Relationship between Risk and Change Control

Cambridgeshire and Peterborough Combined Authority (CPCA)

Contents

0. Glossary and References

Glossary:

- CE: Change Event.
- CMT: Corporate Management Team.
- CPCA: Cambridgeshire & Peterborough Combined Authority, also known as Combined Authority.
- EWN: Early Warning Notification.
- FBC: Full Business Case.
- OBC: Outline Business Case.
- PD: Project Director.
- PID: Project Initiation Document.
- PM: Project Manager.
- PMT: Project Management Team.
- PMO: Programme Management Office.
- RAG: Red Amber Green
- SOBC: Strategic Outline Business Case.
- SRO: Senior Responsible Officer.

References:

- Cambridgeshire & Peterborough Combined Authority Risk Management Strategy (January 2020)
- Cambridgeshire & Peterborough Combined Authority 10 Point Guide to Project Management (April 2020)
- Cambridgeshire & Peterborough Assurance Framework (November 2019)
- Cambridgeshire & Peterborough Combined Authority Constitution (November 2020)

1. Introduction

This document will outline the processes used within the Combined Authority for both Change Control and Risk Management.

Change can result in changing business requirements, reaction to unplanned events or failures, and loss of stakeholder confidence, all of which can affect the ability of the portfolio, programme and/or project to deliver its objectives. Change control is the process through which all requests to change the baseline scope of a project, programme or portfolio are captured, evaluated, and then approved, rejected, or deferred.

When good governance is in place, it is likely that the major risks and/or issues will be under control, but it is important to ensure that rigour and control processes are applied to all changes. The Change Control process therefore links closely with the Risk Management process. Risks can be seen as both positive and negative, and changes to a project, programme or portfolio can be seen as a risk or an opportunity. Many small changes can have a serious aggregated effect on the overall programme / portfolio and may go totally unnoticed.

The Risk Management Strategy defines the process on how risks are managed. They are managed by a decision to either accept, avoid, transfer, or reduce. In order to know whether to accept, avoid, transfer, or reduce a risk event, it is important to understand the relationship with Risk Appetite and Risk Tolerance.

Change Control Management is part of the governance process within a Programme Management Office (PMO), it is a project management process, and any contract variations will need to be consulted with the procurement team. Portfolios, Programmes or Projects are inherently about delivering change, but they do not work in isolation, and changes are happening to the environment they are delivering in.

2. Risk (Appetite and Tolerance)

The amount of risk that CPCA is willing to accept is based on the Risk Appetite and Risk Tolerance.

What is Risk Appetite?

Risk Appetite is defined as the amount and type of risk that an organisation is prepared to seek, accept, or tolerate.

In order to know the type of risk CPCA is prepared to seek, accept, and tolerate, the CPCA Risk Management Strategy must be referred to. This defines how risks are identified, how they are processed and how they are mitigated. But how does CPCA quantify risk and opportunities?

Quantifying Risk and Opportunities

As part of the CPCA Risk Management Strategy each risk is identified and assessed against its likelihood and impact (qualitive assessment) and defined against a 1-5 scoring matrix. Every risk and/or opportunity for each project, programme or portfolio is recorded within the Risk and Opportunity Register, which are included as Appendix 3 and 4 of the CPCA Risk Management Strategy.

In addition, risks are now to be assessed against a quantitative assessment, as well as qualitive. A new risk and opportunity register has been issued to the organisation, to include this amendment.

New Risk and Opportunity Register can be found Here

Within this new register, each risk and opportunity are first given an inherent RAG (Red Amber Green) rating. This represents the current risk level, taking into consideration the existing set of action, rather than a hypothetical notion of an absence of controls. The risk is then further scored for its residual RAG rating, which is the risk level that would remain after additional controls are applied.

*For example, a new risk could have a likelihood score 4 and an impact score of 5, which is an overall inherent score 20 and a **Red** RAG rating. But following mitigation controls, the likelihood of the risk happening is reduced to 2, and the impact will reduce to 3. The overall residual score would therefore reduce to 6 and an **Amber** RAG rating.*

These controls/actions are called Risk Treatments, which define the mitigation of the risk.

What is Risk Tolerance?

Risk Tolerance is an organisation's readiness to bear the risk or opportunity, after treatments are established, in order to achieve its objectives.

