



CABINET REPORT

Report Title	Housing HRA Private Finance Initiative (PFI)
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	5 August 2009
Key Decision:	YES
Listed on Forward Plan:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Housing
Accountable Cabinet Member:	Councillor Sally Beardsworth
Ward(s)	Thorplands, Lumbertubs, Ecton Brook, Billing, Eastfield

1. Purpose

1.1 To advise Cabinet of the outcome of the Housing HRA PFI Expression of Interest submitted on 31st October 2008 and to set out options for the way forward.

2. Recommendations

Cabinet is requested to:

- 2.1 Note the outcome of the Expression of Interest
- 2.2 Authorise the Director of Housing to commence a procurement exercise for external advisors to assist the Council over the coming period through to the award of contracts to deliver the PFI Scheme.
- 2.3 Note that the original advisors (Public Private Partnership Programme ("4Ps"), EDAW, Grant Thornton, and Potter Raper) who supported the first bid have been retained to assist in revising the bid for Homes and Communities Agency

("HCA") approval following the reduced funding received from Communities and Local Government ("CLG").

- 2.4 The costs of the additional work referred to in 2.3 above may not be contained within the existing budget allocation for 2009/10 and Cabinet is therefore requested to authorise an additional £100,000 being transferred from the HRA Earmarked repairs Reserve to the PFI Earmarked Reserve in order to expedite this exercise.
- 2.5 Note that a further update on the revised proposal will be given at a future meeting of Cabinet

3. Issues and Choices

3.1 Report Background

- 3.1.1 Cabinet will recall that a report was submitted to their meeting on 30 October 2008, the day prior to submission of an Expression of Interest to CLG. The estimated value of that bid was £166 million, for works to four estates in east Northampton, namely Eastfield, Bellinge, Thorplands and Blackthorn. The Expression of Interest was subsequently revised to £208.6 million, to reflect adjustments to bid assumptions requested by HCA and initial feedback from residents. CLG initiated the PFI funding competition but then handed over administration to the newly formed HCA in December 2008. The initial bidding guidance encouraged bids of £100 million or more and sought area transformation in addition to capital repairs and improvements.
- 3.1.2 The outcome of the submission was announced on Friday 17th July 2009 and a copy of the letter subsequently received from HCA is attached at Appendix A. From this it can be seen that Northampton has been partially successful, with a provisional allocation of £100 million in PFI credits and a suggestion that this should be concentrated on the Eastfield estate with "other elements to be developed and confirmed over the coming weeks". The exact meaning of this is unclear, but given the competition for the funding available (24 authorities bid for more than £4 billion with only £1.8 billion available), Northampton can be proud that it was one of only 10 authorities in the country to be successful. A meeting is being arranged with the HCA PFI team to present the revised proposal (given the reduced funding) and an update will be given to Cabinet once the outcome of the revised proposal is known. It is more likely that the full implications will not be known until some time later and will therefore be the subject of a further report to Cabinet.
- 3.1.3 A survey of residents on the four estates achieved a 70% response rate and demonstrated widespread support among residents for this initiative. It will therefore be prospectively disappointing for residents of estates where the PFI programme does not proceed. It has always been the Council's position that, if the full amount of credits was not available, the programme would be reduced in area but not the scope of works which need to take place. For those areas potentially excluded from this PFI project, consideration will need to be given to what other options might be available. This will be the subject of resident consultation and a further report in due course.

