

Risk Assessment

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1	Funding Package is deliverable – parties are not able to provide the level of initial commitment or scheme does not leverage funds	Obtain letters of commitment prior to commencement of project and prior to FBC sign off. Obtain clarity on funder requirements and ensure scheme meets these through audit.	Low	High	High	Continue to work closely with all stakeholders and funding partners on key objectives and commitment to project.
2	Capital Costs are higher than anticipated – cost inflation and project variations.	Inflation or contingency not sufficient. Ensure cost plan includes current market projections and sufficient cost allowances for scheme including provisional sums at this stage	High	High	Low	Cost plan and financial checks to be taken at all key stages of the project.
3	Concessions are not lettable due to market – no market interest	Seek market interest through early market engagement during FBC and procurement phases. If required, Council in-house could operate facilities but would retain the risk.	Med	Low	Low	Market engagement workshops to be held.
4	Leisure Centre operating costs are higher than anticipated – income is not generated and operating costs are higher	Outsource operation to a third party to manage the income and cost risks. Ensure use of Sport England standard contract which shares risks that leverage value for money and are bankable in the market.	Low	Low	Med	Options appraisal on future operation and management alternatives.
5	Project is delayed – resulting in higher costs and delayed income	Construction and operations are outsourced with risks transferred to third parties. Delays would reduce	Low	Low	Low	Work to be progressed on detail project programme.

		impact from economic and social benefits to the community. Programme management and procurement support likely to mitigate this risk.				
6	1. VAT Charge for Alexander Stadium There is a risk there will be a Value Added Tax (VAT) charge for the redevelopment of the Alexander Stadium, which was not included in the original budget.	Review governance and confirm with HMRC VAT Status	High	High	Med	

Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.