The CPCA Risk Management Strategy defines these treatments as:

Risk:

- **Accept** – Here we accept the risk and take no proactive action other than putting monitoring processes in place to make sure that the potential for damage does not change. Once the risk is accepted, it is generally necessary to provide for some form of contingency to provide funds / time to accommodate the risk should it happen (despite its lower likelihood / impact).
- **Avoid** – The only real way to avoid a risk is to change the project scope or approach – what we do or the way we do it.
- **Transfer** – We seek to move the risk from our risk register onto someone else's risk register. We seek to transfer the potential for harm to another. Usually through an insurance policy or a contract.
- **Reduce** – Either the likelihood or impact.

Opportunity:

- **Reject** – Choose not to take the advantage of the opportunity, possibly because it is worth too little or requires too much work to capitalise on.
- **Enhance** – Take proactive steps to try and enhance the probability of the opportunity being able to be exploited.
- **Exploit** – This involves changing the scope of the project /programme to encompass some aspect that was not previously discussed that will achieve some extra benefit.
- **Share –** Seek partners with whom can actively capitalise on the circumstances such as a Joint Venture.

This is a qualitative assessment of the risk and opportunity and uses the existing likelihood and impact definitions and matrix found within the CPCA Risk Management Strategy.

After the qualitative assessment of each risk and opportunity has been complete, they are quantified against an approximate financial value, where applicable. This may not be appropriate for all risks and opportunities.

For example, a risk relating to additional planning application would require a financial value whereas a risk around a consultation event potentially receiving bad publicity would not.

The risk owner is responsible for providing an approximate financial value of each risk, but may consult the project team, supplier, or any other relevant person to help quantify.

As each risk is quantified throughout the lifetime of the project, the approximate financial implication of the project is calculated and may change. The amount of risk that CPCA is willing to accept is based on the Risk Appetite and Risk Tolerance.

CPCA's Risk Appetite and Risk Tolerance

The CPCA has allocated a level of Risk Appetite as a percentage of the financial cost. This is dependent on optimism biased via either the HM Treasury's Five Case Model **or** based on the overall financial cost of the project (if your project does not follow the HM Treasury's Five Case Model).

The CPCA approved Risk Appetite is defined below:

Table 1: CPCA Risk Appetite for HM Treasury's Five Business Case Model only:

Business Case Stage	% Level of Appetite
Feasibility	40%
Strategic Outline Business Case (SOBC)	30%
Outline Business Case (OBC)	20%
Full Business Case (FBC)	10%
Construction / Delivery	10%

This percentage level of appetite is based on the total financial cost of the business case.

The CPCA Assurance Framework requires Business Cases to be developed in line with HM Treasury's Five Case Model. HM Treasury guidance sets out a three stage Business Case process: The Strategic Outline Business Case (SOBC), the Outline Business Case (OBC) and the Full Business Case (FBC). More detail can be found in the CPCA's 10-Point Guide to Project Management.

At each stage, the documents become more detailed as the project prepares to enter delivery and therefore, the risk appetite changes. This is a result of a more detailed understanding of the project and requirements of its delivery.

For example, a project at feasibility stage has an approximate overall cost between £1 - £1.2m. Due to the level of uncertainty, the CPCA allows a 40% risk appetite, meaning the approximate overall cost of the project can lie between £1.4 - £1.68m. As the project goes through the HM Treasury Five Case model process, the overall cost of the project becomes clearer and the risk appetite should reduce appropriately. By the time this reaches construction phase, the risk appetite will reduce to 10%.

IF the project does not follow the HM Treasury Five Business Case model, then the Risk Appetite is based on the overall cost of the project. This is defined below:

Total Project Cost	% Level of Appetite
Anything over £500,000k	30%
£250k to £500k	20%
£100k to £249k	10%
£0 – £99k	10%

For example, a project within housing with a total cost of £500,000 will have a risk appetite of 30%. The Risk Tolerance for that particular business case is therefore £150,000. The approved project cost would be £650,000.

Calculating Risk Tolerance

As part of the Risk Management Strategy, risks are assessed by quantitative and qualitative assessments and they are given an inherent RAG (Red Amber Green) rating, which is calculated from the likelihood and impact scores (1-5). After mitigation actions are imposed, the risks are then recalculated and provide a residual score and RAG rating.

The Risk Tolerance (also known as contingency or risk pot) is calculated against the financial implication (quantitative assessment) vs the residual likelihood (qualitative assessment) of the risk happening. The updated Risk and Opportunity log calculates this contingency automatically.

