

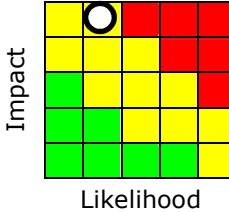
Appendix Two

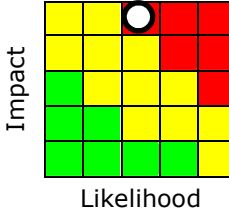
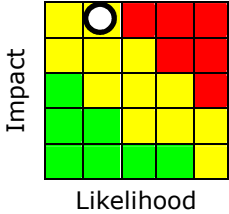
HQ Relocation Project – WDC’s Risk Register

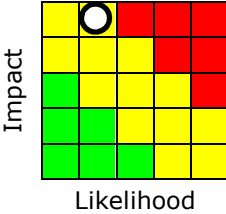
15 December 2016

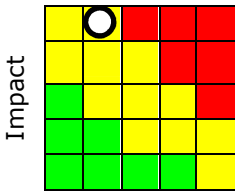
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Responsible Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
STRATEGIC –									
S 1	Council unilaterally pulls out of project.	<p>Council's lack of commitment to seeing through this complex and challenging project.</p> <p>Change of political control at WDC; and possible withdrawal of support for the project.</p>	<p>Substantial cost and timing implications.</p> <p>Council liability for up to £1.175m of the LLP's Stage 1 budget.</p> <p>Council would have to re-mobilise and plan for an alternative new project and/or find another way to save £300k p.a. revenue savings</p>	<p>Council's commitment (20 April Executive) to current Stage 1 work.</p> <p>'Project Agreement' (WDC/LLP/PSP) now completed.</p> <p>'Conditional Option' over Riverside House now granted to the LLP.</p> <p>Formal project governance processes in place.</p> <p>CMT consider project weekly.</p> <p>Final Stage 2 Council legal commitment to be sought in July 2017.</p> <p>Member Reference Group to steer, inform and guide the project.</p>	Council	Comprehensive report to Executive in July 2017, providing final outcomes of Phase 1 work ,will include a full review of this complex project.	Project Board	On-going	<p>Impact</p> <p>Likelihood</p>

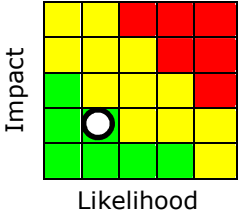
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S 2	Lack of WDC officer time (and resource) to deliver programme and significant project deadlines.	Other Corporate projects take priority. Key WDC staff leave (Key person dependency) Lack of WLS support resources	No WDC resource to take the project forward with the LLP. Project delays. Risk of delay in achieving projected revenue savings.	Listed Major Project – reviewed weekly by CMT. Dedicated WDC Project Manager funded and in place for Stage 1 work. SLA with WLS	Project Board	CMT keep under weekly review. Project Governance processes keep under regular review.	Project Mgr.	On-going	
S 3	Substantial adverse changes in the commercial markets.	Significant house price falls, and lack of demand for the residential elements of the scheme. LLP fails to attract developer partners for the residential elements of the two sites	Project fails to stack up financially as a result. Delay in the commencement of the residential elements of the two sites.	LLP is underwriting these Phase 1 risks with no financial risk to Council (unless risk S1 triggered). LLP still locked into delivering the new Council offices on Covent Garden for the identified and agreed budget and timetable. WDC is not liable for any losses made by the LLP for non-delivery on their part.	Project Board	Kept under review by the project's governance and management processes. Further Phase 2 LLP/PSP/WDC legal agreements to re-clarify.	Project Mgr.	On-going	
S 4	Public fail to support, or object to the project.	Objections to the planning application. Objections to the project's parking solutions (temporary and permanent) Political and public	Planning permission delayed or refused by Planning Committee. Delay in agreeing car parking	Project comms strategy. Comms consultant now in place, for planning application consultations. Town centre stakeholders	Project team	LLP Project Board manages the delivery of the Comms Strategy. Member Reference Group to agree Comms. action plan.	Proj Mgr	On-going	

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		objections to the project as 'a waste of public money', and 'not needed'	displacement Strategy, and project start/finish.	regularly updated. Regular meetings with Chamber of Trade and local stakeholder groups. Formal consultations as part of the planning process.					
FINANCIAL -									
F 1	LLP fails to perform.	<p>PSP unilaterally pulls out of project and/or LLP.</p> <p>LLP proposals do not stand up to external validation, and/or do not pass the full project viability tests.</p> <p>LLP fails to deliver any elements of the design and delivery of their complex proposals.</p>	<p>Delay in programme and opening of new offices.</p> <p>Reduction in programmed capital receipts from the two residential development sites.</p> <p>LLP project aborted.</p> <p>WDC would lose significant time, and incur significant costs, in producing a new HQ via another delivery method.</p>	<p>Constant scrutiny of LLPs proposals and performance through fortnightly LLP working and board meetings.</p> <p>LLP backed by substantial PSP funding and resources.</p> <p>PSP has committed £1.175 budget to the LLP for the current Phase 1 work.</p> <p>Ongoing private liaison with other local authorities with PSP LLPs to check on PSP's performance.</p> <p>Legal agreements to lock-in PSP as the</p>	Project Board	<p>Constant comprehensive scrutiny as set in the 'Risk Mitigation/Control' section.</p> <p>LLP seeking planning permission, and put provisional build contracts in place.</p> <p>Further viability test then to be undertaken.</p> <p>Report back to July 2017 Executive/Council, to further review project and seek full commitment to project.</p>	Project Board	On-going	 <p>Impact</p> <p>Likelihood</p>

