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Cheltenham Borough Council

Cabinet – 3rd March 2020

Workshop Cheltenham – investment proposal

Accountable member	**Rowena Hay, Cabinet Member for Finance**
Accountable officer	**Executive Director – Finance and Assets**
Ward(s) affected	**All**
Key/Significant Decision	**Yes**
Executive summary	On 8th October 2019, Cabinet approved the recommendation to support the creation of a Workshop Development by Workshop Cheltenham Limited (WSC) on Chester Walk car park which is owned by Gloucestershire County Council (GCC). The decision included a land swap with GCC for part of St George's road car park and, following the land swap, a lease from CBC to WSC to access Chester Walk car park to construct the Workshop Development. Since the decision, WSC have reconsidered the construction method using remodelled shipping containers resulting in a more effective modular construction solution which has both environmental and operation advantages. WSC have also attempted to attract external financing to deliver the Workshop Development but, as WSC will not have a freehold interest it has been unable to secure external lending to date. As a result, WSC have approached the council to consider an investment into WSC to facilitate the delivery of the project. This report outlines the changes to the WSC development proposition and the principles of the investment and seeks approval to this approach to delivering WSC.
Recommendations	**It is recommended that Cabinet:** **1. Approves the proposal for an investment into or with Workshop Cheltenham Limited (WSC) to facilitate the delivery of the facility, including a tier 2 growth hub, on Chester Walk car park;** **2. Approves the principle of the investment up to a maximum value of £1.7m subject to further due diligence;** **3. Delegates authority to the Executive Director Finance and Assets, in consultation with the Cabinet Member for Finance and the Borough Solicitor, to agree final terms of the investment and set up of the most appropriate vehicle for delivery of the Workshop Development , including if necessary setting up a new company with WSC;** **4. Delegates authority to the Executive Director Finance and Assets, in consultation with the Borough Solicitor, to take all**

necessary steps and undertake all necessary procedures, including entering into any legal and financial agreements and contracts (where the contracts do not exceed £100,000) as may be required to implement or facilitate the workshop development;

5. **Recommend to Council that the Investment Strategy and / or Treasury Management Policy be revised to incorporate the investment in WSC.**

Financial implications	The financial projections for the investment proposal are included at Appendix 2, Appendix 3 and Appendix 4. Appendix 2 sets out the estimated outcome if £1.7m is invested. Appendix 3 sets out the estimated outcome if £1.45m is invested. Appendix 4 reviews the business case presented to Cabinet in October 2019 and shows the outcome with the current proposal. Due diligence is still required on the numbers set out in the proposal however the breakeven point for Workshop to be profitable is just below 50% occupancy if £1.7m is invested and 49.8% occupancy if £1.45m is invested. It is estimated that the occupancy will be an average of around 50% for the first year and then grow 5% per annum. This seems to be in line with ventures of this nature. The Investment strategy and treasury strategy will need to be updated to include this investment going forward. It is planned to update these ready for Council in March once this paper is approved. Detailed financial implications are set out in section 6 of the report. **Contact officer: Andrew Knott,** **Andrew.knott@publicagroup.uk, Tel: 01242 264121**
Legal implications	The legal comments on the principle of the proposed land exchange and grant of a lease were set out in the Cabinet report of 8 October, are still relevant but are not repeated here as this report does not deal primarily with the land proposals. The lease is being negotiated under the authority delegated by that decision. At present (but subject to comment by WSC) it contains provisions in respect of permitted use and disposals (including underletting). Disposals (including underletting) are permitted with the consent of the Landlord, which must not be unreasonably withheld (a statutory limitation on the landlord's power which cannot be avoided). Within the powers under the lease, it would be difficult to justify refusing consent to underlet if the proposed undertenant is financially viable and the proposed use is within the use permitted under the lease; the Council would also have to ensure that in refusing consent it was not acting in an anti-competitive manner, as to do so could incur penalties under the Competition Act 1998. The lease prepared following Cabinet decision on 8 October 2019 is still very much in a draft form, as WSC have not yet provided their detailed comments. The expectation by Council officers is that the lease will be excluded from the protection of the Landlord and Tenant Act 1954. As the law currently stands, this will mean that the tenant would not benefit from compensation for disturbance upon the expiry of the lease. However, if the