The Risk Tolerance is calculated against each individual risk, as summarised below:

Table 3: Risk Contingency Calculation

Residual Likelihood Score	Percentage of Financial Risk Implication
1	20%
2	40%
3	60%
4	80%
5	100%

As new risks are added on the risk and opportunity register, and existing risks reviewed, the financial tolerance is calculated appropriately. This cannot be greater than the approved CPCA Risk Appetite allocated.

For example, *an OBC, with approved financial cost of £200,000, would have a Risk Appetite of 20%. The Risk Tolerance for that particular business case is therefore £40,000. This is the maximum and the Risk Tolerance should not exceed this.*

If an occasion occurs where the tolerance is higher than the CPCA Risk Appetite, the project team should review all risks in the first instance, to ensure the financial implications and residual likelihood scores are correct. It is recommended that a full review with the project team (Project Manager, Project Director and Finance Manager) and any other external suppliers if required, takes place.

If it is correct that the Risk Tolerance is higher than the approved Risk Appetite percentage, this will require a discussion with the Director / Senior Responsible Officer. SRO will be responsible for reviewing the Risk and Opportunity Register with CPCA Corporate Management Team (CMT) and seeking approval for the increased Risk Tolerance. CMT will then decide whether the tolerance can

accept internally, or whether it will require a higher level of approval at the Combined Authority Board, as per the Risk Management Strategy Roles and Responsibilities table.

Risk Tolerance is the financial reserve for a business case and can only be spent through an Early Warning Notification and Change Control Process.

3. Change Control

A change is something that will affect any of the key baselines associated with a project – the time, cost, quality, risk exposure or benefits case. Some changes may be welcome whilst some not. Either way all change needs to be proactively managed.

Change can happen due to a number of reasons:
- External influences; for example, a change of government or organisational strategies.
- Contractual changes generated by clients / subcontractors / suppliers or other stakeholders.
- A new and innovative technique or process, apparent after the original baselines have been agreed.
- Efficiencies of process and change associated with getting things done more efficiently / lower cost that have emerged.
- Changes to the benefit model; perhaps doing a little more may have a huge return.
- Evolving designs and emergence of new information.

In traditional development models where scope is defined early in the life cycle, it is essential that changes to baselined scope are controlled. A rigorous change control process must be established and maintained on all projects, programmes, and portfolios. The purpose of this is to make sure that baselines are secured and only changed with appropriate controls, checks, agreements, and communications. As time progresses, the ability to have an impact on the direction of a project diminishes. Similarly, as time goes by, the cost of any changes will rise. The cost needs to be considered and understood and any change to these parameters may call into question the viability of the project as whole.

Change Control Process

Within CPCA, we follow the below process, which comprise of these five steps:

Diagram 1: Standard Change Control Process

Submit Early Warning Notifcation
- First notication of a proposed change.

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Submit Change Event
- Offical notification of change.

↓

Review
- Is the change even worth evaluating?

↓

Reccomendation and Decisions
- Approve, reject or defer.
- Who has approval?

↓

Update Plans
- If approved, modify the plans

↓

Implement
- Implement the modified plan
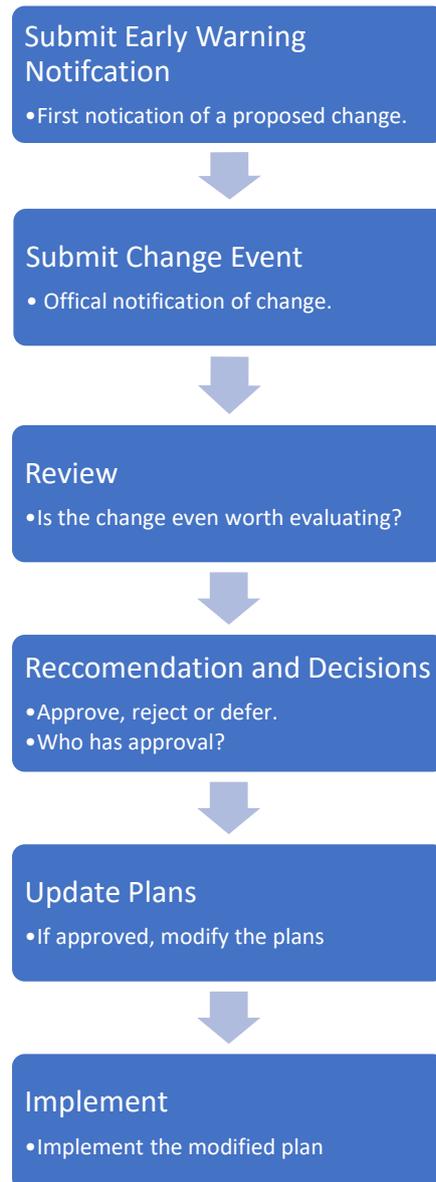
This process is shown by example in Appendix 2.

