

Risks	
Risks	
00003 NNDR savings	
Description	Changes in National legislation in the future could prevent the business rates savings from being fully realised.
Date Last Reviewed	30/09/2019
Mitigating Action	Maintain a watching brief for any changes to legislation being considered, and assess the financial impacts relative to this project both pre and post implementation.
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Acceptance
Trend	Same
Likelihood & Impact	D1
Risk Closure Date	31/03/2020
Owners	Steve Gadd
00004 VAT savings on income from in scope facilities and activities	
Description	The anticipated vat savings cannot be fully achieved through a not for profit Local Authority Trading Model, (LATC), and/or charitable status is required for these to be fully realised, which increases the regulatory regime and associated cost.
Date Last Reviewed	03/10/2019
Mitigating Action	<ul style="list-style-type: none"> Undertake a comprehensive review of the vat savings that can be achieved relative to the in scope facilities, and fully assess the legality to achieve them through an LATC, and advise if charitable status is required. If charitable status is required, assess the additional cost associated with the one off implementation, and the ongoing cost associated with the additional regulatory regime for this form of company.
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	E2
Risk Closure Date	31/07/2019
Owners	Jamie Groves
00005 Unforeseen additional one off costs to implement the project	
Description	There may be unforeseen additional one-off costs associated with the establishment of an LATC that have not been taken into account within the project budget.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Undertake detailed project planning with relevant personnel to fully scope what needs to be done, and as far as possible confirm the cost of the resource required to complete each milestone. Further to the above process, establish a project contingency relative to the confidence in the detail of the planning.

Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	D3
Risk Closure Date	30/04/2020
Owners	Steve Gadd

00006 Unforeseen additional ongoing revenue costs

Description	There may be unforeseen additional revenue costs associated with managing the on- going relationship between the Council and an LATC.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> As part of the detailed project planning process undertake a full consideration of items that will incur an ongoing cost and build into the revenue budget implications prior to the approval of the project costs. Consider adding a contingency for any items where there is an unknown element.
Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	C3
Risk Closure Date	31/07/2019
Owners	Steve Gadd

00007 The LATC is not as successful as initially anticipated

Description	The LATC fails or is not as financially successful as hoped, and any resultant additional costs /prudential borrowing loans fall back on the Council to fund, and/or the Company is unable to make adequate reinvestment into its day to day business activities due to lack of funds.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Business Plan for the LATC was scrutinised to ensure that it was realistic in terms of the assumptions and cash flow, and to fully understand the positioning of the LATC relative to the market, and the requirement from the Council. Satisfy ourselves that proactive risk management is being undertaken by the LATC Proactive contract management to provide a level of challenge and support throughout, and to have early warning of any issues that arise. Preparation of management scenarios/strategies that can be deployed should this eventuality arise. Recruitment of Board members with suitable expertise & appropriate constitution of the Board Audit regime- internal/ external
Risk	Economic/Financial/Market
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	D2
Risk Closure Date	30/04/2021

Owners	Graham Boase
00008 Council's governance arrangements and control	
Description	The Council's governance arrangements are inadequate to control and monitor the LATC's financial and operational performance
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Establishment of a Board for the LATC and provide training for the Directors to enable them to fully understand the remit of their role and their responsibilities. Pre mortem undertaken to assess potential areas whereby issues could arise Develop a comprehensive specification of services required and robust contract documents to ensure that, where possible, every eventuality is covered. Put formal contract management arrangements in place, and through the contract monitoring meetings, strive to develop a working relationship that promotes honesty and trust between the Council and the LATC. Establishment of a Strategic Governance Board to provide the Council with an extra layer of control and accountability.
Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Reduction
Trend	Same
Likelihood & Impact	D3
Risk Closure Date	31/03/2021
Owners	Steve Gadd
00009 External grant funding income	
Description	There are external grant funding bodies who provide revenue funding to sustain some of the in scope facilities and activities; these include the Arts Council for Wales and Sport Wales. Should the grant funding cease or be reduced either due to the financial climate or the proposed change to the delivery model, the additional costs will fall to the LATC, or the Council in the event that the LATC is unable to finance any funding gaps.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Revenue Grant funding scoped and assessed by facility/function Relationship between DCC, grant funders and the LATC to be covered within the contract, and the relationships managed through the contract management process to ensure that DCC retains influence. Manage funders outcomes through the contract mananegment process Stakeholder engagement with funders at all stages of the project implementation Potentially remove any facility from the scope of the LATC if it puts the funding at risk.
Risk	Economic/Financial/Market
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	D3
Risk Closure Date	28/02/2020
Owners	Graham Boase
00010 DCC becomes a 'shadow' Director	