	lease is not so excluded, then compensation would be payable by reference to rateable value (1 x RV if the tenant is in occupation for less than 14 years; 2 x RV if over). An additional limb of compensation is for improvements. The original proposal was for the "development" to be by way of containers, which would be removed at the end of the term (the draft lease required the tenant to do this, if so required by the Council). In that case, no compensation for improvements would be payable. However, if the development becomes more permanent in nature, (particularly in the light of the comment in paragraph 4.3 of the report: "the WSC development will be owned by CBC") and at the end of the term the land in its "improved" state is of benefit to the Council, compensation for improvements may be payable by the Council to the tenant. The ability of the Council to avoid the liability to pay compensation for improvements is severely limited by statute. It is difficult to quantify at this stage the amount of compensation payable. As referred to in the report, the rent payable under the lease is anticipated to be (in part if not in whole) a proportion of the turnover. It will be important for both parties to be clear whether the cost of repayment of the investment will be a deductible from the calculation of "turnover". Forfeiture of the lease would mean that repayment of the Council's investment would also be at risk. Conversely, this may mean that the Council as landlord may in the future feel that forfeiture, although desirable from a land management perspective, is not desirable because it would put the investment at risk. The Council should consider whether to secure the repayment of the investment and the profit share by way of a legal charge on the lease and the development. Whilst the lease itself may not be worth the capital invested by the Council, the legal charge will enable the council to sell the lease and the development (as mortgagee) and take control of the asset. There are two powers open to the Council to provide the investment. Section 12 Local Government Act 2003 and Section 1 of the Localism Act 2011. Pursuant to the powers set out in s12 Local Government Act 2003, the Council may invest either for any purpose relevant to the Council's functions under any enactment or for the purposes of the prudent management of its financial affairs. The power to invest given in s12 should in principle include the power to invest in commercial property. However, the power to invest in commercial property must be used either for a purpose relevant to a function of the Council, for example the regeneration of a town centre or for the prudent management of the authority's financial affairs. Investing purely to create a return is not viewed as a function of an authority whereas investment of a surplus in such property may be prudent when used as a tool alongside other financial measures. It is important that the primary policy objectives of any investment activity by a local authority are met and public funds are not exposed to unnecessary or unquantified risk. In exercising the power to invest under s12 a local authority should have regard to the CLG Guidance on Local Government Investments. The Guidance advocates the preparation of an

	investment strategy which the Council will be expected to follow in its decision making process unless a sensible and cogent reason is articulated for departing from it. The power to invest assumes that if the main purpose of the acquisition was to provide an income stream the Council would not borrow to finance the activity. If the Council did, it could be opened up to a challenge of borrowing to invest which breaches one of the golden rules and could be classified as an ultra vires activity. The Localism Act 2011 has encouraged councils to develop new and innovative business models in ways that were previously disallowed. Under the General Power of Competence (GPC), a local authority has powers to do anything that a private individual of full legal capacity may do giving authorities the power to take most reasonable actions which are "for the benefit of the authority, its area or persons resident or present in its area". The power does not enable an authority to do anything which the authority was not able to do because it was not permitted by legislation in force before the Localism Act 2011. The GPC is therefore subject to restriction however, individuals do have the power to invest. Officers have been advised to seek specialist advice as to whether the deal as a whole is on market terms to ensure that there is no state aid. If the deal is deemed not to be on market terms, or cannot be made to be on market terms, the Council will need to consider whether there are any exemptions which will allow the aid to be given lawfully. As works are being carried out to Council owned land, the council should ask for collateral warranties from the contractors and consultants involved in the design and construction of the buildings. The document that deals with the profit share will need to be carefully drafted to ensure that it is clear what costs may and may not be deducted from the income received by WSC when calculating the profit. Officers have been advised as part of their due diligence to obtain copies of external funding agreements to ensure that there are no impediments to the payment of the funding and no repayment terms which affect the anticipated returns. In the event of a Creditor's Voluntary Arrangement, or an insolvency, the Council's investment may be at risk and its ability to sell as mortgagee (if security is taken) or forfeit the lease as landlord inhibited or delayed. Specialist insolvency advice may be appropriate at this stage in connection with the proposal as a whole particularly if the Council is considering setting up a joint venture company **Contact officer: One Legal, 01684 272696**
HR implications (including learning and organisational development)	*There are no HR implications.* **Contact officer: Julie McCarthy HR Manager,julie.mccarthy@publicagroup.uk Tel 01242 264355**
Key risks	**See Appendix 1.**
Corporate and community plan Implications	Workshop Cheltenham supports the council's vision for 'a town where culture and creativity thrive'. Research by Nesta and Creative England shows Cheltenham's 1,027 creative businesses constitute 11% of the total but employ only 4.5% of its

