

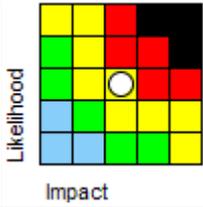
Strategic Risk report



Report Type: Risks Report

Generated on: 12 June 2017

Risk Title	Key Project Failure	
Risk Owner	Paul McKenner	
Risk Code	ABC1603/3	
Risk Description	One or more of the Council’s key projects fails to deliver to time, quality or to budget with consequent impacts on ABC’s reputation, finances and service outcomes.	
Internal Controls	IC010 Economic Regeneration and Investment Board	
	IC016 ASDB	
	IC017 Programme management	
Update	<p>A number of projects have recently reached key milestones. This has reduced the risk on specific projects although not eliminated until project completion.</p> <p>Two key commercial projects, which the council is playing a pivotal role, are Elwick Place and the Commercial Quarter.</p> <p>Elwick Place: after detailed due diligence the council entered into an agreement with Stanhope Plc (Developer) on 4 May. By doing so, the key project risk failure was significantly reduced. There are risks to the development, which are appropriately shared with the Developer and the Council. The project risk register is being reviewed on a regular basis and is to be reported to the Economic Regeneration and Investment Board on a quarterly basis. To provide Members with further reassurances, a Member monitoring group has been established and will be reviewing progress and overseeing the development.</p> <p>Commercial Quarter office development: the Council has agreed to lease two of the five floors and is working with the developer to manage the risk to the Council. Regular reviews of the marketing strategy have taken place and will continue. There has been considerable interest in the office space, which has progressed into legal agreements, others have progressed into heads of terms. The development is due for completion in the spring of 2018. The Economic Regeneration and Investment Board is regularly updated on progress.</p> <p>Directors meet regularly to review project progress and interventions are actioned accordingly. Cabinet and Management Team receive updates on the Corporate Delivery Plan and risks within each project are reported.</p>	

Risk Title	Resource Limitations	
Risk Owner	Ben Lockwood	
Risk Code	ABC1603/4	
Risk Description	ABC suffers further loss of government income, failure to achieve income or successfully control expenditure.	
Internal Controls	IC019 MTFP	
	IC021 Budget monitoring	
	IC022 HRA business plan	
	IC023 Budget scrutiny	
	IC024 Borrowing policy	
	IC025 S151 officer	
	IC026 Pro-active income generation	
	CRIC002 Programme Management	
Update	<p>The council's 2016/17 budget reported a small pressure but overall reserves are in line or greater than forecast.</p> <p>The council has its 2017/18 budget approved and has started monitoring against this. A new budget management system to for launch in summer 2017.</p> <p>The Elwick Place Phase 1 commercial deal completed and work on site has commenced.</p> <p>Funding mechanisms for local government and policy priorities will not be fully understood until after the general election. Key areas of uncertainty are the future of:100% business rates retention; Fair Funding review.</p> <p>Uncertainty over Brexit remains. However, the economy remains in a relatively robust position with UK, European and US data indicating a steady recovery.</p> <p>Awaiting further projects to deliver income:</p> <ul style="list-style-type: none"> • Commercial Investment Strategy (July Cabinet) • Property Company Business Plan (July Trading Enterprise Board). <p>Audit review of budgetary control was sound.</p> <p>ABC reviewing all assets to assess opportunities and liabilities.</p>	