- 3.1.4 Consideration needs to be given to the nature of advice the Council will need in the lead up to the next stage, which is the submission of the Outline Business Case. For the initial submission, assistance was obtained from 4Ps, a company established by the Local Government Association and specialists in local government PFI. 4Ps have been retained for the next stage, to advise on the procurement of a team of specialist advisors the Council will need both to develop the Outline business Case and to take the project through to financial close, which is the letting of the PFI contract.
- 3.1.5 At this stage the Council is not formally committed to proceed and until the meetings have taken place with HCA the full implications of proceeding cannot be spelt out. This includes the financial impact of the PFI scheme on the Housing Revenue Account and the future sustainability of the HRA. That modelling cannot take place until the PFI proposals have been modified and agreed in principle with the HCA. That modelling will be carried out as part of the continuing housing investment options review.
- 3.1.6 The costs of project implementation advice will be in excess of the European Union Procurement thresholds and therefore subject to the EU procurement rules. An outline project and procurement plan covering the next five months is attached at Appendix B. The timetable shows that, if the procurement commences immediately, the full team of advisors could be in place by November 2009. Any later start could jeopardise the ability to submit the Outline Business Case in time to the HCA, although the timetable for that submission will have to change as a result of the additional work arising from the scaled down allocation. The key point is that the new advisors will have to take over from the current advisors and there will need to be a handing over and validation process before they can commence work on the Outline Business Case submission.
- 3.1.7 It should be noted that arrangements have been made to retain the original financial, master planning and technical advisors (referred to in 2.3 above) to assist in scaling down the bid for HCA approval. This is likely to be a complex and controversial piece of work, which the original advisors are best placed to carry out. At this stage it is understood that sufficient budget allocation exists for this work, as set out below.

3.2 Issues

- 3.2.1. Initial analysis suggests that £100 million of PFI credits could fund all of the proposed works to Eastfield and one of the other three estates. The funding breakdown of the original bid, as revised in February 2009, is set out at Appendix C. As part of the review all figures will be checked again, but this shows the likely overview. This will result in difficult choices, but the Council's original position was that, if the bid was scaled down, then the same intensity of area transformation would be planned over a smaller area or number of estates. The exact detail of the options cannot be agreed before the meeting with the HCA.

3.3 Choices (Options)

The Council has essentially three choices.

- 3.3.1 Firstly, the Council could decide not to proceed with the PFI bid in the light of the Housing Investment Options Review. This is not recommended as the outcome of the review is uncertain and the PFI credits allocation at least means that planning could proceed in earnest for the transformation of two estates. The recently announced consultation on the Reform of Council Housing Finance could have major implications for Northampton, but as yet these are unclear. It is probable that the impact will not be known much before spring 2010. If primary legislation is required, changes will not be likely before 2012.
- 3.3.2 The Council could amend the proposal to do less work but over the original area of four estates. This is unlikely to find favour with the HCA and could result in the funding being lost since the scope for transformational change would inevitably be reduced.
- 3.3.3 The Council could accept the scaled down offer and embark on a process of determining the one other estate apart from Eastfield for inclusion in the revised proposal. The areas excluded from the revised proposal will be included in the Housing Investments Option Review.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 A decision on whether to proceed with the PFI initiative will affect the (consultation draft) Housing Asset Management Strategy and the Housing Investment options Review, which were reported to the 15th July 2009 meeting of Cabinet.

4.2 Resources and Risk

- 4.2.1 Cabinet authorised £175,000 being set aside as a "PFI Reserve" and approximately £94,000 has been spent in the present financial year (2009/10) on further developing the Outline Business case. The additional work, to scale down the project to the resources on offer, was not included in the budget and Cabinet is therefore requested to authorise an additional £100,000 being made available to facilitate the consultation exercise and review of areas to be included in the project. The work will entail using all of the retained advisors from the bidding phase and will include; development and consultation on criteria for deciding which areas should be kept and which should be taken out, re-modelling the bid accordingly and submitting revised financial information to HCA. The opportunity will also be taken to re-validate all of the proposals and cost assumptions used for Eastfield. Any budget remaining may be considered for use on housing investment options appraisals and consultation for the areas left out of the revised PFI scheme.
- 4.2.2 All new procurement (apart from the extensions to existing commissions to work on the revised proposal) will be subject to a full EU competitive tendering

process. Estimates of costs can only therefore be a guideline until tenders are received, but 4Ps have commenced the assembly of tender documentation. Their outline estimate of costs is shown below.