	workforce and contribute just 6% of its Gross Value Added (GVA). Cheltenham's creative sector is significantly under-performing and there is a compelling case to do more to stimulate the contribution it makes to the local economy. The provision of easily accessed start-up spaces, principally for young, creative entrepreneurs at the early stages of their careers. More generally, it is anticipated that the work spaces will help attract and retain creative people in the town. The development of WSC is likely to be the catalyst for regeneration within the vicinity of the Minster and the Wilson and support the council's aspiration to create a thriving cultural quarter in the area. Additional footfall in the areas is likely to have a positive effect on the Wilson including its café. The full details of social, economic and environmental benefits are outlined in section 4 of the report.
Environmental and climate change implications	The buildings which will house Workshop Cheltenham will now be of modular construction and help to minimise the carbon footprint relating to the creation of the spaces. The location is also well placed in the town centre, reducing the need for travel by car. The use of Chester Walk car park to locate Workshop Cheltenham will introduce activity into the area adjacent to St Mary's churchyard. This is expected to have many positive benefits, including a likely reduction in the level of antisocial behaviour which currently takes place within the churchyard.
Property/Asset Implications	Workshop Cheltenham will remain responsible for the creation and management of the Workshop Cheltenham and will access the Chester Walk car park under a lease from CBC. As per the original Cabinet decision, the Growth Hub will continue to occupy a part of the development and following negotiations, Cheltenham Festivals will now relocate to the development; both organisations will contract directly with Workshop Cheltenham. It is proposed that Workshop Cheltenham Limited will have a lease to allow WSC to construct and manage the development. It is proposed that Workshop Cheltenham Limited will pay a rental sum for the land to CBC, based on 5.5% of gross rental income, capped at £75k per annum. The investment in WSC on Chester walk car park will have the potential to increase the value of the site. **Contact officer: Simon Hodges** **simon.hodges@cheltenham.gov.uk 01242 264349**

1. Background

1.1 The initial WSC scheme was developed as a result of a collaboration of creative entrepreneurs, working with Creative England and the Gloucestershire Local Enterprise Partnership (LEP) who had approached the council to facilitate the creation of WSC which was an innovative concept offering low cost start-up space for the creative industries and an economic growth hub; housed in remodelled shipping containers. WSC will also be the home for a tier 2 Growth Hub, mirroring the model in other towns in Gloucestershire and supporting business development and growth.

1.2 The site identified for Workshop Cheltenham is Chester Walk car park which is situated behind Cheltenham's central library building, adjacent to St Mary's churchyard. The car park is owned by Gloucestershire County Council (GCC) and is currently used for parking by key social services staff working out of GCC's St George's Road offices in Cheltenham.

1.3 Workshop will also include event space supported by a pop up food and beverage offering, enhancing the offer to visitors and residents by providing something different to the current town offering. This will help retain and attract more people to Cheltenham, including younger people who have a tendency to leave the town and move to other urban areas which are perceived to be more creative.

1.4 Following significant negotiation with CBC, WSC, GCC and the LEP, on 8th October 2019, Cabinet agreed to a land swap between Chester Walk car park and part of St George's road car park to release the Chester Walk site to facilitate the delivery of the proposal in this location. CBC will then enter into a lease with Workshop Cheltenham in order to allow them access to Chester Walk to construct the Workshop facility.

1.5 Following the decision, WSC have explored alternative construction methods and financing options which are set out in the report for consideration.

2. Construction methodology

2.1 The initial proposal was build WSC using remodelled shipping containers. Whilst this had merit, in developing the offer for business start-ups, it became apparent that the containers could restrict the take-up of space. In order to create larger, more flexible workspace, the containers would require significant adaptation resulting in a large amount of the original container being wasted with the resulting structure requiring substantial reinforcement.

