

Toll Bar A16 – ‘Gateway to Growth’

Risk Management Strategy

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Introduction

The purpose of this document is to provide an outline of the existing and identified risks and risk management methodology for the Toll Bar A16 – ‘Gateway to Growth’ Local Pinch Point Bid. The document sets out the process adopted to identify, assess and manage the risks associated with the delivery of the scheme. The risk management, assessment and identification processes outlined within this document are continuous and all mitigation measures are regularly reviewed.

Risk Identification

A Project Risk Register has been developed to consider the risks associated with the delivery of the scheme. The register logs risks identified during the planning and design phases and outlines any unrealised issues that have the potential to adversely impact the scheme delivery programme or cost.

The risk register has been in place since the scheme’s inception and is updated on an ad hoc basis and through more formal risk workshops. The register currently contains risks which can be grouped into the following key areas:

- Engineering – Including scheme design, structures and earthworks.
- Site Supervision – Including legal/statutory processes, site supervision, policy changes and overall programme.
- Strategic – Including Funding, Policy, Planning, Stakeholder Consultation.
- Statutory Undertakers – Including unforeseen statutory services and delivery programme risks.
- Environment – Contaminated land, construction phase impact.
- Ground Conditions – Including land drainage and unforeseen ground conditions.
- Contractual/ Construction -Including adverse weather, programme delays and resource issues.

The assessment of the risks identified is recorded within the Risk Register and considers the likelihood of the risk occurring and the impact on time and costs which would arise if the risk did occur. The initial assessment of the identified risks is carried out during the Project Review meetings and discussed with the project team.

When a new risk is identified, a risk owner is assigned to it, this is the person most suitably placed to monitor that risk. During the Project Meetings the Project Team identifies mitigation measures and associated timescales for implementation of mitigation where appropriate. The process adopted for outlining such mitigation measures follows the approach proposed within the HM Treasury Orange Book (HM Treasury, 2004. The Orange Book: Management of Risk -Principles and Concepts – Accessed online 29 Oct 2013 <https://www.gov.uk/government/publications/orange-book>)

Risk Scoring

The methodology used analyses and classifies risk across three areas, the probability of the risk occurring and the most likely impact on the scheme. These two dimensions are considered at each stage of risk assessment. The matrix in table R1 below sets down the criteria that are applied. The highest score in any column is utilised as the impact score.

The scale for measuring and evaluating the impact of risk is outlined within Table R2.

Action levels, according to their priority level, are represented by the letter A to E on the Risk Scoring Matrix.

Risk Level A or B

A risk demonstrating a residual risk action level of A or B will be referred to the Strategic Risk Management Board. If it is an A then it must be drawn to the attention of the chairman or other member of the Strategic Risk Management Board as soon as possible rather than awaiting a future meeting of the Board.

Risk Level C, D or E

A risk demonstrating a residual risk action level of C, D or E will remain the responsibility of directorate or project management but will require to be monitored through the directorate risk action group. Strategic risks will be reviewed at each meeting of the Strategic Risk Management Board.

Risk Register

Significant risks requiring action are entered into the North East Lincolnshire Council Corporate Risk Register and updated at risk action group meetings not less frequently than half yearly. Each risk requires an identified owner. The register is an active document and snap shots are archived at least every six months. The register is referred to the Strategic Risk Management Board and to the Audit Committee at least annually.

Toll Bar A16 Scheme Risks

The current scheme Risk register contains 7 risks and a quantified risk allowance of £30k. The table below summarises those risks. The full scheme Risk Register, in Appendix A shows these risks in more detail with probability, cost etc.