Technical (design/ competition briefs etc)	£250,000 to £400,000
Legal	£350,000
Financial	£300,000
Town Planning (advice on planning briefs etc)	£50,000
Total	£950,000-£1,100,000

4.2.3 These figures do not include possible internal strengthening needed to finance, town planning and housing teams to ensure internal supervision of external contractors is maintained at all times. 4Ps stress that these figures for external contractors are indicative only and cover a three year period. They are in line with the fees quoted in the report to Cabinet on 30th October 2008. The estimates could go up or down, subject to tender, but the full cost of about £1.1 million would not be reached unless the project proceeded to full completion. In the meantime, procurement processes will specify a maximum fee to completion of the Outline Business Case. Until a contract with a provider is confirmed, all of the costs incurred by the Council will be at risk, but the Council could decide to withdraw before all the identified costs have been incurred. Conversely, it is possible that some costs could rise above the figures quoted. If the project proceeds to contract closure, then all of these costs can be set against the capital budget.

4.3 Legal

It is too early at this stage to provide a thorough legal appraisal of the scheme and the legal risks involved. These risks will be evaluated as the process and scheme moves forward.

4.4 Equality

Equality impact assessments will be undertaken to ensure that any areas excluded in the revised proposal are chosen equitably.

4.5 Consultees (Internal and External)

Corporate PFI project group.

Legal

Finance

4.6 How the Proposals deliver Priority Outcomes

The five key priorities and underpinning commitments of the Corporate Plan 2008-11, adopted by the Council on 28 February 2008, are;

- We will help our communities become safer, greener and cleaner
- We will improve housing and health to enhance the well-being of our communities
- We will be a well managed organisation that puts our customers at the heart of what we do
- We will promote economic development and growth in Northampton
- We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

The successful PFI bid would contribute to all of these.

4.7 Other Implications

A copy of the initial risk map covering the period up to Outline business case is attached at Appendix D. The full risk map for the life of the scheme, including implementation is under development.

5. Background Papers

Cabinet Report/Minutes of 30 October 2008

Appendices

A: Letter from HCA dated 20th July 2009

B: Short –term project plan

C: Funding Breakdown from the initial Expression of Interest

D: Initial Risk Map.

Lesley Wearing, Director of Housing

Northampton Borough Council
Estate Renewal Team
Cliftonville House
Bedford Road
NORTHAMPTON
NN4 7NR

20 July 2009

Dear

**THE 6th ROUND OF PRIVATE FINANCE INITIATIVE (PFI) SCHEMES:
NORTHAMPTON BOROUGH PFI PROJECT PROPOSAL: SCALED BACK OFFER**

Thank you for submitting an application to the 6th round of PFI housing schemes. I am pleased to confirm that Northampton Borough Council are one of the authorities invited to proceed to the next stage of the bidding process and develop an outline business case (OBC), subject to your scheme continuing to demonstrate value for money and meet the relevant criteria. As you will be aware, we were significantly over-subscribed in the bidding round, as a result of which we are unable to support in full the proposals you originally submitted. However, as discussed recently with Steve Trueman, we would like to offer you the opportunity to develop a scheme which includes the work proposed to the Eastfield estate and other elements, to be developed and confirmed, up to a maximum PFI credit level of £100m.

All PFI OBCs must be endorsed by the inter-departmental Project Review Group (PRG). It is at this point that the level of credits allocated to your project will be formalised although, we must stress, that you should work on the basis that **£100m** is the maximum level of credits for your scheme. We may be able to allow a limited increase in exceptional circumstances but due to restrictions on the resources available you should not assume that we will agree to this.

I attach, at Annex A, the prioritisation criteria for HRA and Non-HRA housing PFI schemes. You should address each of these criteria in your OBC, in addition to the published criteria of the PRG and the PRG code of conduct. We will need to agree a timetable for the production of the OBC which we will then expect you to adhere to. We will review the scheme's place on the programme if it becomes apparent that this will not be achieved.

CLG and the 4Ps have updated the Procurement Pack for Housing PFI and will update the Housing PFI financial model and guidance. We expect all schemes to comply with the Housing PFI Procurement Pack (HPPP), as well as HM Treasury Standardisation of PFI Contracts (SoPC) Guidance, version 4, including all updates, and Value for Money (VfM) Assessment Guidance.

We will be holding a workshop on Tuesday 4th August to assist you in the development of your project and use of the procurement pack. This workshop is for local authority representatives only and 2 places have been allocated for each authority. We recommend that the person responsible for your proposal, or project manager, attend along with whoever will be responsible for the modelling and cost input work.

