

**Temple Island, L&G Mixed Use Proposal, Risk Register.**

1st November 2017

Negative Risks that offer a threat to Mixed Use Joint Development and Land Agreement, Temple Island (Aim - Reduce Level of Risk)

Ref	Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk  £k	Risk Tolerance				Actions to be undertaken		Escalation			Corporate Strategy Theme	Portfolio Flag	Audit Trail												
									Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date	Responsible Officer	Escalated to: DRR/CRR	Escalated by:	Date	Date risk identified			Directorate Flag	Date Risk Closed	Closed by:	Amends / Updates Completed Date:	By:								
																													(Include dates as appropriate)							
1	Clarification of extent of river boundary works	Depending on vehicle access standing/delivery requirements, this will impact upon the scheme design and extent of works required.	Potential saving if works are not required.	Open	Environmental	Project Manager	Review existing structural/ condition surveys. Liaise with EA and discussions with LPA	Positive	2	5	10		2	2	4	16.05.19																				
2	Risk of Network Rail failure to provide details of working requirements/restriction i.e. 7.5m easement along boundary, encroachment/impact on proposed works.	Network Rail failure to confirm working requirements/restriction i.e. 7.5m easement along boundary, encroachment/impact on proposed works.	Reduced or higher density development footprint.	Open	Programme / Project Management	Project Manager	Early engagement. Aecom to liaise with BCC/NR and Developers Architect.	Positive	3	5	15		2	4	8	16.05.19																				
3	Viability risks of extensive basement works to Hotel and Conference Centre due to prohibitive removal costs of contaminated soil.	Prohibitive extraction costs to remove contaminated soil.	Reduced residual value for Hotel & Conference plots.	Open	Financial Loss/Gain	L&G	Engineer and Developer prepare cost analysis for export of contaminated soil.	Positive	3	5	15		1	4	4	16.05.19																				
4	Further development enhances the risk of further vehicular circulation volume, implications to Temple gate, pedflow etc.	Lack of engagement with BCC Highways.	Increased vehicular and pedestrian congestion.	Open	Programme / Project Management	Highways Service Manager	Aecom to liaise with BCC Highways and commission pedflow study	Neutral	3	4	12		3	4	12	16.05.19																				
5	Potential risk of further groundworks costs as a result of NR requirements i.e. 7m boundary for vibration, possible piled vibration barrier, contiguous or sheet pile.	Delay in NR engagement.	Construction delays, design failure. Change of design and construction methodology.	Open	Programme / Project Management	Project Manager	Aecom to liaise with Arup and NR	Positive	5	4	20		5	3	15	16.05.19																				
6	Ecological risks	Insufficient up to date ecological survey data.	Delay due to Ecological Calendar	Open	Environmental	Environmental Services Manager	Developer to liaise with BCC Ecology officer and commission early site monitoring.	Positive	4	3	12		2	2	4	16.05.19																				
7	Risk of Footbridge extension to A4 over existing rail lines proves more costly to deliver due to Network Rail requirements/restrictions.	Network rail restrictions/requirements.	Insufficient budget.	Open	Environmental	Highways Service Manager	Aecom to engage with NR and BCC Highways. Implement FWAPA process.	Positive	2	5	10		2	3	6	16.05.19																				
8	Adequate out of hours working allowance risk.	Lack of NR and Highways engagement.	Apply for additional funding.	Open	Financial Loss/Gain	Project Manager	Early engagement with Highways/EA, NR (FWAPA) and UoB. Allowance in Cost Plan.	Positive	5	3	15		3	3	9	16.05.19																				
9	Adequate road closure funding budget.	Lack of Highways engagement.	Apply for additional funding.	Open	Financial Loss/Gain	Project Manager	Early engagement with Highways/EA, NR (FWAPA) and UoB. Allowance in Cost Plan.	Positive	5	2	10		5	1	5	16.05.19																				
10	Risk of insufficient condition surveys to adequately agree scope of works to retaining wall and bridge over A4.	Poor condition of existing structure due to lack of maintenance.	Additional costs of remedial works.	Open	Environmental	Project Manager	Aecom/Arup to carry out condition surveys. Possibility minimal requirement dependent on hotel and Conference centre design.	Positive	4	3	12		3	2	6	16.05.19																				
11	Risk to BCC within the Joint Land and Development Agreement should L&G exceed market value, through sale of individual sites.	Low Residual market valuation. This could include the consequence of a market down turn at point of valuation and/or cost increases across the infrastructure and enabling works.	Potential loss of profit on land receipt from sale of Temple Island.	Open	Financial Loss/Gain	Property Services Manager	HoTs confirm Residual Valuation to be carried out and agreed at point of sale.	Positive	2	5	10		2	3	6	16.05.19																				