Risk no.	Risk Description	Consequences of uncontained risk	Mitigation measures
1	Engineering – Including scheme design, structures and earthworks.	Delays and cost uncertainty	Programme the timescales of the works. Internal Design Team meeting identifying potential problem well in advance to ensure ability for solutions and production of timely information.
2	Site Supervision – Including legal/statutory processes, site supervision, policy changes and overall programme.	Delays	Appointed appropriate Site supervisor. Weekly progress meeting to monitor the programme.
3	Strategic – Including Funding, Policy, Planning, Stakeholder Consultation.	Delays	Secure Funding from DfT and NELC. Carry out the consultation at the early stage of design.
4	Statutory Undertakers – Including unforeseen statutory services and delivery programme risks.	Delays and cost uncertainty	Work closely with Stats to ensure economical design. Orders placed in time. Agree construction programme with Stats at the start of the construction contract
5	Environment – Contaminated land, construction phase impact.	Delays and cost uncertainty	Land search to be carry out at the early stage of design.
6	Ground Conditions – Including land drainage and unforeseen ground conditions.	Delays and cost uncertainty	Contractor to carry out trial trenches as part of utilities check therefore details of construction can also be noted. Sufficient allowance to be made
7	Contractual/ Construction -Including adverse weather, programme delays and resource issues.	Delays and cost uncertainty	Contractor to take necessary protection to completed works, Programme to have built in allowance for some adverse weather.

Conclusion

This document has demonstrated that there is a structured and systematic process for identifying, assessing and managing risk for the Toll Bar A16 junction Local Pinch Point Scheme. This established process allows the continued update of the risk register, and ensures that all decisions relating to the management of the identified risks are undertaken by the Project Delivery team and monitored by the most appropriate resource.

Table R1: Risk Evaluation Scoring Matrix

STRATEGIC RISK ASSESSMENT: Scoring Matrix													
	PRIORITY	ACTION LEVEL	IMPACT										
			LOW			MEDIUM			HIGH				
			Minimal	Minor	Significant	High	Catastrophic						
			Negligible	Some	Limited	Substantial	Critical						
			1	2	3	4	5	6	7	8	9	10	
LIKELIHOOD	HIGH	Certain/Inevitable	10										
		Almost Certain	9		C			B		A			
		High Likelihood	8										
	MEDIUM	Significant	7										
		Fairly Likely	6		D			C		B			
		Even Chance	5										
	LOW	Not Very Likely	4										
		Unlikely	3		E			D		C			
		Very Unlikely/Remote Chance	2										
		Almost Certain Not To Occur	1										

SRM3

Table R2: Risk Evaluation Impact

Risk Impact Score Guideline Descriptors.

BAND	SCORE	DESCRIPTION	REPUTATION	SERVICE PROVISION	FINANCIAL	PERSONAL INJURY	COMMUNITY OPPORTUNITY
HIGH	10	Catastrophic	National Fiasco	Sustained Withdrawal of a major service	Over £8 Million	Multiple Deaths	Permanent loss or 5 year delay to borough wide Council initiative over £50m
	9	Critical	Sustained Adverse National Story	Sustained Withdrawal of a lesser service	Over £4M up to £8 Million	Death	Permanent loss or 5 year delay to borough wide Council initiative over £35m
	8	High	Temporary Adverse National Lead Story	Temporary Withdrawal of A Major Service	Over £2 million up to £4 Million	Multiple HSE Defined Major Injuries	Permanent loss or 2 year delay to borough wide Council initiative over £20m
MED	7	Substantial	Sustained Adverse Regional Story	Temporary Withdrawal of A Lesser Service	Over £1m up to £2 million	HSE Defined Major Injury or Dangerous Occurrence	Permanent loss or 5 year delay to part borough Council initiative over £15m
	6	Significant	Sustained Adverse Comment from Local Media	Significant Disruption of a Major Service	Over £500k up to £1m	Sustained High Level HSE RIDDOR Accidents	Permanent loss or 5 year delay to part borough Council initiative over £10m
	5	Limited	Temporary Adverse Regional Lead Story	Significant Disruption of a Lesser Service	Over £250k up to £500k	Persistent HSE RIDDOR Accidents	Permanent loss or 2 year delay to part borough Council initiative over £5m
LOW	4	Minor	Adverse Local Media Leader	Minor Disruption of a Major Service	Over £100k up to £250k	Occasional HSE RIDDOR Accident	Permanent loss or 2 year delay to part borough Council initiative over £3m
	3	Some	Local Media Comment	Minor Disruption of a Lesser Service	Over £50k up to £100k	Persistent non-RIDDOR Accidents	Permanent loss or 1 year delay to part borough Council initiative over £2m
	2	Minimal	Minor Letters in Media	Minimal Variation Of Major Service	Over £10k up to £50k	Occasional non-RIDDOR Accident	Permanent loss or 1 year delay to part borough Council initiative over £1m
	1	Negligible	Little or No Media Attention	Little or No Impact on Service	Up To £10k	Little or No Harm	Permanent loss or 1 year delay to part borough Council initiative under £1m

