

Winchester Sport and Leisure Centre Project – Risk Register

Audit Committee 29 November 2018 – Appendix A

Winchester Sport and Leisure Centre Project – CAB3076 (LC) Appendix 2

Risk Register – Key:

Likelihood Rating

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely	1% to 25% chance in 5 years
Unlikely	26% to 50% chance in 5 years
Likely	51% to 75% chance in 5 years
Highly Likely	76% to 100% chance in 5 years

Risk Proximity Score	Time scale
1	Occurring within the next 3 months
2	Occurring within the next 6 months
3	Occurring within the next 1 year
4	Unlikely to occur within 1 year

Risk Proximity

The score for risk proximity supports the Council in focusing on certain risks that may occur soon and ignore risks that will not occur in the near future. This enables risk management to be more efficient.

A number of between 1 and 4, where 1 means the risk is about to occur within the next 3 months and 4 means the risk is not likely to occur within the next year is provided.

Financial Impact

The financial impact to the Council is an important consideration, however this should be viewed alongside the likelihood of the risk occurring and not assumed to be inevitable.

The scoring of the financial impact relates to the cost to the Council if that risk were to occur, however it should not relate to the cost of managing or mitigating the risk.

The financial impact is scored as highly likely it would be prudent for the Council to ensure that it has set aside an adequate financial provision. The financial impact is scored as follows:

Financial Impact Score	Time scale
£	£1 – £20,000
££	£20,0001 - £200,000
£££	£200,001 - £2,000,000
££££	£2,000,001 plus

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Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20K	£20k or over and less than £200K	£200K or over and less than- £2MK	£2M plus
Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of Life/Major illness – Major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/Large scale major illness
Morale		Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media Leader	Adverse National publicity	Remembered for years

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Govt relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
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Risk Number: 1			Risk Owner: Project Executive			
Risk Title: Project is not financially viable						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
<p>Full Business Case gateway does not confirm that project is financially viable.</p> <p>The management fee proposed by the potential operator and/or the cost of construction are not in line with current estimates</p> <p>Significant and unforeseeable change in external financial/macro economic position</p> <p>("Viable" = that the annualised cost of the project to the Council based on the preferred facility mix is sufficiently close to the income expected to be generated from a management contract in relation to be a sustainable investment).</p>	<p>Project may be halted for review of underlying assumptions. Revisions are tested and agreed. Project recommences on revised brief, timetable and cost estimate.</p>	<p>Ensure Cabinet is fully aware of likely cost/income equation of facility mix and facility management options. Do not permit 'project creep' to add non-essential additional cost elements.</p> <p>Provide sufficient detail to consultancy team to permit accurate projections of cost and income. Close liaison with contractor and design team. Progressing design to RIBA Stage 4 before passing to contractor.</p> <p>Continue to assess all aspects of the project through Business Case Modelling. Soft market testing exercise undertaken. Monitor economic prospects, include substantial contingency in forecasts and secure financial certainty where possible.</p> <p>Manage public expectations of project content and cost, highlight danger of</p>	Likely (Probability 51% - 75%)	Significant (4)	2	££

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	optimism bias.			
Further actions?	Target Date	Residual Risk Score		
		Likelihood	Impact	
Cabinet Committee will make key decisions in line with project plan. Decisions requiring approval of full Council under the Constitution will be referred accordingly. Regular reporting on progress will be made.	Feb 2019	Unlikely (Probability 26% - 50%)	Significant (4)	

Risk Number: 2	Risk Owner: Project Executive
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Risk Title: Absence of financial support from project partners

Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
External grants and partner funding does not materialise or offers withdrawn because Council cannot meet funders' requirements	Project could be rendered nonviable by increasing Council proportion of cost. Review project as in R1.	Continue negotiations with partner organisations and external funders. Maintain contacts at senior level to create alignment of expectations.	Likely (Probability 51% - 75%)	Significant (4)	2	££££
Further actions?	Target Date	Residual Risk Score				
		Likelihood	Impact			
Translation of negotiated arrangement into legal documentation. Continue Financial appraisal of contribution's value to the scheme vs financial contribution.	Nov 2018	Unlikely (Probability 26% - 50%)	Significant (4)			

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Risk Number: 3			Risk Owner: Project Executive			
Risk Title: Council unable to recover VAT on construction costs						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Project and governance structure means that Council unable to recover VAT incurred on construction costs.	The project cost would increase significantly and possibly become non-viable or show major overspend if HMRC refuses claims.	Obtain best available VAT advice at appropriate stages and before decision making. Reflect VAT advice in negotiations with funding partners.	Unlikely (Probability 26% - 50%)	Significant (4)	1	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood		Impact	
Advice reflected in decisions taken, ongoing advice as required.		Nov 2018	Unlikely (26% - 50%)		Major (3)	

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Risk Number: 4			Risk Owner: Project Executive			
Risk Title: Stakeholders expectations on pricing and usage not met						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Pricing and usage strategy necessary to create viable project is not in line with stakeholder expectations. i.e. hire charges for club use, membership levels etc.	Business Case and procurement of operator specification may need to be reviewed if Council wishes to alter pricing and usage strategy.	Maintain dialogue with main users. Soft market test assumptions with potential operators. Ensure Cabinet agrees pricing and usage strategy.	Likely (Probability 51% - 75%)	Moderate	2	£
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		
Dialogue with likely user groups. Ongoing soft market testing to determine external views.		Nov 2018	Unlikely (Probability 26% - 50%)	Low (1)		

