

West Dunbartonshire Council Schools Partnership		01-Mar-06		Base Costs	100,000	4,400	
Description of Risk	Probability H/M/L	Expected Value %	Probability %	Base	Capex	FM/LCM	Narrative
				Value	Risk	Risk	
				£'000	£'000	£'000	
<b>1. Site &amp; Planning Risks</b>							
Problems obtaining Access Agreements and Consents lead to additional costs	L	0.50%	25%	100,000	125	0	Construction access into sites may be an issue at Vale of Leven Academy. This has restricted access and the successful contractor may decide to provide another access from the main road. In general, no sites require engineering works relating to access or the purchase of additional land. Outline planning submissions have been made and a traffic study completed. This did not indicate any issues with site access. Therefore risk is low.
Unforeseen ground/site conditions including adjacent structures	L	3.00%	25%	100,000	750	0	No ground surveys have been completed as yet. However, the Council have a reasonably detailed knowledge of the sites as there are existing schools on each site. St Columba's is known as having difficult ground conditions. There is a rumour of contamination at the Vale of Leven site from a disused dye works. This is assessed as a low risk across all sites however, the risk value has been set as 3% of capital costs to reflect the lack of detailed survey work.
Conditions attached to outline planning more onerous than expected	L	0.00%	25%	100,000	0	0	Planning briefs have been produced by the Director of Planning. There has been no indication of any problem areas which would cause problems in achieving outline planning consent. Therefore risk is not quantified.
Conditions attached to detailed planning more onerous than expected within CPAM	M	2.50%	50%	100,000	1,250	0	The Council's previous experience of achieving detailed planning permission is that conditions are likely to be attached especially in relation to roof finishes. These additional costs would not be covered by the existing costs included within the CPAM.
Permanent access to schools (except Vale of Leven) more expensive than anticipated	L	1.00%	25%	100,000	250	0	This relates to the permanent access to the sites. This is assessed as being a low risk area with the sites at St Columba's, Clydebank High School and Dumbarton Academy not having any major issues associated with them.
Permanent access to Vale of Leven Academy more expensive than anticipated	L	1.00%	25%	100,000	250	0	There is a low risk that a pedestrian bridge may be required over the River Leven at the Vale of Leven.
Judicial Review Risk relating to planning	L	1.00%	25%	100,000	250	0	Judicial Review may occur due to (1) the closure of schools and (2) how the Authority has managed the planning process. The risk of Judicial Review is assessed as low due to the level of consultation completed and the approach adopted to planning. If judicial review resulted in an adverse judgement there would be two impacts upon the project. The first would be additional costs in defending the judicial review. The second would arise as a result of a delay to the project. All schools would be treated individually therefore any delay would be for one project school only. The Project Team has sought to manage the planning process in such a way as to minimise the risk of Judicial Review. This risk is therefore assessed as low.
Archaeological findings/history on site	L	0.50%	25%	100,000	125	0	This risk is perceived as low given the sites already have school buildings on them. The Antonine Wall is some distance from the project sites and therefore archaeological findings in relation to this are likely to be low risk. The project team are considering requesting archaeological surveys.
Sport Scotland request additional facilities	L	0.50%	25%	100,000	125	0	The risk of Sport Scotland requesting additional or enhanced facilities is considered low. Although Braidfield are losing two facilities, St Columba's are gaining two additional sports facilities. The Vale of Leven's current facilities are poor quality and the replacement facilities will be significantly better. However, the Vale will be decreasing from 5 to 3 facilities. The major risk in this respect would be a delay in the procurement process due to discussions with Sport Scotland. The chance of any Sport Scotland objection being upheld is considered low.
Asbestos within existing schools more costly to remove than anticipated (£400k allowed within costs)	H	2.50%	75%	100,000	1,875	0	Level 2 surveys have been completed within all Project Schools. The project includes the demolition of four secondary schools - there could be a high risk of incurring additional costs relating to asbestos.
			0%	100,000	0	0	
			0%	100,000	0	0	
			0%	100,000	0	0	

