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| Meeting: | BNG Board |
| Date: | 14th March 2008 |
| Contact: | Ian Mackintosh |
| Board Action: | Review |
| Sensitivity: | Public |

Subject: Item 8 – Strategic Risk Register Review

Link to BNG Vision and Objectives:

This report identifies the key strategic risks to the delivery of the BNG vision and objectives.

Recommendation:

BNG Board is recommended to review and approve the key risks and mitigating actions as identified in the attached draft risk register.

Executive Summary:

As part of the Risk Management Process determined by Bridging Newcastle Gateshead a regular review of strategic risks is required. This was initially carried out by Marsh in September 2005 and led to the creation of a strategic risk register. This has been regularly updated and reported to the BNG Board since then.

Programme Management Group has reviewed the register and updated the mitigating actions. In addition targets have been set in relation to individual risk priorities. These will be regularly reviewed and reported to the Board.

The attached risk register identifies 23 key strategic risks:

- 15 identified as red
- 7 identified as amber
- 1 identified as green

Targets have been set that, due to mitigating actions, should change the risk priorities to:

- 7 red
- 15 amber
- 1 green

Current major risks are identified on the risk register with a purple marker. These are:

Risk log: 32

'Impact of interest rate fluctuations etc. on scheme viability due to the money markets causing a reduction in the demand for houses to buy. Developers could become unwilling to progress schemes.'

This could become an issue on several current schemes in particular the new developments on Walker Riverside.

Risk log: 44

'Failure to deliver key projects and the effect this may have on the programme as a whole.'

The 2008-11 programme includes several high cost, potentially high risk, projects including Cruddas Park, Scotswood Expo, Bensham and Saltwell etc. In addition the work in relation to developer procurement in Gateshead could have a significant impact on the programme.

Risk log: 43

'Failure to optimise Private Sector Investment'

Involvement of the private sector is a key performance indicator in terms of BNG continuing to be assessed as performing strongly. Significant leverage from the private sector is anticipated over the next three years and it is essential that this materialises.

These risks will be monitored closely and the impact they are having will need to be managed.

This will be reported to the Project Appraisal Panel for approval and the updated risk register will be brought to the Board for consideration on a six monthly basis.

| Implications | |
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| Financial: | Failure to manage the identified risks will have a negative impact on the financial performance of BNG |
| Equality: | Equality issues have been considered in determining the key risks |
| Sustainability: | Sustainability issues have been considered in determining the key risks |
| Freedom of Information: | Public |
| Report Status: | Open |

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| Risk: | See attached risk register |
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