

SWFT Project Risks

Risk Identification				Current Assessment										Calc. Score				
Risk ID	Category	Title	QRA Allocation	Risk Description	Status	Risk Owner	Probability	Qual. Prob.	Qual. Impact	Cost Minimum	Cost Most Likely	Cost Maximum	Schedule Minimum (Working Days)	Schedule Most Likely (Working Days)	Schedule Maximum (Working Days)	Calc. Prob	Calc. Impact	RAG
SW2 116	Commercial	Tender Price Inflation	Site Wide	<p>There is a risk that Inflation exceeds the TPI allowance for the cultural and education element of the project</p> <p><u>Causes:</u> 1) Volatility/variance in construction sector inflation - Building contractor could experience difficulties due to negotiations over rising costs of materials, equipment and resources - Shortage of skilled resources - uncertainty caused by BREXIT in relation to EU National's right to work and remain in the UK there is a significant risk that level of labour/resources available will not be adequate to support the targeted UAL opening date. - Difficulties in the current economic conditions for the construction industry</p> <p><u>Impact:</u> Increased design & construction cost</p>	Active													
SW2 197	Procurement	Insolvency or non/performance of Contractors/consultants/ Construction Manager	All	<p>There is a risk of Insolvency or underperformance of contractors and consultants (including Construction Manager)</p> <p><u>Causes:</u> 1) Supplier exceeding capacity 2) cash flow imbalance 3) Competence / resource availability 4) Potential for labour shortages following BREXIT</p> <p><u>Impacts:</u> Schedule delay, quality and premium to secure a replacement + re/work - reputational damage</p>	Active													
SW2 524	Programme	Labour Resources / Loss of Key Personnel	All	<p>There is a risk of a lack (or a loss) of resources delaying the programme</p> <p><u>Causes:</u> 1) Due to current market conditions and uncertainty caused by BREXIT in relation to EU National's right to work and remain in the UK, there is a risk that level of labour and management resources available will not be adequate to support the achievement of the programme. 2) Project personnel (LLDC / Partner/ Design Team / ██████████) may be lost leading to a loss of information, valuable knowledge and business continuity. 3) Design team and LLDC Procurement staff not available to resource the requirements of the stage 2 programme for stage 4 production design and concurrent package procurement activities</p> <p><u>Impact:</u> Schedule Delay (Cost impact captured under TPI risk)</p>	Active													
SW2 120.3	Commercial	Cost Estimating Uncertainty Design Phase Sadler's	SW	<p>There is a risk of increase to the baseline estimates during the Design phase</p> <p><u>Causes:</u> 1) Base assumptions prove to be inaccurate - the level of information available 2) Cost per sqm prove to be inaccurate 3) GIA/NIA unattainable 4) Change in commodity prices 5) Increase to the prelims applied by contractor (increase to: welfare area, training facilities, Enhanced Site security etc.) 7) S106 budget is insufficient - EIA identifies additional (unbudgeted) impacts that require mitigation E.g. bus stops / bollards, etc. 8) Currency fluctuations 9) Costs resulting from tariffs or other charges applied by foreign countries following the withdrawal from the EU 10) LLDC's requirements around strategic objectives and priority themes may increase the contractor's prelims over and above the benchmark rate 11) Import tariffs/taxes e.g. EU import tariff in the absence of a trade agreement 12) Interest Rates 13) inadequate allowances for contractor design</p> <p><u>Impact:</u> Increased costs</p>	Active													
SW2 120.4	Commercial	Cost Estimating Uncertainty Design Phase BBC	BBC	<p>There is a risk of increase to the baseline estimates during the Design phase</p> <p><u>Causes:</u> 1) Base assumptions prove to be inaccurate - the level of information available 2) Cost per sqm prove to be inaccurate 3) GIA/NIA unattainable 4) Change in commodity prices 5) Increase to the prelims applied by contractor (increase to: welfare area, training facilities, Enhanced Site security etc.) 7) S106 budget is insufficient - EIA identifies additional (unbudgeted) impacts that require mitigation E.g. bus stops / bollards, etc. 8) Currency fluctuations 9) Costs resulting from tariffs or other charges applied by foreign countries following the withdrawal from the EU 10) LLDC's requirements around strategic objectives and priority themes may increase the contractor's prelims over and above the benchmark rate 11) Import tariffs/taxes e.g. EU import tariff in the absence of a trade agreement 12) Interest Rates 13) inadequate allowances for contractor design</p> <p><u>Impact:</u> Increased costs</p>	Active													
SW2 120.7	Commercial	Cost Estimating Uncertainty Design Phase LPR&I	LPR&I	<p>There is a risk of increase to the baseline estimates during the Design phase</p> <p><u>Causes:</u> 1) Base assumptions prove to be inaccurate - the level of information available 2) Cost per sqm prove to be inaccurate 3) GIA/NIA unattainable 4) Change in commodity prices 5) Increase to the prelims applied by contractor (increase to: welfare area, training facilities, Enhanced Site security etc.) 7) S106 budget is insufficient - EIA identifies additional (unbudgeted) impacts that require mitigation E.g. bus stops / bollards, etc. 8) Currency fluctuations 9) Costs resulting from tariffs or other charges applied by foreign countries following the withdrawal from the EU 10) LLDC's requirements around strategic objectives and priority themes may increase the contractor's prelims over and above the benchmark rate 11) Import tariffs/taxes e.g. EU import tariff in the absence of a trade agreement 12) Interest Rates 13) inadequate allowances for contractor design</p> <p><u>Impact:</u> Increased costs</p>	Active													

Handling	Post Handling Assessment									Calc. Score		RAG	Comments	Risk End Date	End Date Comment	Value from iteration	P80 Aug-17
	Probability	Qual. Prob.	Qual. Impact	Cost Minimum	Cost Most Likely	Cost Maximum	Schedule Minimum (Working Days)	Schedule Most Likely (Working Days)	Schedule Maximum (Working Days)	Calc. Prob	Calc. Impact Highest Impact						
1,2) Review quarterly published TPI [including Brexit cost impact] reports analyse trends and adjust TPI rate risk quarterly. Re-evaluate once Q1 TPI forecast are published (Open)(Jun 2018)(ND)													increase of +0.5%, 1% & 2.5% against TPI forecast July 2017 - Probability reduced to 25% at the July project risk review Mar 2018 - TPI figures updated in line with the draft Stage 2 (rev 3) programme and Q4-2017 TPI consultant forecasts.. Apr 2018 - Probability increased from 25% to 50% following review of Q4-2017 TPI consultant forecasts & PI aligned to stage 2 position. May 2018 - Calculation updated to accurately forecast TPI in line with the Stage 2 Rev. 4 Programme.	Mar-20	end of procurement all packages		
														Aug-22	end of LLDC Scope		
1) Undertake succession planning and a rigorous knowledge management regime is implemented. (Open)(Oct 2018)(GS) 2) Review provisions in contracts to ensure suitable replacements are found in the event of loss of key members of staff. (Open)(Oct 2018)(GS) 3) Agree detailed resource requirements and source/recruit staff as appropriate to meet the programme (Open)(Aug 2018)(MS/MJ)													Mar 2018 - Probability increased from 30% to 40% based on Design team and LLDC Procurement staff resource requirements to meet the stage 2 programme for stage 4 production design and concurrent package procurement activities	Aug-22			
														Jul-20	end of procurement		
														Feb-22			
														Jul-22	end of procurement		





