



Please ask for: Emer Moran
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Reference:
Date: Thursday 10 September 20

Dear All

AUDIT AND GOVERNANCE COMMITTEE - TUESDAY 15 SEPTEMBER 2020

I enclose, for consideration at the next meeting of the Audit and Governance Committee on next Tuesday 15 September 2020, the following reports that were unavailable when the agenda was published.

Agenda No	Item
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6	Strategic Risk Register (Pages 3 - 24)
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Kind regards,

Emer Moran
Democratic Services Officer

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Audit and Governance Committee

**15 September
2020**

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Strategic Risk Register

Final Decision-Maker	Audit and Governance Committee
Portfolio Holder(s)	All
Lead Director	Lee Colyer – Director of Finance, Policy and Development
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer/Report Author	Lee Colyer – Director of Finance, Policy and Development
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the Committee **notes** the risk management report and arrangements for managing strategic risk.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

<i>Meeting</i>	<i>Date</i>
Management Board	9 September 2020
Audit and Governance Committee	15 September 2020

Strategic Risk Register

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the strategic risks identified by the Council and currently being managed and tracked by senior management. The report provides a current update on the evaluated threat level and controls in place for each risk issue.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The risks included in the report were developed in a risk management workshop and health check facilitated by Zurich Insurance Limited on 25 March 2019, with the risks being formally adopted by Cabinet on 1 August 2019. Since that time, risk owners have kept the risks and controls under review with periodic reporting both to the Cabinet and the Audit & Governance Committee.
- 2.2 The Council's Management Board periodically reviews the risks identified along with the risk owners.
- 2.3 Risk owners (managers) for certain risks are invited to attend the Audit and Governance Committee meetings to outline the Council's approach to managing their particular risk(s). The this meeting of the Audit and Governance Committee will be able to examine the risk(s) owned by Stephen Baughen, Head of Planning, namely;
- Risk 8: Local Plan Adoption – Housing.
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3. AVAILABLE OPTIONS

- 3.1 There is no legal requirement on the authority formally to monitor its risks, still less is there a defined framework to do so. Although failing to monitor and record risks will leave the Council vulnerable to external criticism – for example by its external auditors who are required to assess the effectiveness of risk management when considering their annual Value For Money conclusion – the Council could decide that is a price worth paying against using some of its resources to identify and monitor risk.
- 3.2 Even accepting the utility in gathering systematic monitoring information on the risks it faces, there is a wide range of different approaches the Council might adopt. Even if one looks solely at the local government sector, there are myriad formats, structures and arrangements adopted to record and present information to senior officers and members.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The report sets out the risks using the methodology and format previously agreed by the Council, which is essentially the method advocated by Zurich from the 2019 risk workshop.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Risk Register has undergone periodic review and examination by the Council's Management Board, the Cabinet and the Audit & Governance Committee. This stands in addition to ongoing monitoring by the identified risk owners. This report incorporates feedback and updates from all sources.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective. There are no immediate legal implications arising from this report.	Lee Colyer, Director of Finance, Policy and Development
Finance and other resources	None identified at this stage.	
Staffing establishment	None identified at this stage.	
Risk management	Risk management is the subject of the report but it does not of itself raise new risk issues for consideration.	
Data Protection	No new issues identified at this stage.	
Environment and sustainability	None identified at this stage.	
Community safety	None identified at this stage.	
Health and Safety	None identified at this stage.	
Health and wellbeing	None identified at this stage.	
Equalities	None identified at this stage.	

7. REPORT APPENDICES

The following document is to be published with this report and forms part of the report:

- Appendix A: Strategic Risk Register Update September 2020
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8. BACKGROUND PAPERS