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				Value	Risk	Risk	
				£'000	Value	Value	
					£'000	£'000	
<b>2. Design Risks</b>							
Changes in Design Standards & Codes of Practice lead to additional costs	L	0.50%	25%	100,000	125	0	This is perceived to be a low risk. The provisions of DDA have been fully incorporated within the cost estimates.
Changes requested by Service Provider lead to additional costs	L	0.50%	25%	100,000	125	0	
Changes requested by Local Authority (incl omissions/errors) lead to additional costs	H	0.50%	75%	100,000	375	0	There is a high risk of changes - for example, it has just been agreed that Clydebank should have a business manager. Room has not been included within the output specification for a business manager. Changes such as this may continue as the procurement progresses. The project team would seek to manage these as the procurement progresses and minimise the cost impact.
Failure to design by architects/designers to brief leads to part or whole redesign	L	0.75%	25%	100,000	188	0	This is considered to be a low risk as even if the Council were procuring the Project Schools themselves they are likely to appoint external architects. This would ensure that Inhouse resources were available to sign off the Project designs and briefs.
Legislative/Regulatory Changes lead to changes in design requirements - post financial close, pre-completion of construction	L	1.00%	25%	100,000	250	0	The designs will take into account all known legislative and regulatory design requirements however, there is scope for building regulations and legislation to change quickly especially in response to health & safety issues. This risk is assessed as low.
Design flaws result in failure of a core service element and increased operating costs	L	5.00%	25%	4,400	0	55	Design flaws could arise from vapour flows, taps whose design is vulnerable to vandalism etc. This is an area WDC would review very carefully if procuring the schools under a traditional approach. It is anticipated that most design flaws would be identified during the commissioning of the new schools and that the cost impact would be limited to the need to transport pupils to alternative locations for example, to alternative sports facilities if a sports hall was not available.
Risk that additional circulation space is required (PSC assumes 24%)	M	2.00%	50%	100,000	1,000	0	Circulation space is not specified by the Council within the tender documentation. There is a risk that the designs will be for amounts greater than 24%.
			0%	100,000	0	0	
			0%	100,000	0	0	
			0%	100,000	0	0	
<b>3. Construction and commissioning risks</b>							
Changes requested by Local Authority incl omissions/errors	L	0.50%	25%	100,000	125	0	The risk of Local Authority changes once the design briefs have been agreed is low. Any changes would require a demonstrable need and Council approval.
Compensation delay events arise leading to additional costs - contractors claims for changes etc..	H	0.25%	75%	100,000	188	0	This risk relates to contractor claims for WDC changes. Under a traditional procurement, there would always be claims for example, due to late instructions.
Difficulties obtaining Statutory Requirements/Responsibilities lead to additional costs, e.g. to secure building warrants	L	0.75%	25%	100,000	188	0	The Council would manage this aspect of the procurement very carefully under a traditional procurement - probably through obtaining warrants at certain stages of the construction programme. The risk is therefore assessed as low.
Difficulties with connection arrangements/infrastructure e.g. Scottish Water, leaves etc lead to delays/costs	H	0.75%	75%	100,000	563	0	This is a high risk - Scottish Water are apparently delaying connections and also requesting that Procuring Authorities pay for Scottish Water to upgrade their infrastructure. This has not been taken into account in developing the costs.
Inclement Weather causes delays or damage	L	1.00%	25%	4,400	0	11	Inclement weather results in a contractors right to an extension of time. The cost impact on the Authority would be limited to duplicated running costs. The risk is assessed as low.
Unforeseen issues involved in demolition cause delays or costs- asbestos covered above	L		25%	100,000	0	0	There is a very low risk of additional costs being incurred in demolishing the four schools especially as the asbestos risk is covered above. This risk has therefore not been quantified.
Cost of Materials rise	L	1.00%	25%	100,000	250	0	The risk of material cost rises due to indexation levels is covered under economic risks. The remaining risk is considered low and would arise for example, if there were changes in taxation.

