer, Mark Berry, Chris Hawkes, Timo Murphy and Kevin Mainwaring on the 5th December. Bridge works programme inputted into master programme. Will follow in later phase. Bridge works have been taken out of the major scheme and will be funded and delivered by the LTP.	0	0	0	0	0	0		Capita	Close
9	Management responsibility of Statutory Undertakers not confirmed i.e. Is this contractor, client or Capita led.	Lack of clarity on who is placing orders for statutory undertakers could result in the diversion, upgrading or installation of new services becoming critical path activities that impact on the programme and cost of the project.	2	4	4	0	3	12	Responsibility for statutory undertakers defined in Z9 of the Conditions of Contract.	0	0	0	0	0	0		Capita	Close
10	Various options have been considered for the Chapels Junctions Works. There is currently no agreement on which one to progress or whether two options would be twin tracked.	There is a risk of inconsistent communication with stakeholders and a lack of focus on which option(s) to proceed with diluting resources.	5	5	1	4	4	20	Options discussed at the Phasing and Planning Meeting on the 5th December. Capita to provide BwDBC with options drawings and undertake further assessment of these to enable and informed decision to be made on how to progress. Landownership by Twin Valley Homes. Undertake Property review. It was agreed DEDC Project Board at the 20.12.16 that the design should not rely on a CPO and that the junction of Moor Lane / Knowle Lane would not be progressed as part of DEDC but would be looked at as part of the Moorlands redevelopment scheme.	0	0	0	0	0	0		BwD	Close

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
11	Unforeseen ground conditions on the road alignment in Baileys Field e.g. Mineshafts. The survey strategy has not been confirmed and there is a reliance on information provided by Miller.	The reliance of survey information from Miller and the timeliness to inform the design is not aligned with the programme. Collateral warranted and letters of reliance would also need to be considered. An engineering solution would be required which could be costly depending on the extent and nature of any abnormal site conditions encountered. There could be an impact on cost and programme both in construction and in design.	2	5	2	4	3	15	Detailed site investigations have been undertaken and commissioned directly by the project. One mineshaft has been identified at the Marsh House Lane entrance to the link road and a further two are in close proximity to the alignment of the new road. Capping details have been costed and there has been an allowance for two mineshaft caps in the bill of quantities. An appropriate risk allowance has been made.	1	4	1	1	3	12	350	Capita	Live
12	Signage strategy not confirmed.	Scheme would not work holistically with the highways network.	2	2	2	0	2	4	Develop signage strategy as part of the preliminary design and incorporate into the detailed design. Consult with Traffic on the proposals in advance of implementation.	0	0	0	0	0	0		Capita	Close
13	The scheme alignment with other BwDBC Strategic Objectives.	There are other strategies such as the former Moorland Site which, if not considered as part of this scheme, could result in reputational risk to both the Council and Capita.	3	4	1	0	3	12	Consult with BwDBC on wider strategic objectives and synergies with other schemes. Maximise opportunities through coherent working with other budget holders.	0	0	0	0	0	0		BwD	Close
14	Phasing and timing of site works and statutory undertakers works.	Could result in delays to the programme if works clash logistically.	2	4	2	0	2	8	Liaise with Simon Littler as to planned works for statutory undertakers and programme accordingly. Responsibility for statutory undertakers defined in Z9 of the contract documents.	1	2	1	0	1	2		Capita	Live
15	Adequacy of public consultation to include horsing community and rambles.	Potential challenge to the planning process resulting in further consultation and programme delays and additional costs.	4	2	1	0	1	4	Develop pre-planning consultation and engagement document. Ensure that Planning Officers and Client are in agreement with the proposal.	0	0	0	0	0	0		BwD	Close
16	Timeliness of surveys to inform the design and to support the planning application.	Assumptions being made during the design process resulting in re-design and abortive fees and a delay to the submission of the planning application.	4	4	2	0	4	16	Consent received. All surveys complete.	0	0	0	0	0	0		Capita	Close
17	Traffic Regulation Orders unknown.	Could result in working on the highway illegally, abortive works and reputational damaging.	4	4	1	0	1	4	Consult with Traffic on all TRO's and utilise checklist to ensure that TRO'S are in place and process is followed.	2	2	0	0	1	2		Capita	Live

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
18	Programme dates not confirmed.	Lack of project control and measurement of progress against milestone programme. Inability to report the position of the project.	5	4	0	0	4	20	Develop master programme with critical path and milestone dates.	0	0	0	0	0	0		BwD	Close
19	Market appetite and attractiveness of the project.	Inability to deliver the construction phase and input the prices into the final business case resulting in programme delay and procurement exercise to be carried out.	5	5	0	0	2	10	Consider this as part of the phasing and timing of the works to inform a procurement strategy. Undertake soft market testing. The Chest North West Portal has been used for the procurement. A tendering exercise has been undertaken and 10 responses have been received and evaluated. We have a preferred contractor for the scheme which will be reported to the Council's Executive Board on 9th November 2017 and to TfL/LEP.	0	0	0	0	0	0		Capita	Close
20	Timing of elections and Purdah on decision making process.	Key decision not being made resulting in delay to the programme.	5	2	0	0	1	5	Programme around these and ensure key decisions are made at appropriate times. Delegate authority where possible. It has been confirmed that there are no local elections.	0	0	0	0	0	0		BwD	Close
21	Inadequate capacity of power supply across the new road.	Additional costs associated with upgrading the electrical network.	5	5	2	3	4	20	Undertake capacity checks with United Utilities during detailed design. Make programme and cost allowances for any upgrades.	2	2	1	2	3	6		Capita	Live
22	Inability to gain access on private property at the Chapels junction to undertake surveys.	Lack of information to make an informed decision on route and design assumptions being made.	5	4	1	0	3	15	Seek permission through Property Team. DEDC no longer requires access to these properties as it is no longer being considered.	0	0	0	0	0	0		Capita	Close
23	Protected species.	Protected species affected by the works will require relocating or special measures will need to be put in place to ensure that the impact is minimised. There may be programme and cost implications of this.	5	4	1	1	4	20	Undertake Ecology Surveys to quantify and put appropriate mitigation in place. To be closed out within planning condition #2.	2	2	0	0	2	4		Capita	Live
24	Residual life of existing pavements and upgrading if required.	Additional works required which have not been costed.	2	2	0	0	5	10	Undertake a survey of the condition of existing pavements as part of LTP capital programme. Maintenance to be funded via alternative funding streams and the LTP.	2	1	0	0	3	6		Capita	Live