Description	The Council is at risk of becoming a 'shadow' Director inadvertently, by implicitly tasking or expressly directing Officers or Members to vote a particular way at Board meetings or that the LATC Director's themselves operate with the Council in mind, rather than the Company first and foremost. The Council could then be liable then for the acts of the Company and this is a business risk the Council should ensure does not happen.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Following appointments to the LATC Board, Directors to receive initial and ongoing training in their new role to be aware of their responsibilities to the LATC, and the priorities/behaviours of Directors where they fulfill both a Council role and an LATC Board role. Officers within the Council to be aware that they should not place undue pressure on LATC Board members. The Strategic Governance Board to be made aware of this risk and associated liabilities, which potentially extends to personal liability for which we won't have personal Directors liability insurance. Adopt a non partisan approach and be mindful
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	D3
Risk Closure Date	31/03/2021
Owners	Gary Williams

00011 Suitable Directors

Description	The LATC is likely to be more successful if it has Directors with the necessary skill sets and experience to direct the company and provide effective decision making.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Job specifications to be created for Directors Council's selection committee to be involved in the selection of Directors Effective training to be provided Indemnity insurance in place for Directors Recruitment of Director with suitable and relevant leisure industry experience
Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Reduction
Trend	Same
Likelihood & Impact	D4
Risk Closure Date	29/11/2019
Owners	Judith Greenhalgh

00012 Brexit

Description	There is potential for the outcome of the BREXIT negotiations to impact on the project. Potentially this could include changes to legislation, policy, finances etc, but this is an unknown quantity at present.
Date Last Reviewed	30/09/2019
Mitigating Action	Watching brief on the negotiations and potential impacts, and development of management strategies as required.
Risk	Legal & Regulatory

Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Acceptance
Trend	Same
Likelihood & Impact	D3
Risk Closure Date	31/03/2020
Owners	Graham Boase

00013 Sport North Wales reorganisation

Description	<p>Sport North Wales are currently reorganising the way in which their funding is distributed, which may result in one partner organisation taking the lead for the region in the future. In this scenario officers working for Local Authorities and other partner organisations who are funded by Sport Wales would be TUPED to the 'Lead' organisation for the region. Within DCC, if this happens and the Lead organisation is not the LATC, this could mean that officers from Strategic Leisure will be TUPED to the LATC, and then potentially TUPED to a new Lead organisation which if instigated is likely to be within the next three years; this is not considered best practice but can be done if necessary.</p> <p>Depending on how the reorganisation looks, it is likely that there will be a different working relationship in respect of the strategic leisure function in the future, whereby the selected Lead organisation will be responsible for the delivery of Strategic Leisure activities within DCC and will have a working relationship with both the Council and the LATC.</p> <p>This will require a separate consideration if and when it happens, which will result in time and cost to make any necessary alterations to the arrangements established between the LATC and the Council to reflect the changes made.</p>
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> DCC /LATC to be represented at all the Sport North Wales regional meetings both to influence and inform of the latest developments
Risk	Technical/Operational/Infrastructure
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Reduction
Trend	Same
Likelihood & Impact	D4
Risk Closure Date	31/03/2022
Owners	Graham Boase