I would be grateful if you would return the form at Annex B to Judith Ijewere by 28th July to confirm your attendance. Further details on the programme for the workshop will be sent out in due course.


Proposals will be kept under review and monitored by your PFI Delivery Manager in respect of your place on the programme. In the event of nominated projects not meeting agreed timetables for submission of OBC, and subsequent procurement, or for whatever reason not being able to proceed, HCA, in conjunction with CLG, will withdraw schemes and look to re-allocate resources.

Your Delivery Manager will wish to set up an early meeting with you to discuss the next steps in the process and we will be in touch shortly to agree a mutually convenient date for this meeting. In advance of this, I attach at Annex C some feedback from our assessment of your bid which highlights a number of issues to be resolved or actions to be taken in the short term in order for you to maintain your prospective place on the PFI programme.

If you have any queries do not hesitate to contact your Delivery Manager, Shelisa Edmonds, on 020 7881 1204 or email her at shelisa.edmonds@hca.gsx.gov.uk. She will provide you with advice and guidance on your bid as it develops.

A copy of this letter goes to your Government Office and HCA Regional Office.

Yours sincerely,



Ellie Simcox
Head of Housing PFI

HCA/CLG Prioritisation Criteria for HRA & Non-HRA Housing PFI Schemes

In considering Housing PFI projects for submission to the Inter-departmental Project Review Group, Communities and Local Government will apply the following criteria in addition to the published assessment criteria of the Project Review Group:

Value for money: Schemes will need to demonstrate VfM using HMT's quantitative assessment tool which is part of the Communities and Local Government Housing PFI Financial Model. If the scheme includes joined up elements as well as housing, overall value for money will need to be demonstrated and details of other sources of income required to fund the scheme, including PFI credits from the relevant government department should also be provided. Non-HRA schemes will need to compare favourably with the benchmarks established through Communities and Local Government's cost of new build social housing review.

Demand: Authorities will need to demonstrate continuing high demand for the properties in the PFI contract over the contract term.

Policy objectives – HRA: Authorities will need to demonstrate how the project will contribute towards achieving transformational change in local authority stock.

Policy objectives – additional social rented housing: Authorities will need to demonstrate how the project fits with regional housing priorities.

Strategic context: Schemes should be integrated within the authority's overall housing strategies and should represent an investment priority for the authority. Where appropriate, Communities and Local Government will also take account of the extent to which schemes are embedded within a wider regeneration strategy for the area and are linked to complementary initiatives. Authorities will also need to demonstrate how the project will contribute towards wider government priorities and initiatives, such as: tackling homelessness; combating social exclusion; addressing worklessness; empowering communities; creating sustainable communities; providing larger units of family accommodation; helping first time buyers; increasing the number of new homes; revitalising areas suffering from low demand complementing housing market renewal investment; fostering innovation and cost-effectiveness in design and construction methods and promoting energy efficiency.

Tenant participation (HRA only): Authorities will need to demonstrate that they have considered the implications of the scheme for tenants and that they have a sound strategy for consulting tenants on the proposals. Communities and Local Government will take account of the extent to which tenants have already been actively involved in decision making for the area as part of the options appraisal process.

Efficiency: Communities and Local Government will look favourably upon schemes that promote the use of innovative and cost-effective solutions both in meeting their objectives and during the procurement process. Communities and Local Government is working on a number of ways in which efficiency in social housing procurement can be increased to deliver more resources to the front line. Efficiencies may not only result in cost savings but also in increased quality. Value for money is more likely to be secured if the PFI work is procured in such a way as to maximise efficiency.

Marketability: Authorities will need to demonstrate that there is commercial interest in the project from the private sector and that there is every prospect of sustaining a competitive procurement.

Project management: Authorities will need to demonstrate that they have a good record of programme delivery, a good grasp of project management skills and arrangements in place to provide the resources required to deliver a PFI scheme.

Design quality: Authorities will need to take account of published guidance on design and quality. They should also promote the use of innovative and sustainable construction solutions in line with the principles set out in *Rethinking Construction*.

