

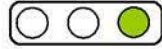
RISK STATUS



RED – Treatment Strategy behind programme



AMBER – Treatment Strategy on programme



GREEN – Treatment Strategy ahead of programme or complete

Tram – Stakeholder Risks

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
Failure to demonstrate robust case for scheme against required tests of Affordability, Financial Viability, Economic Viability and Modal Shift	<ul style="list-style-type: none"> Business case is not acceptable Approvals delayed Slips into purdah period 	Regular engagement with stakeholders to ensure clarity of requirements		Aug-Nov 06	Stewart McGarrity A&B
		Progressive development of draft business case			
		Updated Project estimate			
Political risk to continued commitment of TS/CEC support for the Tram scheme	<ul style="list-style-type: none"> Reversal of decisions by incoming administrations in either or both of CEC and Holyrood Project becomes key political issue during election campaign Protracted decision making and unnecessary debate during consideration of Business Case 	Monitor likely outcomes and do our best to brief all relevant parties about the project in a balanced way		Aug-Nov 06	Willie Gallagher A Andie Harper B
		'Hearts and minds' campaign including Senior Executive Officer meetings with Councillors and MSPs			
		Regular briefings and discussions with senior CEC and TS officers particularly in relation to Full Council presentations			
Poor project governance	<ul style="list-style-type: none"> Insufficient information flow to decision makers Slow or overturned decision making Failure to grasp or create opportunities 	Seek clarity of Delegated Authorities of TS and CEC representatives attending Board meetings		Aug 06	Graeme Bissett A Geoff Gilbert B

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
JRC model is insufficiently robust to support the Business Case.	<ul style="list-style-type: none"> Business case not approved. Time delay and resultant costs caused by redesign and remodelling. 	Intense engagement of TS, CEC and TEL in the development and delivery of patronage, revenue and BCR projections during August and September.		Aug-Sept 06	Stewart McGarrity A&B
		Hold meeting with JRC and stakeholders to discuss results to gain confidence in performance.			
		Encourage approval for tram to be given appropriate priority at junctions during operation.			
		Scenario modelling of estimate			
If there is inadequate progress on the operational system including bus/tram integration, development of network service pattern and TEL Business Plan may not be sufficiently robust.	<ul style="list-style-type: none"> Delay to JRC programme. Reworking of Plans or poorly developed Infraco arrangements with consequential delays due to re-working/change. Increased operating costs and loss of potential revenue. 	Develop clarity on the role and planned deliverables of TEL to bring about integration including development of ticketing strategies and bus/tram service patterns.		Aug 06	Neil Renilson/ Bill Campbell (TEL) A Stewart McGarrity A
		Model integration plans through JRC with rigorous review process using LB knowledge.			
		Identify optimal position for a combined tram/bus position.			
		Prepare TEL Business Plan (incorporating business case tram for system) with development of necessary policies to cover operations.			
Funding not secured or agreements not finalised regarding the total aggregate funding including £45m CEC contribution; developer contributions; cashflow/funding profile; financial covenant; and public sector risk allocation e.g. inflation	<ul style="list-style-type: none"> Possible showstopper. Delays and increase in out-turn cost may affect affordability. 	Ensure close and continual interactions with TS and CEC to establish funding delivery confidence and agreement.		Oct 06	Graeme Bissett A Geoff Gilbert B
		Confidence required in contingency figures.			

Note A=Stakeholder Risk owner, B= Project Support to Stakeholder Risk Owner

4 September 2006

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
Agreement on financial over-run risks sharing has not been reached between CEC and TS due to doubts over costs staying in budget.	<ul style="list-style-type: none"> Potential showstopper to project if agreement is not reached. 	Hold discussions with CEC & TS to ensure adequate release of funds at appropriate periods of time.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Dec 07	John Ramsay (TS) A
		Understand commitments by TS and CEC re: 1A and 1B	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Facilitate agreement between CEC and TS.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
Uncertainty about requirements for wider area modelling and need and extent of construction works required on road network	<ul style="list-style-type: none"> Increased construction cost. Delay while additional funding is found. 	Clarify and agree boundaries of scope and funding provision between TS and CEC	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Oct 06	Willie Gallagher A Trudi Craggs B
Failure to reach a suitable agreement with CEC regarding: <ul style="list-style-type: none"> a. Roads maintenance responsibility where the tram has been installed in CEC maintained roads; b. What is and is not realistically within the scope of the tram infrastructure delivery contract; c. The way in which tram UTC priorities are handled at key junctions. 	<ul style="list-style-type: none"> Delay to project while agreement with CEC is reached. Sacrifices being made to ensure agreement is concluded. 	Heads of Terms in place by end Oct	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Dec 06	Willie Gallagher A Trudi Craggs B
		Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and tie	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Final alignments in place	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
Delay in land acquisition due to uncertainty of political commitment to scheme.	<ul style="list-style-type: none"> Delays to Infracore and the overall Tram project. 	Achieve approval as part of the Draft Final Business Case 1	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Dec 06- Feb 07	Willie Gallagher A Susan Clarke B
		Develop alternative programme scenarios and commentary.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Manage the political risk and enfranchise all political stakeholders in the benefits of Tram.	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>		
Business case is not approved during February 2007 due to lack of	<ul style="list-style-type: none"> Delay and resultant cost 	Maintain procurement programme to deliver critical business case inputs	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Feb 07	Stewart McGarrity A

