

# Appendix C

City Deal Version 6.1

Risk Theme	Risk / Opportunity	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Residual Probability	Residual Impact	Residual Rank	Reported Change	Next Review Date
Financial	Risk	SBCD026	Private sector funding contribution/s not realised in line with business case projections	Mar-18	C3	Delivery Lead	Risk that private sector funding is not realised as per portfolio business case projections that will impact on the deliverability of outputs and outcomes with specific connection to jobs target of the SBCD	5	5	25	Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	<p>05/04/22 The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process.</p> <p>21/06/22 As previous. Further update TBC</p> <p>12/10/22 New reporting template developed to be updated quarterly which combines the latest financial scenario with supporting narrative from programmes / projects. Plan to submit to November Programme Board once robust.</p> <p>15/12/22 A paper reviewing the sources and profiles of private sector contribution is being prepared for Programme Board Q3</p>	4	4	16	↔	Apr-23
Financial	Risk	SBCD031	Increase in cost of construction	01/07/21	C3 C6	All	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	5	3	15	The PoMO will work closely with programme / project leads to identify potential impact and determine whether it is managed locally or whether intervention at Portfolio level is required.	<p>21/06/22 Construction Impact Assessment being reviewed on a monthly basis at the request of Programme (Portfolio) Board. Any change is being presented at the meeting.</p> <p>12/10/22 Programme Board requested a Construction Cost Assessment report in July 2022, direction from Programme Board September 2022 was to go back to all programme / project leads to detail their mitigation and current status. Monthly Construction Impact monitoring will continue to be reported at Programme Board.</p> <p>15/12/22 Construction Cost Assessment report v3.0 submitted to Programme Board. Lead delivery organisations to monitor and report on a monthly basis. Continue to work with PMs to ensure all change is documented through the change process. Construction &amp; Community Benefits sub group in place which provides a forum for on going discussion.</p>	5	3	15	↔	Apr-23
Operational	Risk	SBCD033	Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	11/10/21	C2 C6	Accountable Body	Proposed updates to the TAN and maps have re-categorised the vulnerability of certain developments, increased the extent of the flood maps and the ability of land owners and local authorities to potentially achieve planning permission and ultimately develop land affected by the 2021 updates.	4	4	16	<p>Welsh Government are monitoring effectiveness of Planning Policy Wales (PPW) and Technical Advice Note (TAN) 15 through a notification direction and sustainable development indicators.</p> <p>Coordinated challenge (Lead by WLGA) to Welsh Government to ensure the updating of TAN 15 does not have a negative impact on regeneration activity. Carry out additional Environmental Impact Assessments (EIA) Consultation with Lead Local Flood Authority and planning authorities Flood Map for planning embedded</p> <p>Strategic Flood Consequences Assessment (SFCA) to be undertaken to provide the evidence to inform policies and site selection processes for all strategic and local development plans.</p> <p>Flood consequences Assessment (FCA) to be carried out to assess the risk of development in a flood risk area.</p> <p>Progress as planned across the portfolio, being cautious that future planning applications might be affected and raise any concerns as early as possible</p> <p>Programmes and Projects to review the potential impact of the updated TAN and provide a statement indicating whether or not they believe their schemes could be affected and any other measures they are taking on top of those listed here.</p>	<p>05/04/22 SBCD Programme (Portfolio) Board identified there is still a potential impact associated with TAN 15. It has been agreed that the PoMO will escalate this to Joint Committee following the elections with the intention that the Local Authority Leaders will pick up the conflicting information in relation to the implementation of the proposed changes with the WLGA. The PoMO have engaged with Programmes / Projects to determine potential areas that are affected by the new maps</p> <p>24/06/22 Technical Advisory Note has been updated 10th March 2022. PoMO to engage with Cllr Stewart and Wendy Walters to gain clarity on latest position. To be raised at the next Programme / Project Leads meeting to enquire whether this still poses an issue locally and what plans are in place.</p> <p>12/10/22 No further update. Update requested from the regional WLGA representative, awaiting response.</p> <p>15/12/22 Awaiting response</p>	4	4	16	↔	Apr-23
Financial	Risk	SBCD041	In Year Underspend	08/12/21	C3 C6	Accountable Body	Having undertaken a reprofiling and baselining exercise across the Portfolio, there is a risk of an in year underspend of circa 10% of the portfolio value, however this has no effect on the overall investment of the Portfolio or the wider benefits and deliverables.	4	3	12	Review of investment components and timelines has been completed in conjunction with the Programme / Project Leads. These reviews have resulted in a more realistic investment forecast which will allow for Quarterly and Annual review and scrutiny to ensure continued progress towards this profile. This is the first reprofiling exercise that's been undertaken following the approval of all project/programme business cases and will be actively managed going forward to business case updates and the change management strategy.	<p>21/06/22 Budget has been reprofiled. UKG &amp; WG are content. On going monitoring.</p> <p>12/10/22 Portfolio demonstrating underspend due to slippage in programme / project delivery, this will be highlighted to Programme Board through financial monitoring.</p> <p>15/12/22 PoMO met with all SRO's to highlight level of in year underspend with a request to confirm remaining forecasted spend for Q3 and Q4. SRO's also requested to better forecast future years spend aligned to updated Business Cases. PoMO have appraised UKG and WG officers of in year underspend.</p>	5	4	20	↑ (4.3)	Apr-23