A change can be requested from a number of different sources and they can derive from any of the reasons previously mentioned. Stakeholders, (delivery partners, contractors, or consultants) generally will instigate changes and the CPCA Programme/Project Manager must make sure they are recorded appropriately.

It is important to remember that changes can be submitted many times if that is justified.

All Early Warning Notifications and Change Events should be saved on the Early Warning and Change Event Log found here. An Early Warning and Change Event Log should be set up for every project.

Step 1: Submit Early Warning Notification

An Early Warning Notification (EWN) is the first notice that a stakeholder must submit to notify the project team of any potential change which could affect the cost, completion progress or quality of the project.

The EWN form can be found here

When the EWN form has been completed, it is recorded on the Early Warning Notification and Change Event Log and formally submitted to the Project Management Team (PMT). The EWN is then given a reference number and formally signed off by the stakeholder, Project Manager (PM) and Project Director (PD). This sign off should happened within a week of receiving the EWN. During this sign off process, the project team may want to challenge the need for the EWN and as to whether it is justified. If the EWN is accepted or declined by the project team, it will stay on the Early Warning Notification and Change Event Log.

The EWN will also refer to a Risk Identification number as part of the Risk Management Process.

The Early Warning and Change Event Log records all submitted EWNs and Change Events (CE). The purpose of the log is to provide a method of change and a means of notification to change the scope, cost, programme, outputs, and deliverables. It also provides a means of escalation of project risks and or issues that require a notification.

The monitoring and quality checking of the Early Warning Notification and Change Event Log will be facilitated by the PMO team.

The EWN is supplementary and will provide supporting information for any future Change Events. The EWN advises the project team that a change may happen, and that additional mitigation might need to be put in place to stop the change from happening. Just because an EWN has been submitted, does not mean that a change event will be submitted at a later date. The EWN will also give an approximation on the change whether that is the approximate number of days or the approximate financial implication.

For example, an EWN has been issued to notify of a delay in time (approximately 5 days) for modelling work. If this does happen, it will also result in additional funds (approximate financial implication). If the modelling delay is resolved, then a change event will not need to be submitted.

There are no definitive timescales as to when a change request is submitted.

Step 2: Submit Change Event

The stakeholder who requests a change must then provide relevant information on the nature of the change. The request is entered into a change event form.

The CE form can be found here

Once the CE has been completed, it is also recorded on the Early Warning and Change Event Log.

It is then formally submitted to the PMT. The CE is then given a reference number. If there are any EWNs that provide supporting evidence for the change, then the EWN reference number(s) is also included.

The difference between a EWN and CE is that the EWN has an approximation on the proposed change. The CE knows the exact implication of the change. If we take the previous example:

An EWN has been issued to notify of a delay in time (approximately 5 days) for modelling work. If this does happen, it will also result in additional funds (approximate financial implication). When the CE has been issued, it will notify a delay in 2 weeks (working days) for the modelling work, which will cost £2,000.

Stage 3: Review

A review is carried out by the PMT to determine whether or not the change is viable, potentially acceptable and has the support of the majority of stakeholders. The initial review should be relatively short and focused to ensure that the project does not spend excessive time to analyse these initial requests. The CE and any supplementary EWNs are reviewed and only appropriate and viable changes should be taken forward to the next stage with the cost and effort implications of a full-scale review.

Stage 4: Recommendation, Decisions and Delegation

The person with the authority to approve a CE is based on delegation authority when related to financial spend. The approver has the responsibility to make sure the stakeholders are consulted, and any differences are resolved. They will liaise with the project team and any other advisors to make sure they are effectively 'doing the correct thing'.

