Appendix 2

Enterprise Zone Risk Register

Risk	Residual impact	Residual likelihood	Score	Mitigation and commentary	Mitigated impact	Mitigated likelihood	Score
That the St Albans Local Plan is found unsound following the Inspector's review of compliance with the Duty to Co-operate	**4**	**4**	**16**	This is outside of DBC control and as such cannot be mitigated. If the decision is known before the Memorandum of Understanding (MoU) is signed then consideration of the future of the EZ would have to be made by all parties. Should this be after the MoU is signed and the judgement that the EZ is not sufficiently viable then notice can be served on the Secretary of State to terminate the EZ.	**3**	**4**	**12**
That the Crown Estate land does not come forward or is severely delayed	**4**	**3**	**12**	This is dependent on: (i) positive progress being made with St Albans' Local Plan; and (ii) the infrastructure required to develop the site being deliverable. The operation of the EZ makes the chances of the infrastructure coming forward much more likely. St Albans aim to submit their plan for examination this year. The production of a Masterplan will provide more weight to the ability to develop the Crown land	**3**	**3**	**9**

				Should the Crown Estate land not come forward there would be a question mark on whether the EZ should proceed and this would be evaluated at the time. An initial judgement on the St Albans Local Plan will occur in November 2016 with a judgement being made by the plan Inspector regarding whether or not the Duty to Cooperate requirement has been met. If it is deemed not to be met the likelihood is that the St Albans Plan would go back to square one.			
That the government changes the rules on Enterprise Zones	**4**	**2**	**8**	Whilst there is evidence that governments do change the rules on previously agreed arrangements (e.g. self-funding of HRAs) it does seem to recognise that financial commitments made have to be met. It is unlikely that committed borrowing is left unfunded though more likely that uncommitted spending would be expected to be cut.	**4**	**2**	**8**
That the Business Rate income is insufficient to fund the costs of infrastructure	**4**	**3**	**12**	This is a risk not entirely capable of control and will be determined by national and international performance. The delivery of the Business Plan will be critical to the mitigation of this risk. A convincing marketing and support package alongside a convincing delivery programmes should ensure that this will not happen.	**3**	**2**	**6**
That predicted growth either doesn't	**4**	**4**	**16**	The inherent attraction of the site	**2**	**2**	**4**

happen or is slower to occur				together with the benefits of EZ status means that there will be a strong level of potential growth. The mix of marketing and delivery of required infrastructure will reduce this risk substantially.			
That uncertainty over business rate income prevents necessary borrowing	**4**	**3**	**12**	A prerequisite to manage the financial aspects of the EZ is to have a working Business Plan model which can factor in the investment requirements and their costs against the income stream and to be able to model different scenarios to give better knowledge of funding options. Whilst there can be no absolute assurance over the level of business rates income it is possible to gear the borrowing to be comfortably within the predicted parameters. As it is a revenue stream it is possible to avoid borrowing by use of revenue surplus and use borrowing to cover those points where the business plan moves into deficits. This points to having access to appropriate technical support and guidance on these matters alongside an effective Business plan model.	**2**	**2**	**4**
That anticipated match funding for infrastructure does not materialise	**3**	**3**	**9**	The key area where match funding is required is for the transport improvements. In order to make a decision on which possible solution will be followed the EZ will need certainty over the degree to which there will be	**2**	**2**	**4**

				developer contributions and funding from central government.			
That infrastructure requirements are underestimated	**4**	**2**	**8**	An early task for the EZ will be to refine the individual projects which will form the overall infrastructure requirements and to make sure that these are as comprehensive as possible and are realistically costed.	**3**	**1**	**4**
That the share of Business Rates going directly to the Local authorities and the LEP leaves insufficient income for the EZ	**4**	**3**		This will be mitigated by the accountable bodies taking a pragmatic approach to the level and timing of receipt of business rates share. There seems little point in extracting an unreasonable level of funding if the impact is to depress the development of the EZ and the total business rates generated over the EZ lifetime.	**2**	**2**	**4**
That Enviro-Tech growth does not happen	**2**	**4**	**8**	Left entirely to market forces it is very likely that the growth will be in logistics. This is mitigated at BRE and Rothamsted by the ability to select the type of businesses. It is also mitigated to a degree by planning policy. In the early years the EZ can offer Business Rate Discounts to preferred uses, which would focus on enviro tech. The EZ can intervene to increase the amount of EZ growth through the approach to marketing, the linkages to BRE, Rothamsted and the University. It can also intervene through purchase of	**1**	**2**	**3**

				land in the EZ and the development and letting of Enviro Tech only incubator, larger move-on, and new company premises.			
That the EZ team has insufficient capacity, expertise and leadership	**4**	**3**	**12**	It is vital that the EZ team moves from its current resourcing and staffing to a more permanent and dedicated basis and is designed to meet the needs of the business plan and the wishes of the Board. It will be a huge venture and will need to be staffed and governed accordingly. In time an EZ Director will be appointed and greater direct involvement of the constituent local authorities – who will be taking the risks – is essential.	**2**	**1**	**3**