

London Borough of Brent - Civic Centre Risk Register – Resource Risk

ID	Category	Risk Description	Consequences	Inherent Risk			Mitigation strategy					Residual risk							
				Probability % score	Programme Impact	Risk value	Proximity	Strategy INHERENT RISK RATING	Mitigation/ response	Risk Owner	Theme	Cost of mitigation	Deadline	externally	Risk value	Comments	Current status	Last review	
1	Resource	Interest rate fluctuations mean that the Council is unable to borrow at the rate defined in the Resource Envelope.	The Council is unable to generate the resources required to support the project and the quality of the building is compromised	Low	Minor	£1m - £5m	Construction	Partially Clear mitigate	LBB Treasury Management team (and its advisors) to provide updates on market rates and future trends. Budget currently includes a risk allowance of 0.75% (or £12m) for interest rate fluctuations.	Clive Heaphy	Property, Planning, Funding, Risk Management		Continual review	Internal		Risks will be monitored and addressed as part of the overall Treasury Management strategy of the Council. Interest rates have been assumed at 5.0% risk adjusted to 5.75%. Any borrowing taken at a lower level could secure savings Report issued to DoF March 2009 that refreshed the model originally put forward in December 2007. This concluded that the assumptions within the Resource Envelope were broadly still valid and that the Envelope could still be delivered to the original level.	Increasing	11/03/2011	Low Medium - £5m
2	Resource	Capital Receipts generated from the sale of freehold properties do not produce the required levels to support the Resource Envelope	The Council is unable to generate the resources required to support the project and the quality of the building is compromised	Low	Moderate	£5m - £10m	Continuous	Amber mitigate	LBB Property and Asset Management department to manage sale of properties to maximise receipts. Budget includes a risk factor of 25% on the total value of all receipts.	Richard Barrett	Property, Planning, Funding, Risk Management			Internal		Business case updated end August 2011. Capital receipt assumption has changed. Business case to be refreshed and likely capital receipts to be adjusted. Probability post investment decision should be low.	Limiting	07/09/2011	Low Moderate - £5m - £10m

3	Resource	Risk that long-term maintenance issues and revenue costs are not fully taken into account when defining the solution - in particular increased revenue and running costs due to the size of the site (i.e. more floors - staff needed)	Overall project objectives compromised	Low	Minor	£5m - £10m	Continuous	Amber	Avoid	LBB Property and Asset Management department to revisit initial assessment periodically through life of project. The budget includes a sensitivity of 5% of the total budget for increased costs of the portfolio (£13m).	Clive Heaphy	Property, Planning, Funding, Risk Management			Internal	Director of Finance and Sector to review the levels of money set aside for this element of risk. Need to ensure that increases in utilities are not included as these will be accounted for in the general increase in CT that the Council will make each year.	Closed	11/03/2011	Low/Moderate £5m - £10m
4	Resource	Potential buyers deterred by Town Hall listed status and capital receipt and/or development potential compromised	Constrain the future use/development of Town Hall site and could impact on the funding available	Medium	Minor	£1m - £5m	Continuous	Amber	Mitigate	There is evidence to suggest the Town Hall can be sold with its listed status. To ensure Board members are aware of the risk, a paper will be produced in advance of Planning Committee decision on how to proceed.	Richard Barrett	Property, Planning, Funding, Risk Management			Internal	Chris Walker explained that the probability of de-listing the Town Hall is low as such the probability has been increased. Business case amended to reflect likely capital receipt and risk probability reduced accordingly.	Increasing	29/09/2011	Medium/Minor £1m - £5m
5	Resource	Whole life cycle/FM costs affected by changes in assumptions e.g. equipment in the building, as the design is finalised or if items fail ahead of predicted dates.	Overall project objectives compromised	Low	Minor	£5m - £10m	Continuous	Amber	Avoid	LBB Property and Asset Management department to revisit initial assessment periodically through life of project. The budget includes a sensitivity of 5% of the total budget for increased costs of the portfolio (£13m).	Clive Heaphy	Property, Planning, Funding, Risk Management			Internal	Director of Finance and Sector to review the levels of money set aside for this element of risk. Need to ensure that increases in utilities are not included as these will be accounted for in the general increase in CT that the Council will make each year.	Open	07/09/2011	Low/Moderate £5m - £10m
105	Financial	Leases not terminated on the business case buildings	Increased cost to the council as we would need to pay operating costs for existing building(s) as well as the Civic Centre.	Low	Minor	£50k - £250k	Post Construction	Green	Mitigate	Ensure clear exist strategy in place in the strategic property review Get legal and property advice	Richard Barrett	3. Sustainability, Building Design, Accommodation, Facilities Management	£0		Internal	Opportunities being exploited with some leases being terminated early ahead of business case assumptions.	Increasing	07/09/2011	Low/Moderate £50k - £250k

