

Risk	Trust	Council	Comment
<u>Buildings & Assets</u>			
Increase/Decrease in Energy unit costs	X		Trust will procure its own supply contracts. Consumption primarily due to building condition.
Significant repairs & maintenance		X	External / structural works to be carried out & funded by council. Trust responsible for internal works and cyclical M&E checks (budget transferred to the trust). Council has no specific budget therefore any requirement has to be approved through capital programme or minor works budget. If uneconomic, council has right to break the lease (compensation to the trust & consequential change to business plan)
Temporary closure due to planned or emergency maintenance	X	X	Council to take reasonable measures to carried out works to minimise impact on the trusts operations, anything significant to be reflected in an adjustment to the management fee. Could result in closure of facility if insufficient funds. There is a maintenance backlog (consistent with wider council portfolio)
<u>Health & Safety</u>			
Accident involving staff or public - operational	X		Trust will have public liability and employers liability insurance. Any incident in early years likely to damage council reputation. If material, council could terminate partnership agreement
Accident involving staff or public - facilities related	X	X	External/structural Maintenance carried out by Council. Trust will hold appropriate insurances but would suffer reputational damage
Failure to meet operational safety	X		Legally responsibility of the Leadership and Trustees.
Failure to meet buildings safety requirements		X	external / structural Maintenance carried out by Council. Trust would suffer reputational damage
<u>Financial & Commercial</u>			
Trust is less profitable than business plan	X	X	In early years, Trust has nothing to fall back on, hence failure to deliver business plan is entirely at council's risk. If reserves built up in future, trust can meet shortfall from reserves (not sustainable)
Trust experiences cash crisis	X	X	In early years, Trust has nothing to fall back on, hence a material cash crisis is entirely at council's risk. If reserves built up in future, trust can meet crisis from reserves
Failure to keep adequate or appropriate records e.g. on grants or VAT	X	X	Any significant repayment through failure to adhere to grant conditions or incorrectly structured VAT trading position would have to be met from Trust reserves. In early years, Trust has nothing to fall back on, hence entirely council's risk
Failure of a supplier to the trust	X	X	In early years, Trust has nothing to fall back on, hence a supplier failure is entirely at council's risk. If reserves built up in future, trust can meet failure from reserves
Declining council funding requires reduction in trust services		X	Agreement provides for the Council to request a service change at any point, subject to the agreement of any amendment to the Service Fee. Should there be disagreement in relation to any changes to the Service Fee, the Dispute Procedure may be invoked. Changes to funding level as part of 3Y business planning process can
<u>Employment</u>			
Redundancy costs	X	X	Legally drafted as trust's risk. However if council requires change to business plan which results in redundancy, notice process includes trust telling council cost of such change to be funded through mgt fee
Pension	X	X	Council takes historic deficit and acts as guarantor of current scheme. Trust to take risk on changes to rates but any material cost pressure will likely be a negotiation in the mgt fee
<u>Performance</u>			
Trust fails to meet statutory minimum where relevant	X	X	Council remains responsible, therefore council risk. Material or repeated breach would allow council to terminate partnership agreement
Council and trust cannot agree business plan	X	X	Council is not able to vary as it would like and is forced to fund based on previous years plan Option to terminate
Trust fails to meet performance KPIs	X		Material or repeated breach would allow council to terminate partnership agreement