00015 SC2 Business Case

Description	<p>The original business case for SC2 was approved at Council in February 2017 but was developed further as the facility moved toward opening, including a change to the 'dry' offer of the 'TAG Active' attraction and a revised pricing structure. The original business case approved by council included a projected financial deficit in the first four years of operation. The revised business case has not been reported back to cabinet or council but, with the changes noted shows the facility potentially breaking even. However, both the original and latest business cases were speculative as they had been produced before the facility opened. The financial position continues to be monitored closely however there are still large costs such as NNDR and energy that are currently still estimates and the full picture with regard to income performance over the summer is yet to be fully analysed. A more robust analysis of the ongoing risk should be known towards the end of September.</p>
Date Last Reviewed	30/09/2019
Mitigating Action	Retain a watching brief and periodically undertake an analysis of the actuals against the projections.
Risk	Economic/Financial/Market
Active	Yes

Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Reduction
Trend	Same
Likelihood & Impact	B3
Risk Closure Date	31/03/2020
Owners	Steve Gadd

00017 LATC non adherence to law and regulation

Description	<p>The LATC is subject to company law, eu procurement legislation and Teckal requirements, state aid, data protection and freedom of information regimes, and other such regulatory obligations, a breach of which could result in a challenge and/or substantial fine.</p> <p>Given that the LATC is a wholly owned Council company the Council could be disadvantaged by any such action.</p> <p>There is a personal liability for Directors</p>
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> • Personal liability insurance for Directors (subject to limitations) • Effective Corporate Governance • Contractual obligations for staff employed by the LATC, and disciplinary action • Effective contract management • Audit regime
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same
Likelihood & Impact	B3
Risk Closure Date	31/03/2021
Owners	Judith Greenhalgh

00018 Head of Service chooses not to become Managing Director of LATC

Description	<p>It is assumed that the current Head of Service will TUPE to the LATC and and take on the Managing Director role.</p> <p>It is possible that the Head of Service could choose not to take up this new role and elect to stay in his existing role, or even be offered a better opportunity elsewhere and leave the Authority.</p>
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> • Make interim arrangements • Recruitment campaign
Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	No
Corporate Risk	No
Mitigation Strategy	Acceptance
Trend	Same
Likelihood & Impact	D4
Risk Closure Date	30/09/2019

Owners	Graham Boase
00019 Trust status and covenants relative to in scope facilities	
Description	There are historical trusts and covenants relative to some of the in scope facilities which could impact on time and cost relative to getting the lease arrangements completed.
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Detailed legal searches and enquiries Consultation with trustees Best interest statement, and demonstrate the way in which the facility is operated meets to Trusts aims and objectives Possible negotiation or insurance indemnities
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Acceptance
Trend	Same
Likelihood & Impact	D4
Risk Closure Date	20/12/2019
Owners	Gary Williams

00021 Staff changes

Description	Potential that changes to key project personal could impact on the project implementation
Date Last Reviewed	30/09/2019
Mitigating Action	<ul style="list-style-type: none"> Adopted Project team structure to enable project information to be shared For key areas there is duplication within the disciplines to ensure continuity Management of files and documents- use of project 'drive' and VERTO for storing key project documentation
Risk	Organisational/Management/Human Factors
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Reduction
Trend	Same
Likelihood & Impact	D5
Risk Closure Date	30/04/2020
Owners	Graham Boase

00023 Land Transaction Tax

Description	There is a possibility that Land Transaction Tax will be payable on the premises leased to the LATC.
Date Last Reviewed	30/09/2019
Mitigating Action	Review options re form of leases. Obtain taxation advice from Welsh Revenue Authority
Risk	Legal & Regulatory
Active	Yes
Key Risk?	Yes
Corporate Risk	Yes
Mitigation Strategy	Avoidance
Trend	Same

Likelihood & Impact	D1
Risk Closure Date	11/10/2019
Owners	Gary Williams