None

Strategic Risks

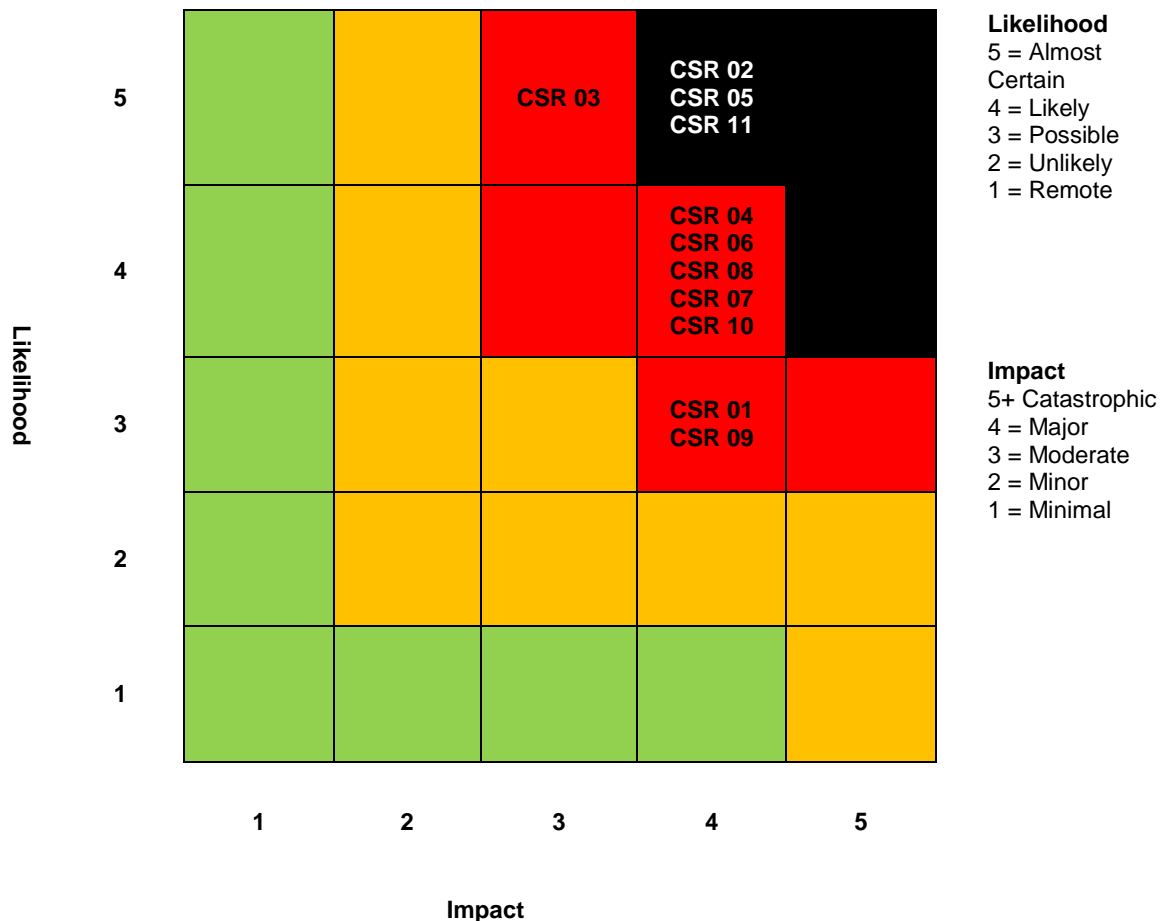
The Strategic Risk Profile chart below shows each risk scored onto the risk matrix graph. The further towards the top right-hand corner the greater the risk to the Council. The chart below provides only a snapshot on a particular date.

The risk scenarios are:

- CSR01: Cyber attack / incident
- CSR02: Economic development and vitality
- CSR03: Contract management and delivery
- CSR04: Unable to plan financially over the longer term
- CSR05: National policy changes in short term that negatively impact TWBC
- CSR06: Service Interruption
- CSR07: Capacity fails to keep pace with ambitions
- CSR08: Local plan adoption – housing
- CSR09: The Amelia Scott
- CSR10: Climate Change
- CSR11: Pandemic

Tunbridge Wells Borough Council Strategic Risk Profile

September 2020



The table below tracks movement in the identified strategic risk areas.

