

DEVELOPMENT AND REGENERATION PROGRAMME

RISKS

Risk: Planning and other complexity make it difficult to identify developable sites to include in the programme e.g. flooding. Response: the council will put in place a programme management capability that will identify and progress sites, manage stakeholder involvement, and provide strategic leadership to the programme to ensure that it delivers in line with the council's strategic aims

Risk: There may be a downturn in the property market which will adversely impact the programme. Response: The contract has clauses to allow changes to the phasing of projects in progress which are affected by a downturn in the market. There is also no guaranteed minimum volume of work that will be put through the programme. The council will, therefore, be able to react to longer term changes in the market by altering the number of sites entered into the programme.

Risk: The council does not adequately manage the contract(s) meaning that benefits are not realised. Response: the council will utilise the contract management capability developed through managing partnerships in service areas such as the public realm. An integrated contract management team will be developed across these related service areas.

Risk: The procurement process is subject to successful challenge. Response: The procurement has followed the prescribed EU competitive dialogue process; this was managed and controlled in cooperation with the council's commercial services team within its legal department; the council has used professional procurement support and advice from an advisor with recent experience of implementing a similar partnership at another council.

Risk: There is a risk that the sites originally identified for inclusion in the procurement will not be available to the programme. This means that they will not be developed meaning wasted work and damaged credibility for the procurement. Response: the sites chosen for inclusion in the procurement were considered to be suitable for development; although the council is not committed to taking forward the designs developed during the procurement. Any development on the first batch sites will be brought to a future Cabinet (via the programme board)

Risk: The council does not put in place the technical resources required to manage the programme (i.a. QS, Legal). The financial, legal and technical assessment of future projects could be undermined as a result. Response: QS resource will be available via the contract management team (which will be built on the public realm contract management team). The project team has engaged with legal services throughout the project and will continue to do so to ensure that the needs of the programme are understood and can be met.

Risk: There is a risk that the deal cannot be finalised. Response: Two appointable tenders were received. If terms cannot be agreed with the preferred bidder then the council will open discussions with the reserve bidder.

Risk: The financial standing of the partner organisation is insufficient to overcome financial challenges during the life of the programme, and the programme is either delayed or undeliverable as a result. Response: The bidders were scrutinised at the PQQ stage of the procurement, with professional external advice provided in respect of financial statements. All bidders were deemed adequate for the size of the programme. Changes to company / consortia structures and named supply chains which have arisen during the procurement process have likewise been scrutinised and confirmed as being of sufficient standing.

Risk: Reputational risks to the preferred or reserve bidder will impact the council; Response: if information comes to light during due diligence activities then the council could switch to the reserve bidder or, in extremis, not award the contract; once awarded, the contract offers an efficient commissioning option but does not automatically provide exclusivity to the provider.

Risk: Financial risks to the preferred or reserve bidder impacts the providers ability to fulfil the contract; Response: If the preferred bidder gets into financial difficulties and cannot fulfil its obligations within the first 6 months then the council can revert to the reserve bidder; beyond that the contract does not automatically provide exclusivity to the provider and has no guaranteed minimum turnover, the only risk is, therefore, to current projects; financial viability assessment will be included in the new project approval process to minimise the risk to new projects.