

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

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.

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

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

Winchester Sport and Leisure Centre Project – Full Business Case Risk Register

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
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 is halted for review of underlying assumptions. Revisions are tested and agreed. Project recommences on revised brief, timetable and cost estimate.</p>	<p>Tendered figures for operator management fee and construction cost inputted to Full Business Case</p>		<p>Significant (4)</p>	<p>1</p>	<p>££££</p>
Further actions?		Target Date		Residual Risk Score		
				Likelihood	Impact	
<p>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.</p>		<p>Feb 2019</p>		<p>Highly Unlikely (Probability 1% - 25%)</p>	<p>Significant (4)</p>	

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Risk Number: 2			Risk Owner: Project Executive			
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. Signed Partner/Funding agreements in place.		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.		Feb 2019	Highly Unlikely (Probability 1% - 25%)		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, advice obtained and utilised.		Spring 2019	Highly Unlikely (Probability 1% - 25%)		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 and early enagementt with appointed operator		Moderate (2)	2	£
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		
Dialogue with likely user groups.		Ongoing through construction process	Unlikely (Probability 26% - 50%)		Low (1)	

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Risk Number: 5			Risk Owner: Project Executive			
Risk Title: Project delivery delayed						
Causes	Consequences	Current Controls	Current Risk Score		Risk Proximity	Financial impact
			Likelihood	Impact		
Delay in programme/ delivery and resulting cost implications and or building not delivered to required standards. .	<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>The quality of the design may not be reflected in the quality of the construction.</p>	<p>Mace appointed as project managers and cost consultants.</p> <p>LA architects retained as Technical Advisor</p> <p>The Council has appointed a Site Supervisor to oversee and monitor the works</p> <p>The Council's Estates team will help to ensure that works are progressed in accordance with the design and specification.</p>	Unlikely (Probability 26% - 50%)	Major (3)	1	££
Further actions?		Target Date	Residual Risk Score			
			Likelihood	Impact		

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Risk Number: 6			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: 7			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.	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)	