

**ANNEX 3**

**Excerpt from CYC KEY CORPORATE RISK REGISTER AT OCTOBER 2020 – York Central**

**KCR : York Central Project [1]: Delivery Risk - Infrastructure Works Cost Overrun.**  
 The project has an agreed baseline budget of £155m which must be operated within. Ownership of risks associated with exceeding this baseline must be clearly understood.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Cost of 'Phase 1 Infrastructure' works as a whole when fully designed and procured is in excess of the allowances made.</p> <p>Construction cost inflation and other market variables.</p>	<p>Phase 1 infrastructure costs unaffordable following final pricing and pressurising the agreed budget.</p> <p>In ability to fund all elements of Infrastructure plan.</p> <p>Development (or elements thereof) does not come forward.</p>	Possible	Major (19)	<p>Robust analysis of Infrastructure project costs appropriate to each respective design stage, and rationalisation against cost plan.</p> <p>Application and management of risk an optimism bias within cost plan.</p> <p>Monitoring of procurement/pricing exercises.</p> <p>Careful consideration of any scope/cost changes (change control)</p> <p>No risk to be taken by CYC on cost overrun beyond risk an optimism bias allowances – this will rest with the Landowners as the delivery organization.</p> <p>Possible agreement of a cap on cost overrun with CYC.</p> <p>Acceptance of cost overruns around management of the contract, excluding matters outside the control of CYC (e.g. ground conditions etc.).</p>	Possible	Moderate (14)	No change	<p>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</p> <p>Primary current action to conclude the IP2 price refinement process, report through CYC and Landowner governance structures and seek direction. (James Gilchrist) (28/01/2021).</p> <p>Ongoing monitoring of controls at CMT.</p>

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**KCR: York Central Project [2]: Funding Risk - Retained Funding:**  
 CYC funding for the development has a dependency on EZ borrowing based on projected recovery levels.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Non-delivery or delay of outcomes.</p> <p>Level of risk and/ or return not acceptable for planned investment.</p> <p>Delay to delivery programme diminishes EZ revenue.</p>	<p>Risk may increase due to changing dates for delivery.</p> <p>Risk is that the EZ borrowing is not recovered.</p> <p>Delayed and/ or disjointed development of the site leading to reduced funding availability and risk that scheme does not proceed.</p> <p>Increased costs attributed to wider funding streams.</p> <p>Critical infrastructure becomes undeliverable in envelope of available funding.</p> <p>Reduced site viability if required for critical infrastructure.</p> <p>Full benefits not realised.</p> <p>Extended timescales for site delivery.</p>	Possible	Catastrophic (23)	<p>Landowner funding terms to be agreed to guard against this risk.</p> <p>Risk assessment, reporting and decision making at CYC Exec to be considered.</p> <p>Liaison with BIZ around delivery timescales and impact of Covid-19 on delivery timescales and to request an appropriate extension.</p>	Possible	Major (19)	No change	<p>Coordination with Landowner through agreed governance arrangements – development of an agreed funding approach. (Neil Ferris).</p> <p>Ongoing monitoring of controls at CMT.</p>

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**KCR ??: York Central Project [3]: Funding Risk - Retained Funding:**  
 In February 2019 West Yorkshire Combined Authority (WYCA) Investment Committee approved the business case for West Yorkshire Transport Fund (WYTF+) funding (subject to conditions) and work towards a Full Business Case plus (FBC+) continues.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Inability to secure identified level of infrastructure funding.	WYCA don't agree to fund Homes England directly and CYC have responsibility for the associated costs.  Conditionality cannot be met	Possible	Catastrophic (23)	<p>Transfer / back to back of obligations from WYCA to Homes England.</p> <p>Consultation with Treasury to ensure proposed plan is sensible and achievable.</p> <p>IG/NF meeting with WYCA representatives - all parties wish to agree a single set of conditions that CYC/Homes England/WYCA are all party to.</p> <p>CYC to pass on back to back risk of delivery - CYC will not be holding the risk of delay etc. as this will pass through to Homes England. Preference to be set out for this risk to be passed straight to Homes England.</p>	Possible	Major (19)	No change.	<p>Coordination with Landowner through agreed governance arrangements – development of an agreed funding approach. (Neil Ferris).</p> <p>Ongoing monitoring of controls at CMT.</p>