Toll Bar A16 – ‘Gateway to Growth’ Risk Management Strategy



Appendix A –Toll Bar A16 Risk Register

RISK REGISTER																				
Project name		Toll Bar A16 'Gateway to Growth'					Tender No		Employer											
Risk no.	Risk <i>the risk is that.....</i>	Consequences of uncontained risk <i>time/cost etc</i>	Mitigation measures <i>to reduce affects of risk</i>	% Likelihood of occurrence	Likelihood of occurrence	Impact of occurrence	Importance	Priority	Cost of risk if it occurs £k				Risk allowance £k <i>(statistical 2. standard)</i>	Risk Owner <i>organisation</i>	Responsibility <i>person</i>	Notes by Bid Team	Risk no.			
									Optimistic	Most Likely	Pessimistic	Statistical <i>(normal distribution)</i>								
1	Engineering – Including scheme design, structures and earthworks.	Delays and cost uncertainty	Programme the timescales of the works. Internal Design team meeting identifying potential problem well in advance to ensure ability for solutions and production of timely information.	10%	Unlikely	1	Medium	2	2	Low	D	10	30	60	33.3	3.3	NELC	LM		1
2	Site Supervision – Including legal/statutory processes, site supervision, policy changes and overall programme.	Delays	Appointed appropriate Site supervisor. Weekly progress meeting to monitor the programme.	15%	Unlikely	1	Medium	2	2	Low	D	20	30	45	31.7	4.8	NELC	LM		2
3	Strategic – Including Funding, Policy, Planning, Stakeholder Consultation.	Delays	Secure Funding from DfT and NELC. Carry out the consultation at the early stage of design.	10%	Unlikely	1	Medium	2	2	Low	D	10	15	30	18.3	1.8	NELC	LM		3
4	Statutory Undertakers – Including unforeseen statutory services and delivery programme risks.	Delays and cost uncertainty	Work closely with Stats to ensure economical design. Orders placed in time. Agree construction programme with Stats at the start of the construction contract	30%	Likely	2	Medium	2	4	Medium	C	15	30	50	31.7	9.5	NELC	SAM		4
5	Environment – Contaminated land, construction phase impact.	Delays and cost uncertainty	Land search to be carry out at the early stage of design.	10%	Unlikely	1	Medium	2	2	Low	D	10	20	40	23.3	2.3	NELC	LM		5
6	Ground Conditions – Including land drainage and unforeseen ground conditions.	Delays and cost uncertainty	Contractor to carry out trial trenches as part of utilities check therefore details of construction can also be noted. Sufficient allowance to be made	20%	Unlikely	1	Medium	2	2	Low	D	15	30	50	31.7	6.3	NELC/Contractor	LM		6
7	Contractual/ Construction - Including adverse weather, programme delays and resource issues.	Delays and cost uncertainty	Contractor to take necessary protection to completed works, Programme to have built in allowance for some adverse weather.	20%	Unlikely	1	Medium	2	2	Low	D	4	8	12	8.0	1.6	Contractor	LM		7
														Total (K)	£30					
Oct-13																				