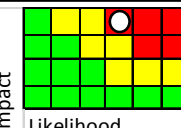
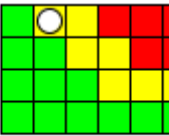


Appendix B – Capital Risk Register

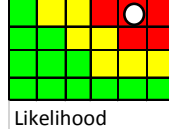
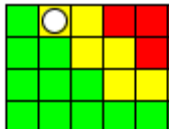
Capital Cluster Risk Register

Code	CP001	Risk that management failures / slippage in the delivery of capital projects /failure to secure and or retain funding from external sources, impacts negatively on the Council’s financial stewardship.			
Definition	In lieu of the wide portfolio of projects within the Capital Plan, failure to deliver a particular project could have an adverse impact on the LOIP expectations, and could have an adverse impact on any external funding opportunities.				
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment	
		Control	Control Assessment		
<ul style="list-style-type: none"> . Investment opportunities missed. . Inability to deliver balanced budget. . Inability to fund planned projects . Reputational damage. . Litigation. 	<ul style="list-style-type: none"> . Disconnect between project management and corporate financial management . Poor project management skills base . Project risk escalations not notified to corporate financial management . Understatement of project risk . “Optimism Bias” . Poor communication channels . Key financial decision making at project level not aligned with corporate financial management . Inability of Developers to make payment to Council in relation to s75 Contributions or require reimbursement of said funds including interest 	Alignment of risk at project and directorate levels with specific regard to allocated budgets	Partially Effective		
		Effective project management with risk management training for key managers in relation to the Capital Programme	Partially Effective		
		Project delivery reviews	Partially Effective		
		Have open communication channels and effective sharing of information within the Cluster	Partially Effective		
		Effective communication channels maintained with developers to minimise disruption	Partially Effective		
		Regular reporting to Director and wider CMT	Partially Effective		
					Very serious
					Significant
Mitigating Actions				Residual Risk Assessment	

Appendix B – Capital Risk Register

<ul style="list-style-type: none"> . Ensure project/programme risk register review meetings include consideration of any financial impact on the wider capital portfolio and any implications this may have across the Council (to be implemented Q1 2019) . Review risk management training programme for key staff, target Q1 2019. . Ensure key/sensitive projects allocated to managers with appropriate skills, target Q1 2019 . Arrange for Project Execution Plans to be prepared for key projects, target Q1 2019. . Arrange for 'Communications Plans' to be developed for key/sensitive projects with monthly 'communications meetings' incorporating consideration to key stakeholders, target Q1 2019 . Arrange regular meeting with Officer within Place to manage s75 contributions. Target Q1 2019 			
			Likelihood
			Very serious
			Very Low
Risk Owner	Steve Whyte	Risk Manager	John Wilson
Latest Note	Chief Officer – Capital appointed in July 2018		

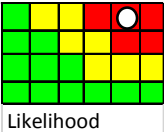
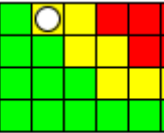
Appendix B – Capital Risk Register

