

## Appendix B - Outline Risk Assessment

The table below summarises the projects risk register and outlines the key project risks considered relevant for this report.

TYPE	DESCRIPTION	MITIGATION
Finance	Grant funding is not approved.	Early engagement with MHCLG/OPE and Homes England. Decision expected in November 2021. If grant funding is not available, Council may need to consider using Council capital to provide a further subsidy to the scheme or seek S106 and CIL contributions.
Finance	Capital receipts from the sale of the residential units are not achieved.	<p>Residential units are appropriately designed and to be finished for the target market. Intention is to also commence marketing of units as soon as possible to receive achieve off-plan sales. This will allow us to gauge and track market interest. In unlikely event that sales are not achieved, Council will consider issuing AST (place on market for rent) through an appropriate vehicle and delay capital receipts.</p> <p>Estimated capital receipts have also been baselined to 2020 prices. Hence the development appraisal has not indexed capital receipts which market data suggest is in excess of 5% p.a.</p>
Finance	Change in interest rates resulting in a higher cost of capital	Interest rates are at an all-time low and market swap rates suggest that favourable terms can still be locked in.
Planning	Planning consent not obtained.	Pre-planning discussions have taken place with the planning and highways authority. Advice obtained has been incorporated in the scheme. A planning application was submitted in December 2020, and following the response from certain statutory consultees, it was decided to withdraw the application and resubmit a fresh application. This has allowed the Council to comprehensively address concerns and provide additional evidence. The refreshed planning application has significantly de-risked the submission.

Developer	SDC acting as developer is exposed to development risk than in previous capital projects where it has transferred risk by procurement via frameworks and developers.	Ensure adequate resourcing, programming, contingencies and robust project management in place.
Economic/H ealth	Impact of Covid-19 pandemic, (tender pricing, risk pricing, programme fixing, contractual amendments, availability of labour, availability of materials, onerous sub-contractor conditions), causes additional cost and/or delay to the programme.	Include Covid19 question in PQQ. Provide detailed tender information to assist on risk assessment and mitigation. Close monitoring of Covid-19 as the situation develops.  Contingency and inflation allowance provided.
Construction	Capital costs exceed budget due to factors including: construction market tender disinterest, tender risk cover pricing, tender period over Christmas, covid-19 costs.	Given the accelerated procurement programme, a single stage design and build procurement route offers the best balance between cost certainty, programme certainty and quality.  Works will be tendered on a firm price basis.  Realistic client contingencies in place for unforeseen. Robust change control process in place. Contract includes administration by Employers Agent.
Construction	Delays in scheme approval lead to increased costs due to construction inflation.	Robust information submitted to allow SDC Committees/Cabinet/Council to make timely decisions. Project Contract sum based on programme.
Construction	Problems during ground works (contamination/obstructions/s oil type) exceed allowances causing delay and extra costs.	Detailed ground investigation surveys will be undertaken prior to a contractor being appointed. Realistic contractor and client contingencies in place for unforeseens.
Public opposition	Residents oppose the scheme and prove awkward during construction	Resident consultation to date, as well as residents observations to the withdrawn planning application, notes that the majority of residents remain opposed to the provision of additional housing citing parking/traffic congestion and loss of

		<p>amenity space. The Council has taken these concerns into account and has adjusted its scheme where appropriate.</p> <p>Should the scheme proceed, appropriate arrangements will be put in place to ensure residents are informed about the construction programme to ensure minimal temporary disruption to residents.</p>
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