

## Appendix C - 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	Capital receipts from the sale of the residential units are not achieved.	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 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.
Finance	Change in interest rates resulting in a higher cost of capital	Rates will continue to be monitored and always considered on the side of caution.
Finance	Correct VAT treatment for this complicated scheme may increase costs.	Expert VAT advice being sought to assess and minimise any financial impact.
Planning	Planning consent not obtained.	Pre-planning discussions will take place with the planning and highways authority and advice incorporated in the scheme. Initial feedback has been positive.
Developer	SDC acting as developer is exposed to more 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. Team will ensure procurement of suitable, well qualified consultants and advisors to assist in delivery where needed.
Economic/Health	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 and latest government guidance.  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.	Contractor appointed using BBF Framework which has agreed rates schedules that are competitive. As a result, cost certainty with construction costs (manufacturing) is obtained.
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/soil type) exceed allowances based on RIBA stage 3 surveys, cause 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.

		Knowledge already available from Leisure Centre construction to feed into design/construction of residential.
Public opposition	Residents oppose the scheme.	Community engagement undertaken in 2017 when consulting on leisure centre redevelopment. Extensive discussion with local Members to refine and improve the design.