Director / Senior Responsible Officer (SRO) has full delegated authority to authorise change within the approved Risk Tolerance. The Director for Business and Skills has delegated authority to SROs within this directorate, which is shown within **Appendix 1.**

If the CE has been submitted and does not require any additional financial spend, then the CE will need to be discussed within the project team as to whether that change is acceptable.

The CE decision options are:

- Approve the change event and authorise its inclusion into the project plans.
- Reject the change and not approve its implementation.
- Defer the change until later within the project lifecycle.

At all stages of the CE, stakeholders need to be communicated with and kept up to date with progress and decisions. During the decision process, the project team will contact the stakeholder who submitted the change, to discuss:

- Why the change is needed and the reasoning behind it (what is driving the change)?
- What other options have been considered?
- How the project team can help mitigate the change – reduction in time or cost etc.

Before the CE is approved, rejected, or deferred the stakeholder who submitted the change may amend the change event and its requirements following the discussion with the project team. This may lead to a reduction in the cost, time etc. it may also be decided that the CE is the responsibility of the supplier rather than CPCA, if it deemed that the CE has been covered within the tender and therefore becomes the risk to the supplier.

All financial changes are totalled as the project progresses, this is important when comparing the risk tolerance level of the project. As previously mentioned, each business case has a set appetite and therefore a set level of tolerance. It is important that as financial changes are being approved through the change event process, they never go over the level of tolerance set for the business case.

Ultimately whether the change is approved, rejected, or deferred, the Programme/Project Manager will need to coordinate the implementation of the change to make sure that it is done seamlessly and incorporated into the plans.

Stage 5: Update Plans

If the CE is formally accepted, the Programme/Project Manager has to introduce the change into the plan. Most of the normal planning process would already have been carried out during the feasibility stage, but now the live programme, financial reporting, and risk registers will need to be formally updated. Changes must be considered alongside the existing frameworks of product description and specifications; this is outlined with the Project Identification Document (PID) as per the CPCA 10 Point Guide for Project Management.

Everyone who is involved must be informed about the change or errors due to incorrect information that may creep into the system. It should not be forgotten that a prospective change is substantially easier to implement than a retrospective change to products already completed.

Stage 6: Implement

Now the approved change needs to be implemented. At this point, the change control process merges with the normal marginal activities of the routine management of the PID. The Programme/Project Manager should maintain any changes within the main project and once approved, changes will be absorbed into every level of planning and the new activities will be undertaken in the same way as the original task load.

This process is shown by example as Appendix 2.

The Early Warning and Change Event Log should be monitored within the project team at regular intervals with suppliers and the internal finance team.

4. Change Events for financial changes:

Projects within the Combined Authority fall within two financial workstreams:

- Approved to Spend – Projects approved within the Medium-Term Financial Plan (MTFP) have been formally accepted within the budget. (The budget is defined within financial years e.g. 19/20 or 20/21).
- Subject to Approval – Projects that have been allocated money for a financial year, but yet to be included formally within the budget or MTFP.

It is likely that project funding can fall within both workstreams:

For example, A project can have approved to spend amount for the current financial year and also have money allocated for the next financial year that has not yet been formally accepted within the MTFP. This is usually separated between project phases (SOBC, OBC, FBC etc), more information relating to this can be found within the CPCA 10 Point Guide to Project Management.

For example, SOBC completes in 19/20 financial year and OBC starts in 20/21 financial year.

It is important for Project/Programme Managers to understand where each project sits within these two workstreams as each workstream has a different approval process.

Approved to Spend:

If the Change Event is asking to access funds within the Risk Tolerance, then you need to complete the Change Event Process.

Subject to Approval:

If the Change Event is asking for funds to approve "subject to approval" allocation within the MTFP, then the following steps will need be taken:

1. CE is completed by the relevant Project/Programme Manager.
2. CE is added onto the Early Warning Notification and Change Event Log.
3. CE is reviewed within the PMT.

If CE is to be approved, then one of the following needs to happen:

A) The Chief Executive or Chief Financial Officer can approve up to £500,000 through emergency funds as per the constitution. But they will be required to go to board and or committee at the next available date.
B) The Chief Executive or Chief Financial Officer can defer the change to committee or board approval.

This approval is required before any action can take place. Following approval, the Early Warning Notification and Change Event Log and Risk Register is updated, and the approved solution cost is updated by the finance manager.