Risk Ref	Title	March 2020	May 2020	June 2020	September 2020	Trend
CSR 01	Cyber attack/ incident	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	↔
CSR 02	Economic development and vitality	16 (4 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	↑
CSR 03	Contract management and delivery	8 (4 x Lk, 2 x Im)	8 (4 x Lk, 2 x Im)	8 (4 x Lk, 2 x Im)	15 (5 x Lk, 3 x Im)	↑
CSR 04	Unable to plan financially over the longer term.	9 (3 x Lk, 3 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	↔
CSR 05	National policy changes in short term impact negatively on TWBC and direction.	16 (4 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	↑
CSR 06	Service Interruption	16 (4 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	20 (5 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	↑
CSR 07	Capacity fails to keep pace with ambitions	16 (4 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	↔
CSR 08	Local plan adoption - housing	8 (2 x Lk, 4 x Im)	8 (2 x Lk, 4 x Im)	8 (2 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	↑
CSR 09	The Amelia Scott	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	12 (3 x Lk, 4 x Im)	↔
CSR 10	Climate Emergency	New risk - 16 (4 x Lk, 4 x Im)	New risk - 16 (4 x Lk, 4 x Im)	New risk - 16 (4 x Lk, 4 x Im)	New risk - 16 (4 x Lk, 4 x Im)	↔
CSR 11	Pandemic	NA	New Risk - 20 (5 x Lk, 4 x Im)	New Risk - 20 (5 x Lk, 4 x Im)	New Risk - 20 (5 x Lk, 4 x Im)	↔

Risk Scenario 1: Cyber attack / incident

Risk Description:		Current Likelihood/ Impact	Possible (3) /Major (4)
A successful cyber-attack or cyber incident which causes significant disruption to ability to deliver services		Target Likelihood/ Impact	Unlikely (2) / Minor (2)
Member Risk Owner	Cllr Dawlings	Officer Risk Owner	Chris Woodward
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/Actions
<ul style="list-style-type: none"> Increased threat from cyber security attacks Ever increasing reliance on digital systems for virtually all Council activities and services Data increasingly held in electronic format, not on hard copy paper records Robustness of IT Disaster recovery arrangements 		<ul style="list-style-type: none"> Systems offline for a period of time Loss of data Impacting on the ability of Tunbridge to deliver services Service disruption/failure Dissatisfied customers – not meeting customer expectations Data compromised / lost Safeguarding and data protection issues Financial impact –potential fine and cost of rectifying 	<ul style="list-style-type: none"> Designation of a Senior Information Risk Officer Public Service Network accreditation Support from the National Centre for Cyber Security (part of GCHQ) Continuation of cyber awareness campaign - Q2 Deployment of Darktrace AI based cyber immune system - Q2 Implementation of Next Gen firewall – Q4 Upgrade to current backup technology Q3

Risk Scenario 2: Economic development and vitality

Risk Description:		Current Likelihood/Impact	Almost Certain (5) / Major (4)
Tunbridge Wells not seen as a destination of choice for retailers / consumers / employers		Target Likelihood/ Impact	Possible (3) / Moderate (3)
Member Risk Owner	Cllr March	Officer Risk Owner	David Candlin
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> Global Pandemic (Covid-19) closing the economy and restricting public movements Competition for economic opportunities from other areas Longer term High Street and retail decline over last 18 months Significant change in nature of high street due to Covid-19 – including accelerated shift to online and ‘experience’ Significant change in office working practices and reduced daily market Reimpose local restrictions for Covid-19 due to infection spikes Historic centre with restricted pavement space to meet new covid-19 challenges Redevelopment of RVP to provide an improved offer Ongoing infrastructure issues, particularly traffic congestion affecting opportunities The implications of Brexit, possible No Deal, and wider economic impacts with the potential to have a significant impact on the local economy Lack of ambition and ability of the Council to deliver infrastructure and growth 		<ul style="list-style-type: none"> Lose out to other areas Impact on economic vitality of area Large scale property vacancy Major redefinition of public realm space Unable to secure sufficient opportunities Local area and people lose out Insufficient inward investment Potential for knock on effects Curtails attractiveness Significant and ongoing impact on revenue streams and income (inc. business rates and car parking) Housing not built More vulnerable to appeal around Local Plan. Reduced control on environment to meet Covid-19 recovery plans Impact on staff recruitment and retention Damage to reputation as a place for investment 	<ul style="list-style-type: none"> Work with Kent County Council and the Kent Resilience Forum on Covid-19 Delivering Covid-19 reopening plan with business partners across borough Delivery of amendments to road network to encourage walking and cycling Work with Royal Tunbridge Wells Together Business Improvement District including promoting Royal Tunbridge Wells RVP refurbishment completed and discussion on future RVP redevelopment Deliver out the Amelia Scott Ensure Local Plan and Transport Strategy address changes to the economy & transportation post Covid-19 including future office demand Lobby with partners and stakeholders (including SELEP) to minimise negative impact of Brexit terms and for additional support for Covid-19 Secure KMEP and SELEP support for delivery of key infrastructure improvements Monitor Brexit negotiations and terms impacting on the local economy and business sectors in the Borough Support for community facilities in the rural towns Work with West Kent partners to update and promote key economic development priorities Review and revise existing approved Economic Development Strategy in the post Covid-19 world