Code	CP002	Lack of staff resources which impacts on the delivery of capital projects.		
Definition	<p>The Council is committed to the delivery of its strategic and capital planning priorities. Failure to deliver these priorities within time scale is a highly significant risk to the expectations as set out within the LOIP.</p> <p>In lieu of the wide portfolio of projects within the Capital Plan, failure to deliver a particular project due to staff resource issues will have an adverse impact on the LOIP expectations, whether that project is directly related to Place, People, Economy or Technology.</p>			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> . late delivery of project . Inability to deliver balanced budget. . risk of interdependencies with other projects . Reputational damage. 	<ul style="list-style-type: none"> . lack of professional resources for design, contract documentation, site supervision and contract management . Poor project management skills base 	Each project to prepare its own risk register	Partially effective	
		Regular risk register reviews	Partially effective	
		Regular progress meetings	Partially effective	
		Regular reporting to key Chief Officers	Partially effective	
		Regular reporting to Director of Resources and wider CMT	Partially effective	
				Very serious
				High
Mitigating Actions				Residual Risk Assessment
<ul style="list-style-type: none"> . Ensure project management good practice is applied with regard to maintaining risk registers (where appropriate), target Q1 2019. . Arrange regular meetings with other key Chief Officers (Finance, Corporate Landlord etc) to review any specific project's delivery . Ensure projects allocated to managers with appropriate skills, target Q1 2019 . Arrange for 'Communications Plans' to be developed for key/sensitive with monthly 'communications meetings' with key officers, target Q1 2019 . Review staff resources to align with project delivery, target Q1 2019. This will include <ul style="list-style-type: none"> • An independent review of external staff resources out with the Capital team but internal to the Aberdeen City Council to deliver the capital programme of projects • A review of available consultant/contractor frameworks to facilitate the delivery of the capital programme of projects • Consultation with the Chief Officer - Commissioning to consider options taking cognisance of the LOIP. • Consultation with the Chief Officer – Corporate Landlord at feasibility stage and project close. • Consultation with the Chief Officer - Finance taking cognisance of the wider cost pressures. 				
				Very serious
				Very Low

Appendix B – Capital Risk Register

Risk Owner	Steve Whyte	Risk Manager	John Wilson
Latest Note	Chief Officer – Capital appointed in July 2018, Capital Cluster resources are under review.		

Appendix B – Capital Risk Register

Code	CP003	Budget allocations within approved Outline Business Cases of projects are insufficient for project development/construction and any associated future maintenance obligations.							
Definition	<p>The Council is committed to the delivery of its strategic and capital planning priorities. Historical Outline Business Case for capital projects which are still at feasibility or detailed design stage shall be reviewed to ensure that they include an updated cost estimate for the full life cycle of the project.</p> <p>In lieu of the wide portfolio of projects within the Capital Plan, any significant changes following the review of a project may have an adverse impact on the LOIP expectations. For example, any forecast increase in costs may impact on the funding allocation of other projects across the whole portfolio.</p>								
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment					
<ul style="list-style-type: none"> . increase in project cost estimate . impact on Revenue budget . Inability to deliver balanced budget. . late delivery of projects . risk of interdependencies with other projects . Reputational damage. 	<ul style="list-style-type: none"> . capital cost estimates not updated . Full life cycle cost estimate not prepared . lack of awareness of interdependencies . unrealistic timescale for delivery 	Control	Control Assessment	 <p>Impact</p> <p>Likelihood</p>					
		. Cost estimates for key projects to be reviewed at key stages of delivery.	Partially effective						
		. Regular progress meetings.	Partially effective						
		. Regular reporting to other Chief Officers	Partially effective						
		. Close collaboration with Chief Officer-Corporate Landlord.	Partially effective						
		. Regular reporting to Chief Officer - Finance	Partially effective						
		. Regular reporting to Director of Resources	Partially effective						
				Very serious					
				High					
Mitigating Actions				Residual Risk Assessment					
<ul style="list-style-type: none"> . Review Outline Business Case template for individual projects within the Capital Plan, target Q4 2018 . Ensure independent cost estimate review check is carried out, prior to approving OBC . Regular reporting to Finance Officers, monthly . Monthly meeting with Resources CMT to raise any issues, target Q1 2019 . Develop protocol for OBC preparation and approval with other Chief Officers – Corporate Landlord, Place, Commissioning, Legal, City Growth. . Depending on outcomes, consultation with the Chief Officer - Finance taking cognisance of the wider cost pressures. 				 <p>Impact</p> <p>Likelihood</p>					
									Very serious
									Very low

Appendix B – Capital Risk Register

Risk Owner	Steve Whyte	Risk Manager	John Wilson
Latest Note	Chief Officer – Capital appointed in July 2018.		