2.2 As such, a modular construction has been explored. The proposal is for a UK based construction of light weight modular units which 'bolt together' to create flexible space which will serve a variety of users with differing space needs. The building will still sit on a lightweight base requiring no foundations and would have the same external appearance as per the original concept for WSC. The planning team are supportive of the revisions and have indicated that the change in construction methodology could be dealt with as a variation under officer delegation.

2.3 In summary, the benefits of the modular approach include:

- Ability to create more flexible, open plan workspace including a training environment;
- Reduced waste from construction, compared to the modification of shipping containers;
- Reduced construction period.

2.4 It is estimated that the change to modular construction will result in a 4-6 week manufacturing period, 15-20 weeks construction period which will result in WSC being completed by the end of December 2020.

3. Space utilisation update

3.1 Further work has been undertaken to secure tenants for WSC to underpin the financial projections. Following successful discussions with Cheltenham Festivals, they are proposing to relocate their base to WSC which will support the 225 seat performance space within the development which facilitates all year round programming of events.

3.2 Discussions have also taken place with more mature businesses which could also help underpin the cash flow for WSC which will be attracted by the more flexible, open plan spaces. This will still allow room for creative start-ups and could help reinforce the principles behind the clustering of creative industries which help to nurture fledgling businesses.

4. Social, economic and environmental benefits

4.1 The WSC project is a unique urban rejuvenation scheme. It will host and facilitate a variety of initiatives that are intended to have a positive economic, educational, cultural, social and environmental impact on the town and the region with particular regard to supporting its creative businesses and talent.

4.2 Recent research by Nesta and Creative England shows Cheltenham's 1,027 creative businesses constitute 11% of the total but employ only 4.5% of its workforce and contribute just 6% of its gross value added (GVA). So Cheltenham's creative sector is significantly under-performing and there is a compelling case to do more to stimulate the contribution it makes to the local economy.

4.3 WSC is a key part of the response to this challenge. The easily accessed start-up spaces that it will provide, principally for young, creative entrepreneurs at the early stages of their careers, will help attract and retain creative people in the town. The co-working spaces, office studios and Growth Hub components of the scheme will together form a business support ecosystem for Cheltenham's creative entrepreneurs (including in digital, tech and cyber), enabling them to get established, evolve and flourish within a supportive community of like-minded people. It will also serve as the new home of Cheltenham Festivals.

4.4 The performance and event venue at WSC will provide a permanent new town centre space delivering a year-round calendar of events to showcase local talent and enhance Cheltenham's reputation as a leading cultural destination both domestically and internationally. It will be capable of being reconfigured to host corporate functions and a wide variety of education and community events to support existing and encourage new emerging talent development, educational and outreach initiatives.

4.5 In terms of environmental impact it is proposed the scheme be constructed using non-polluting and fully recyclable materials to the extent possible. The modular construction allows for much of the construction work to be undertaken off-site with optimum efficiency and minimum use of resources. The scheme is intended to be a low energy development. It proposes to use green energy delivered in partnership with local provider Ecotricity. Subject to funding it is intended photovoltaic panels will be installed on the roof structure to capture energy stored in next generation battery technology. The use of non-recyclable materials will be prohibited with a view to all waste being recycled. The scheme proposes fibre optic cabling to provide energy efficient, heat-free and environmentally sustainable lighting solutions. It will also incorporate next-generation digital infrastructure to provide the entire scheme with an ultra-fast broadband connection. Two electric vehicle charging points are proposed. The scheme also proposes to incorporate water saving and management solutions, for example rainwater capture.

4.6 In summary, the stated objectives of WSC are to achieve the following in a financially sustainable and environmentally sensitive manner:

- curate a business ecosystem in which 'collisions' between creative and entrepreneurial people and the right kind of supportive interventions result in the emergence and development of creative talent and know-how within the local community;

- incubate start-up, emerging and early stage creative businesses in co-location with more mature and established organisations;
- create exciting new opportunities for the region's young creative talent in a town where few such opportunities currently exist;
- generate positive and sustainable employment impacts, including by retaining existing and attracting new talent to the town;
- facilitate the 'rediscovery' of a historically and culturally vital part of the town centre that is currently under-utilised and largely ignored;
- provide a cultural and financial link between economically and demographically disparate parts of the town;
- stimulate inclusive economic activity in order to drive prosperity and enhance social well-being in the local community;
- help establish and sustain Cheltenham as one of the UK's foremost creative 'clusters'; and
- further the vision of Cheltenham as a vibrant, relevant, contemporary place to do business, live and visit through densification of the core commercial area with highly-skilled, knowledge-based jobs that drive footfall to and spend in the town centre.

