

Appendix B – potential risks to the Council

Risk	Assessment of Gross Risk (Assume NO controls in place) Rating=Impact x Likelihood + Impact			Risk Control Measures	Assessment of Mitigated Risk (Assume controls in place) Rating=Impact x Likelihood + Impact		
	Impact	Likelihood	Score		Impact	Likelihood	Score
	Extreme (5) Major (4) Moderate (3)	Very Likely (5) Likely (4) Possible (3) Unlikely (2)	Extreme (30 - 19) Moderate (10-18) Low (0 - 9)		Extreme (5) Major (4) Moderate (3)	Very Likely (5) Likely (4) Possible (3) Unlikely (2)	Extreme (30 - 19) Moderate (10-18) Low (0 - 9)
As shareholder and funder the Council is exposed to financial and reputational risk related to BL Ltd and BLRP performance, and risk of failure to deliver Council housing targets	3	3	12	The contributions of expert BL and BLRP boards, the strong regulatory regime for BLRP, and governance arrangements within the Council, and between the Council and BL / BLRP. Schemes are already at an advance stage of progression.	3	2	9
Usual planning, development and sales risk is contained in the BLRP development programme costs, income or delay outside assumptions could result in: *delayed repayment of Council loans and need for additional borrowing *failure to draw down grant from GLA and loss of this subsidy *failure to deliver sufficient homes contributing to the manifesto commitment of 2,500 GAH.	4	3	16	Close working with the planning department and prudent assumptions in development appraisals allowing flexibility to switch schemes and tenure to meet targets Sensitivity testing of the development programme informs the level of risk, and the Council exercises control through governance arrangements, including the approval and regular review of the BL and BLRP business plans.	4	2	12
A significant part of BLRP programme to be delivered is in development agreements between the Council and developer partners, rather than with BL eg. Perceval House and Gurnell. There is a risk that BLRP is unable to meet price expectations for the transfer of affordable housing	3	3	12	Ongoing dialogue between the Council, the development partners, and colleagues representing BLRP; through the programme approach; and timely approvals through the governance processes.	3	2	9
BL Ltd fails to recruit sufficient resources to deliver the programme.	3	3	12	BL Ltd has approved the principle of TUPE, its employment policies, and terms and conditions for new (non TUPE) staff in line with market. The BL Ltd business plan and budget, to be approved by Cabinet, needs to be sufficient to accommodate the required resources.	3	2	9