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation						Risk Mitigation Measure	Assessment after Mitigation						value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)		Impact				Likelihood	Degree of Risk (max)			
			PAO	P/B	SHE	Com				PAO	P/B	SHE	Com					
25	Pavement tie-ins not aligned with housing developer.	Re-design or re-alignment required. Potential impact on cost, programme and reputational risk.	3	2	0	0	6	18	Consult with developers on the schemes proposals and the projects proposals. Obtain coordinates of the developer road layout to ensure tie-ins are aligned. Miller are no longer involved in the programme. Agree with David Bailey of Lea Hough on the location of access to future development.	0	0	0	0	0	0		BwD	Close
26	Protection to any statutory services during or in advance of the works.	Costs associated with designing the protection, implementation and liaison with statutory service providers. Potential constraints on the programme.	2	5	1	0	3	15	Undertake surveys to quantify the extent and nature of statutory services affected by the works. Consult with statutory undertakers and agree protection measures to be put in place. The timing of this should be in the detailed design so this can be costed and the programme implications and constraints can be quantified. C3s received and awaiting final C4's.	2	2	1	0	2	4		Capita	Live
27	Ground contamination or ground gasses.	Remediation or removal of ground contamination. Potential gas monitoring leading to prolongation.	2	5	2	0	3	15	Undertake geotechnical site investigations and quantify any remediation measures that need to be put in place. Make programme and cost allowances for any remediation and monitoring. Grounds investigations commenced on the 2nd May.	2	5	2	0	2	10		Capita	Live
28	Capacity of existing drainage network to cope with additional surface water discharge.	Localised flooding	2	5	2	0	3	15	Consult with United Utilities, Environment Agency and Drainage on the discharge of surface water and capacity of the existing network. Findings and necessary design solutions to be incorporated into the design.	0	0	0	0	0	0		Capita	Close
29	Capita undertaking design and procuring surveys without being formally appointed.	Inability to commission the supply chain. Commercial exposure to BwDBC and Capita. Potential to result in delay and jeopardise programme delivery.	2	4	0	0	1	4	Agreement on call-off document and fee proposal required by Capita and BwDBC. Document to be signed by both parties.	0	0	0	0	0	0		BwD	Close
30	Scheme designed and constructed on land held in other directorates within BwDBC or not in council ownership.	Delay to project and costs of land acquisition. Long term maintenance costs.	3	4	1	0	4	16	BwDBC to commission Capita Property Services to review the land ownership on the scheme and report the position to BwDBC. Land transfers have been undertaken for Together Housing. Designs have avoided any land not in Council ownership. Land apportionment captured in the Executive Board Report.	0	0	0	0	0	0		Capita	Close

No.	Risk - Identified and unidentified	Consequence	Assessment before Mitigation							Risk Mitigation Measure	Assessment after Mitigation							value £000's	Ownership	Status
			Impact				Likelihood	Degree of Risk (max)	Impact				Likelihood	Degree of Risk (max)						
			PAO	P/B	SHE	Com			PAO		P/B	SHE			Com					
31	Project Governance arrangements not in place.	No point of escalation, reporting or process for making and implementing decisions.	5	5	2	0	3	15	Project Board to be established with clear terms of reference meeting monthly.	0	0	0	0	0	0		BwD	Close		
32	Statutory Undertakers costs escalate	Impact on programme and cost	1	5	2	0	3	15	Undertake C3/C4 with statutory services.	1	3	1	0	2	6	50	BwD	Live		
33	Tendered prices exceed pre-tender estimates.	Potential to make the scheme unaffordable	4	5	1	4	3	15	Include optimism bias and reduce when tendering exercise is complete. Undertake detailed cost planning an pre-tender estimates. Make appropriate risk allowances. All tender prices were within the pre-tender estimate following an open tendering exercise which will recommend the main contractor at the 9th November 2017 Executive Board meeting.	2	2	1	2	1	6		Capita	Close		
34	Land option on Baileys site lapses and Miller have to re-negotiate.	Inability for current phase 1 of the scheme to progress. Potential delay and impact on the funding.	5	5	1	0	3	15	Confirm timescales for extension of option to buy and consider mitigation should it lapse including entering into an agreement with landowners representative (Hough & Co). Heads of Terms have now been agreed with the scheme landowners and contracts are in the process of being exchanged and completed.	3	2	1	0	1	3		BwD	Live		
35	Miller Homes building new road.	This could impact on the attractiveness of the scheme to the market. Loss of control of the timeliness of the construction phase.	5	2	2	0	2	10	Undertake further risk analysis of this before deciding whether this approach should be taken. Miller are no longer involved in DEDC.	0	0	0	0	0	0		BwD	Close		

<b>TOTAL PROJECT RISKS VALUE TO COSTS</b>	<b>£400,000</b>
---	-----------------