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				project progresses.					
F 2	Project delays.	<p>Council changing its mind as to what it wants or deferring decisions</p> <p>Delay in agreeing new offices' design and specification.</p> <p>Delays in procuring planning consents and development partners.</p> <p>Delays in signing-off final viability tests.</p> <p>Market changes.</p> <p>Adverse weather conditions.</p> <p>Any other programme slippage.</p>	<p>New offices not delivered on time.</p> <p>Not necessarily fatal, but would push back opening date of new offices, and the cash flow of the programmed £300k p.a. savings.</p> <p>Possible need to review relationship with LLP and other partners.</p> <p>Reputational damage of Council on ability to deliver projects on time and within budget.</p> <p>Increased project costs</p>	<p>Project governance processes.</p> <p>Initial Project Programme reviewed for deliverability at Project Board meetings.</p> <p>Any financial impacts would have to be re-scheduled.</p> <p>New Member Reference Group being set up to steer the progression of this project.</p> <p>Further reports back to Executive</p>	Project Board	Member Reference Group meetings. Further report back to Executive/Council in July next year seeking full commitment to this project.	Project Manager	On-going	
F 3	Project fails to stack-up financially	<p>The LLP's proposed overall development package being uneconomic and/or undeliverable, and not providing new Council offices on a 'cost neutral' basis.</p> <p>Project fails viability</p>	<p>New Council offices might not be deliverable on cost-neutral basis.</p> <p>Additional Council gap funding might be required.</p>	<p>Commercial Principles already agreed between WDC and the LLP.</p> <p>Executive/Council to consider an end of Phase 1 review in July 2017; and</p>	Project Board	<p>LLP and officers progressing Phase 1 detailed work streams.</p> <p>Reports to Executive/Council in July 2017.</p> <p>Legal agreements</p>	Project Manager and Project Board	On-going	

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		<p>tests</p> <p>Council require larger office building than first estimated.</p> <p>Cost escalations.</p> <p>New Car Park cost escalations for Council.</p> <p>Failure to procure suitable developer partner offering the projected capital receipts.</p>	<p>Capital cost could escalate with 'project creep'.</p> <p>Delay in project programme as a consequence</p>	<p>consider next Phase 2 project commitment by WDC.</p> <p>Project Board to monitor throughout</p>		<p>with the LLP to lock it in to delivering new offices on cost-neutral basis, and underwriting any WDC financial risk.</p>			
F 4	Failure to obtain planning permissions:	<p>Outline proposals not complying with planning policy.</p> <p>Possible successful planning objections.</p> <p>Planning Committee make a decision contrary to officers recommendations</p> <p>Project's Affordable Housing numbers or solutions fail to stack-up.</p>	<p>Not obtaining planning permission for the agreed two sites.</p> <p>Cost and time delays.</p> <p>Reputational damage of Council to support its own projects</p>	<p>LLP and WDC Governance structures.</p> <p>LLP project budget committed to fund this work and process.</p> <p>Detailed designs and planning application work now being undertaken by the LLP's Design Team. This will provide the designs and supporting information required for the submission of the planning application.</p> <p>Pre-app planning meetings</p>	Project Team	<p>Final pre-application discussions and dialogue with WDC and WCC prior to submission of planning application.</p> <p>WDC project officers progressing work with LLP's team.</p>	Project Manager and LLP design Team	On-going	 <p>Impact</p> <p>Likelihood</p>

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Responsible Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
				undertaken. Pro-active member, partner and public consultations programmed.					
F 5	Not achieving projected £300k p.a. operational savings from new offices.	Initial estimates prove to be wrong. Increased occupation cost incurred once WDC occupy the building.	Higher than anticipated occupation costs. Revenue savings not achieved WDC might need to invest in additional building efficiency features to guarantee projected revenue saving or find other savings?	Initial robust likely estimates based on analysis of existing costs, new quotes, and comparing/testing with another Council's new offices' running costs. Detailed scrutiny will continue as design details of the new building emerge as part of the Phases 1 and 2 work. Robust new building build budget agreed to guarantee the best specification to maximise its operational efficiency savings. Further full evaluation at the end of Phase 1.	Project Team	Robust £8.6m office project budget to fund a high specification building, and maximise its efficiency and operational savings. Pro-active WDC input into the emerging design of the new office building, to re-test the present running cost estimates. The WDC project team will be inputting and informing the new office building's specification, to ensure maximising the future revenue savings.	Project Manager	On-going	 <p>Impact</p> <p>Likelihood</p>

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F 6	Adverse legal title issues:	<p>Onerous restrictive covenants discovered. WDC cannot prove good legal title to the two sites.</p> <p>WDC and LLP cannot agree legal agreements to progress project the next, and the implementation stages.</p>	<p>Restrictive covenants could frustrate any development, or restrict type and nature of development.</p> <p>Delay or frustration of the project. LLP/WDC cannot progress project further.</p>	<p>Legal due diligence undertaken by WDC and the LLP. No adverse title issues identified.</p> <p>Current legal agreements with the LLP define roles and responsibilities and financial liabilities and risk</p>	Project Board	<p>All risk mitigation measures to be regularly reviewed by LLP and WDC Project Team.</p> <p>Legal advisors to continue to progress all legal due diligence.</p>	LS		 <p>Impact</p> <p>Likelihood</p>