

Service Risk Register (SRR) Area: New Build Scheme: Financial risk matrix

Date: 16.12.09

Appendix 4b

Risk Score;
Impact Score: 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic
Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P		Outcome required: Milestone Date:	Q1	Q2	Q3	Q4	I	P
					Mitigating Control: Level of Effectiveness: (HML)										
	Fail to meet HCA grant conditions and lose grant Max risk Lambourn Rd £2.8m Max risk Cardinal £1.2m	4	3	Failure to meet conditions	Mitigating Control: Project team aware of grant conditions, good ongoing communications with HCA. Project Management being sourced.	4	2	Action: REDUCE Action Owner: Graham Bourton Mitigating Control: Project management Control Owner: Bruce Thompson	Outcome required: Grant received as per agreement Milestone Date: Check HCA milestones i.e Start on site, when first grant is paid	Q1 ☹ ☹ ☺	Q2 ☹ ☹ ☺	Q3 ☹ ☹ ☺	Q4 ☹ ☹ ☺	I	P
	Thames Water require a new sewer, up to £2m	5	3	Negotiations with Thames water stating that sewerage proposals are ok is rescinded and new sewer required.	Mitigating Control: Continue to push Thames Water for firmer decision. Requirement for new sewer could stop the scheme	5	2	Action: REDUCE Action Owner: Bruce Thompson Mitigating Control: Negotiation with Thames Water for firm decision Control Owner: Adrian Treloar	Outcome required: Thames Water agree plans Milestone Date: before contract let	Q1 ☹ ☹ ☺	Q2 ☹ ☹ ☺	Q3 ☹ ☹ ☺	Q4 ☹ ☹ ☺	I	P
	Costs associated with Sewerage links (highlighted in contractors bid) become reality £50k for Cardinal (?)	3	3	Risk identified by contractor, will be resolved through contract period.	Mitigating Control: Contract management/negotiation. Contingency sum held Level of Effectiveness: M	3	3	Action: ACCEPT Action Owner: Bruce Thompson Mitigating Control: Contingency Control Owner: Bruce Thompson	Outcome required: Milestone Date:	Q1 ☹ ☹ ☺	Q2 ☹ ☹ ☺	Q3 ☹ ☹ ☺	Q4 ☹ ☹ ☺	I	P

<p>Contract costs increase by 20%</p> <p>Risk is £1.2m for Lambourn, £1.3m for Cardinal</p>	<p>3</p> <p>3</p>	<p>Possible that unforeseen costs not covered in contract specification e.g. ground problems</p>	<p>Mitigating Control: Strong contract management and project management.</p> <p>Contingencies of £1.1m in Lambourn, £1.9m included in Cardinal</p> <p>Level of Effectiveness: (HML) High due to level of contingency</p>	<p>3</p> <p>3</p>	<p>Action: ACCEPT Action Owner: Bruce Thompson</p> <p>Mitigating Control: Strong Project management, strong contract management</p> <p>Control Owner:</p>	<p>Outcome required: No additional costs but if costs incurred contained within contingency levels</p> <p>Milestone Date: Project reviews</p>	<p>Q 1 ☹️ ☺️ ☺️</p>	<p>Q 2 ☹️ ☺️ ☺️</p>	<p>Q 3 ☹️ ☺️ ☺️</p>	<p>Q 4 ☹️ ☺️ ☺️</p>	<p>I</p>	<p>P</p>
<p>Interest rate fluctuations</p>	<p>3</p> <p>1</p>	<p>Fluctuation in interest rate impacting on borrowing costs</p>	<p>Mitigating control: Fixed rate borrowing from PWLB</p> <p>Level of Effectiveness: H</p>		<p>Action: AVOID Action Owner: Sarah Fogden</p>	<p>Outcome required: Fixed interest costs</p> <p>Milestone date: when borrowing taken out</p>						