

Risk Analysis Prepared by Ernst & Young

Summary of key risks and delivery actions

Risk	Type	Action
Asset portfolio does not receive necessary investment from Council, causing Leisure Trust to under perform	Asset Risk	Seek formal agreement to ensure there is an adequate asset reinvestment strategy
Historic rental valuations are misstated	Asset Risk	Council reconcile Estates rental schedules to Finance rental receipts schedule
Cost centres fail to manage their individual budgetary performance	Financial Risk	Seek a formalised budgetary control and management structure to ensure objectives are met
Leisure Trust is unable to amend concessions and potential income is lost	Financial Risk	Ensure a clear agreement on revised concessions and pricing and ensure long term commercial autonomy for Leisure Trust
Leisure Trust staff ineligible for continued participation in current pension scheme	Legal Risk	Ensure status as Admitted Body for the Strathclyde Pension Fund
Legal and operational impact of incorrect staffing of SPV	Legal Risk	Ensure appropriate advice sought regarding TUPE regulations
The Leisure Trust structure is not VAT efficient	Tax Risk	Ensure all relevant legal documentation is subject to a full specialist VAT review
The trust does not achieve Charitable Status and is subject to NDR and SDLT	Legal/Tax Risk	Ensure the aims of the body as stated in the articles and memorandum comply with OSCR guidelines and SDLT clearance obtained
Leisure Trust members are unclear of authority and duties	Legal Risk	Prepare Members Agreement and Code of Conduct
Commercial arrangements lack necessary clarity	Legal Risk	Produce a detailed transfer agreement between Council and Leisure Trust
The Leisure Trust does not have operational support to provide core activities	Operating Risk	Ensure all necessary support functions are provided through SLAs
Leisure Trust not independent enough to establish commercial practises	Operating Risk	Leisure Trust seek to sites itself in offices off-site from the Council