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**KCR ??: York Central Project [4]: Contractual Risk - Millennium Green Land:**  
 Temporary use of land essential to the successful delivery of the first phase of infrastructure works.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Obligations of the conditional agreement are not met in part due to dependencies on action/progress by the Landowner	<p>Compensatory payment of £300k made to Millennium Green Trustees on the basis of the Infrastructure works proceeding within a given timeframe allowed for in the agreement.</p> <p>Works do not proceed as planned, conditions of the agreement are not met, wider delays and complexity.</p> <p>Loss of confidence, reputational impact.</p>	Unlikely	Minor (8)	<p>Back to back funding agreement or conditional arrangement with Homes England to be agreed which provides for compensation of CYC if the project fails to deliver and to satisfy the Millennium Green conditional agreement.</p> <p>Alternative option to enter into a license on the adjacent CYC land which contains the back to back arrangements on the £300k payment.</p> <p>Consideration of the £300k payment being made on account into escrow.</p> <p>Back to back arrangements with Homes England also to be applied to associated works costs.</p>	Unlikely	Minor (8)	No change	<p>Ongoing communication with MG Trustees in coordination with CYC. (David Warburton)</p> <p>Ongoing consideration of the MG conditional agreement and associated timescales. (David Warburton)</p> <p>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</p> <p>Ongoing monitoring of controls at CMT.</p>

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**KCR ??: York Central Project [5]: Contractual Risk - CYC Reserved Land in Millennium Green:**  
 Temporary use of land essential to the successful delivery of the first phase of infrastructure works.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Obligations of the [reserved land] agreement are not met in part due to dependencies on action/progress by the Landowner.	Works do not proceed as planned; conditions of the agreement are not met.  Loss of confidence, reputational impact.	Unlikely	Minor (8)	Use of the land for the delivery of the infrastructure works is to be managed under license and associated conditions.	Unlikely	Minor (8)	No change	Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist & Tracy Carter).  Ongoing monitoring of controls at CMT.

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**KCR ??: York Central Project [6]: Contractual Risk - Poyner Land:**  
 Land essential to the successful delivery of the project and the objectives of CYC and Partners must be developed to its potential.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Risk that the use of the land (landlocked by Homes England Land) is not optimised.	Full use value of land is not realised	Unlikely	Minor (8)	Outline Planning Permission in place which sets obligations on development and future Reserved Matters Applications.  Partner objectives for the scheme are aligned and should be maintained.	Unlikely	Minor (8)	No change	Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist & Tracy Carter).  Ongoing monitoring of controls at CMT.

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**KCR ??: York Central Project [7]: Communication and Engagement:**

Messaging and communication is essential in maintaining relationships with key stakeholders, community groups and public.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Poor ongoing community/stakeholder engagement. (Delivery of IP1 and IP2)</p> <p>Perceived lack of transparency triggers scheme opposition.</p>	<p>Prolongation of determination and potential failure to gain planning permission (IP2 RMA).</p> <p>Heightened risk of challenge during JR period (IP2 RMA).</p> <p>Full benefits not realised.</p> <p>Delay to delivery phase and potential loss of funding.</p>	Unlikely	Moderate (13)	<p>RMA comms/engagement strategy to be developed and deployed by mutual agreement between Partners (led my Homes England)</p> <p>RMA engagement to meet principles/ charter as set out in YCP Engagement Framework.</p> <p>Coordination with between Partners to ensure coordinated messaging.</p> <p>Nomination of appropriate representation on Landowners Design Review Board.</p>	Unlikely	Minor (8)	No change.	<p>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</p> <p>Ongoing monitoring of controls at CMT.</p>

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**KCR ??: York Central Project [8]: Development Outcomes:**  
 The success of the York Central Project is determined by the achievement of a series of interlinked, mutually dependent objectives.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>The development does not achieve the outcomes and benefits it set out to achieve.</p> <p>Risk that Landowners seek to vary the Outline Planning permission in place.</p>	<p>Key objectives of the Council Plan not realised in York Central;</p> <ul style="list-style-type: none"> <li>• Well-paid jobs and an inclusive economy.</li> <li>• A greener and cleaner city</li> <li>• Getting around sustainably</li> <li>• Good health and wellbeing</li> <li>• Safe communities and culture for all</li> <li>• Creating homes and world-class infrastructure</li> </ul>	Unlikely	Moderate (13)	<p>Outline Planning Permission provides control over height and massing, quality and scale and provides sound mitigation of this risk.</p> <p>WYCA bid sets out a series of objectives on which the associated funding is predicated.</p> <p>CYC General housing scheme.</p> <p>Conditional outcomes from £35m funding [WYCA]</p> <p>York Central Strategic Board Objectives</p> <p>Design Review Board objectives.</p>	Unlikely	Minor (8)	No change.	<p>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</p> <p>Ongoing monitoring of controls at CMT</p>