5. Funding options / Investment proposal

5.1 WSC have identified a number of private funders to support WSC and they are in the process of firming up support but the scheme required additional financing. Following the October Cabinet decision, WSC have attempted to attract external financing. In the solution agreed between the council and WSC, Chester Walk car park would transfer into the ownership of the Council and be leased to WSC. The lack of freehold or quasi freehold being assigned to WSC has meant that lenders are not prepared to lend to WSC to fund the construction of the workshop development. As a result, WSC have approached the Council to consider options for funding WSC's construction.

5.2 The council and WSC have considered 2 funding options (i) a commercial loan and (ii) an investment to fund WSC's construction. A loan was discounted since it was not a viable option for WSC but an investment arrangement has been developed which is acceptable to both WSC and CBC. The investment is to be repaid over a 10 year period and rather than interest being paid, CBC will share the risk of success with WSC and will receive a share of profits.

5.3 The overarching principles of the investment arrangement between CBC and Workshop Cheltenham include the following:

- WSC will be the commissioning body for the procurement of the construction of WSC and for all aspects of the management of WSC.
- Covers the construction cost of the WSC up to £1.7m.
- The CBC investment will be paid back by WSC over a 10 year period.

- Net profits will be split 60% to Workshop Cheltenham and 40% to CBC.
- After the 10 year period, the WSC development will be owned by CBC.
- The lease will contain provisions in respect of permitted use and disposals (including underletting) to allow the council permissible influence over tenants occupying the space within the workshop development.
- Open book accounting arrangements will apply.

6. Financial implications

6.1 WSC are working with a Quantity Surveyor to firm up construction costs following the change in approach to modular construction. The current estimate of construction is £2.2m requiring investment of £1.45m from the council, modelled at Appendix 2. However, there is a potential that the costs may be greater following the QS work or that the third party funders may not be secured. As such, an additional financial projection requiring council financing up to a maximum value of £1.7m has been modelled at Appendix 3.

6.2 The Construction of WSC is now to be financed from a mix of private financing of circa £250k, £500k from the LEP and investment from the council. The original proposal was to make use of a loan from Creative England but this will now be replaced with investment from CBC which helps support the cash flow for WSC.

6.3 Due diligence will be undertaken to ensure that the procurement process for WSC secures best value for the construction of workshop development and to ensure that quality contractors are used. The council funding will be drawn down by WSC in accordance with a process agreed with the council based on certified works complete for the schedule of works to be funded by the council, agreed at the outset. Collateral warranties will be sought where appropriate.

6.4 It is proposed that WSC will repay the investment on a straight line basis for over the 10 year period, based on a value of up to £170k p.a. (1/10th of the investment sum). This will be the first draw on the gross profit and taken directly as a cost of running the venture along with costs such as the lease of the land to CBC as per previous Cabinet report, management costs for running the venture and other associated as shown in Appendix 2 and 3.

6.5 It is proposed that the council will receive a share of profits based on 60% to WSC and 40% to the council which ensures a commercial rate of return to the council. Any other third party investors will receive their returns from WSC’s share of net profits. Due diligence will be undertaken on the financial accounts produced to calculate this profit split.

6.6 The financial projections at Appendix 2 model the cash flow for WSC including the council’s investment to fund the construction of WSC and its repayment plus the projected share of profits. The council will undertake further due diligence on the WSC financial projections prior to signing up to the final investment agreement.

6.7 In addition, following an initial I year rent free period, the council will receive site rent based on 5.5% of gross income. This will offset the opportunity cost of the loss of car parking revenue. An updated estimate of the net financial impact taking into account revised WSC income projections is contained at Appendix 4.

