

Recommended option for the future provision of the Cheltenham Crematorium service

Appendix 1 – Risk Assessment

The following risk assessment includes significant risks for all options under consideration. Certain risks have varying impacts and likelihoods for different options as set out in the 'Option' and 'Original Risk Score' columns below.

The risk					Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Option	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
Bereavement Services Operation and Business Plan												
1.1	If Option A is chosen then there will be a significant delay before the long-term future of the Cemetery and Crematorium is decided, with adverse health and safety, service quality, financial and reputational impacts	Mike Redman	12/08/15	A	5	2	10	Avoid	Option A is effectively ruled out as a viable option, as it simply delays the need for the Council to address the long term future needs of the service and would give rise to an escalating risk of business continuity failure	October 2015	Mike Redman	
1.2	If the impacts of the scheme on the existing service are not successfully managed, business continuity, quality of service and reputation of the Council could be adversely affected.	Mike Redman	12/08/15	B C D E	4 4 4 4	3 4 4 4	12 16 16 16	Reduce	Steps are being taken to ensure that the project is adequately resourced, with an allowance for backfilling capacity within the service during project implementation	December 2015	Rob Hainsworth	
1.3	If fee increases lead to a drop in the number of cremations or burials then there may be a drop in income and an adverse impact on	Mike Redman	12/08/15	B C D E	1 2 2 2	3 3 3 3	3 6 6 6	Accept	Agree appropriate phasing and amounts for fee increases, taking into account fees charged by others in the region Monitor the impact on	October 2015	Rob Hainsworth Rob	

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	the Council's Medium Term Financial Strategy								numbers of cremations and burials		Hainsworth	
1.4	If a competitor crematorium facility was constructed within the current service catchment area, it could have an adverse impact on fee income	Mike Redman	12/08/15	A B C D E	3 3 3 3 3	3 3 2 2 1	9 9 6 6 3		This risk to the service exists with the current operation Developing a new and improved Council facility would mitigate this risk to some extent, but the service will continue to have a natural geographic advantage in relation to Cheltenham-based demand Failing to improve the current service increases the risk of competition from other facilities	March 2016	Mike Redman	
Engagement												
2.1	If engagement and communication with the public and other major stakeholders during the implementation of the chosen option is inadequate then there is a risk of reputational damage to the Council	Mike Redman	12/08/15	A B C D E	3 3 3 3 3	2 2 2 2 2	6 6 6 6 6	Reduce	Put an engagement plan in place	December 2015	Ken Dale	

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Project Management												
3.1	If the lessons learned from the recent projects (notably the previous cremator replacement project and the Wilson redevelopment project) are not successfully applied the implementation of the chosen options may suffer delays, increased costs and reduced quality and further reputational damage may ensue	Mike Redman	12/08/15	B C D E	4 4 4 4	2 2 2 2	8 8 8 8	Reduce	Ensure lessons learnt are incorporated into project design Engage with Cabinet Member Working Group and scrutinize project against recommendations of previous reviews.	December 2015 Ongoing throughout project	Ken Dale Mike Redman	
3.2	If the programme plan for the chosen option is not delivered in a timely fashion then there may be increased costs	Mike Redman	12/08/15	B C D E	2 3 3 3	3 4 4 4	6 12 12 12	Reduce	Ensure programme plan is informed by relevant experts and includes appropriate contingency Ensure risks of delay are shared contractually Monitor execution of plan	December 2015 Ongoing throughout project Ongoing throughout project	Ken Dale Garrie Dowling Ken Dale	
3.3	If the programme plan for the chosen option is not delivered in a timely fashion then there	Mike Redman	12/08/15	B C D E	2 3 3 3	3 4 4 4	6 12 12 12	Reduce	Effective control of programme plan	Ongoing throughout project	Ken Dale	

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	are increased risks of the current cremators failing											
Business Case												
4.1	If the financial plan for the chosen option is not delivered, there will be an adverse impact on the Council's Medium Term Financial Strategy	Mike Redman	12/08/15	B C D E	3 4 4 4	2 2 2 2	6 8 8 8	Reduce	Ensure financial plan is informed by relevant experts and includes appropriate contingency Monitor execution of plan	Complete Ongoing throughout project	Nina Philippidis Various (to be determined during project initiation)	
4.2	If the interest rate applicable to our Public Works Loan Board loan rises beyond its predicted level before the loan is finalised on completion of construction then the financial plan for implementation of the chosen option will be adversely impacted and Cabinet will have to consider funding options.	Mike Redman	12/08/15	B C D E	1 2 2 2	4 4 4 4	4 8 8 8	Accept	Monitor rates - develop a contingency plan if necessary	Ongoing throughout project	Nina Philippidis	
4.3	If construction tenders are delayed	Mike Redman	12/08/15	B C	2 2	3 3	6 6	Reduce	Check, as early as possible, that key	June 2016	Ken Dale / Dave	

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	then the allowance in the current financial plan for construction inflation may be inadequate leading to increased costs and Cabinet will have to consider funding options.			D E	3 3	3 3	9 9		assumptions, notably the use of procurement frameworks to expedite the process, are justified. Ensure that the project proceeds to plan.		Baker Ken Dale	
4.4	If HMRC are unwilling to accept that the Council's breach of its Partial Exemption de minimis limit is "occasional and one-off", it will be required to repay all input tax recovered in the year of the breach.	Paul Jones	12/08/15	B C D E	5 5 5 5	1 1 1 1	5 5 5 5	Accept	Based on current forecasts it is likely that a significant level of capital investment in the cremation service which generates exempt income will result in the Council breaching its Partial Exemption de minimis limit for VAT recovery purposes. However, at the time of the breach (2016/17 to 2017/18) the Council will demonstrate to HMRC that the breach is "occasional and on-off" and present a 7 year rolling average showing that across the period it has remained within the required limits. Forecasts have been prepared to demonstrate this requirement based on current estimated project	Ongoing throughout project	Nina Philippidis	