		<ul style="list-style-type: none">• Maintain and develop working relationships with key partners, landowners & developers
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Risk Scenario 3: Contract management and delivery

Risk Description:		Current Likelihood/Impact	Almost Certain (5) / Moderate (3)
Council unable to source contractor to deliver service within financial parameters / existing provider(s) ceases to provide service		Target Likelihood/ Impact	Unlikely (2) / Minor (2)
Member Risk Owner	Cllr March	Officer Risk Owner	Gary Stevenson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> The Council has several long-term external contracts which are due to tender within the near future, specifically Grounds Maintenance (2019/20/21) and Sports Centres (2021/22). There are long-term financial parameters within which these contracts need to be let and delivered to. Short term impact on the Councils Leisure contractor and the is the potential for significant changes in the leisure market due to impact Covid-19 The Council is accountable and has responsibility for delivery of these services, even where they are delivered with or through 3rd party organisations. The new recycling and waste contract involved the most fundamental change to the service for circa 25 years. 		<ul style="list-style-type: none"> Services disrupted or below agreed standards Complaints Adverse publicity and media Potential for Contractor withdrawal or failure Potential service failure Disruption to services with business continuity arrangements required Required to re-tender at short notice Additional capacity and resources required at short notice Knock on implications on other activities. Loss of public confidence in waste and recycling service. Reduction in completion and negative change in financial terms in forthcoming procurements Potential short-term closure of Leisure centres 	<ul style="list-style-type: none"> Contract supervision by TWBC Contract terms requiring contractor to evidence supervision and performance Reporting of performance and service Overview and Scrutiny Task and Finish Group established to assist in the development of the Grounds Maintenance contract and specification Temporary increase in resources were in place during mobilisation of new recycling service and an improvement plan put in place. Additional permanent resource to contract manage including garden waste subscriptions, which exceeded projections Collective working with other clients of service providers Monitoring of marketplace Exploring to provision of additional transitional financial support to Leisure contractor (Fusion) whilst exploring future options for providing the service.

Risk Scenario 4: Unable to plan financially over the longer term

Risk Description:		Current Likelihood/Impact	Likely (4) / Major (4)
Longer term financial planning – risk of change adverse to plan of more than £1m across the medium term		Target Likelihood/ Impact	Possible (3) / Moderate (3)
Member Risk Owner	Cllr Dawlings	Officer Risk Owner	Lee Colyer
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> The financial impact of the Covid-19 pandemic has seen a collapse of income streams with additional expenditure incurred as a result of the emergency (e.g. setting up and operation of community hub facilities) and the expansion of other services to deal with the emergency (e.g. increase in temporary accommodation need and council tax support). Local Government is expected to play a vital role in the recovery stage to get the local economy up and running and to support the community in addition to responding to further waves of the pandemic. Revenue Support Grant remains at zero as the Government favours incentive-based schemes reliant on growth and for council's to be financially self-sufficient. No funding settlement in place for Local Government beyond the current year. 		<ul style="list-style-type: none"> A significant in-year funding gap Depletion of reserves Serious cash-flow issues Unable to set a balanced budget The financial viability of Local Government and the collapse of local services 	<ul style="list-style-type: none"> The council's starting position is sound with healthy reserves, no external debt, a balanced budget and a long track record of clean audit letters. An in-year revised revenue budget will be undertaken after quarter one has been completed. A review of the capital programme and reserves will be undertaken after quarter one has been completed. A new Medium-Term Financial Strategy will be developed from 2021/22. The Council will continue to lobby government for substantial, reliable financial support to manage the local consequences of Covid-19. The Council will continue to lobby government for financial flexibility and freedoms for councils to fund local services and make more decisions locally. The local recovery plan is intended to deliver growth and to retain the proceeds locally through a greater share of business rates. The Government has set out the principles to compensate councils for around 70 per cent of the net loss of income from sales, fees and charges as a result of the pandemic for 2020/21.