Appendix 1
Delegated Authority

Business and Skills

The following SROs have 50% delegated authority for the overall Risk Tolerance:

Job Title
SRO – Higher Education
SRO – Workforce & Skills
SRO – Adult Education
SRO – LGF Investments
SRO – Business Growth Service & Market Towns

This is agreed as an aggregate (approval of either a single CE or multiple CEs, as long as they do not exceed the 50% Risk Tolerance in total).

For approvals over 50% Risk Tolerance, these will need to be authorised by the Director of Business and Skills.

Delivery and Strategy

Full delegated authority sits with the Director of Delivery and Strategy.

Housing and Development

Full delegated authority sits with the Director of Housing and Development.

Appendix 2

Early Warning Notification and Change Event Process Example

Below is a live example of how to complete an Early Warning and Change Event for your project:

Step 1: Early Warning Notification (EWN) is submitted

The EWN form has been completed (in this case, by the supplier) and submitted to the Project Management Team (PMT). This is the first indication the PMT has received of this potential change.

Early Warning Notification					
			Notification Date		10/11/2020
EARLY WARNING OF:					
Increase in total of Price	Yes				
Delay Completion	Yes		**EW Ref Number**		
Delay meeting a Key Date	No				
			Event Date		DD/MM/YYYY

Brief Description of the Event: *(single line only)*
Additional planning application is required if current planning application is declined
Detailed Description of the Event: *(be as full and descriptive as you can)*
Received email from planning authority regarding current planning application. They have advised that the planning application may require to be re-submitted due to legislation changes
Cause of the Event:
Leglislation changes
Effects of the Event:
Time and Cost
Options Considered/Mitigation Measures deployed:
Currently discussions being held with planning authority about the need for new planning application
Why Option chosen was selected:
Only option
Delay in Time / Delivery? *(highlight Business Case if applicable)*
Feasbility   SOBC   OBC   FBC   Construction / Delivery
If a new planning application is required confirmed approx delay 3-12 weeks.

Issued by:	Supplier	**Date:**	10/11/2020
Provisional Total EW Cost	£ 3,000.00		

Once reviewed, the PMT adds the EWN onto the summary page of the Early Warning and Change Event Log and allocates a reference number

Early Warning and Change Event Register		**Project Name:**				
				Dropdown		Dropdown
EW/CE Ref Number	**Brief Description of Event**	**Notification Date**	**Impact on Approved Completion Date (days)**	**Change in Cost (Y/N)**	**Provisional Cost Impact (Net £)**	**Requires Director Approval?**
EW1	Additional planning application is required if current planning application is declined	10/11/2020	60	Yes	£ 3,000.00	
		Total:	60	**Total:**	£ 3,000.00	

The reference number is used to link into the risk register, which is then updated.

						Residual Score								
			Project / Programme Risk											
ID No	Risk or Opp	Date Identified	Cause(s)	Risk Event	Effect(s)	Likelihood (1-5)	Impact (1-5)	RAG score	Financial Risk Implication (£k)	Comments/Notes /Assumptions	Risk Contingency (£k)	Risk Owner	Escalation Required?	EWN Ref
								Total	£3,000.00		£2,400.00			
1	Risk	01/11/2020	Regulation Change	New planning application required	Cost and Time	4	1	4	£3,000.00	discussions happening with planning team	£2,400.00	PM	No	EW1
2								0						

If the EWN is demonstrating a new risk that is not already on the risk register, this will need to be added.

The EWN is then discussed internally with the PMT and with the relevant supplier. In this example, it is deemed appropriate and accepted. The EWN is signed off as approved, by the Project Manager and Director (this should happen within a week of receiving the EWN from the supplier).

Issued by:	Supplier		Date:	10/11/2020
Provisional Total EW Cost	£ 3,000.00			
Signed Project Manager - Delivery Partner	X		Date:	12/11/2020
PCA Project Manager	X		Date:	12/11/2020
PCA Project Director	X		Date:	12/11/2020

Step 2: Change Event (CE) is submitted by the supplier:

In this instance, the risk has been realised (a week after the EWN) and the supplier has completed the CE form, and this is submitted to the PMT.

