

Likely construction impact

The purpose of the combined risk/issues assessment and impact assessment is to highlight and quantify the specific risks/issues currently being experienced throughout the construction industry. SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects - a summary and likely impact is required below which is consistent with the change procedure for the SBCD - **The findings and ongoing reporting of this assessment will form part of the quarterly monitoring reports and will be shared with all stakeholders including Welsh Government and UK Government.**

Area Impacted	Summary of the likely impact from risk/impact assessment	Likely impact (quantified)		
Cost/Finance		<i>*GBP£*</i>		
Delivery timeline / outputs / milestones		<i>*Months*</i>		
Quality / specification of the proposal highlighted in the business case		<i>*% or value or life expectancy etc.*</i>		
Benefits outlined within the business case / benefits register / funding agreement		<i>*% difference*</i>		

Impact on portfolio level benefits				
GVA		<i>*GBP*</i>		
Jobs Created		<i>*Nr*</i>		
Inward investment		<i>*GBP*</i>		

The categories above are consistent with the SBCD change procedure and should be reported as changes through the PoMO as outlined within the procedure

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (blue shaded section):

Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the Corrective action section (red shaded section)

Ref No.	Risk		Impact Criteria								Corrective action		
			Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders / partnerships commitment	Project costs	Procurement	Staff resourcing	Risk mitigation(s)	Requirements for recovery (October)	Review Date
People													
1	Decreased available labour and/or suitable subcontractors and suppliers	Issue	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	PM to ensure contractor is adequately resourced and reports issues in weekly meetings	12.10.22 lack of suitable local talent is resulting in movement of staff between partners and other local stakeholders, compromising deliverability and quality 05/10/22: Weekly Client/Consultant/Contractor PM meetings held, along with Bi-weekly Risk Reduction Meetings and Monthly Project meetings to track and resolve issues in a timely manner	Apr-23
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	Risk	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	PM assigned to managing contractor	05/10/22: Weekly Client/Consultant/Contractor PM meetings held, along with Bi-weekly Risk Reduction Meetings and Monthly Project meetings to track and resolve issues in a timely manner	Apr-23
Materials													
3	Lack of availability of construction materials (Brexit, Covid-19, Ukraine war, widened construction demand)	Issue	Low	Medium	Medium	Low	Low	Medium	Medium	Low	Increase inflation allowances and programme delays	15/12/22: Inflation increases in the order of £0.5M incurred to date (calculated as contract using BCIS indices) 05/10/22: Advance planning and early orders placed where ever possible to mitigate prices rises. Areas within Port allocated for additional storage for large items, such as piles, to assist with calling off early order. 5/4/22: Material price increases continue to rise. 26/5/21: Allow additional contingency allowance to account for increases in prices	Apr-23
4	Quality of materials (due to lack of stock of preferred option)	Issue	Low	Low	Low	Low	Low	Medium	Low	Low	Request material updates from contractor in project meetings	05/10/22: Client NEC Site Supervisor undertakes onsite checks of materials/workmanship to ensure specifications and details are adhered too.	Apr-23
Finance													
5	Rising construction costs results in exceeding/increasing programme / project budget	Issue	Medium	Medium	High	Medium	Medium	High	Medium	Low	This risk will vary based on the maturity of the brief at the point of establishing the budget and type of project. Cost databases to verify the budget for the project lot, as well as carrying out market testing, together with benchmarking capabilities to test for robustness before signing off for use will be used.	12.10.12 DEVEX funding also being impacted meaning the ability to get to point of capitalisation revenue costs is being compromised. 05/10/22: In addition to Client held risk and contingency sums the final main contractor sums include identified contractor costs agreed with Client/Consultants. Continued/regular tracking of costs and interrogation of payment applications continues. 01/08/2022: WEFO Grant increased to £8.2M in response to increased material costs/inflation. Identified Client and Contractor Risk pots agreed and sum added to budget/contingency increased. 20/8/21: WEFO has advised that a 50% increase in cost over the agreed budget will result in a claw back percentile. 14/10/21: Continue review of contractor pricing as received. Impact from COVID pandemic on material prices and inflation is under review.	Apr-23
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	Risk	Medium	Medium	High	Medium	Medium	Medium	Medium	Low	This is to be monitored on a progressive basis by MHPA and Chandler KBS. Thorough vetting will be required for the selection of the supply chain by appointed contractor	05/10/2022: continued monitoring of contractors financial health during course of project 01/08/2022: continued monitoring of contractors financial health during course of project	Apr-23
Timelines													
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	Issue	Low	Medium	Medium	Low	Low	Medium	Low	Low	PM managing programme and ensure contractors keep to schedule	05/10/2022: Float included in contract programme to allow for delay/weather 01/08/2022: Float included in contract programme to allow for delay/weather	Apr-23
8	delay in obtaining relevant construction related / operational approvals	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low	Ensure good communication with regulatory bodies to inform the program	05/10/2022: ongoing liason with PCC/NRW/CADW during project 01/08/2022: ongoing liason with PCC/NRW/CADW during project	Apr-23
Policy/political													
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases.	Issue	medium	medium	low	low	low	Medium	low	low	Commercial Director aware of requirements and keep dialogue with project PM	12.10.22 PDZ offshore substation location finalisation being delayed due to Crown Estate leasing area and HND delay. Continuing to survey to maintain ability to add value with project but pushing output target back.	Apr-23
Other													