12	Risk of abortive costs if Terms of Sale are not agreed resulting in both parties walking away.	Unable to agree commercial terms, both parties unwilling to compromise	New strategies, remarketing, abortive costs and delays to scheme.	Open	Programme / Project Management	Property Services Manager	Discussion and negotiations well advanced and key terms agreed, continued commitment of both parties close to agreement on Heads of Terms.	Neutral	2	5	10		2	5	10	16.05.19																				
13	Commercial risk increased infra structure and enabling works costs provide a negative residual land value.	BCC unsuccessfully challenges L&G residual valuation.	Project is not affordable, yield too high and/or insufficient funding to take project forward.	Open	Programme / Project Management	Property Services Manager	Appoint valuation and quantity surveyor. Meet obligations for state funding to bridge a possible shortfall.	Neutral	4	4	16		4	4	16	16.05.19																				
14	Risk of agreement not reached on contractual terms, leading to both parties walking away.	Unable to agree commercial details, both parties unwilling to compromise.	New strategies for delivery of Temple Island, delaying both projects and potentially leading to Temple Island being delayed.	Open	Legal	Property Service Manager	Discussions and negotiations of legal agreements are well progressed, key terms agreed and continued commitment from both parties to reach agreement.	Positive	3	5	15		2	5	10	16.05.19																				
16	Design, location, size and levels of Hotel and Conference facility and podium not agreed, thereby possible risk of delaying Enabling and Infrastructure works.	Residual valuation and prohibitive cost of basement disposal of contaminated material.	Delay in fixing scope of hotel and conference centre. A4 widening and bridge work elements both have dependencies on design of Hotel and Conference Centre. Consequently until scope agreed procurement of these works cannot progress.	Open	Programme / Project Management	L&G	Agree date to reach scope freeze with Developer.	Positive	4	4	16		4	2	8	16.05.19																				
17	Risk of scope creep for Enabling and Infrastructure works.	Design development. Change of BCC obligations following agreement of Heads of Terms.	Increased financial liability.	Open	Finance	Project Manager	Agree financial 'cap' for BCC Enabling and Infrastructure contributions. Implement RIBS Stage gateway reviews and cost checks.	Positive	4	4	16		4	1	4	11.12.19																				
18	Risk of increased Enabling and Infrastructure BCC cost obligation.	Increased obligations as a result of Heads of Terms. Further design development and increased statutory obligations.	Increased financial liability.	Open	Finance	Project Manager	Agree financial 'cap' for BCC Enabling and Infrastructure contributions. Implement RIBA Stage gateway reviews and cost checks.	Positive	4	4	16		4	1	4	11.12.19																				
19	Possible risk of scope of Enabling & Infrastructure works falling outside state aid requirements.	Fulfilling conditions of Heads of Terms.	Costs to be subtracted from Land Receipt.	Open	Finance	Finance/Legal	Seek legal Procurement advice as to State Aid qualifying works.	Positive	4	3	12		3	3	9	11.12.19																				
20	Risk of capital receipt monies used to fund Enabling & Infrastructure works.	Insufficient state aid for enabling and infrastructure costs.	Funding from Land receipt	Open	Finance	Financial Services Manager	Seek legal Procurement advice as to State Aid qualifying works.	Positive	4	3	12		3	3	9	11.12.19																				
21	Planning risk, should developer fails to secure Planning Approval.	Breach of Planning policy	BCC responsible for developers abortive design development costs.	Open	Property	Project Manager.	Early engagement with Planning and highways. Thorough due diligence with statutory authorities. Cap liability of abortive costs in the Heads of Terms.	Positive	3	5	15		2	5	10	11.12.19																				
22	Political implication risks of unfavourable comparison with 2018 VFM Study	HoTs, VFM and Appraisals.	Refusal of State Aid.	Open	Economic Development	Project Manager	Forecasting based on 'best information' at Sept 2018. derivation of outputs clearly explained.	Positive	3	5	15		2	5	10	11.12.19																				
23	Risk of delay if Judicial Review is required.	Judicial Review.	Cabinet paper called in, Judicial review pending outcome, possible delays, abortive works costs for BCC and Developer. New strategies to be developed for delivery	Open	Legal	Project Manager	Judicial review period has expired (3 months from last Cabinet Paper) and can only be implemented upon disclosure of new information, changes in planning policy, any material change in new Cabinet Paper. Ensure the test of reasonableness is applied e.g. seeking professional advice, reasonable time frames etc. etc.	Positive	3	4	12		3	3	9	11.12.19																				
25	The risk of failure of BCC to secure a tenant to occupy the lease back office space.	Inadequate specification, economic downturn inaccurate soft market test.	BCC paying reduced rent on vacant floor space.	Open	Property.	Project Manager	Agree building specification as part of HoT and construction cost allowance in line with advice provided in soft market test.	Positive	3	4	12		2	3	6	31.12.19																				