Risk Scenario 5: National policy changes in short term that impact negatively on TWBC

Risk Description:		Current Likelihood/Impact	Almost Certain (5) / Major (4)
Significant legislative or decision-making change adverse to plan and objectives with little notice		Target Likelihood/ Impact	Possible (3) / Minor (2)
Member Risk Owner	Cllr McDermott	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> • Before the Covid-19 Pandemic, this risk stemmed from the significant changes to the public sector environment and regulations that govern it over the past few years, the uncertainty caused by Brexit and changes to ministerial positions in government. • The Covid Pandemic and the government's response to it has caused significant issues for the Council – alongside the need to redeploy staff to maintain its own operations it has had to respond to requests/requirements from government to respond to the crisis (including the provision of grants to local businesses and the establishment of a 'hub' and contact centre to support the shielded, vulnerable and isolated population). • This situation looks set to endure and the Council is almost certainly going to be required to provide support to the vulnerable and to be involved in issues such as contact tracing and the enforcement of social distancing rules in the workplace. • As the end of the year draws closer, Kent partners will also need to respond to issues that arise as we near the end of the transition period on Brexit. • In addition to Covid-19 and Brexit, there are two further national policy changes that have 		<ul style="list-style-type: none"> • An inability to balance the budget arising from a catastrophic loss of income (S114 – see risk 4) • Long-term requirements on the Council to manage and resource both a response to the pandemic and the recovery programme as we emerge from 'lockdown' • Unpredictable and frequent changes required to Council operations and policy/ funding assumptions • Significant work required to respond and address any gaps • Increased and unplanned requirement for resources and finances • Increased costs/reduced income • Lack of certainty on policy direction and finance • An impact on the Council's Local Plan and housing targets (see Risk 8) 	<ul style="list-style-type: none"> • Flexibility encouraged amongst staff • Partnership working presents opportunities to collaborate on service delivery and address constraints on capacity • Engagement with the LGA, SOLACE, central government and parish councils • Work with Kent County Council and other Kent councils on these issues • Proactive work with representative bodies

<p>the potential to have a significant impact on the Borough namely a White Paper on Recovery and Devolution which may press for some form of local government reorganisation and proposed changes to the planning system. The changes to planning are set out under Risk 8 and any changes arising from the White Paper will be integrated into the Risk Register once it is published.</p>		
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Risk Scenario 6: Service Interruption

Risk Description:		Current Likelihood/Impact	Likely (4) / Major (4)
A major incident occurs which causes significant disruption to ability to deliver services		Target Likelihood/ Impact	Unlikely (2) / Minor (2)
Member Risk Owner	Cllr McDermott	Officer Risk Owner	Denise Haylett
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> Increased frequency of extreme weather Increased threats from terrorism Fire and other major events Robustness and relevance of business continuity and emergency planning arrangements in an ever-changing threat environment Possible impact from Brexit in respect of supply chain and labour disruption Capacity is stretched due to Coronavirus which will impact on ability to deal with other events. 		<ul style="list-style-type: none"> Interruption to critical services Potential service failure Staff being pulled in different directions Robustness of arrangements potentially questioned / challenged Claims/Legal action/Compensation Adverse publicity National and local reputation affected Financial loss Exposure to fraud, ransom and denial of service Potential government intervention Staff absentees 	<ul style="list-style-type: none"> Business Continuity Plan Major Emergency Plan Resilience through partnership working Part of the Multi-Agency Agreement Member of the Kent Resilience Forum Review of Emergency Planning arrangements www.kentprepared.org.uk

Risk Scenario 7: Capacity fails to keep pace with ambition

Risk Description:		Current Likelihood/Impact	Likely (4) / Major (4)
Risk that capacity fails to keep pace with ambition		Target Likelihood/ Impact	Unlikely (2) / Minor (2)
Member Risk Owner	Cllr McDermott	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> The Council has reduced staff numbers and resources but is under pressure to do more with even less money. With no government grant, the Council relies on income to deliver services and some of these income streams are being challenged as being detrimental to the local economy (e.g. Business Rates and car parking) The local community is vocal, demanding and articulate with significant expectations. Whilst this risk originally stemmed from the Council's significant agenda of projects and major capital programme, the Council will now have to re-assess its ambitions in light of revised political priorities, its response to the Covid-19 pandemic and its available staff and financial resources. The Council's Five-Year Plan will need to be updated when time and circumstances permit. Both projects and the Covid-19 response place particular reliance on a number of key people and teams within the Council. 		<ul style="list-style-type: none"> Personal impacts – stress, burnout, loss of wellbeing Impact on morale Reliance on key and fewer people Unavailability / loss of key staff Impact on key projects and / or day to day delivery Services/staff are stretched Impact on service quality Satisfaction diminished Major programme / projects not delivered as expected Adverse publicity Political impact Damage to reputation Loss of confidence from the private sector and partner organisations. 	<ul style="list-style-type: none"> Regular consideration by Management Board of resources; additional resources put in place to support priorities (including additional resources to support the Council's property section) Introduction of a Programme Management Office to oversee priority projects Appropriate use of external capacity and expertise Performance monitoring to identify pressure points Improving resilience through partnerships Adopting an 'enabling' approach to encourage community to deliver local services Work with all political groups to establish a revised set of priorities going forward at an appropriate time.