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									costs. Current external advice indicates that this is a suitable approach and that disagreement from HMRC would be unprecedented. Regular forecasting and monitoring will be undertaken throughout project.			
4.5	If the negative impact of the development on business rates is greater than that modelled the Council may need to further consider funding options.	Mike Redman	23/09/15	C E	2 2	5 5	10 10	Reduce	Consider options for maximising business transacted within the boundary of Cheltenham. Confirm rateable value and assessment approach	Ongoing throughout project On building completion	Rob Hainsworth Jayne Gilpin	
Procurement												
5.1	If procurements are delayed then there may be increased construction costs due to the effects of inflation and Cabinet will have to consider funding options.	Mike Redman	12/08/15	B C D E	2 2 2 3	3 4 4 4	6 8 8 12	Reduce	Ensure the most appropriate procurement option is chosen taking account of timescales Ensure chosen procurement option is executed efficiently	December 2015 Ongoing throughout project	Dave Baker Ken Dale	
5.2	If there are insufficient numbers of bids for our construction tender then the programme	Mike Redman	12/08/15	B C D E	2 3 3 3	3 3 3 3	6 9 9 9	Reduce	Use a procurement framework if appropriate	December 2016	Dave Baker	

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	may be delayed and/or costs may increase											
Planning												
6.1	If a planning application is not approved then the programme will be delayed and costs will increase	Mike Redman	12/08/15	B C D E	4 4 4 4	2 3 3 3	8 12 12 12	Reduce	Ensure designers work closely with planning authorities pre-application	Summer 2016	Ken Dale	
Construction												
7.1	If the council's contractors do not provide an adequate service then the implementation of the chosen option may suffer delays, increased costs and reduced quality.	Mike Redman	12/08/15	B C D E	3 3 3 3	3 3 3 3	9 9 9 9	Reduce	Create a project structure which enables adequate management of contracts Ensure 'quality' is given adequate weighting during contractor procurement	December 2015 Ongoing throughout project	Ken Dale Dave Baker	
7.2	If contractors or sub-contractors fail during the programme or subsequent maintenance periods then the programme may be delayed, quality may decrease and costs may increase	Mike Redman	12/08/15	B C D E	4 4 4 4	2 3 3 3	8 12 12 12	Reduce / Accept	Undertake pre-contractual checks Put bonds in place with appropriate release timing Include adequate contingency	December 2016 December 2016 Complete	Dave Baker Dave Baker Ken Dale	
7.3	If ground or archaeological	Mike Redman	12/08/15	B C	2 2	1 2	2 4	Reduce / Accept	Commission site investigations alongside	Complete		

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	investigations identify issues before or during construction then costs and timescales may increase.			D E	2 2	2 2	4 4		feasibility study Include adequate contingency Monitor progress of works	Complete Ongoing throughout project	Ken Dale	
7.4	If the planned access road running alongside the Garden of Remembrance is not feasible due to its impact on graves, areas in which ashes have been scattered, or trees then an alternative route will be needed leading to possible increased cost and/or timescales.	Mike Redman	12/08/15	B C D E	3 3 3 3	3 3 3 3	9 9 9 9	Reduce	Detailed site analysis underway Tree impacts assessed by CBC trees officer Planning process will involve consultation on detailed scheme	September 2015 Ongoing throughout project September 2016	Ken Dale Chris Chavasse Mike Redman	
7.5	If access to the site and construction activity are not managed in a way that is sympathetic to the services being provided, there is a risk that there could be an increase in complaints and the Councils reputation	Mike Redman	12/08/15	B C D E	3 4 4 3	2 3 3 3	6 12 12 9	Reduce	Agree the most appropriate access route into the proposed development site. Schedule work out of hours when appropriate Shutdown services if / when appropriate with	September 2016 Ongoing throughout project Ongoing throughout	Garrie Dowling Garrie Dowling Rob Hainsworth	

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	could be adversely effected.								contingency plans	project		
Legal												
8.1	If option C or E is agreed then the value and viability of adjacent land for future housing development may be impacted.	Mike Redman	12/08/15	C E	4 4	2 2	8 8	Reduce	Ensure landscaping design minimises visual impact of crematorium and acts as a 'use separation' buffer	September 2016	Rob Hainsworth	
8.2	If housing is developed on nearby land before the crematorium is constructed then there is a risk that the programme could be delayed or curtailed.	Mike Redman	12/08/15	C E	4 4	1 1	4 4	Reduce / Accept	Monitor potential developments and create contingency plans if appropriate Ensure programme proceeds at an optimum pace	Ongoing throughout project Ongoing throughout project	Martin Chandler Ken Dale	
Capacity												
9.1	If there is inadequate internal resource to support the implementation of the chosen option (including the resulting effect on the ongoing Bereavement Services operation) there will be adverse impacts upon timescales, costs, service quality and	Mike Redman	12/08/15	B C D E	2 3 3 3	3 4 4 4	6 12 12 12	Reduce	Create and maintain an internal resource plan Ensure funding exists to support backfill	Ongoing throughout project September 2015 - maintain throughout project	Ken Dale Ken Dale / Nina Philippidis	

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	the reputation of the Council.											