

## Appendix 13: Risk management strategy and QRA – part A

### 1. Introduction

#### 1.1. Risk

Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risks and opportunities. The objective of risk management is to secure the assets and reputation of the organisation and to ensure continued financial and organisational well-being.

### 2. Objectives of good risk management

Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong.

Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and potential opportunities and their likely impact.

Risk management should be a continuous and developing process which runs throughout the organisation's strategy and the implementation of that strategy, methodically addressing all risks surrounding the council's activities past, present and future.

### 3. Scope of this Risk Management Strategy

This Risk Management Strategy is a subset of Newcastle City Council's Risk and Opportunity Management Strategy and relates specifically to delivery of the Cycle City Ambition Fund programme.

Risk management of all infrastructure schemes under this programme will be carried out under the Newcastle City Council Strategic Risk Management capital strategy.

All risk management work will be supported by Newcastle City Council's agreed project governance procedure.

All work will be delivered under the Newcastle Project Management Framework.

### 4. Responsibility for this Risk Management Strategy

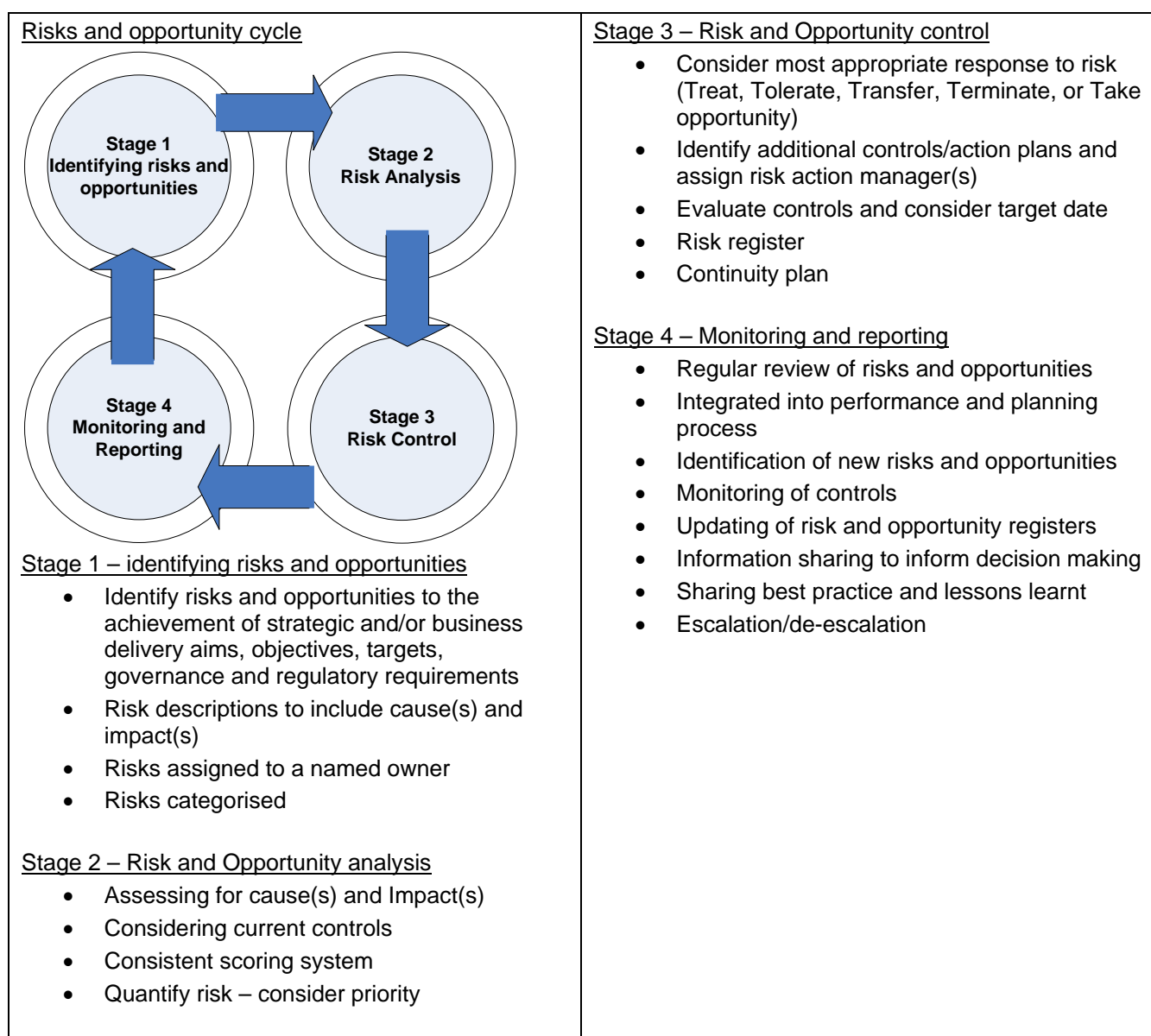
The responsibility for the creation of this Risk Management Strategy is held by Newcastle City Council. Upon initiation of the Cycle Ambition programme it will be reviewed and updated by the Programme Manager, Cycle City Ambition (hereafter referred to as the 'Programme Manager').

