

West Dunbartonshire Leisure Trust Risk Register 2018/19



Our Company

West Dunbartonshire Leisure Trust (WDLT) is a company limited by guarantee with charitable status. In addition to being regulated by the Companies Act (1985), the company is also subject to the charities regulator in Scotland, OSCR (Office of Scottish Charity Regulator).

There are nine members of the company who serve as Directors comprising of three (3) Councillors (Partner Directors), an Employee Representative Director and five (5) Independent Directors. They have the ultimate control of the company subject to providing and operating the services in accordance with the Legal Agreement reached with West Dunbartonshire Council (WDC) and provides strategic direction to the General Manager and his Senior Management Team.

The company was incorporated in December 2011 and started trading in April 2012 and is responsible for the strategic and operational management of WDC's Sport and Leisure Facilities; Community Facilities; Sports Development; Active Schools; and Events.

Our Business

WDLT's portfolio provides a strong infrastructure of facilities that includes: three (3) wet and dry leisure centres; thirteen (13) community centres, a theatre; twenty-five (25) grass pitches, two (2) synthetic pitches and thirteen (13) changing pavilions; and three (3) outdoor bowling greens all of which provide a diverse range of activities and events to meet the needs and wants of the residents of West Dunbartonshire.

In addition to the management of the above facilities WDLT also manages the following services:

Sports Development

West Dunbartonshire Leisure's Sports Development team are focused on widening opportunities for all residents (aged 2 years to adult) to participate in school, club and community sport, while also supporting individuals to develop their performance to a level that they aspire.

Sports Development has a specific focus on developing swimming, football, athletics, gymnastics, badminton, hockey and basketball. In addition, high profile generic initiatives include disability sport, early year's fundamental sport and Community Sports Hubs.

Active Schools

Mainly funded by sportscotland, Active Schools West Dunbartonshire is part of a national network of staff working across Scotland to provide more and higher quality opportunities for children and young people to participate in sport before, during and after school.

Key areas of work include:

- Volunteer recruitment, development and retention (including young sports leaders).
- Provision of sport sessions before school, at lunchtimes and after school in all primary and secondary schools.
- Sports festivals.
- Programmes aimed at particular target groups e.g. girls & young women, young people with a disability.
- School to sports club/community sport links.
- Inspirational programmes linked to Glasgow 2014 and Ryder Cup 2014.
- **sportscotland** led initiatives e.g. Positive Coaching Scotland.

Events

WDLT delivers an annual programme of outdoor events for WDC. The Events Calendar includes, Scottish Pipe Band Championships; Highland Games; Firework Displays; and Christmas Light Switch On events.

The largest of these events is the Scottish Pipe Band Championships which attracts approximately 20,000 visitors and participants to the West Dunbartonshire area from all over the UK and abroad. This event has a positive economic impact on the local economy estimated to be in the region of £1.7 million in 2013.

Risk Management

There are many risks to WDLT's service delivery and these can take various forms, e.g. financial risk, operational risk, risk to the public and service users, and risk to our reputation. These risks can affect our performance, our customers and members of the public. Therefore we need to have a clear understanding of what these risks are and how they are to be managed and controlled.

Managing our risks effectively is essential in achieving our strategic outcomes and targets, creating confidence among service users and the public, and ensuring effective governance. Effective Risk Management will also enable us to deliver service improvements taking account of the context and environmental factors.

Identifying Risks

Each risk identified will be classified into a risk category; this will be used to ensure that the risk study captures all potential types of risks that may arise within the organisation. Listed below are the categories of risk for both strategic and operational risks.

Risk Category	Description
Compliance	Risk that changes in legislation increase WDLT's operating costs
Strategic	Risk that WDLT cannot achieve its strategic outcomes
Reputational	Risk that WDLT's public / media perception will be adversely affected by its performance
Financial	Risk that WDLT's financial situation is such that it cannot achieve its strategic outcomes and or business priorities
Operational	Risk WDLT's operational costs vary from budgeted, that performance standards decline or that basic services cannot be provided
External	Risks arising from circumstances not within the control of WDLT's Board e.g. national and local factors

Risk Assessment

Following the identification of risks, each risk will be assessed for likelihood and impact to determine the risk rating. This phase of risk assessment is a key component of the risk management process and this determines the risks which are of greatest threat to the organisation.