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				Value £'000	Risk Value £'000	Risk Value £'000	
Protester Action causes delays/damage	L		25%	100,000	0	0	This is not considered a major risk and therefore not quantified.
Contractor (main or sub) Defaults	L	5.00%	25%	100,000	1,250	0	Performance bonds and guarantees would be included under traditional procurement. The issue would be the impact of any delays and the impact this would have on the forecast construction costs to complete the buildings. The risk is assessed as low and has been priced on the basis of the probability of incurring a 5% increase in costs.
Third party claims/damage - covered by Contractor claims	L		25%	100,000	0	0	This has been covered by the risk of contractor claims
Uninsurable Risks	L	0.50%	25%	100,000	125	0	This would cover risks such as civil commotion, war, sonic boom etc...
Vandalism risk - contractor risk under traditional procurement	M		50%	100,000	0	0	This has not been quantified as it is a contractor risk during the construction period, under traditional procurement.
Working in existing school sites results in time delays due to noise minimisation etc..	M	0.50%	50%	100,000	250	0	The construction timetable will be designed to minimise the impact of this. In practice, delays in contract award will impact upon the construction timetable and may impact upon the timing of certain works. This would normally be covered by a Contractor claim and a risk allowance has been made for this.
Wildlife	L	0.50%	25%	100,000	125	0	This risk would relate to delays or additional costs being incurred by the contractors due to wildlife e.g. bats, badgers etc..There is no knowledge of wildlife being a particular issue at the project school sites although the St Columba's site does have deer there.
Unavailability of skilled workers - cover under construction cost inflation		0.00%	0%	100,000	0	0	This is covered under construction cost indexation risk.
Temporary access for construction works more expensive than anticipated	M	0.25%	50%	100,000	125	0	This relates to the St Columba's site where the contractor may wish to improve the construction access.
		0.00%	0%	100,000	0	0	
		0.00%	0%	100,000	0	0	
		0.00%	0%	100,000	0	0	

#### 4. Operational - FM & LCM - Risks

Completed facility fails to meet WDC requirements	L	2.00%	25%	100,000	500	0	This is the risk that additional capital works are required to ensure that the completed schools meet WDC requirements.
Vandalism including fire raising and theft below excess level	M	5.00%	50%	4,400	0	110	There is a medium probability that vandalism will occur resulting in damage below the excess level. The schools will have sprinkler systems installed however, these do cause water damage.
Compliance with Output Specification, including quality standards	H	10.00%	75%	4,400	0	330	This has been calculated as the risk that additional staff would need to be recruited by the Council to meet the standard of services included within the specification. It has been assessed that there is a high probability of a 10% increase in costs.
Fire & other insurable risks (excluding vandalism) below excess	L	2.00%	25%	4,400	0	22	
Force Majeure	L	1.00%	25%	4,400	0	11	
Costs and Availability - labour, materials for FM & LCM, utilities usage	M	5.00%	50%	4,400	0	110	This is the risk that the staff costs and material costs will be greater than expected over the 30 years of the contract.
Insurance premium costs during operational phase (fire etc)	M	2.00%	50%	4,400	0	44	Risk of movement in insurance premium costs over the 30 years
Utilities including water and sewage cost more than expected due to market price increases	H	1.00%	75%	4,400	0	33	The Project team assessed the risk of utility price increases as high over the 30 years of the contract.
The utilities, including water and sewage, cost more due to increased volume	M	1.00%	50%	4,400	0	22	The Project team assess the risk of variations in the volume of utilities to be consumed as medium over the 30 year contract period.
LCM costs increase by more than RPIx over the 30 year period	M	1.00%	50%	4,400	0	22	There is a medium risk of an additional 1% cost overrun in LCM costs. This is in addition to the risk of labour and material costs being greater than expected.
Single Status Agreements - not quantified	H	0.00%	75%	4,400	0	0	
			0%		0	0	
			0%		0	0	

