

Southwold Enterprise Hub

Risk Register

Risk	Prob.	Impact	Existing Controls/Action required/Who
Development project risks			
Tenders come back higher than budget	L	M	<ul style="list-style-type: none"> - A value engineering exercise will be undertaken with the lowest tender looking at ways to source cheaper alternative materials, sub-contractors etc. This will cause a delay to the start of the project.
Capital costs overrun the budget	L	M	<ul style="list-style-type: none"> - Costs developed by QS, reviewed by architect and by experienced capital project manager - 7.5% contingency on capital budget, plus specific contingencies for high cost individual risks (eg contamination) - QS will have tight control of costs, and report monthly, so early warnings will be given. This will enable decisions to be taken on changing scope or reducing spend on certain items.
Construction project takes longer than planned	M	M	<ul style="list-style-type: none"> - Experienced project manager, design team and QS on board to identify issues early and resolve them - Consider using one building prior to completion of the other (has downsides)
Site issues, eg archaeology, contaminated land, asbestos	L	M/H	<ul style="list-style-type: none"> - Provision in capital budget to cover each of these individual risks - Major impact would be a delay to the project, with archaeology having the highest impact but lowest risk given the known history of the site and finds records locally
VAT becomes liable on some/all of the project	L	H	<ul style="list-style-type: none"> - Appropriate advice will be sought to confirm the assumption that zero VAT will be payable - In the unlikely event that VAT is incurred, the Council will have to fund the gap
Unable to recruit suitable staff	M	H	<ul style="list-style-type: none"> - Most likely to occur because salary offered is too low or job is considered too challenging - Southwold Town Council consider hiring a freelance person instead to cover the interim until a permanent employee can be found - Southwold Town Council to seek advice from HR and recruitment firms locally & in Norwich to understand how best to position (and reward) the roles.

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Consultation/ engagement – key stakeholders/ community not supportive	L	M	<ul style="list-style-type: none"> - Town Council working group established and will continue if funding secured - Steering Group to be established to oversee Development Team - Communication plan to be developed further - Consultation events in plan - Open days organised
Operational project risks			
Business climate changes and demand for office space falls away, resulting in vacant units. Most likely due to major recession.	L	H	<ul style="list-style-type: none"> - All research to date indicates a strong demand for office space, with the Southwold brand helping to support this - The Station Yard development has been designed for maximum flexibility and can be adapted so suit changed needs (more co-working etc) - There is flexibility in the operating costs model to reduce rental rates to increase attractiveness to market - All units could be repurposed as retail or creative spaces, although this could reduce the number of new jobs created but may see more individual businesses supported
Operating income is lower than anticipated	M	M	<ul style="list-style-type: none"> - Most likely to occur from slow uptake of units due to changed market circumstances or simply longer notice periods for existing premises for established businesses - Increase marketing effort and consider special offers/free trials etc
Operating costs are higher than projected	L	M	<ul style="list-style-type: none"> - Most likely linked to slower take-up (with Council having to cover the business rates on vacant properties). - Southwold Town Council to approach business rates authority for discretionary rate relief to help reduce outgoings, whilst bearing the costs for longer
Insufficient income is generated through events, sponsorship etc to sustain the Southwold Development team	M	M	<ul style="list-style-type: none"> - Southwold TC subsidise for further/longer until the role is generating enough income - In the long term consider the roles becoming Council staff resources, covered by the precept.

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Hub is occupied by existing businesses relocating to better premises, but with very low job creation.	M	H	<ul style="list-style-type: none"> - Managed workspace policy will be to give priority to new businesses or existing businesses intending to expand significantly, thus creating new jobs