			IMPACT				
			Catastrophic Failure	Significant Impact	Serious	Marginal	Insignificant
			5	4	3	2	1
LIKELIHOOD	Highly Probable >90%	5	25	20	15	10	5
	Very Likely >70%	4	20	16	12	8	4
	Even Chance 50%	3	15	12	9	6	3
	Could Happen 10-30%	2	10	8	6	4	2
	Improbable <10%	1	5	4	3	2	1

Risk Treatment

Once all risks have been identified and assessed, decisions must be taken to determine how best to control or manage the risks.

There are three strategic options available for managing and controlling risk exposure: **acceptance**, **reduction** and **transfer**. The option chosen to treat the risk will be determined by how appropriate it is to the risk event.

Risk Acceptance: An informed decision is taken to accept or retain the risk as it may not be necessary or appropriate to take action to treat the risk. Consideration should be given to the cost of avoiding, reducing or transferring the risk outweighing the potential benefits that would be realised.

Risk Reduction: Reducing the likelihood; preventing the risk from occurring by treating the causes of the risk; or taking action to reduce or control the consequence should the risk occur. —

Transfer the Risk: Through conventional methods such as insurance policies or by asking a third party to take on the risk. Transfer through contract conditions to contractors, although there must be recognition that some residual risk may remain.

Risk Reporting

Risk has to be reviewed and reported on for two important reasons:

- To monitor whether or not the risk profile is changing
- To gain assurance that risk management is effective, and to identify to both the Board and the management team where and when further action is required.

With this in mind a risk reporting process has been agreed to ensure formal reporting and monitoring of risk is effective and will be carried out as part of the function of the Audit Committee.

Risk Register

Risk Level:

Green Risks: Are the low risks which are recorded in the risk register. The adequacy of existing control measures may be considered as an effective review.

Amber Risks: Are considered to be of medium importance. Develop contingency plan and monitor risk development

Red Risks: These are the risks that could severely threaten the ability of WDLT to deliver its strategic outcomes and priorities. Review risk in great detail and amend strategy to reduce/avoid

Risk Strategy:

Accept: An informed decision is taken to accept or retain the risk as it may not be necessary or appropriate to take action to treat the risk. Consideration should be given to the cost of avoiding, reducing or transferring the risk outweighing the potential benefits that would be realised.

Reduce: Reducing the likelihood; preventing the risk from occurring by treating the causes of the risk; or taking action to reduce or control the consequence should the risk occur.

Transfer: Through conventional methods such as insurance policies or by asking a third party to take on the risk. Transfer through contract conditions to contractors, although there must be recognition that some residual risk may remain.

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
Significant reduction in West Dunbartonshire Council funding	Strategic / Financial / Operational	4	4	(16)	<ul style="list-style-type: none"> Regular Monitoring Meetings with WDC Annual Performance Report to WDC Infrastructure Committee On an annual basis explore options for efficiency savings and opportunities for increasing income. 	Reduce	<ul style="list-style-type: none"> Continue to explore options for efficiency savings and opportunities for increasing income. 	General Manager
Asset portfolio does not receive necessary investment from WDC	Strategic / Reputational / Operational	3	4	(12)	<ul style="list-style-type: none"> Annual maintenance budget for Leisure Centres of 115k and for Community Facilities of £95k; and £40k Pavilions (not increased since beginning of Trust) WDC Capital Programme WDC Spend to Save 	Transfer	<ul style="list-style-type: none"> Review Asset portfolio and agree with WDC what projects to be forwarded to WDC's Capital Programme for consideration Submit applications to WDC's Capital Programme 	Community Facilities Officer

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
Insufficient (WDC CRA) funds to carry out an effective repair and maintenance programme for premises and equipment / plant	Reputational / Operational	3	4	(12)	<ul style="list-style-type: none"> Maintenance Contracts in place including outdoor and 3G pitches Maintenance & Repairs Budget in place PAT carried out Preventative Maintenance programmes in place Effective management of the large WDC repair and maintenance budgets. These are reviewed at regular meetings between WDLT Operational Managers and WDC maintenance officers 	Reduce	<ul style="list-style-type: none"> Review of (WDC) Maintenance Budgets 	SLTO / Leisure Facility & Community Facilities Officers
Risk of fire resulting in loss of facility and or equipment, fixtures and fittings	Reputational / Financial / Operational	2	5	(10)	<ul style="list-style-type: none"> Automatic Fire Detection Alarm Systems in place Provision of appropriate Fire Fighting Equipment in place Regular facility inspections PAT carried out Fire Risk Assessments Regular Fire Training 	Reduce	<ul style="list-style-type: none"> Update all Fire Risk Assessments 	Health & Safety Coordinator
Loss of charitable status by virtue of WDLT not being deemed to be an Arm's Length Organisation	Compliance	2	5	(10)	<ul style="list-style-type: none"> Annual External Audit Good governance arrangements Regular meetings with WDC OSCR Review (2013) 	Accept	<ul style="list-style-type: none"> N/A 	Company Secretary
Failure to reduce absence levels which will affect WDLT's ability to provide high quality services and lead to additional costs	Reputational / Financial / Operational	3	3	(9)	<ul style="list-style-type: none"> Attendance Management Policy Monthly Agenda Item on all Managers 1-2-1 Meetings Occupational Health Referrals Support and Counselling Services Ongoing Support and Training for Officers 	Reduce	<ul style="list-style-type: none"> Effectively manage the existing control measures Organise refresher training for Officers implementing the Attendance Management Policy 	Senior Leisure Trust Officer