It will thereafter be reviewed on a monthly basis. Any change will be ratified through programme management group review.

### 5. Risk and Opportunity Management Process

The table overleaf provides a overview of Newcastle City Council's Risk and Opportunity Management Process.

## Risk and Opportunity Management Process at a Glance



### 6. Tools and Techniques

Programme risk will be managed through electronic Risk Assessment with a hard-copy back-up of the form to be maintained by the Programme Manager.

Access to the Risk Assessment will be restricted to those defined in the roles and responsibilities overleaf and individual 'Risk Owners'.

### 7. Records

'Appendix 13: Risk management strategy and QRA – part B' contains descriptions of each risk related to the Cycle City programme and planned mitigation actions.

### 8. Reporting

The Risk Assessment will be readily available for authorised individuals and a summary will be regularly circulated to the programme management group for review.

## 9. Timing of risk management activities

The Risk Strategy and Risk Assessment that has been prepared for programme submission and will be reviewed and updated by the Programme Manager upon the initiation of the programme and provided to the programme management group.

It will thereafter be updated:

- On any updates of the project plan
- On the production of any exception plan
- On review of any stage status

It will be closed when approval for project closure has been given by the programme management group.

## 10. Roles and Responsibilities

Role	Responsibility
Newcastle City Council	Provides the corporate Risk and Opportunity Management Policy and Strategy and the Strategic Risk Management capital strategy and risk management guide.
Newcastle City Council's Programmes and Major Project Team	Supports the Programme Manager in further development of this risk management strategy and the Risk Assessment.
Programme Manager Cycle City Ambition	Accountable for all aspects of risk management and ensures an approved and up-to-date project Risk Management Strategy and Risk Assessment exists.  Ensures all risks associated with the programme are identified, assessed and controlled throughout the project lifecycle.  Escalates risks to the programme management group as necessary.
Project team (Communications and PR Manager, Stakeholder Liaison Manager) Technical co-ordination group Stakeholder group	Participates in the Programme Manager led identification, assessment and control of risks, thereby assisting the Programme Manager to maintain the Risk Assessment.  The project team will support creation of the risk summary for the programme management group.
Contractors	Ensure risks relating to contractor works are assessed, controlled and communicated.
Programme management group	Review risk management practices to ensure they are performed in line with the risk management strategy.  Review key risks where escalated by the Programme Manager.

## 11. Risk budget

The estimated cost of risk has been determined by a Quantified Risk Assessment.

Please see accompanying spreadsheet entitled 'Appendix 13: Risk management strategy and QRA – part B'.

## Appendix 13 - Risk management strategy and QRA - part B

Scheme A: Central Gateway															
1	Unplanned works to utilities or inaccurately mapped locations		T,C	4	4	16	Stats search to determine service locations, early discussions with Sus to agree works, contractor to manage Sus.	EMP		£70,000.00	40%	£28,000.00	2	£28,000.00	£28,000.00
2	Stakeholder Objection leading to delay		T,C	4	4	16	Early discussions with stakeholders including businesses, transport operators, residents and interest groups.	EMP		£30,000.00	40%	£12,000.00	6	£12,000.00	£12,000.00
3	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00	£15,000.00
4	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2	£6,000.00	£6,000.00
5	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00	£40,000.00
6	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00	£9,000.00
Scheme B: Great North Cycle Way															
7	Unplanned works to utilities or inaccurately mapped locations		T,C	4	4	16	Stats search to determine service locations, early discussions with Sus to agree works, contractor to manage Sus	EMP		£70,000.00	40%	£28,000.00	2	£28,000.00	£28,000.00
8	Stakeholder Objection leading to delay		T,C	4	4	16	Early discussions with stakeholders including businesses, transport operators, residents and interest groups.	EMP		£30,000.00	40%	£12,000.00	6	£12,000.00	£12,000.00
9	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00	£15,000.00
10	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2	£6,000.00	£6,000.00
11	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00	£40,000.00
12	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00	£9,000.00

