

BU 4: Property Investment Fund 2 - as at 08/03/2017

Risk No	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Prob. & Impact	Target Score	Prob. & Impact	Risk Mitigation Action	Owner	% comp	Review Date	Recovery Plan
4039	Failure to ensure BMBC tax liabilities are known and addressed	Increased costs and liabilities to the Council; These liabilities may not be solely relevant to PIF schemes and could impact on the overall financial position of the Council; Advice will be based on type of grant in place;	Lerina Pearson	Liaison with BMBC tax advisor; 'Opt to Tax' standard wording included in Cabinet Report to allow flexibility; Included within Property Consultants brief; BMBC financial vetting to be underpinned by robust checking by Property Consultant;	Category 3	P = L F = H OI = M	Category 5	P = L F = M OI = M	As scheme progresses, assess BMBC liability 17/18 - revisit tax advice in six months via liaison with BMBC Financial Advisor or Property Consultant	Sarah Whittaker	0%	30/06/17	
4040	Failure to ensure that the use of the allocation to deliver PIF 2 is managed	Increased number of developments 'in principle' resulting in increased possibility of tension or conflicts with other schemes;	Lerina Pearson	PIF 2 needs to complement existing schemes;	Category 4	P = M F = M OI = L	Category 5	P = L F = L OI = L	Ensure other schemes deadlines and milestones are factored into PIF2 programme	Sarah Whittaker	0%	30/06/17	
4041	Failure to ensure there is an appropriate level of due diligence undertaken on all recommendations provided by external consultants / contractors	BMBC underwriting decisions and allowing for recommendations to be undermined or watered down;	Lerina Pearson	BMBC will endeavour to maintain a tough stance in respect of negotiations and stick to original markers and not deviate; Consultant brief developed;	Category 3	P = L F = H OI = M	Category 6	P = VL F = L OI = L	Undertake formal procurement exercise to appoint property specialist	Sarah Whittaker	0%	30/06/17	
4042	Failure to ensure companies understand this is not a procurement exercise due to using the YORTender system	Companies challenging the Council with breach of procurement rules	Lerina Pearson	Legal disclaimers included in the prospectus and application form;	Category 4	P = M F = M OI = L	Category 5	P = L F = L OI = L	Close liaison / updates with developers who submitted a PIF bid including the provision of updates	Sarah Whittaker	0%	30/06/17	
4043	Failure to ensure that the developments are designed and constructed in accordance with planning approvals / developer proposals	Scheme being developed that are uncontrolled; Tension with other schemes;	Lerina Pearson	Use of BMBC Building Control to assist in controlling developments; Clause included within Development Agreements to encourage the use of BMBC services;	Category 4	P = M F = M OI = M	Category 5	P = L F = H OI = M	Liaison with BMBC Building Control to ensure capacity is in place	Sarah Whittaker	0%	30/06/17	
4044	Failure to ensure that BMBC is able to maximise regional funding opportunities to assist in the delivery of PIF outcomes	Missed opportunities to secure regional external funding to maximise the schemes;	Lerina Pearson	Liaison with LCR and SCR; Opportunities to lift and shift funding from other schemes as and when it is appropriate;	Category 2	P = M F = H OI = L	Category 5	P = L F = L OI = L	Timing of launch scheme / approvals / agreements to become 'live' after regional funding opportunities have been assessed	Sarah Whittaker	0%	30/06/17	
4045	Failure to ensure that planning issues regarding schemes are reduced to acceptable levels to enable approval to be provided	Schemes not approved by planning; Lack of approved developments;	Lerina Pearson	Aspirational BREAM requirements for 'Excellent' for PIF2 schemes;	Category 4	P = M F = L OI = M	Category 5	P = L F = L OI = L	Liaison with BMBC Development Management to ensure capacity is in place to enable them to influence development quality issues	Sarah Whittaker	0%	30/06/17	
4046	Failure to ensure that there are appropriate arrangements in place that in the event of a developer missing targets or outcomes clawback of grant funding can be undertaken legally	Developers failing to progress schemes and not being challenged to deliver the outcomes and outputs promised within proposals;	Lerina Pearson	Clawback mechanisms should be used to encourage appropriate developer activity;	Category 4	P = M F = M OI = L	Category 5	P = L F = L OI = L	Monitoring requirements logged on Evolutive and regularly reviewed 17/18	Sarah Whittaker	0%	30/06/17	
4047	Failure to ensure there is an appropriate package in place to secure the services of a high quality PIF Project Manager	Poor quality management of scheme; Programme, costs or quality concerns;	Lerina Pearson	Business Case developed for Scale 7 project manager;	Category 4	P = M F = M OI = M	Category 5	P = L F = L OI = L	Consideration of Scale 10 Project Manager role	Sarah Whittaker	25%	30/06/17	
4048	Failure to ensure the expectations of Senior Management are proportionate and managed	Increased expectations due to success of original PIF scheme; Lack of programme opportunity to undertake appropriate due diligence to protect BMBC;	Lerina Pearson	PIF 2 report presented to SMT 31/01/2017; PIF 2 report presented to Cabinet (Purple) 22/03/2017 and Cabinet (Yellow) 05/04/2017; Cllr Miller briefing 08/03/2017;	Category 4	P = M F = L OI = M	Category 5	P = L F = L OI = L	Ensure programme provides adequate opportunity to undertake appropriate due diligence	Sarah Whittaker	10%	30/06/17	

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4049	Failure to ensure that internal and external support such as legal support is in place and is able to provide high quality advice	Poor quality advice in terms of protecting BMBC best interests; Poor timing of advice; Lack of quality assurance arrangements; Poor client management arrangements; Poor supervision of consultants;	Lerina Pearson	PIF 1 lessons learnt considered and reflected in risks;	Category 3	P = L F = H OI = H	Category 5	P = L F = L OI = L	Early discussions with relevant Heads of Services to ensure resources will be in place	Sarah Whittaker	0%	30/06/17	
4050	Inability to be able to use the existing SCR Procurement Framework to procure specialist support	Programme issues as time will be lost having to undertake a procurement exercise;	Lerina Pearson	Liaison with BMBC Procurement; Approval given to use SCR procurement framework;	Category 4	P = M F = L OI = M	Category 5	P = L F = L OI = L	Early discussions with preferred specialists - approved by Procurement	Sarah Whittaker	0%	30/06/17	
4051	Failure to ensure that the governance arrangements for recipients are robust and are capable of providing positive assurances	Poor governance arrangements resulting in weak and diminished outcomes from the scheme; Lack of assurances regarding elements such as insurance, maintenance, equality impact assessments and output or outcome monitoring;	Lerina Pearson	Risk Register in place; Use of Evolutive database;	Category 5	P = L F = M OI = M	Category 5	P = L F = L OI = L	Incorporate details onto applications to allow transparent decisions and awards to be made	Sarah Whittaker	0%	30/06/17	
4052	Failure to ensure that any conflicts of interests in terms of the procurement of specialist advisors - some of whom may be representing existing developers or developments	Specialists having dual interests and not working for the benefit of the Council; Inappropriate governance resulting in increased costs, programming delays and quality issues;	Lerina Pearson	Liaison with Strategic Procurement;	Category 4	P = M F = M OI = M	Category 5	P = L F = L OI = L	Liaison with NPS to ensure they will tender for works	Sarah Whittaker	0%	30/06/17	
									Liaison with Strategic Procurement to work through procurement options	Sarah Whittaker	0%	30/06/17	