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
WDC proceed with proposals to review Community Facilities in 2018/19	Strategic / Financial / Reputational / Operational / External	3	3	(9)	<ul style="list-style-type: none"> Regular communication with WDC Monitoring Officer 	Transfer	<ul style="list-style-type: none"> N/A 	General Manager
Organisational structure not fit for purpose	Strategic / Operational	2	4	(8)	<ul style="list-style-type: none"> WDC staff restructure prior to transfer to Trust Implementation of Management Restructure following transfer 	Reduce	<ul style="list-style-type: none"> Development of an appropriate workforce plan Review of Business Development Team's roles and responsibilities 	General Manager
Potential increase in competition for leisure activities, including budget gym sector and private operators	Financial / External	2	4	(8)	<ul style="list-style-type: none"> All Inclusive DD Membership (Gym, Fitness Classes, Swimming & Health Suite) Staffed Gyms Range of Memberships A Pricing Policy has been developed and approved by the Board (August 2016) Competitive Pricing Policy High quality service delivery 	Reduce	<ul style="list-style-type: none"> Continue to review external competitors To continue to identify market trends 	Business Development Coordinator
WDLT lacking strategic direction, leadership and forward planning through composition, skill and experience of the Board	Strategic	2	4	(8)	<ul style="list-style-type: none"> Robust recruitment process Concise induction process Ongoing training and development for directors Board Appraisal Scheme 	Reduce	<ul style="list-style-type: none"> Ongoing development/training of Board Directors 	Chair of Board
Changes to current NDR Charitable Relief legislation resulting in the removal of WDLT's relief	Compliance	2	4	(8)	<ul style="list-style-type: none"> Regular meetings with WDC Finance Business Partner to ensure any NDR changes are complied with timeously. 	Accept	<ul style="list-style-type: none"> N/A 	Company Secretary

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
Changes to current employment law impacting on WDLT's contractual arrangements	Compliance	2	4	(8)	<ul style="list-style-type: none"> Regular meetings with HR Business Partner to ensure any Employment Law changes are complied with timeously and that the HR function of the business is appropriately managed. 	Accept	<ul style="list-style-type: none"> N/A 	Company Secretary
Serious, systematic Health and Safety failure, leading to prosecution	Reputational / Financial	2	4	(8)	<ul style="list-style-type: none"> WDLT Health and Safety Policy WDLT Health & Safety procedures Health & Safety Committee Annual Health & Safety Plan Regular Work Place Inspections Health & Safety training for key personnel and Trade Union Safety Representatives Appointment of a competent H&S Co-ordinator and Child Protection Officer H&S sub group formed, consisting of H&S Coordinator and TU Safety Reps who meet fortnightly to progress the work of the committee between meetings Auditing process of H&S procedures Event Plans Risk Assessments 	Reduce	<ul style="list-style-type: none"> Effectively manage the existing control measures 	Health & Safety Coordinator
Level of Reserves insufficient to meet unexpected expenditure requirements	Strategic / Financial / Operational	2	4	(8)	<ul style="list-style-type: none"> Annual External Audit 	Reduce	<ul style="list-style-type: none"> Devise and implement a Reserves Policy 	General Manager / Company Secretary