Change Request Form				
			Notification Date	**21/11/2020**
CHANGE EVENT OF:				
Increase in total of Price	**Yes**			
Delay Completion	**No**			
Delay meeting a Key Date	**No**		**CE Ref Number**	
			Event Date	**28/11/2020**

Brief Description of the Event: (single line only)
Current planning application is due to be declined, new planning application needs to be submitted
Detailed Description of the Event: (be as full and descriptive as you can)
Discussions with the planning team have confirrmed that a new planning application is required due to new legislation
Cause of the Event:
New legislation
Effects of the Event:
Increase in cost, no delays to programme due to discussions with the planning team.
Options Considered/Mitigation Measures deployed:
N/A
Why Option chosen was selected:
Only option
Delay in Time / Delivery?
Feasbility   SOBC   OBC   FBC   Construction / Delivery
New planning application will cost £2,500 and no delay in time

Issued by:	Supplier		Date:	21/11/2020
Total CE Cost	£ 2,500.00			

The PMT allocates an CE Ref Number and this is also added to the summary page of the Early Warning and Change Event Log:

Early Warning and Change Event Register		Project Name:			Change in Cost (Y/N)		Requires Director Approval?
EW/CE Ref Number	Brief Description of Event	Notification Date	Impact on Approved Completion Date (days)	Change in Cost (Y/N)	Provisional Cost Impact (Net £)		Requires Director Approval?
EW1	Additional planning application is required if current planning application is declined	10/11/2020	60	Yes	£ 3,000.00		
CE1	Additional planning application is required	21/11/2020	0	Yes	£ 2,500.00		
			Total:	60	Total:	£ 5,500.00	

** In the above Early Warning and Change Event Log, shows the difference between the EWN and CE. The CE has a definitive figure of £2,500 and has confirmed that there is no time delay.

Stage 3: Review

The PMT have an initial review of the CE and supplementary EWN. In this example, they agree that the CE is appropriate and required.

Stage 4: Recommendation, Decisions and Delegation

As the CE is deemed appropriate, the delegated authority agrees to approve the £2,500 CE as this fall within the approved Risk Tolerance. The CE is signed off by the PMT and the Early Warning and Change Event Summary log is updated.

New planning application will cost £2,500 and no delay in time			
Issued by:	Supplier	Date:	21/11/2020
Total CE Cost	£ 2,500.00		
Signed Project Manager - Delivery Partner	X	Date:	22/11/2020
CPCA Project Manager	X	Date:	22/11/2020
CPCA Project Director	X	Date:	22/11/2020
CPCA Director (SRO)	X	Date:	23/11/2020

Early Warning and Change Event Register	Project Name:								Requires Director Approval?	Required? (Y/N)	Risk Reduction Meeting			Risk Register		Comments
EW/CE Ref Number	Brief Description of Event	Notification Date	Impact on Approved Completion Date (days)	Change in Cost (Y/N)	Provisional Cost Impact (Net £)	Approved, Rejected or Deffered	Approved Completion Date (days)	Approved Cost Impact (Net £)	Requires Director Approval?	Required? (Y/N)	Proposed/Held Date (DD/MM/YYYY)	Risk Owner	Action Date (DD/MM/YYYY)	Risk ID	Provision (£)	Comments
EW1	Additional planning application is required if current planning application is declined	10/11/2020	60	Yes	£ 3,000.00	Approved	0	£ -	No	N				1	N/A	EW1 replaced by CE1
CE1	Additional planning application is required	21/11/2020	0	Yes	£ 2,500.00	Approved	0	£ 2,500.00	Yes	N				1	£ 2,400.00	
		Total:	60	Total:	£ 5,500.00	Total:	0	£ 2,500.00								

The approved spend and days are updated to reflect the approved CE.

Stage 5: Update Plans

The supplier is advised that the CE has been accepted and is sent formal confirmation via email to go ahead. The risk register is also updated to reflect this (in this case, the risk event is closed, and the risk contingency amount is removed).

			Project / Programme Risk					Residual Score									
ID No	Risk or Opp	Date Identified	Cause(s)	Risk Event	Effect(s)	Risk Status	Likelihood (1-5)	Impact (1-5)	RAG score	Financial Risk Implication (£k)	Comments/Notes /Assumptions	Risk Contingency (£k)	Risk Owner	Escalation Required?	EWN Ref	Date Closed
									Total	£3,000.00		£0.00				
1	Risk	01/11/2020	Regulation Change	New planning application required	Cost and Time	Closed	4	1	4	£3,000.00	discussions happening with planning team	£0.00	PM	No	EW1	23/11/2020

Stage 6: Implement

The finance manager is updated, and any other relevant parties are informed.