

Appendix 3

Risk Log

Risk	Mitigation
Procurement risks	
1. Extended time periods are required to reach BAFO and to complete contract negotiations.	<ul style="list-style-type: none"> • Protocols to be agreed with two final shortlisted bidders, and with preferred partner to ensure process is managed as effectively and efficiently as possible. • Additional contingency budgeted.
2. Additional external advice is required to tackle unforeseen issues, unlock or structure negotiations.	<ul style="list-style-type: none"> • Structured approach to development of commercial documentation, combined with technical and property due-diligence, with intention of identifying issues early. • Additional contingency budgeted.
3. Insufficient staff capacity to manage the procurement process effectively and efficiently.	<ul style="list-style-type: none"> • Recruitment of full Aylesbury team taking place. • Profile of input from finance, legal, housing and planning teams being agreed ahead of time to allow for effective resource management. • Additional contingency budgeted.
4. Limited market appetite for the opportunity due to high bidding costs and risks relating to need for public sector investment.	<ul style="list-style-type: none"> • Profile of bidding requirements, pre-development obligations and obligations linked to phase 1, have been structured to lower the upfront costs for interested parties. • Commitment from the GLA to providing match-funding is being sought. • Bidders days to be held to demonstrate corporate commitment to the project. • The council has set aside sufficient funds through the housing investment programme to meet the envisaged investment needs of phase 1.
Contract / service delivery risks	
5. Developer does not meet agreed development milestones, due to insufficient funding and/or is unable or unwilling to fund or deliver the site/phase.	<ul style="list-style-type: none"> • Council will have the right to market or undertake development outside of the partnership. • Consistent delays for these reasons would also lead to the council being able to the partner being unable to recover costs and could ultimately lead to termination of the agreement, through the Key Performance Indicator regime.
6. Development agreement is insufficiently robust for the council to hold the partner to account in the case of non-performance, and exercise the remedies outlined above in risk 1.	<ul style="list-style-type: none"> • External legal and commercial advisors to be used to ensure that documentation is robust. • The elements of the agreement linked to performance management will be agreed as part of the competition and will subsequently be non-negotiable.
7. Council's requirements are unviable, even with anticipated public sector investment.	<ul style="list-style-type: none"> • The agreement will establish mechanisms for the parties to work together to resolve viability issues. As part of this process, the council will have the ability to consider varying its requirements, but cannot be obliged to do so. If an individual phase cannot be made viable, then it will not proceed.
8. Partner offers poor value for money after contracts on subsequent phases.	<ul style="list-style-type: none"> • Partner's maximum profit levels would form part of the competitive bid process and then be fixed for the term of the agreement. Any payments made, for example, for design services or the construction of new public spaces would be agreed through a benchmarking regime with all costs subject to independent review.

Risk	Mitigation
<p>9. Council is unable to deliver its vacant possession obligations.</p>	<ul style="list-style-type: none"> • Dedicated Aylesbury area housing management team leading the vacant possession process. • Partner's ability to support rehousing, by providing off-site stock through its own relets and offering a range of affordable options for existing leaseholders, will form part of the procurement. • The council's vacant possession obligation, will have a reciprocal obligation for the partner to deliver a pre-agreed pipeline of new affordable homes.