Communities and Local Government expects that homes provided through PFI will meet the standards of the day. Principally this means adherence to what are currently the Housing Corporation's Design and Quality Standards which include a requirement to meet minimum scores for key aspects of the Housing Quality Indicator (HQI) framework and also, progressively, the requirements of the Code for Sustainable Homes (CSH).

Reply Form

Round 6 Housing PFI Workshop
Next Steps and Key Messages

Date: Tuesday 4th August 2009

Time: 10:30am

Venue: 110 Buckingham Palace Road, Victoria, LONDON, SW1W 9SA

I confirm that: (*insert name of local authority*) is still interested in pursuing its Expression of Interest submitted to the 6th Housing PFI Bidding Round.

Role: Date:

We would like to send the following representatives to the workshop:

(*insert name of 1st delegate*)

(*role/position*)

(*contact details*): Email:

Tel No:

(*insert name of 2nd delegate*)

(*role/position*)

(*contact details*): Email:

Tel No:

Please detail any dietary, or other, special requirements:

.....
.....

Please return this form electronically to Judith Ijewere –

Email: judith.ijewere@hca.gsx.gov.uk

Tel: 020 7881 1205

Round 6 ASSESSMENT: FEEDBACK FORM

Authority: Northampton Borough Council

CRITERIA	COMMENTS
STRATEGIC CONTEXT	<p>The strategic fit of the scheme was clearly evidenced and you showed how the proposed works would make a clear difference to the estates. However the extent of the transformational change evident under these proposals was not as significant as in other regeneration schemes. There appear to be some areas in which the potential level of transformation seems greater, particularly the Eastfield site. Transformational change should be a key focus in moving proposals forward.</p>
EVIDENCE OF HOUSING DEMAND	<p>There is evidence to confirm that demand in the area will remain strong. We did have some concern about the overall net reduction in stock given the demand. However, we were content when this was considered in the wider context, of the nearby growth point area and work to create more high quality homes in mixed communities.</p> <p>This is an issue that will need to be detailed in the OBC. We would also expect to see further evidence of testing the demand for any private sale development that you may include at a later stage, subject to the market.</p>
STOCK/SITE CONDITION	<p>The level of current and proposed stock survey within the PFI area was good and with the financial review undertaken, has clearly informed your costings to provide you with robust information.</p> <p>Given the revised scope of the project that we will be looking for you to deliver, you will need to demonstrate clearly in your OBC that this information has been suitably adapted. You will also need to ensure that any further necessary work, including site condition surveys have been suitably accounted for in order to provide bidder confidence in developing robust costings.</p>
OPTION APPRAISAL	<p>You have given detailed consideration to finding the best solutions for the stock in the PFI area and how best to achieve the desired outcomes in a value for money way.</p> <p>You will, of course, need to undertake a full qualitative and quantitative evaluation of the various options available in developing your OBC. This should provide robust supporting evidence for the preferred solution, particularly accounting for the revised scope of the project and requirement to achieve the optimum level of transformational change.</p>
PFI CREDIT, PROJECT AFFORDABILITY AND VALUE FOR MONEY	<p>The PFI Credit allocation requested for this scheme was £208m. This figure is based on the revised model, which was submitted on the 3rd March 2009. The model was revised to take account of a number of our comments and your financial review.</p> <p>As you will be aware from the covering letter, we are offering you a credit allocation of £100m. Once you have formulated a revised proposal, you will need to complete a further financial model which continues to demonstrate an affordable and VfM proposal. Affordability and VfM will need to be continually monitored throughout the scheme. At OBC stage a thorough analysis will be undertaken on the affordability and VfM position, at which point all contributions and assumptions will need to be fully evidenced.</p>