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**KCR: York Central Project [9]: Statutory Approvals - Planning.**  
 The project must comply with the requirements of CYC Highways, Planning and other CYC/Non CYC Statutory Authorities.  
 The initial infrastructure works, together with subsequent infrastructure packages and development plots must be brought forward in compliance with the Outline Planning Permission in place.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
CYC Planning Authority Risk that the Landowners fail to comply with Planning requirements/permissions.	Additional cost to the project.  Cost and time associated with LPA compliance enforcement.  Heightened risk of challenge during subsequent RMA JR periods for infrastructure and development plots.  Full benefits not realised.  Delay to delivery phase and potential loss of funding.	Possible	Major (19)	Apply normal Local Planning Authority controls to ensure compliance and delivery against applications.	Unlikely	Minor (8)	No change	Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist & Tracy Carter).  Ongoing monitoring of controls at CMT

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**KCR : York Central Project [10]: Statutory Approvals - Highways:**

The project must comply with the requirements of CYC Highways, Planning and other CYC/Non CYC Statutory Authorities.  
 Homes England, as the delivery organisation, will be required to secure Highways approval from CYC for the IP2 infrastructure works.  
 [It was previously intended that CYC would be the delivery organisation]

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Separation of delivery organisation and statutory authority – Homes England leading delivery rather than CYC.</p> <p>Risk that the works do not comply with Highways requirements.</p>	<p>Adding a statutory process (adoption) that could lead to delay.</p> <p>Additional cost to the project.</p> <p>Lack of integration around delivery and inspection by CYC Highways – additional associated cost.</p> <p>Risk of an extended delivery period as more inspections required.</p>	Possible	Moderate (14)	Close Partnership working and agreement of appropriate fees.	Unlikely	Moderate (13)	No change.	<p>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</p> <p>Ongoing monitoring of controls at CMT</p>

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**KCR : York Central Project [11]: Statutory Approvals - Office of Rail and Road:**  
 The project must comply with the requirements of CYC Highways, Planning and other CYC/Non CYC Statutory Authorities.  
 A key area of infrastructure in the scheme design features a level crossing where the new Leeman Road Spur meets the NRM running line and connection to the East Coast Main Line.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Failure to establish agreed Method of Work for NRM rail crossing to satisfaction of ORR.	Loss of certainty regarding key land plot availability.  Comprehensive development of the site disrupted.	Possible	Moderate (14)	Risk is beyond CYC experience and control.  ORR approval required - this is Homes England risk to be resolved before acceptance as a highway.	Unlikely	Moderate (13)	No change	Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist & Tracy Carter).  Ongoing monitoring of controls at CMT

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**KCR : York Central Project [12]: Infrastructure Delivery Risks (detailed) - Summary:**  
 There are a series of detailed risks associated with the delivery of Infrastructure Works by CYC. These are actively managed by Infrastructure delivery Board.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
A series of delivery focused risks categorized under;  External Stakeholder Financial & Efficiency Governance & Management Legal & Regulatory  Risks include matters around funding, land, communications/ engagement, procurement, resource/supplier management and statutory approvals.	Various	(Median) Unlikely	(Median) Major (18)	Various.	(Median) Unlikely	(Median) Moderate (13)	No change	Ongoing Action – Active management and reporting of risks at IDB level of (James Gilchrist).  Ongoing monitoring of controls at CMT.

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**KCR : York Central Project [13]: IDB & DCB (Landowner) Transitional Risks (detailed) - Summary:**  
 There are a series of detailed risks associated with the delivery of Infrastructure Works with the ultimate responsibility of the Landowner. These risks are being managed between CYC Infrastructure Delivery Board and Landowner through the current governance transition period.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p><i>A series of delivery focused risks categorized under;</i></p> <p><i>Stakeholder</i>  <i>Financial &amp; Efficiency</i>  <i>Governance &amp; Management</i>  <i>Legal &amp; Regulator</i></p> <p><i>Risks include matters around procurement, land, resource management, design and approvals.</i></p>	<p><i>Various.</i></p>	<p><i>(Median) Unlikely</i></p>	<p><i>(Median) Moderate (13)</i></p>	<p><i>Various.</i></p>	<p><i>(Median) Remote</i></p>	<p><i>(Median) Minor (2)</i></p>	<p><i>No change</i></p>	<p><i>Ongoing Action – Coordination with Landowner through agreed governance arrangements. (James Gilchrist &amp; Tracy Carter).</i></p> <p><i>Ongoing Action – Active management and reporting of risks at IDB level of (James Gilchrist).</i></p> <p><i>Ongoing monitoring of controls at CMT.</i></p>