Risk Scenario 8: Local Plan adoption – housing

Risk Description:		Current Likelihood/Impact	Likely (4) / Major (4)
Local Plan not adopted effectively, and housing not delivered in right areas / types		Target Likelihood/ Impact	Possible (3) / Moderate (3)
Member Risk Owner	CIlr McDermott	Officer Risk Owner	Stephen Baughen
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Action
<ul style="list-style-type: none"> • There has been a change in national housing formula towards growth. The Government is consulting on further changes (Aug – Sept 2020). The proposed formula would result in a further 32% increase. • The Government is consulting (Aug – Oct 2020) on wholesale changes to the planning system. • Resistance to housing growth locally • Having to meet significantly increased needs in a constrained environment (green belt / OANB / flooding / transport infrastructure) • Public opposition to particular proposed allocation sites • Requests to accommodate “unmet” need from neighbouring authorities with similar/greater areas of constraint • The views of the Planning Inspector on neighbouring authorities whose draft local plans do not meet the housing target levels are relevant to this Council • There is a risk of speculative planning applications/appeals, particularly on those sites not proposed for allocation in the Draft Local Plan/ Pre-Submission Version Local Plan. Risk increased whilst Council cannot demonstrate a five-year supply of housing/failure to meet the housing delivery test 		<ul style="list-style-type: none"> • Short term: given the proposed transitional arrangements in the Government’s current consultations, failure to consult on Pre-Submission version of Local Plan and submission in accordance with agreed timetable (March and June 2021, respectively) is highly likely to result in need to plan for 32% increase in housing. This would be highly problematic given constraints of borough, and would either require significant additional allocations or submitting a plan which fell well short of the Government targets, increasing risk of Plan being found unsound at Examination • Significant new costs to support production of revised Local Plan if delayed, or rejected by an Inspector at Examination • Long term delays to Local Plan production could see Secretary of State intervention. • Until Local Plan is adopted, likely Increase in level of housing on unallocated greenfield sites • Risk of “viscous cycle” of planning by appeal potentially leading to loss of local decision making ultimately Council loses control of situation • Potential significant appeal related costs following refusal of major residential development 	<ul style="list-style-type: none"> • Work on a new Local Plan progressing. Regulation 18 consultation undertaken autumn 2019 • Given level of response to consultation has been a need to revisit timetable again, set out in Local Development Scheme timetable: workstreams now all operating to deliver in line with new timetable. However, timescale is tight with absolutely no room for slippage (given consequences of increase in housing targets as set out in Government consultation), hence increase in Current Likelihood to Possible • Whilst Local Plan is progressed, regard is being had in determination of planning applications to need to ensure a robust supply and delivery of housing and employment floorspace. Will require significant increase in grants of planning permission for housing in 2020 – 2021 (on sites which are not allocated in the current adopted Local Plan) in order to demonstrate 5 year supply of housing at time of submission of Local Plan: Planning Services to communicate this to Parish and Town Councils and other stakeholders • Measures in place to ensure high levels of co-ordination between Planning Policy and Development Management functions • Regular reporting to Planning Policy Working Group/Cabinet member/ Planning Committee on risk and legislative changes • Draft Local Plan conclusions indicate that level of