10	Please highlight any other risks/issues in relation to construction not highlighted above																						
	COVID-19; Government restrictions of social distance working. Site closure, reduced efficiency of output and programme delays as a result of government regulations.		low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	Key to mitigating this risk is communication and as such will ensure regular dialogue is maintained with the project team and key stakeholders to mitigate the impact by ensuring, information is provided regarding construction activities and any implications on port operations that could impact the construction works. By opening the dialogue with stakeholders at an early stage these events can be incorporated into programmed works or mitigated to ensure there is minimal impact to the programme.	5/4/22: Welsh Government advice reduces controls for COVID-19 allowing work to revert to normal conditions	Apr-23
	Extreme weather		low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	Seek to maximise off-site fabrication where possible. Sufficient float should also be identified within the contractor's programme to allow for severe weather conditions. Challenge contractor programme once available	01/08/2022: float included in programme to cover weather delays 11/1/22: HA - Onsite work commenced during winter and programme altered to accommodate weather forecasts. 25/10/21: Lot 1 Contractor Final Pricing Programme expected 29th October 2021	Apr-23
	Possible increased costs and programme delays with UK Government leaving the European Union		medium	medium	high	medium	medium	high	medium	low											No allowances in the current cost plan is included for the effects of BREXIT tariffs when the UK leaves the European Union.	12.10.22 lack of clearly identifiable replacement funding following the closure of the ERDF program placing doubt on projects ability to meet expected outputs, outcomes and impacts 05/10/22: Impact/Allowances have been calculated into final agreed contract sums This is to be monitored with the to-be-appointed Contractor when agreeing a contract sum	Apr-23
	Lone working of surveyors/contractors		low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	low	Risk Assessments prepared and reviewed. Permit to Work issued and regular contact with Gate 1 Security stipulated.	Ongoing monitoring of work on site - raised at regular PDM meetings and minuted. RAMS and Permits managed by Project Manager.	Apr-23
	Accident on site		low	low	medium	medium	medium	low	low	low											All work to be carried out in accordance with Ports MPO02 (management of contractors).	Ongoing monitoring of work on site - raised at regular PDM meetings and minuted. RAMS and Permits managed by PM.	Apr-23
	Scope creep		medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	medium	Scope to be monitored against contracted package. Items that could be considered creep in scope to be clearly segregated from items that are additional to the original scope (eg engineering design).	PM to monitor and report through regular PDI team meetings.	Apr-23
	Environmental damage arising		low	low	low	low	medium	low	low	low											Ensure the successful contractor has the necessary experience to undertake the works and deploys robust risk and method statement assessments for key activities to avoid the risk of contamination as well as having readily available pollution control measures on site in the event of an emergency	05/10/22: Ecologists instructed/consulted as required along with MHPA Environmental Manager throughout project period. 01/08/2022: Redesign slipway to mitigate costs increases has resulted in an overall reduced ecological impact than previously identified 5/4/22: Both Marine Licence Variations have been approved and issued. 20/12/21: Marine Licence Variations submitted with revised method statements in early December 2021 14/10/21: NRW Marine Licences have been issued and will be adhered to.	Apr-23

Using the assessment of the risks associated with each assessment criteria provide an impact score associated with each in the table below:

ASSESSMENT CRITERIA	SCORING				October								
	0	5	10	20	Waterfront	Campuses	Yr Egin	PDM	Pentre Awel	Digital	SILCG	HAPS	Skills
Scope and key objectives	No change to project scope and key objectives	Limited and minor changes to project scope and key objectives	Widespread and major changes to project scope and key objectives	Significant change to project scope and key objectives	5	5	0						
Targets	No risk to achieving project targets	Short-term, limited impact to achieving project targets	Widespread, but relatively short term impact on achieving project targets	Significant, long-lasting impact on achieving project targets	5	5	0						
Timescales	No foreseeable delays to progress project	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	5						
Reputation if project fails to deliver	No negative impact on City Deal reputation and programme	Local and limited negative impact on City Deal reputation and programme	Regional and limited negative impact on City Deal reputation and programme	Significant impact on City Deal reputation and programme	10	5	0						
Stakeholders/partnerships commitment	No issues over stakeholder commitment and involvement	Limited and minor issues over stakeholder commitment and involvement	Widespread and major issues over major or multiple stakeholder commitment and involvement	Significant issues over a major or multiple key stakeholder commitment and involvement	0	0	0						
Project costs	No variance to project costs	0-10% variance	10-20% variance	20%+ variance	0	5	10						
Procurement	No impact on procuring services or infrastructure	Minor impact on procuring services or infrastructure	Major impact on procuring services or infrastructure	Significant impact on procuring services or infrastructure	5	5	5						
Staff resourcing	No impact to recruit and retain required staff	Limited impact to recruit and retain required staff	Widespread and major impact to recruit and retain required staff	Significant impact to recruit and retain required staff	10	5	0						
TOTAL					40	35	20	0	0	0	0	0	0
					C	C	D						

Suggested project categories relating to the risk and impact assessment score are as follows:

Project Risk and Impact Score	Suggested Project Category	Intervention
100+	A	Joint Committee commissioned task and finish group to conduct an in-depth review
50-99	B	Intervention required. Monitored and supported by the Regional Programme Office in conjunction with Project Team
25-49	C	No intervention required. Continue to monitor locally with support from the Regional Programme Office
0-24	D	No intervention required. Continue to monitor at a project level