

**June 4<sup>th</sup> 2026**

## **Risk Assessment**

### **Proposed construction of a replacement sports pavilion/multi use building at the Glebe**

#### **Project Overview**

West Mersea Town Council proposes to demolish and replace the existing sports pavilion, which has reached the end of its useful operational life, with a new modern pavilion facility valued at approximately £1.2 million. The project is dependent upon external funding support from the Football Foundation, s106 monies, minor grants/club contributions and borrowing through a Public Works Loan. The Council must also determine whether to appoint a dedicated project manager to oversee delivery.

This risk assessment identifies the principal strategic, financial, operational, legal and reputational risks associated with the project and proposes mitigation measures.

<b>Ref</b>	<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Mitigation/Controls</b>
1	Failure to secure Football Foundation grant funding, resulting in project affordability gap	Medium	High	High	Engage with Football Foundation officers early; ensure project aligns with funding priorities; prepare robust business case, community use evidence and sustainability plan; obtain professional support with application.
2	Public Works Loan approval not obtained	Low-Medium	High	High	Ensure affordability assessments are completed; demonstrate long-term financial sustainability; obtain proper council resolutions and financial advice before application.
3	Rising interest rates increase repayment costs before borrowing is secured	Medium	Medium	Medium	Obtain indicative borrowing rates early.
4	Project costs exceed £1.2m budget	High	High	High	Include adequate contingency (10–15%); undertake detailed cost planning; appoint experienced design professionals; control scope changes.

5	Inflation and construction market volatility increase costs	Medium	High	High	Seek fixed-price contracts where possible; tender promptly; maintain contingency reserves; phase procurement appropriately.
6	Delays in planning permission or statutory approvals	Medium	Medium	Medium	Conduct pre-application discussions with planning authority; undertake surveys early; engage with local stakeholders and consultees.
7	Existing pavilion condition worsens before replacement completed	Medium	Medium	Medium	Carry out interim repairs and safety inspections; develop contingency arrangements for sports users.
8	Failure to appoint a competent project manager leads to poor project control, delays and overspend	Medium	High	High	Appoint experienced RICS/APM/CIOB- qualified project manager before procurement stage. (issue tender documents ASAP)
9	Poor reporting or unclear governance arrangements	Medium	High	High	Establish a working group, reporting structure and delegated responsibilities.
10	Contractor insolvency during project	Low-Medium	High	High	Undertake financial due diligence; require performance bonds and warranties; use staged payments tied to milestones.
11	Procurement challenge or non-compliance with public procurement rules	Low	High	Medium	Obtain legal/procurement advice; follow Contract Standing Orders and applicable procurement legislation.
12	Community opposition to development	Low-Medium	Medium	Medium	Undertake public consultation; communicate community benefits clearly; incorporate user feedback into design.
13	Insufficient future revenue to maintain pavilion and loan repayments	Medium	High	High	Prepare long-term business and maintenance plan; identify hire income streams and operational costs; maintain reserves.
14	Health and safety incidents during construction	Low	High	Medium	Ensure CDM Regulations compliance; appoint competent principal designer

					and contractor; monitor site safety.
15	Environmental or ground condition issues discovered	Medium	Medium	Medium	Commission surveys (asbestos, drainage, ecology, geotechnical) before final design and tender.
16	Delays to football seasons or loss of facility access during build	Medium	Medium	Medium	Programme works around sporting calendar where possible; provide temporary accommodation in conjunction with the sports clubs, if necessary and affordable.
17	Reputational damage if project fails or significantly overruns	Medium	High	High	Maintain transparent governance, regular reporting and stakeholder communication.
18	Failure to meet Football Foundation conditions after award	Low	High	Medium	Monitor compliance obligations; maintain records; allocate responsibility for grant conditions management.
19	Weak governance and unclear decision-making	Medium	High	High	Establish working group with defined authority, reporting arrangements and delegated responsibilities.
20	Insufficient resources to run day-day administration of the building e.g. a manager would need to be employed	Low	Medium	Medium	Ensure continuity of day-to-day building administration by implementing temporary contracted management support, cross-training existing staff, and maintaining documented procedures until a permanent manager is appointed.
21	The sports clubs becoming financially unviable and unable to meet their financial commitments.	Low	Medium	Medium	Regular financial monitoring, diversified revenue planning, and early intervention measures ensure clubs remain solvent and able to meet their commitment.

# Key Strategic Considerations

## 1. Funding Dependency Risk

The project is financially dependent upon securing external grant funding and borrowing approval. Failure to obtain either may render the project unviable or significantly reduce the scope of the development.

The Council should therefore:

- Avoid entering into major contractual commitments before funding confirmation.
- Prepare a detailed and evidence-based funding application.
- Develop fallback options, such as phased delivery or revised specification.
- Failure to act at this stage would entail ongoing extensive maintenance costs when the building is no longer fit for purpose. Costs will only continue to rise.

---

## Consideration of Appointing a Project Manager

### Risks of Not Appointing a Project Manager

Without dedicated project management support, the Council may face:

- Poor coordination between architects, contractors and stakeholders.
- Cost overruns and weak budget monitoring.
- Programme delays.
- Insufficient contract administration.
- Reduced ability to manage grant compliance and reporting.
- Increased pressure on council officers and councillors.
- Greater exposure to governance and reputational risks.

For a capital project valued at approximately £1.2 million, these risks are significant.

---

### Benefits of Appointing a Project Manager

A suitably qualified project manager could:

- Coordinate the full project lifecycle.
- Monitor budget, programme and risks.
- Manage consultants and contractors.
- Ensure compliance with funding conditions.

- Provide regular reporting to Council.
- Reduce likelihood of disputes and variations.
- Improve procurement and contract oversight.
- Act as a single point of accountability.

Typical project management costs are up to 15% of project costs depending on scope, procurement route and services included; however, effective project management often reduces overall project risk and can prevent substantially higher overspend.

---

### **Overall Assessment**

The replacement pavilion project is achievable and capable of delivering substantial long-term community and sporting benefits. However, it carries significant financial, governance and delivery risks due to:

- Dependence on external funding,
- Borrowing commitments,
- Construction cost pressures,
- Complexity of stakeholder management.

The most significant controllable risk relates to project governance and delivery management.

---

### **Recommendation**

It is recommended that the Town Council:

1. Proceed with development of the project subject to funding viability.
2. Submit applications to the Football Foundation and Public Works Loan Board.
3. Establish a formal project governance structure.
4. Appoint an appropriately qualified independent project manager to oversee delivery of the scheme.
5. Maintain adequate financial contingency within the project budget.
6. Undertake full due diligence, including planning permissions, surveys, affordability assessments and procurement advice before committing to construction.

This approach would significantly reduce the likelihood of cost overruns, delays, governance failures and reputational damage while improving the prospects of successful project delivery.