<ul style="list-style-type: none"> • Whilst it is anticipated that there has been some limited improvement in the housing supply position in the last 12 months, it will not be enough to demonstrate a 5-year supply of housing. Furthermore, it is anticipated that the degree to which the next housing delivery test will not be met will (through national policy requirements) result in a 20% increase to the target to meet the housing supply test in 2021/22, prolonging this risk. To be able to demonstrate a 5-year supply of housing at Local Plan Examination is a key factor • The potential changes, increased uncertainty and consequential impact on service operation and delivery, associated with the Government's consultations comprise significant (medium-long term) additional vulnerability factors. Hence the change to the Target Likelihood/ Impact risk from that previous reported (Remote (1)/ Minimal (1)) to Possible (3) / Moderate (3). The target risk may reduce in the future as more details/certainty emerges about the national changes. 	<ul style="list-style-type: none"> • Member and community dissatisfaction • Legal consequences • Lack of affordable housing delivery • Affordability gap gets worse • Financial benefit of planned growth – opportunity impact • Increased traffic congestion • Impact on infrastructure • Potential legal fees/officer costs/loss of section 106 • Service delivery affected • Impact on staff recruitment and retention 	<p>long term identified need can be met by a combination of current supply, additional allocations and windfall provision. Currently considering, as a result of the outcome of the consultation, whether changes are required for the Pre-Submission version of the Local Plan</p> <ul style="list-style-type: none"> • Ensuring regular and constructive Duty to Co-operate meetings with neighbouring authorities, with approach adapted to reflect Inspectors' findings from examination of other authorities' Local Plans • Using the Planning Advisory Service and heeding the views of the Inspectorate from neighbour's draft plans
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Risk Scenario 9: The Amelia Scott

Risk Description:		Current Likelihood/Impact	Possible (3) / Major (4)
The project not delivered to plan, budget and benefits		Target Likelihood/ Impact	Possible (3) / Minor (2)
Member Risk Owner	Cllr March	Officer Risk Owner	Paul Taylor
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<ul style="list-style-type: none"> Delivering an integrated service that meets the aspirations of all stakeholders e.g. KCC, TWBC, HLF, Arts Council Success of the project is dependent on reaching a wider demographic TWBC has the 'financial risk' and management of delivery Performance of consultants (cost consultant) Significant economic climate and shocks including Brexit and the Covid-19 pandemic on delivery and procurement, and therefore costs Internal capacity to deliver Non-delivery of funding strategy 		<ul style="list-style-type: none"> Time delay and cost overrun Potentially loss of funding from HLF/Arts Council Reputational impacts Relationship issue with TWBC and KCC Impact of front-line service delivery Impact of cost consultant and design team errors on financial and budget management Market impacts potential increased costs of all project work streams Unfunded "abnormal" costs due to contract errors Closure of site due to Covid-19 Change requests generate costs in terms of design, fees, materials and works Risk of disparity between new fit out design and construction design 	<ul style="list-style-type: none"> Project Board, formal internal project management structures in place and TWBC Programme Board TWBC Programme Board Member engagement through ASMOP Detailed funding strategy, Trust established, and team appointed to raise funding for it. Review of strategy due to pandemic impacts Fit Out & Interpretation - market tested procurement of sub-contractors and preliminary sums Project management and professional advisors to the Council in place Change control process for all workstreams in place and changes reported to Board Programme for future operations being developed for the integrated services Cost consultant weekly commercial review and performance notice to address preliminary sums and BoQ corrections Contractor review of works/ secured supplies to maintain defined construction programme and observance of Covid-19 restrictions Ongoing assessment of programme to address

		<p>current information/ Covid-19 restrictions</p> <ul style="list-style-type: none">• Detailed risk registers regularly reviewed and updated• Regular engagement and reporting to HLF and Arts Council• Full project review on workstreams, finances and wider impacts being undertaken to report in September to Cabinet/Full Council• Regular Fund-raising meetings in place with Counter Culture• Additional funding bids in progress to ACE and NHLF
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Risk Scenario 10: Climate Change