<p>MARKETABILITY</p>	<p>You have undertaken some market testing and established an interest in the project as a whole. Again, given the revised scope of the project you will need to continue to develop your market testing and establish a clear indication of interest from the market in the project you are putting forward, including the assumptions that you are making.</p> <p>You will need to demonstrate clearly in your OBC that the project is marketable and bankable and that testing has been undertaken with all sectors of the market. You will also need to outline how your market testing has influenced your proposals.</p>
<p>RISK TRANSFER</p>	<p>The details outlined in the EOI followed a fairly standard format. During the development of the OBC we will need to see evidence that the risk profile has been developed to cater for the specifics of this scheme, and that the proposed solution offers VfM.</p>
<p>CONSULTATION</p>	<p>The EOI, subsequent meeting and follow up information showed that you have clearly consulted and involved the local community in the development of your plans. This has included introducing the concept of using PFI.</p> <p>You should continue to develop your stakeholder consultation as part of your OBC development process, where you should provide clear assurance of the comfort that bidders will be able to assume from a positive and engaged community.</p>
<p>COUNCILLOR COMMITMENT</p>	<p>There was clear council commitment for the scheme, which was supported by the range of attendees present at our visit. The continued support of all key stakeholders will need to be demonstrated, especially in respect of the council's proposed financial contributions to this project.</p>
<p>PROJECT MANAGEMENT</p>	<p>The structure that you have proposed to deliver the scheme is well set out and resourced and you provided strong reassurance of the council's ability to deliver the project within the meeting. You also demonstrated your ability to reflect on and respond to feedback. We would expect to see this strong position continue in the development of your OBC.</p>
<p>TIMETABLE</p>	<p>You have increased the proposed procurement period in line with advice, and this now sits within agreed sector targets. As for all projects on the programme, you will be expected to progress and deliver the project in line with the agreed timetable.</p>

OTHER ISSUES	<p>Before progressing to the development of your OBC, we will work closely with you as you develop your revised proposal to support the delivery of transformational change in Northampton East. We expect these plans to include the Eastfield estate and will want to see you clearly evidence the basis of the selection of the rest of the proposal on the basis of its transformational nature.</p> <p>Further, we will also expect you to give strong consideration to achieving design quality and outline in the OBC how you intend to deliver this.</p>
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**Activity Schedule for Northampton East PFI
August – December 2009**

2009 Month	Criteria Consultation	Revision to Existing Proposal	External Advisor Procurement	Cabinet Reports
August	Stakeholder Workshop to develop criteria	- Existing Advisors remit extended - Detailed costings on Eastfield	OJEU process begun for new Financial, Legal and Technical advisors	Report explaining need for revised proposal
September	Community consultation on criteria		Potential new advisors fill out PQQ	
October	Feedback to communities on criteria selected		Potential new advisors submit bids	Report on outcome of Community consultation
November	Application of criteria and options appraisal leading to recommendation for additional estate(s) to Eastfield	Detailed costings of additional estate(s)	Appointment of new advisers	
December	Completion of Options appraisal	Handover of work to new advisers	Handover of work from previous advisers - New advisers sign off options appraisal	Report detailing result of options appraisal & recommendations for additional estate(s) to Eastfield

Breakdown of capital costs expressed estate by estate
(This estimate is for budget purposes only)

Council Properties	Total as submission	Cost per property	Thorplands	Blackthorn	Bellinge	Eastfield
New Build			492	507	288	399
1 Bed 2p Flats	29					
2 Bed 4p Flats	29					
2 Bed 4p Houses	144					
3 Bed 5p Houses	230					
4 Bed 7p Houses	115					
5 Bed 8p Houses	29					
	576	£130,629.00	123	185	173	95
Refurbishment						
1 Bed Flats	94					11
2 Bed Flats	94					11
2 Bed Houses	153					
3 Bed Houses	392					
4 Bed Houses	48					
5 Bed Houses	36					
	817	£29,873.00	334	310	115	22
Remodel						72
Deconversion	36	£29,873.00				36
Refurbishment (external)	817	£7,205.00	334	310	115	58
Approx total cost	£105,535,030.00		£28,451,419.00	£35,660,545.00	£26,862,787.00	£14,560,279.00
			27%	34%	25%	14%

Total Capital Cost at £105million equates to approx 50% of the PFI Credits figure in the Bid. Therefore for £100 million PFI credits there would be approximately £50 million works.