Delivery	Risk	SBCD043	Slippage in delivery of programmes / projects against key milestones	Mar-22	C6 C11	JC	As all City Deal Business Cases have now been approved the risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recuperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SBCD013.	4	4	16	Due to numerous factors, there has been some slippage in the original forecast investment, there will likely be some delays in delivery across the Portfolio for various reasons, including, COVID restrictions, Postponements in business case submissions and approvals and other factors such as resource and material availability may need to be monitored and mitigated as infrastructure elements move further into delivery. The portfolio level benefits have now been forecast for the remaining duration of the portfolio, however regular review will be required in order to ensure risks do not become issues and appropriate mitigation measures are adopted by the programmes and projects to meet the delivery commitments of the wider portfolio. PoMO are now monitoring the Procurement Pipeline	<p>24/06/22 Agreement by Programme Board and Joint Committee of Governance documentation going forward to report progress and provide challenge on future slippage. Financial monitoring is now focused on delivery investment and will continue to monitor going forward with any significant variance managed through the change management process.</p> <p>12/10/22 Escalated to SEC151 Officer. Report to be drafted and presented to the Governance Boards. Risk escalated to an Issue and now moved to the Issues Log.</p> <p>15/12/22 Slippage is aligned to spend as per Risk ID 041. PoMO met with SRO's to discuss and confirm current project plans and mitigations against slippage. Recommended action from a Gateway Assurance Review at a programme level has highlighted the need for programmes and projects to ensure they have complete and robust delivery plans.</p>	4	4	16	↔	Apr-23
Delivery	Risk	SBCD047	Prog/Proj delivering all outputs and outcomes within the business case	Jun-22	C11 C6	Delivery Lead	Risk that programmes and projects will not deliver elements of the business case resulting in depleted benefits being delivered. Currently funding agreements ensure that programmes and projects are committed to the delivery of business case objectives through the delivery of the outputs, however some of the business cases rely on the outcomes in order to realise the benefits within them. It is a risk if both outputs and outcomes are not delivered upon, however if an output or outcome is not attempted then the organisation will have failed to use best endeavours	3	5	15	Discussions have taken place with CCOS legal. Finance Manager is reviewing all funding agreement documentation and CCOS legal will support any amendments/updates required in order to ensure alignment between BC and funding agreements.	<p>12/10/22 The Risk of non delivery of agreed outputs / outcomes will remain until final delivery and sign off of the projects. Mitigations linking to several other issues are in place such as business cases updates, formalising funding agreements, assurance/audit reviews, changes procedures, monitoring and reporting, accelerated delivery. All of these mitigations will allow for agreement of any changes to the current agreed deliverables.</p> <p>15/12/22 Benefits profiles for Portfolio level benefits have been agreed with all programmes / projects. On going engagement to ensure major project level benefits are agreed, forecasted and reported at appropriate times.</p>	3	5	15	↔	Apr-23
Operational	Risk	SBCD050	Pressure on construction industry to meet demand of City Deal and other public sector procurements	Dec-22		PoMO / PB	Construction industry reporting issues across supply chains especially recruitment and response to tender calls due to inflationary pressures and market volatility. Particularly regarding the amount of contracts likely to be issued over the next year.	3	5	15	Continued application of procurement principles and construction frameworks to ensure most appropriately positioned contractors are responding to tenders.	<p>15/12/22 Construction &amp; Community Benefits sub group formed. Construction Impact Assessment being monitored on a monthly basis. Programmes and Projects being encouraged to use change notification process to advise of any slippage or other issues.</p>	3	5	15	↔	Apr-23
Operational	Risk	SBCD051	Inability for co-opted members to send deputies to SBCD Programme Board / Joint Committee	Dec-22		JC	Risk of non representation from partner organisations at SBCD Programme Board and Joint Committee due to inability to send deputies	4	2	8	PoMO to draft a paper for submission to Programme Board / Joint Committee to agree Membership, Co-optees and suitable delegates when members / co-optees are unable to attend.	<p>15/12/22 PoMO to request Programme Board approval for the creation of a list of nominated delegates.</p>	4	2	8	↔	Apr-23