Risk Description:		Current Likelihood/Impact	Likely (4) / Major (4)
Climate Change is a global emergency and solving it is beyond our capability. In declaring a Climate Emergency, we are taking a proactive approach and working towards being carbon neutral by 2030. We are addressing this risk through taking a strategic approach whilst mitigating the impact and adapting to the change.		Target Likelihood/ Impact	Likely (4) / Minor (2)
Member Risk Owner	Cllr Matthew Bailey	Officer Risk Owner	Paul Taylor
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/ Actions
<p>Page 22</p> <ul style="list-style-type: none"> Severe weather is already affecting public services across the UK, with operational, reputational, financial and legal consequences. Climate change is expected to continue and worsen in the future, with changes to mean temperatures, the increasing frequency and severity of storms and higher rainfall levels in winter potentially causing rising water levels and resulting in more flooding and coastal erosion. Additionally, hotter drier summers, with heat waves and reduced rainfall. There is also an ongoing impact of severe winter weather including snowfall and freezing temperatures which impact service delivery and the integrity of our roads open space and buildings infrastructure. National sustainability commitments may be deferred or abandoned as an emphasis on 		<ul style="list-style-type: none"> Increased likelihood of flooding impacting on properties Kent at risk of water shortages/drought. Extreme weather (heat and cold) impacting vulnerable residents Extreme weather having a greater impact on the day to day delivery of services Detrimental impact on the local environment An increased frequency of severe weather conditions may lead to more instances of damage to Council infrastructure and property. Adverse impact on the local economy if businesses are unable to operate. Dissatisfaction amongst residents for not meeting expectations 	<ul style="list-style-type: none"> Climate Emergency declared Consultants engaged to carry out carbon audit of Council services and to produce costed action plan Cross party Climate Emergency Advisory Panel (CEAP) set up Draft Local Plan Policies Business Continuity and Emergency Plans in place for severe weather Adopted Kent Environment Strategy October 2016 (CAB98/16) Air Quality Action Plan 2018 – 2023 Warm Homes programme – improved energy efficiency (s106 approved) Tackling fuel poverty – Fuel Poverty Strategy Collective Solar – partnership with KCC Energy Deal (not direct energy reduction but aids cutting fuel costs) ongoing Low carbon heating (e.g. Off – gas grid homes/District heat network rollout) Identify and maximise the opportunities for change that will come from the experience of

<p>economic growth is prioritised post Covid-19. A traditional recovery will be dirtier, less efficient, harm economic growth and hinder progress on environmental improvements.</p> <ul style="list-style-type: none">• Increase in private car use for commuting in favour of public transport		<p>Covid-19 restrictions such as green infrastructure, including cycle lanes and recognising the social infrastructure around health and well-being, new ways of working, which include less commuting, working from and near home, accelerating digital transformation to ensure adaptive capacity and equity of access</p>
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Risk Scenario 11: Pandemic

Risk Description:		Current Likelihood/ Impact	Almost Certain (5) /Major (4)
Longer-term impact of a pandemic on the Borough and the local community/economy		Target Likelihood/ Impact	Almost Certain (5) /Moderate (3)
Member Risk Owner	Cllr McDermott	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place/Actions
<ul style="list-style-type: none"> In addition to risks identified in other strategic risks there are longer-term vulnerabilities, namely the possibility of a second 'peak' and the Council/KRF having to move back into 'Response Mode' or running Recovery and Response modes simultaneously. As time passes, the likelihood of serious and irreversible harm being inflicted on some sectors of the community and economy will increase significantly – some premises and contractors will not be able to survive (including Council-run facilities such as leisure centres) and social and economic inequalities will be exacerbated. As time passes there is also the issue of the Kent Resilience Forum having to handle the potential consequences of the Pandemic and the transition phase of Brexit simultaneously. 		<ul style="list-style-type: none"> The Council no longer being solvent and having to issue a S114 notice. Contractors failing or invoking Force Majeure clauses in contracts putting additional costs and responsibilities onto the Council. Impact on the local economy and consequentially on Business Rates. Social and economic inequalities widening with increased unemployment, gaps in educational attainment, issues with mental health and wellbeing etc. Increased dependency on relief measures (including food banks and the community hub). Some charitable organisations closing and not-reopening. Fatigue amongst staff and key partners. 	<ul style="list-style-type: none"> Financial controls to monitor the Council's revenue and capital expenditure and cash flow and strong efforts to lobby central government. Ongoing dialogue with contractors and cross-sector conversations with Government to raise the issue. Work with KCC and other bodies to monitor performance and outcomes and to put in place measures to mitigate inequalities. Work with the voluntary sector to assess and respond to issues as they arise. The establishment of a Covid-19 Panel including politicians from all political groups and representatives from business, resident associations, and the voluntary and community sector to oversee the Council's approach to response and the recovery. Impact assessments and action plans being worked up to guide the recover for the local community, businesses and the Council itself.