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Risk Number: 5			Risk Owner: Project Executive			
Risk Title: Stakeholders dissatisfied with facility mix						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Stakeholders dissatisfied with proposed facilities seek more consultation even after decisions are made.	Council delays decision making. Cost increase arising from either agreement to stakeholder views or time delay could jeopardise project.	Engage effectively through all stages of the design and planning process. Remain firm on delivery to time and budget.	Unlikely (Probability 26% - 50%)	Moderate (2)	2	££
Further actions?		Target Date	Residual Risk Score			
Continue consultation and engagement process.		N/A	Likelihood		Impact	
			Unlikely (Probability 26% - 50%)		Low (1)	

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Risk Number: 6			Risk Owner: Project Executive			
Risk Title: Project programme/project delivery delayed						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Delay in programme/ delivery and resulting cost implications due to staff capacity and other information and or decisions being made/available at relevant stages of the project.	<p>Potential for project delay due to a number of potential factors.</p> <p>This could also include the delivery of associated mitigation, accommodation or facilitating works.</p>	<p>Stride Treglown and LA architects appointed to undertake engagement and design work. Mace appointed as project managers and cost consultants.</p> <p>Civil & Structural and Building Services engineering consultancies appointed</p> <p>Other specialisms appointed.</p> <p>Allocate sufficient staff resources by prioritising within project programme.</p> <p>Identify and undertake mitigation, accommodation or facilitating works well in advance and ensure decisions made on these early.</p>	Unlikely (Probability 26% - 50%)	Major (3)	1	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		
Monthly meetings established between the Project Office and relevant teams. Good liaison with agencies including Sport England, Environment Agency, Southern Water and other utility companies to identify issues in time to adequately address.		Ongoing	Unlikely (Probability 26% - 50%)	Moderate (2)		

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Risk Number: 7			Risk Owner: Project Executive			
Risk Title: Unexpected costs arise for keeping River Park Leisure Centre open						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Unexpected costs arise for keeping existing River Park Leisure Centre (RPLC) open	Rising financial costs to keep RPLC open and running may require difficult decisions between additional capital expenditure and facility availability depending on scale. Expenditure on RPLC depletes reserves.	Monitor condition of existing facility carefully. Allow some contingency in budget planning if possible. Identify, approve & monitor maintenance costs.	Unlikely (Probability 26% - 50%)	Moderate-Major (2/3)	3	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood		Impact	
Keep building condition under review. Will remain a risk until RPLC closes. The 2018/19 capital programme includes a budget to undertake essential capital works required to extend the life of RPLC.		N/A	Unlikely (Probability 26% - 50%)		Moderate (2)	

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Risk Number: 8			Risk Owner: Project Executive			
Risk Title: Legal challenges are raised						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Legal challenges to any aspect of decision making and or procurement.	If legal challenges are successful the project is halted. If unsuccessful - a delay in the development and additional costs to the project which may render it unviable.	Ensure any legal challenges can be mitigated by obtaining expert advice and evidence to guide and inform processes. Raise awareness of implications of delay. Input from advisory panels.	Unlikely (Probability 26% - 50%)	Significant (4)	3	££
Further actions?		Target Date	Residual Risk Score			
Continue to obtain expert advice on procurement and to inform decision making		N/A	Unlikely (Probability 26% - 50%)		Major (3)	

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Risk Number: 9			Risk Owner: Project Executive			
Risk Title: Planning permission is refused						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Planning application submitted is not in line with planning policy.	Project will require revisions with cost implications. Could require reconsideration of project content.	<p>Continue to engage intensively with planning representatives and consultative bodies including South Downs National Park Authority. Carry out pre application and relative screening.</p> <p>Engage with the nominated Case Officer early in the project process.</p> <p>Reflect input carefully from 4 stages of engagement</p> <p>Input from Advisory panels</p> <p>External planning consultant appointed.</p>	Unlikely (Probability 26% - 50%)	Significant (4)	3	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		
Continue to liaise with Case Officer and consultative bodies on latest progress with planning application.		Oct 2018	Unlikely (Probability 26% - 50%)	Low (1)		

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Risk Number: 10			Risk Owner: Project Executive			
Risk Title: Unable to agree highway requirements						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Hampshire County Council are not satisfied with highway proposals for Bar End Road put forward as part of planning application and agreement cannot be reached	Could lead to additional land requirements and costs	Continue discussions with HCC	Unlikely (Probability 26% - 50%)	Moderate (2)	1	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood		Impact	
Further technical work with Highway Authority		Sep 2018	Unlikely (Probability 26% - 50%)		Moderate (2)	

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Risk Number: 11			Risk Owner: Project Executive			
Risk Title: Technical studies identify adverse issues						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Issues are identified that require further investigation or mitigation.	Could affect delivery if results have significant cost implications. Could affect ability to deliver certain aspiration.	Undertake studies early in process. Ensure correct scope for studies. Review the scope of these studies and update as required in conjunction with appointed design team.	Highly Likely (Probability 76% -100%)	Moderate (2)	1	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		
Review and update studies as required - technical studies undertaken include on site conditions and utilities in consultation with the design team. These technical studies have and will continue to inform the design and project programme.		Sep 2018	Unlikely (Probability 26% - 50%)	Moderate (2)		