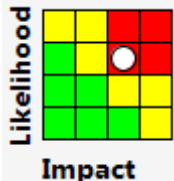
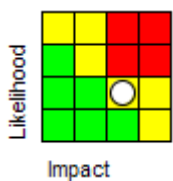


Arkwood Developments Limited

RISK MANAGEMENT PROFILE

Generated on: 8 October 2018

APPENDIX

Management Action Plan	Arkwood Developments Limited	Risk Owner	Kirsty Cole
Description	Managing the performance relationship between the council and Arkwood Developments in line with the Governance agreement		
Risk Review Period	Quarterly		
Current Risk Matrix	Target Risk Matrix		
 <p>Risk Score 9 Likelihood: Significant Impact: Critical</p>	 <p>Risk Score 6 Likelihood: Low Impact: Critical</p>		

Risk Officer Review	
Vulnerability	<p>Financial implications Reputational Compliance issues Failure to adhere to business plan Market and external factors Resource demand Relationship with Company</p>
Trigger/Event	<p><u>Financial</u> Loan repayments from the Company are not made Company failure to deliver approved Business Plan Company failure to pay monies to the Council e.g. land transactions costs, SLA Costs Company failure to pay monies in a timely way Company failure to manage cash flow</p> <p><u>Reputational</u> Poor leadership Company insolvency Poor quality development leading to customer dissatisfaction Secretary of State call in planning decisions made by council on company developments</p> <p><u>Compliance Issues</u> Operational failure leading to non-compliance/legislative failure Compliance failure by the Company (i.e. legislative & policy)</p> <p><u>Lack of delivery</u> Failure to adhere to business plan Lack of awareness of company purpose Company failure to secure planning consent on developments</p> <p><u>Market & External Factors</u> Brexit – market volatility Downturn in economy Failure to understand and develop to meet market needs Changes in local and national policy & legislation e.g. restraints in legislation from Council Lack of skills to deliver developments to quality and on time (e.g. skills shortage) Market and external construction prices leading to increased cost of build</p> <p><u>Resource Demand</u> Insufficient resourcing (e.g. internal capacity to deliver) Over resourcing Incorrect or over demanding SLA's Failure to deliver Council objectives due to increased amount of time spent by board of directors on Company rather than substantive role</p> <p><u>Relationship with Company</u> Lack of communication between Company and Council Lack of regular updates/ assurance from company</p>
Impact	<p><u>Financial</u> Return on investment to the council not realised Lack of sustainability and viability of company Council not achieving aims & objectives as set out in Council's Commercial strategy</p> <p><u>Resource Demand</u> Substantive council roles of directors compromised Council resource overstretched – poor quality service to council or company</p>

	<p><u>Reputational</u> Adverse impact on reputation Inability to contribute to local plan housing numbers Impact on reputation with key partners and stakeholders</p> <p><u>Market & External Factors</u> Lack of housing that meets market demand</p> <p><u>Relationship with Company</u> Relationship breakdown between council and company</p>
Measures In place	<p>Shareholder Committee established and membership agreed Future Shareholder Committee Meetings arranged Shareholder Committee Members training session completed on 17/1/18 Shareholder Committee authority to approve reserved matters in accordance with signed Governance Arrangement</p>
Further Controls	<p>Shareholder Committee to adopt Arkwood Business Plan Shareholder Committee to ratify appointment of Managing Director for Arkwood Shareholder Committee to adopt business plans for each development site</p>