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					Risk Value £'000	Risk Value £'000	
<b>6. Strategic Risks (socio-economic)</b>							
Demand - too many pupils wish to attend	L	0.00%	25%		0	0	This risk has not been quantified here. IT is reviewed in detail within the Review of Accounting Treatment Paper
Demand - fewer than expected pupils wish to attend	L	0.00%	25%		0	0	
School facilities do not meet future curricular needs inc vocational training	M	0.20%	50%	100,000	100	0	The Council has endeavoured to ensure that school flexibility is prioritised within the output and services specification. Future developments may include the incorporation of electronics within the curriculum or the development of tourism and hospitality training. This has been priced on the basis of additional capital works being undertaken in the later half of the 30 years.
Need to adapt schools for ASN pupils if national policy dictates	L	0.00%	25%		0	0	This risk has not been quantified. There are currently 20 children which require this support. There would be additional capital and revenue spend.
		0.00%	0%		0	0	
		0.00%	0%		0	0	
		0.00%	0%		0	0	
<b>7. Regulatory and fiscal risks</b>							
Legislative / Regulatory Change - General including tax	M	0.20%	50%	100,000	100	0	The risk has been assessed on the basis of the risk that additional capital expenditure will be required.
Legislative / Regulatory Change - Education Specific	H	1.50%	75%	4,400	0	50	This risk has been assessed on the basis that additional revenue resources need to be committed to meet educational specific legislation change - for example, changes in the minimum class sizes
Income Generation Targets are not met	L	0.00%	25%	4,400	0	0	No third party income has been included within the financial model and this risk has not therefore been quantified.
Indexation levels greater than expected - capex	M	5.00%	50%	100,000	2,500	0	This is risk that capital cost indexation (BCIS) is greater than forecast. This is perceived as a medium risk given the variability in the index in recent years and that the timing of the WDC project coincides with the building programme for the London Olympics. It has been assessed on the basis of a 5% increase over forecast levels.
Indexation levels greater than expected - FM/LCM - covered under operational		0.00%	0%	4,400	0	0	
		0.00%	0%	4,400	0	0	
		0.00%	0%	4,400	0	0	
		0.00%	0%	4,400	0	0	
<b>8. Project Delivery/Project Management Risks</b>							
The cost of bonds and warranties (e.g. performance wraps) is greater than predicted	L	1.00%	25%	100,000	250	0	Although this was considered a low risk an allowance was made for an increase in the cost of performance bonds
The anticipated Performance of Service Provider / Consortium, as included within the contract, is less than predicted other than for reasons included under other headings	L	2.00%	25%	4,400	0	22	In terms of the CPAM, this relates to the additional costs WDC may need to incur to ensure that meet the required service levels included within the services specification.
Cost of obtaining funding for additional works or changes are greater than expected during project lifetime	L	1.00%	25%	100,000	250	0	
Interest Rate Changes - before Contract Signature	L	0.00%	25%	100,000	0	0	This has not been quantified as it is not relevant to the CPAM
Interest Rate Changes - post Contract Signature	L	0.00%	25%	100,000	0	0	This has not been quantified as it is not relevant to the CPAM
FM Service Provider failure to perform	L	1.00%	25%	4,400	0	11	If the FM service provider failed the Council would consider external FM provision. The risk is assessed on the basis of the additional costs that would be incurred.
			0%				
			0%		0	0	
			0%		0	0	
<b>SUMMARY</b>		£	%		13,950	853	
<b>Total Value of Risks based on Capital Costs (Assumed to be £100 million):</b>		£13,950	13.95%				
<b>Total Value of Risks based on Operating Costs (Assumed to be £X million p.a.):</b>		£853	19.38%				
<b>Total Risk Value</b>		<b>£14,803</b>					

Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC	Contractor	Shared	Construction	FM	Construction	FM
	£'000	£'000	£'000				£'000	£'000	£000				
<b>1. Site &amp; Planning Risks</b>													
Problems obtaining Access Agreements and Consents lead to additional costs	£125	£0	£125	100%			£125	£0	£0	£0	£0	£0	£0
Unforeseen ground/site conditions including adjacent structures	£750	£0	£750		100%		£0	£750	£0	£750	£0	£0	£0
Conditions attached to outline planning more onerous than expected	£0	£0	£0	100%			£0	£0	£0	£0	£0	£0	£0
Conditions attached to detailed planning more onerous than expected within CPAM	£1,250	£0	£1,250		100%		£0	£1,250	£0	£1,250	£0	£0	£0
Permanent access to schools (except Vale of Leven) more expensive than anticipated	£250	£0	£250		100%		£0	£250	£0	£250	£0	£0	£0
Permanent access to Vale of Leven Academy more expensive than anticipated	£250	£0	£250	100%			£250	£0	£0	£0	£0	£0	£0
Judicial Review Risk relating to planning	£250	£0	£250	100%			£250	£0	£0	£0	£0	£0	£0
Archaeological findings/history on site	£125	£0	£125		100%		£0	£125	£0	£125	£0	£0	£0
Sport Scotland request additional facilities	£125	£0	£125	100%			£125	£0	£0	£0	£0	£0	£0
Asbestos within existing schools more costly to remove than anticipated (£400k allowed within costs)	£1,875	£0	£1,875		100%		£0	£1,875	£0	£1,875	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0										
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0

Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC £'000	Contractor £'000	Shared £000	Construction	FM	Construction	FM
	£'000	£'000	£'000										
<b>1. Site &amp; Planning Risks</b>													
<b>2. Design Risks</b>													
Changes in Design Standards & Codes of Practice lead to additional costs	£125	£0	£125		100%		£0	£125	£0	£125	£0	£0	£0
Changes requested by Service Provider lead to additional costs	£125	£0	£125		100%		£0	£125	£0	£125	£0	£0	£0
Changes requested by Local Authority (incl omissions/errors) lead to additional costs	£375	£0	£375	100%			£375	£0	£0	£0	£0	£0	£0
Failure to design by architects/designers to brief leads to part or whole redesign	£188	£0	£188		100%		£0	£188	£0	£188	£0	£0	£0
Legislative/Regulatory Changes lead to changes in design requirements - post financial close, pre-completion of construction	£250	£0	£250		100%		£0	£250	£0	£250	£0	£0	£0
Design flaws result in failure of a core service element and increased operating costs	£0	£55	£55		100%		£0	£55	£0	£0	£55	£0	£0
Risk that additional circulation space is required (PSC assumes 24%)	£1,000	£0	£1,000		100%		£0	£1,000	£0	£1,000	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0

Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC	Contractor	Shared	Construction	FM	Construction	FM
	£'000	£'000	£'000				£'000	£'000	£000				
<b>1. Site &amp; Planning Risks</b>													
<b>3. Construction and commissioning risks</b>													
Changes requested by Local Authority incl omissions/errors	£125	£0	£125	100%			£125	£0	£0	£0	£0	£0	£0
Compensation delay events arise leading to additional costs - contractors claims for changes etc..	£188	£0	£188			100%	£0	£0	£188	£0	£0	£188	£0
Difficulties obtaining Statutory Requirements/Responsibilities lead to additional costs, e.g. to secure building warrants	£188	£0	£188		100%		£0	£188	£0	£188	£0	£0	£0
Difficulties with connection arrangements/infrastructure e.g. Scottish Water, leaves etc lead to delays/costs	£563	£0	£563		100%		£0	£563	£0	£563	£0	£0	£0
Inclement Weather causes delays or damage	£0	£11	£11			100%	£0	£0	£11	£0	£0	£0	£11
Unforeseen issues involved in demolition cause delays or costs- asbestos covered above	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
Cost of Materials rise	£250	£0	£250		100%		£0	£250	£0	£250	£0	£0	£0
Protester Action causes delays/damage	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
Contractor (main or sub) Defaults	£1,250	£0	£1,250		100%		£0	£1,250	£0	£1,250	£0	£0	£0
Third party claims/damage - covered by Contractor claims	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
Uninsurable Risks	£125	£0	£125			100%	£0	£0	£125	£0	£0	£125	£0
Vandalism risk - contractor risk under traditional procurement	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
Working in existing school sites results in time delays due to noise minimisation etc..	£250	£0	£250			100%	£0	£0	£250	£0	£0	£250	£0
Wildlife	£125	£0	£125		100%		£0	£125	£0	£125	£0	£0	£0
Unavailability of skilled workers - cover under construction cost inflation	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
Temporary access for construction works more expensive than anticipated	£125	£0	£125		100%		£0	£125	£0	£125	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0

Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC	Contractor	Shared	Construction	FM	Construction	FM
	£'000	£'000	£'000				£'000	£'000	£000				
<b>1. Site &amp; Planning Risks</b>													
<b>4. Operational - FM &amp; LCM - Risks</b>													
Completed facility fails to meet WDC requirements	£500	£0	£500			100%	£0	£0	£500	£0	£0	£500	£0
Vandalism including fire raising and theft below excess level	£0	£110	£110		100%		£0	£110	£0	£0	£110	£0	£0
Compliance with Output Specification, including quality standards	£0	£330	£330		100%		£0	£330	£0	£0	£330	£0	£0
Fire & other insurable risks (excluding vandalism) below excess	£0	£22	£22		100%		£0	£22	£0	£0	£22	£0	£0
Force Majeure	£0	£11	£11			100%	£0	£0	£11	£0	£0	£0	£11
Costs and Availability - labour, materials for FM & LCM, utilities usage	£0	£110	£110		100%		£0	£110	£0	£0	£110	£0	£0
Insurance premium costs during operational phase (fire etc)	£0	£44	£44			100%	£0	£0	£44	£0	£0	£0	£44
Utilities including water and sewage cost more than expected due to market price increases	£0	£33	£33	100%			£33	£0	£0	£0	£0	£0	£0
The utilities, including water and sewage, cost more due to increased volume	£0	£22	£22		100%		£0	£22	£0	£0	£22	£0	£0
LCM costs increase by more than RPIx over the 30 year period	£0	£22	£22		100%		£0	£22	£0	£0	£22	£0	£0
Single Status Agreements - not quantified	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
<b>6. Strategic Risks (socio-economic)</b>													
Demand - too many pupils wish to attend	£0	£0	£0	100%			£0	£0	£0	£0	£0	£0	£0
Demand - fewer than expected pupils wish to attend	£0	£0	£0	100%			£0	£0	£0	£0	£0	£0	£0
School facilities do not meet future curricular needs inc vocational training	£100	£0	£100	100%			£100	£0	£0	£0	£0	£0	£0
Need to adapt schools for ASN pupils if national policy dictates	£0	£0	£0	100%			£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0



Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC	Contractor	Shared	Construction	FM	Construction	FM
	£'000	£'000	£'000				£'000	£'000	£000				
<b>1. Site &amp; Planning Risks</b>													
<b>7. Regulatory and fiscal risks</b>													
Legislative / Regulatory Change - General including tax	£100	£0	£100		100%		£0	£100	£0	£100	£0	£0	£0
Legislative / Regulatory Change - Education Specific	£0	£50	£50	100%			£50	£0	£0	£0	£0	£0	£0
Income Generation Targets are not met	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
Indexation levels greater than expected - capex	£2,500	£0	£2,500		100%		£0	£2,500	£0	£2,500	£0	£0	£0
Indexation levels greater than expected - FM/LCM - covered under operational	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0

**8. Project Delivery/Project Management Risks**

The cost of bonds and warranties (e.g. performance wraps) is greater than predicted	£250	£0	£250		100%		£0	£250	£0	£250	£0	£0	£0
The anticipated Performance of Service Provider / Consortium, as included within the contract, is less than predicted other than for reasons included under other headings	£0	£22	£22		100%		£0	£22	£0	£0	£22	£0	£0
Cost of obtaining funding for additional works or changes are greater than expected during project lifetime	£250	£0	£250			100%	£0	£0	£250	£0	£0	£250	£0
Interest Rate Changes - before Contract Signature	£0	£0	£0	100%			£0	£0	£0	£0	£0	£0	£0
Interest Rate Changes - post Contract Signature	£0	£0	£0		100%		£0	£0	£0	£0	£0	£0	£0
FM Service Provider failure to perform	£0	£11	£11		100%		£0	£11	£0	£0	£11	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
0	£0	£0	£0				£0	£0	£0	£0	£0	£0	£0
	<b>£13,950</b>	<b>£853</b>	<b>£14,803</b>				£0	£0	£0	<b>£11,288</b>	<b>£704</b>	<b>£1,313</b>	<b>£66</b>

SUMMARY		Check	WDC	Contractor	Shared	Total
			£	£	£	
Total Risk Values:	£14,803	14,803	£1,432,500	£11,991,500	£1,378,500	£14,802,500
Total Value of Risks based on Capital Costs:	£13,950 13.95%	13,950	£1,350	£11,288	£1,313	£13,950
Total Value of Risks based on Operating Costs:	£853 19.38%	853	£83	£704	£66	£853
Risk percentage to be applied to CPAM (Capital Costs)	11.94%					
Risk percentage to be applied to CPAM (Operating Costs)	16.75%					
Risk percentage retained by WDC (Capital Costs)	2.01%					

Description of Risk	Capex	FM/LCM	Total	Direct Procurement Risk shares			Direct Procurement Risk Values			Split of contractor risks		Split of shared risks	
	Risk Value	Risk Value	Risk Value	WDC	Contractor	Shared	WDC £'000	Contractor £'000	Shared £000	Construction	FM	Construction	FM
	£'000	£'000	£'000										
<b>1. Site &amp; Planning Risks</b>													
Risk percentage retained by WDC (Operating Costs)	2.63%												