6.8 The council will also benefit from additional business rates.

6.9 Independent Tax advice will be sought to ensure that this is minimised for CBC.

7. Reasons for recommendations

7.1 If the council does not invest in WSC then the workshop development is unlikely to go ahead due to the inability to raise external financing. As a result, the significant benefits to Cheltenham will not materialise.

8. Alternative options considered

8.1 Not progressing was considered and discounted given the potential negative impact on the place strategy aspirations.

8.2 The council has considered taking a lead of procuring and managing the construction of the workshop development if WSC sign up to an agreement for lease obliging WSC to take a lease of the development once constructed. Whilst this would have saved on construction costs i.e. reclaimed VAT, it was ruled this out given the potential impact on the council's resources.

9. How this initiative contributes to the corporate plan

9.1 The proposal delivers against one of the key strands of the council's corporate plan, which is that Cheltenham seeks to be a town where culture and creativity thrive.

10. Consultation and feedback

10.1 Workshop Cheltenham has undertaken considerable engagement with and received support from various stakeholders, including Gloucestershire County Council, Cheltenham Borough Council, Cheltenham Chamber of Commerce, Alex Chalk MP, Cheltenham Festivals, Cheltenham BID, Cheltenham Development Task Force, The Cheltenham Trust, Creative England, Cheltenham Minster, University of Gloucestershire, Cheltenham Library, the UK Digital Retail Innovation Centre, CyNam, Harper Sheldon, Bamboo Technology Group Ltd. and Crowe Clark Whitehill.

11. Performance management –monitoring and review

11.1 The outcomes from the Workshop Cheltenham project will be monitored by both the LEP and the council and will be considered in the review of the lease with WSC after 5 years of operation.

11.2 The returns from the council's investment will be monitored by the councils ELT.

Report author	**Contact officer: Mark Sheldon,** **mark.sheldon@cheltenham.gov.uk, 01242 264123**
Appendices	1. Risk Assessment 2. Investment proposal - financial projections 3. Investment proposal - financial projections 4. Net impact on CBC – financial projections
Background information	1.

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	**Risk description**	**Risk Owner**	**Date raised**	**Impact 1-5**	**Likeli-hood 1-6**	**Score**	**Control**	**Action**	**Deadline**	**Responsible officer**	**Transferred to risk register**
	If the council does not invest in WSC, then the facility is unlikely to be delivered and the place strategy theme for being a place where 'culture and creativity thrive' will be negatively impacted.	Paul Jones	21/2/19	4	3	12	Reduce	Cabinet and Council to agree mechanism for funding.		Mark Sheldon	
	If WSC financial projections are not realised then WSC may not repay the council's investment and the profits will not be realised.	Paul Jones	21/2/19	4	3	12	Reduce	Undertake further due diligence work to provide assurance that financial modelling is robust. Modelling has been undertaken which provides assurance that WSC breaks even at 50% occupancy levels.		Andrew Knott	
	If the investment in WSC is not deemed to be on commercial terms, then the council could be considered to be providing state aid.	Paul Jones	21/2/19	4	3	12	Reduce	Provide evidence to ensure commercial returns and seek external assurance that state aid does not apply.		Andrew Knott	
	If there is a CVA or insolvency, the Council's investment may not be realised	Paul Jones	21/2/19	4	3	12	Reduce	Undertake further due diligence work to provide assurance that financial modelling is robust.			
	If there is a CVA or insolvency, the Council's powers as mortgagee or landlord may be inhibited or delayed	Paul Jones	21/2/19	4	3	12	Reduce	Explore mechanisms to protect the councils interest in agreeing final terms.			
	If the development does not	Paul	21/2/19	4	3	12	Reduce	Cabinet to agree a			

	proceed or is not a success there may be reputational consequences.	Jones						proposal which supports the development of WSC.			
	If WSC tenants are not in line with the councils aspirations then WSC could have a negative impact on the ambition for the delivery of a delivery of cyber central.	Tim Atkins	21/2/19	4	3	12	Reduce	Controlled within the documents, as far as legal restrictions allow			

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner
Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score
Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk scorecard for more information on how to score a risk

Control
Either: Reduce / Accept / Transfer to 3rd party / Close

Action
There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer
Please identify the lead officer who will be responsible for the action to control the risk.
For further guidance, please refer to the risk management policy

Transferred to risk register
Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on