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
ICT Network unreliability caused by infrastructure deficiencies impacting on WDLT's ability to perform	Strategic / Reputational / Financial / Operational / External	2	4	(8)	<ul style="list-style-type: none"> Short term Business Continuity Plans (paper based) 	Reduce	<ul style="list-style-type: none"> Develop Business Continuity Plans (On-line) Formalise a schedule of meetings with ICT Business Partner 	Business Development Coordinator
Declining national participation trend in wetside activities could adversely affect WDLT's financial position	Strategic / Financial	2	3	(6)	<ul style="list-style-type: none"> Period by period income reviews with accountant and Managers KPI (usage) reporting to Board and WDC Business and Marketing plans Flexible pricing policy Aquatics Strategy and associated action plan 	Reduce	<ul style="list-style-type: none"> Continue the implementation of the Aquatics Strategy and associated action plan Market the availability of public swimming and health benefits 	Sports Development Manager
Lack of commitment and/or funding from key stakeholders (other than WDC)	Strategic / Financial / Operational / External	2	3	(6)	<ul style="list-style-type: none"> Service/Partnership Agreements in place with key partners WDLT Partnership Working Summary Document Regular liaison with key stakeholders 	Accept	<ul style="list-style-type: none"> Discussions with sportscotland around future funding 	General Manager / Sports Development Manager / Active Schools Manager
Failure of WDC to deliver effective support services in line with WDLT's needs	Compliance / Reputational / Financial / Operational / External	2	3	(6)	<ul style="list-style-type: none"> Regular meetings with WDC Departments Regular discussions at 1-2-1 and Management Meetings 	Reduce	<ul style="list-style-type: none"> Formalise any concerns at WDC Monitoring Meetings to assist alleviate any issues Formalise a schedule of meetings with appropriate Council Officers 	General Manager
Adverse weather conditions impacting on service delivery, particularly outdoor pitches.	Financial / Operational	2	3	(6)	<ul style="list-style-type: none"> Weekly Pitch inspections (Friday) Historical information/trend analysis of pitch cancellation Procedures for clearing snow and gritting 	Accept	<ul style="list-style-type: none"> N/A 	Community Facilities Officer

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
Failure to be GDPR compliant resulting in prosecution	Compliance / Reputational	2	3	(6)	<ul style="list-style-type: none"> Current compliance with the Data Protection Act 	Reduce	<ul style="list-style-type: none"> Upgrade MRM system to assist meet GDPR compliance 	Business Development Coordinator
Failure to achieve participation levels and income targets in line with Service Level Agreements	Strategic / Financial / Operational	2	3	(6)	<ul style="list-style-type: none"> Period by period income reviews with accountant and Managers KPI reporting to Board and WDC Business and Marketing plans Flexible pricing policy Targets set as part of Manager's objectives within their Personal Development Plans 	Reduce	<ul style="list-style-type: none"> Maximise income opportunities at new Clydebank Leisure Centre in particular via marketing Implement Community Facilities Development Plan 	Mgt Team
Failure to prevent spread of bacteria and contamination within swimming pools and changing areas	Reputational / Financial / Operational	1	4	(4)	<ul style="list-style-type: none"> Pool water is tested before opening and every two hours during opening hours Appropriate pool filtration and use of chemicals in operation Appropriate staff training in place with key personnel receiving external training Changing areas and toilets inspected on a regular basis Cleaning plans/checklists in place with regular cleaning undertaken Cleanliness standards devised Emergency procedures in place for dealing with cryptosporidium outbreak in pools 	Accept	<ul style="list-style-type: none"> N/A 	SLTO / Leisure Facility & Community Facilities Officers

Key Risk	Risk Category	Likelihood (1-5)	Impact (1-5)	Risk Level (Score)	Existing Control Measures	Risk Strategy	Risk Management Actions	Risk Owner
Failure to have appropriate governance arrangements in place	Compliance / Strategic / Reputational / Financial / Operational	1	4	(4)	<ul style="list-style-type: none"> Annual Audit from Wylie & Bisset Auditors Annual internal review of Governance Arrangements Scrutiny by Audit & Risk Committee Regular updated training for Company Secretary and members of the Audit & Risk Committee Annual Audits of practices and processes by WDC Internal Audit 	Accept	<ul style="list-style-type: none"> N/A 	Company Secretary
Changes to VAT Regulations impacting on WDLT's financial situation	Compliance	2	2	(4)	<ul style="list-style-type: none"> Regular meetings with WDC Finance Business Partner 	Accept	<ul style="list-style-type: none"> N/A 	Company Secretary
WDLT are unaware of the needs and expectations of customers	Strategic / Reputational	1	4	(4)	<ul style="list-style-type: none"> Customer satisfaction questionnaires Customer comments schemes Quarterly Net Promoter Questionnaires 	Reduce	<ul style="list-style-type: none"> Develop and implement a Communications Strategy for both Internal & External use 	General Manager
Pension liability as stated on Annual Accounts materialising	Financial / External	1	4	(4)	<ul style="list-style-type: none"> Annual External Audit Consultation with Actuaries to adjust assumptions 	Accept	<ul style="list-style-type: none"> N/A 	General Manager / Company Secretary



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