

Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below. **No**

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
By not adopting the strategy, the Council will expose itself to the risk of being unable to let or use two floors of Forward Drive This would also require costly and inefficient extra space to be built at the HNC	<ul style="list-style-type: none"> ▪ The mitigation is to agree this proposed strategy 	Green
The plans for the HNC and the affordable housing are at concept design stage and as design proceeds there is risk of cost escalation	<ul style="list-style-type: none"> ▪ Clear cost and design management by design team ▪ Value engineering as necessary ▪ Close management of planning processes ▪ Close attention to procurement policy and processes ▪ Council refrain from variations and adhere to principles of agile working 	Amber
Cost of the 46 affordable housing units is not affordable within the HRA	<ul style="list-style-type: none"> ▪ The Building Council Homes for Londoners (BCHFL) model assumes an average of £325k per unit which is affordable within the HRA ▪ A robust financial assessment will be undertaken to ensure the final agreed scheme is affordable within the HRA ▪ The current estimated cost from the HSDP is £345k per affordable unit which will be worked through as part of the financial assessment to ensure the final agreed scheme is affordable within 	Amber

Risk Description	Mitigations	RAG Status
	the HRA.	
Risk of insufficient car parking having a detrimental effect on agile working	<ul style="list-style-type: none"> ▪ Maximise feasible car parking spaces ▪ Monitor car parking usage 	Amber
Kier linking the costs of the Cat B fit out works with their current Loss & Expense claims	<ul style="list-style-type: none"> ▪ Adherence to contractual procedures ▪ Close scrutiny of claims and costs 	Amber
Risk of further claims from Kiers if additional work awarded	<ul style="list-style-type: none"> ▪ Strong design management and change control procedures to prevent variations impacting on programme 	Amber
Potential cost increases of fit out works at Forward Drive	<ul style="list-style-type: none"> ▪ Clear change control measures to prevent variations to design 	Amber
Estimate cost of £500,000 to re-house the 'ancillary services' is exceeded	<ul style="list-style-type: none"> ▪ Costs are likely to be capital and we will consider what capital schemes can be stopped to cover the additional costs before a proposal is brought forward. 	Amber
Unable to find suitable locations/sufficient face to face space for 'ancillary services'	<ul style="list-style-type: none"> ▪ Detailed further review is near completion, use of Libraries, Headstone Manor, Children's Centres and Adult NRCs being investigated/piloted as detailed in the report 	Amber
Limited Liability Partnership with Wates not completed	<ul style="list-style-type: none"> ▪ Contract currently being drafted 	Green
Fit out costs of HNC unaffordable	<ul style="list-style-type: none"> ▪ Current capital provision for the three sites ▪ Realistic and approved cost plan for fit out prior to any decisions 	Amber
Changes to the model for the HSDP increase costs/reduced income increasing in the Council's borrowing requirement making it unaffordable	<ul style="list-style-type: none"> ▪ Professional partner (Wates) employed as Development Manager ▪ Ability to adapt Business Plan to revise scheme and manage costs ▪ Governance structure will be in place to support changes 	Amber

Risk Description	Mitigations	RAG Status
	and their implications	
Annual running costs of Forward Drive exceed the combined cost of running the Civic Centre and Depot of £1.6m	<ul style="list-style-type: none"> ▪ New building ▪ Smaller and more modern building ▪ Realistic approach to operating model in light of budget envelop 	Green
Impact on MTFS is not cost neutral.	<ul style="list-style-type: none"> ▪ Robust management of the cash flows, both capital and revenue alongside existing provision in the Capital Programme ▪ Financial performance reporting to Cabinet quarterly as part of revenue budget update ▪ Robust Treasury Management 	Amber