

Meeting:	BNG Board
Date:	13 March 09
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Board Action:	For Information
Sensitivity/FOI:	Public

**Agenda Item and Subject: Item 11 – Risk Report**

**Summary Report:**

This report highlights the key strategic, programme and project based risks facing BNG in the coming year and looks at the potential impact these could have on programme delivery.

**Recommendations:**

BNG Board is recommended to review the key risks and mitigating actions as identified in the report.

**Implications:**

Financial: £10.9m of project risks identified  
 Equality: Equality issues are considered as part of the project appraisal process  
 Sustainability: Sustainability issues are considered as part of the project appraisal process

**Consultation:** None

**Risk:** See report

Strategic:  
 Financial:  
 Development:  
 Operational:  
 Reputational:

**Report to:** BNG Board 13 March 09

**Subject:** Risk Report

**Agenda Item:** 11

## 1. **INTRODUCTION**

The strategic risk register has been regularly updated and reported to the Board over previous years.

This report concentrates on the key strategic risks and also considers programme and major project risks and the potential impact in financial terms on programme delivery.

## 2. **KEY RISKS**

Appendix 1 highlights the key strategic, programme and project risks that could have an impact on the delivery of the BNG programme in 2009-10.

The strategic risks are taken from the Strategic Risk Register and are those considered to have the most probability of happening with a detrimental impact. As most of these risks apply in particular to new build developments the value applied is the budget for new build schemes in 2009-10.

The programme risks relate to potential problems in the delivery of the overall programme.

Every project, as part of the appraisal process, must complete a detailed risk log. The risks highlighted in the appendix are those considered to have the most impact on the delivery of the project in 2009-10. This identifies that £10.9m could be considered to be at risk in the programme for the coming year without management and appropriate action. Systems are in place to manage this effectively. Given the nature of the BNG programme and the current economic climate this is not unexpected.

The appendix also identifies actions which should help to mitigate the probability and impact of the risks.

Appendix 2 illustrates the BNG Risk Management process for information.

## 3. **NEXT STEPS**

Given the potential level of risk included in the programme the proactive use of overprogramming is required. As outlined in the Finance Update, Item 7, the draft programme for the year amounts to £38.15m against an allocation of between £30.64m and £37.04m.

However given the risks outlined above further options for additional investment are being examined and will be brought forward to a future Board. These include:

- More property conversions e.g. New Mills
- Site infrastructure, preparation and de-risking
- Accelerated land and property acquisitions
- Accelerated property refurbishments
- Support to Housing Options work.

Proactive performance management in accordance with the revised framework will take place to ensure that the identified risks are managed and the programme is delivered.

#### 4. **OTHER RISKS**

This report has set out the financial, developmental and operational risks of next year's programme. Just as important is the management of strategic and reputational risks, particularly given the commitments made to communities and the changes in our operating environment.

Significant effort is being put into this area of our work including:

- The strategic review updates – to ensure we focus on achieving our vision in different places.
- The development of an influencing strategy to ensure effort is put into communication, engagement and influencing key stakeholders about the achievements and ongoing activity to deliver in a changing market.

#### 5. **RECOMMENDATIONS**

BNG Board is recommended to review the key risks and mitigating action as outlined in Appendix 1.