

Appendix D – Risk Assessment

FIGURE 1							
The risks associated with the implementation of the proposed CAT of Jacob's Wells Baths to Fusion Lifestyle:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
		1	Delayed completion of the Lease could result in ongoing revenue costs to the Council. These would include the annual cost of security, repairs, maintenance, insurance, etc.	High	Medium	A tight timetable is being adhered to and final Lease negotiations will take place as soon as Fusion's full business plan has been evaluated and the CAT decision made at Cabinet. The Lease and Service Agreement will place full liability for all costs associated with the property with the tenant. The Council will not have any liability for operating deficits during the term of the Lease.	
2	Non-compliance with the terms of the Lease and the Service Agreement by Fusion.	Medium	Low	If not remedied, continued breaches enable the Council to impose a full market rent and/or seek forfeiture of the Lease. After the huge upfront financial investment by Fusion, these controls will be sufficient deterrent to ensure a reasonable compliance level.	Medium	Low	Service Director Property
3	The venture does not become financially sustainable, resulting in the property not being maintained properly, a reduction in community access, a loss of concessionary prices, a loss of a unique arts/leisure facility, and no future revenue share for the Council.	Medium	Medium	Granting the CAT lease to Fusion will remove any direct financial risks to the Council. Fusion already has an extensive asset base and has a great deal of expertise in renovating and managing this type of property. Fusion will fully fund the investment programme and will take over the property in its current condition, without the need for further revenue expenditure by the Council. If the business plan proves to be realistic, a certain element of profit sharing is expected to occur after Fusion's initial capital investment has been recouped.	Medium	Low	Service Director Property
4	Awarding the CAT Lease to Fusion could lead to community criticism and reputational damage to the Council, eg from other bidders or interested parties; reputational damage could also result from a poorly operated venue, excessively high prices, and non-delivery of the promised community benefits.	Medium	Medium	A robust and transparent CAT process is being followed and was informed by consultation with all stakeholders; the Selection Panel includes external/community representatives. The Council will carry out annual monitoring and 5-yearly reviews of the Service Agreement and will apply good estate management practices throughout the life of the CAT.	High	Low	Service Director Property
5	Unsympathetic or unprofessional repairs and renovations could harm the historic fabric of the listed	Medium	Low	As a listed building, the Council's Conservation Team will exercise regular control over the works during the construction/capital	Medium	Low	Service Director Planning

building.			phase of the project. Any alterations and extensions will also be subject to Planning control and Building Regulations inspections.			
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FIGURE 2

The risks associated with not implementing the proposed CAT:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK		RISK OWNER
		(Before			(After controls)		
		Impact	Probability		Impact	Probability	
1	The fabric of the Jacob's Wells Baths property would not be restored; water ingress, frost and vegetation growth will result in further damage; the property ends up on the 'At Risk' register of listed buildings.	High	High	The Council would need to allocate very substantial capital resources to undertake all urgent repairs to make the building wind/water tight.	High	Medium	Service Director Property
2	The property would not be brought back into an active, community-based use again and it would be at risk of being converted into a different use, which might not benefit the local community or the people of Bristol.	High	High	The Council could try to impose restrictive covenants if the freehold of the property were to be sold in the absence of a leisure/arts/community use.	High	Medium	Service Director Property