Scheme C: City centre to Gosforth and Great Park																
13	Unplanned works to utilities or inaccurately mapped locations		T,C	4	4	16	Stats search to determine service locations, early discussions with Sus to agree works, contractor to manage Sus	EMP		£70,000.00	40%	£28,000.00	2	£28,000.00		£28,000.00
14	Stakeholder Objection leading to delay		T,C	4	4	16	Early discussions with stakeholders including businesses, transport operators, residents and interest groups.	EMP		£30,000.00	40%	£12,000.00	6	£12,000.00		£12,000.00
15	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00		£15,000.00
16	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2		£6,000.00	£6,000.00
17	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00		£40,000.00
18	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00		£9,000.00
Scheme D: City centre to Newburn																
19	Unplanned works to utilities or inaccurately mapped locations		T,C	4	4	16	Stats search to determine service locations, early discussions with Sus to agree works, contractor to manage Sus	EMP		£70,000.00	40%	£28,000.00	2	£28,000.00		£28,000.00
20	Stakeholder Objection leading to delay		T,C	4	4	16	Early discussions with stakeholders including businesses, transport operators, residents and interest groups.	EMP		£30,000.00	40%	£12,000.00	6	£12,000.00		£12,000.00
21	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00		£15,000.00
22	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2		£6,000.00	£6,000.00
23	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00		£40,000.00
24	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00		£9,000.00

Scheme E: City centre to Walker															
25	Unplanned works to utilities or inaccurately mapped locations		T,C	4	4	16	Stats search to determine service locations, early discussions with Sus to agree works, contractor to manage Sus	EMP		£70,000.00	40%	£28,000.00	2	£28,000.00	£28,000.00
26	Stakeholder Objection leading to delay		T,C	4	4	16	Early discussions with stakeholders including businesses, transport operators, residents and interest groups.	EMP		£30,000.00	40%	£12,000.00	6	£12,000.00	£12,000.00
27	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00	£15,000.00
28	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2	£6,000.00	£6,000.00
29	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00	£40,000.00
30	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00	£9,000.00
Scheme F: Cycle friendly areas															
31	Unplanned external events leading to increased network congestion during construction		T,C	3	4	12	Include contingency in works programme to allow for mitigation, streetworks coordination - key constraints to be written into works specification	EMP		£50,000.00	30%	£15,000.00	1	£15,000.00	£15,000.00
32	Poor Weather Delay		T,C	3	4	12	Robust programming, contractor risk	EMP		£15,000.00	40%	£6,000.00	2	£6,000.00	£6,000.00
33	Problems with site access		T,C	3	4	12	Verify compound locations early in programme, determine access requirements	EMP		£100,000.00	40%	£40,000.00	1	£40,000.00	£40,000.00
34	Environmental issues		T,C	1	4	4	Early review and if necessary survey work	EMP		£30,000.00	30%	£9,000.00	2	£9,000.00	£9,000.00

Scheme G: Cycle-Rail integration																
35	Delays in installing parking	40,41	T,Q	2	4	8	Ensure LSTF Programme targets are met through programme board updates	EMP								
36	Failure to implement a trial of full sized cycles on Metro	38,39	T,Q	3	5	15	Maintain Board aspirations and enthusiasms for trial and work towards 2016 car refurbishment timeline	EMP								
37	Insufficient or inappropriate parking at stations	35	T,Q	2	4	8	Refer to task and finish group recommendations	EMP								
38	Stakeholder issues with concept of full-sized bicycles being carried on Metro	36,38	T,Q	4	4	16	Ensure history and findings of T&F group are clearly presented and rigorous options analysis undertaken	EMP								
39	Problems with stakeholder engagement	36,38	T,Q	3	4	12	Continue to involve cross-sector working to raise and resolve issues	EMP								
40	Lack of service uptake from public	35	T,Q	2	3	6	Tie in to promotion and campaigns	EMP								
41	Too much uptake from public	35	T,Q	2	4	8	Review options and suitability at site	EMP								
Scheme H: Active Travel Centre																
42	Failure to secure appropriate premises	45, 46	T,C, Q	2	5	10	Identify and agree desirable target sites in scoping analyses preparations	CON		£15,000.00	25%	£3,750.00	12		£3,750.00	
43	Delays in agreeing and finalising lease	45, 46	T,C, Q	3	5	15	Determine availability and conditions with prospective properties in scoping phase	CON		£15,000.00	25%	£3,750.00	12		£3,750.00	
44	Failure to meet promotional milestones	45,46	T,Q	2	4	8	Apply strong steer and leadership in start-up phase of programme to ensure integrated and timely decisions and actions	CON								
45	Failure to meet set-up milestones	42	T,Q	1	5	5	Determine procurement inventory, lead-times and availability early in scoping phase	CON								
46	Failure to meet delivery outputs	42, 47	T,Q	2	4	8	Review initial intervention success and feedback early on and adapt engagement techniques to reach all beneficiaries	CON								
47	Problems with stakeholder engagement	45,46	T,Q	3	4	12	Define terms of reference at outset and functions and roles of stakeholders. Remain focussed on tasks and vision.	CON								
48	Lack of service uptake from public	46	T,Q	2	4	8	Ensure promotion, awareness and understanding of services are penetrating social communications strata.	CON								
49	Too much uptake from public	46	T,Q	2	4	8	Allow for expansion in premises and scalability in staff and service delivery if certain elements are more popular.	CON								