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
political commitment due to impending elections until Summer 2007.	<ul style="list-style-type: none"> impacts (inflation) on total cost. Political support may evaporate. 	Managing expectations on the part of TS and CEC as to the certainty with respect to costs which are reflected in the business case.			Bob Dawson B
Failure to engage with Transdev in order to adjust DPOFA in line with the development of the Infraco and Tramco procurements. This includes negotiation to secure Transdev acceptance of a subcontract to support system commissioning responsibilities.	<ul style="list-style-type: none"> Failure to achieve most effective commercial solution Delay in resolution of Agreements 	Engage with Transdev to ensure adjustment to DPOFA and negotiate requirements.		Ongoing	Graeme Blissett A Alasdair Richards B
Negative PR coverage due to perceived gaff in project	<ul style="list-style-type: none"> Damage to tie's reputation Loss in confidence of tie's delivery Funder/promoter dissatisfaction 	Control confidential information and closely monitor Fol(S)A requests		Ongoing	Suzanne Waugh A
		Develop relationship with press with support for PR advisors to control stories			Mike Connelly B

Tram – Project Risks

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
Unacceptable or inaccurate assumptions are used during JRC modelling and SDS design is based on the model.	<ul style="list-style-type: none"> Runtime performance requirements are not achieved. Business case is not approved due to doubts over model. Delay during remodelling and redesign resulting in cost and time impacts. 	Continually monitor JRC output through close interaction and progress meetings.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Sep 06	Stewart McGarrity
		Assumptions Approvals process.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Ensure regular interaction with stakeholders to keep them informed of progress and expected model results.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
Infraco tender documents are not issued on time	<ul style="list-style-type: none"> Delay to Infraco contract award and whole project progress. Potential showstopper due to cost and loss of political will. 	Continue to work on developing documents to issue on schedule and conduct tender and ongoing negotiations indicating the phased release of design information	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Oct 06	Bob Dawson
		Identify what information is critical to pricing by Infraco.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Procure legal advisor commitment to documents and deadlines set (action complete).	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Take on additional resource if necessary and appropriate.	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
		Ensure that governance structure facilitates fast decision making, review of documents and agreement to procurement strategy by stakeholders	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>		
Infraco tenderers seek extensions of time during tender period	<ul style="list-style-type: none"> Delay to market pricing and confirmation of business case capex requirements 	Agree bid programme with bidders and manage them to deliver to agreed dates	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	Aug-Sep 06	Bob Dawson

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
Third party consents including Network Rail, CEC Planning, CEC Roads Department, Historic Scotland, Building Fixing owner consent is denied or delayed.	<ul style="list-style-type: none"> Delay to programme. Risk transfer response by bidders is to return risk to tie Increased out-turn cost if transferred and also as a result of any delay due to inflation 	Engagement with third parties to discuss and obtain prior approvals to traffic management plans, landscape and habitat plans, TTROs, TROs and construction methodologies in relation to archaeological and ancient monuments		Aug-Oct 06	Trudi Craggs
		Identify fallback options			
SDS deliverables are considered to be below quality levels required or late in production	<ul style="list-style-type: none"> Delay in submission of information to Infraco Delay in achieving consents and approvals Dilution of effort to de-risk Infraco pricing 	Identification of key areas requiring SDS attention. Re-focus SDS effort. Consider inclusion of services within Infraco agreement.		Sept 06-Oct 06	Geoff Gilbert
Insufficient planning of procurements and controls on management and contract costs.	<ul style="list-style-type: none"> Weak procurement plan Cost creep Damage to reputation 	Present update on procurement plans		Sept 06	Geoff Gilbert
		Closely manage expenditure including examination of opportunities for value engineering, influence of change and optimisation of value for money			
Procurement strategy has high level of risk transfer to contractors which results in a failure to sustain suitable interest from the market throughout bid process.	<ul style="list-style-type: none"> Increased price of bids Withdrawal of bidders during bid process 	Make risk allocation clear to bidders		Oct 07	Bob Dawson
		Identify feasible alternatives to risk allocation and allow negotiation of risk allocation			
Infraco tender returns are outside forecast estimates and business case capex limit	<ul style="list-style-type: none"> Draft Final Business Case requires major change and update Business case not sustainable Confidence is lost by 	Identify feasible options to enable scheme to proceed		Oct 06-Jan 07	Stewart McGarrity
		Conduct review of scenarios and approach to be taken for business case			

Risk Description	Effect(s)	Treatment Strategy	RAG Status	Due Date	Risk Owner
	Funders and politicians	Discuss contingency options with Funders and politicians			
Delay to early commencement (Jan 07) of depot works at Gogar	<ul style="list-style-type: none"> Potential delay and increased cost should longer timescale 	Resolve whether or not Leith alternative is viable		Oct 06	Susan Clark
		Gain TS agreement for early commencement of works including ground investigation, earthworks, emergency access road			
tie fails to secure sufficient resource to manage all relevant processes. Especially issue of ITN, issue of Business Case and evaluation of Infraco tenders by required time.	<ul style="list-style-type: none"> Failure to advance processes at required rate resulting in programme delays and missing of milestones 	Flexible approach to resourcing.		Ongoing	Colin McLaughlin
		Draw on TSS support for relevant work streams.			
Infraco refuses to accept or fully engage in novation of SDS and as a consequence award is successfully challenged	<ul style="list-style-type: none"> Significant delay to delivery of Tram Loss of Reputation Significant extra costs 	Consult with legal		Feb 07	Bob Dawson
		Introduce Infraco bidders to SDS as early as possible			