Stage	Reference		Analysis Area	Topic	Identified Risk	Likelihood	Impact	Risk Rating	Significance	Impact/Effect On			Risk Manager	Risk Owner	Strategy /Tools to Mitigate Risk	Resource Required	Residual Risk Owner	Likelihood	Impact	Risk Rating	Significance	Residual Risk Manager	Status & Progress			
	Item ID	Cross								Operability	Programme	Cost											Progress	Visibility	E. H&S	Status
Client	CL1.1	-	Community Engagement		Community are not engaged and/or ownership not established during project process. Community shows no ownership of finished project.	3	4	12	High				ERTL	ERTL	Comprehensive consultation & residents feedback into development needs. High Street Urban Group. Use High Street Urban Group community group representatives	Consultancy & Officer Time	Council	1	4	4	Low	ERTL				
	2	-			Expectations of community are not met	2	4	8	Medium				ERTL	ERTL	Consultancy & Officer Time	Consultancy & Officer Time	Council									
	3	-	Expectations		Expectations of community are not met	3	4	12	High				ERTL	ERTL	Comprehensive consultation & residents feedback into development model	Consultancy & Officer Time	Council									
	4	-			Expectations of individuals are not met	3	1	3	Low				ERTL	ERTL	Community liaison and surveys for residents to meet the team	Consultancy, Member & Officer Time	Council									
	5	-	Construction		Community groups object and/or object to plans	3	3	9	Medium				HAM	HAM	Early involvement of Partner. Develops delivery team with the local community, its groups and group leaders	Council & Day Partner Consultancy Time	Service Provider									
	6	-			Residents seek to delay project by refusing to participate in the decant process	3	4	12	High				HAM/LLS	HAM/LLS	Early adoption of legal measures to provide programme safety net and priority of access for Partner	Consultancy & Officer Time	Council									
	7	-			Adverse effect of proleifer action against the Project.	1	2	8	Medium				LLS	LLS	Media Intervention develop publicity strategy		Council									
CL2	1	-	Proposals		Programme Sponsors - adverse effect of Authority of Spending	4	2	8	Medium			PH	PH	Development of Community Liaison through steering groups	Consultancy & Officer Time	Service Provider										
	2	-			Lack of effective access Requirement	3	2	6	Medium			PH	PH	Development of Community Liaison through steering groups	Consultancy & Officer Time	Service Provider										
T&C Planning																										
PL1	1	-	Process		Planning unable to confirm compliance with Policy and guidance	4	3	12	High						Close Liaison with Planning Department and early development of intermediate planning design to facilitate easy transition to detail approval		Service Provider									
	2	-			Planning unable to endorse proposals	2	4	8	Medium						Close Liaison with Planning Department		Council									
PL2	1	-	Env. Agency		Wildlife and environmental requirements	1	3	3	Low						Discussion with the Environment Agency & commissioning of detailed Environmental Impact Assessment		Service Provider									
	2	-			Designation and Planning Classifications for open spaces	2	2	4	Low						Consultation with the Environment Agency and Consultants		Service Provider									
Decision																										
DL1	1	-	Development		Failure to translate the requirement of the Council into the Procurement of Technical Advisers, lack of Clients Brief.	2	3	6	Medium						Weekly Design Appraisal Meetings		Service Provider									
	2	-			Failure to develop requirements of Stakeholders into OBC proposals	2	3	6	Medium						Weekly Design Progress & Development Meetings with user groups		Service Provider									
Construction																										
WL1	1	-	Works Management		Failure to comply with the Construction Design and Management (CDM) regulations.	1	2	2	Low						CDM-C Appointment as early as possible in project planning phase		Service Provider									
	Utilities & 3rd Parties																									
UL1	1	-			Failure to identify any long term utility changes required and license and resource allocation requirements	2	3	6	Medium						Open up and hold follow up meetings with utility companies		Service Provider									
	Others																									
OL1	1	-	Stakeholders		Key stakeholders do not sign up to project	1	4	4	Low						Active Involvement of Council officers & members in building bridges with Stakeholders		Council									
	2	-			Project profile too low	3	3	9	Medium						Regular briefing of Council officers & member as to projects development, progress and possible policy issues		Council									
OL2	1	-	Development		Changes in Market Conditions	3	4	12	High						Review cost claims and check rising pressures on sales and sales values		Service Provider									