

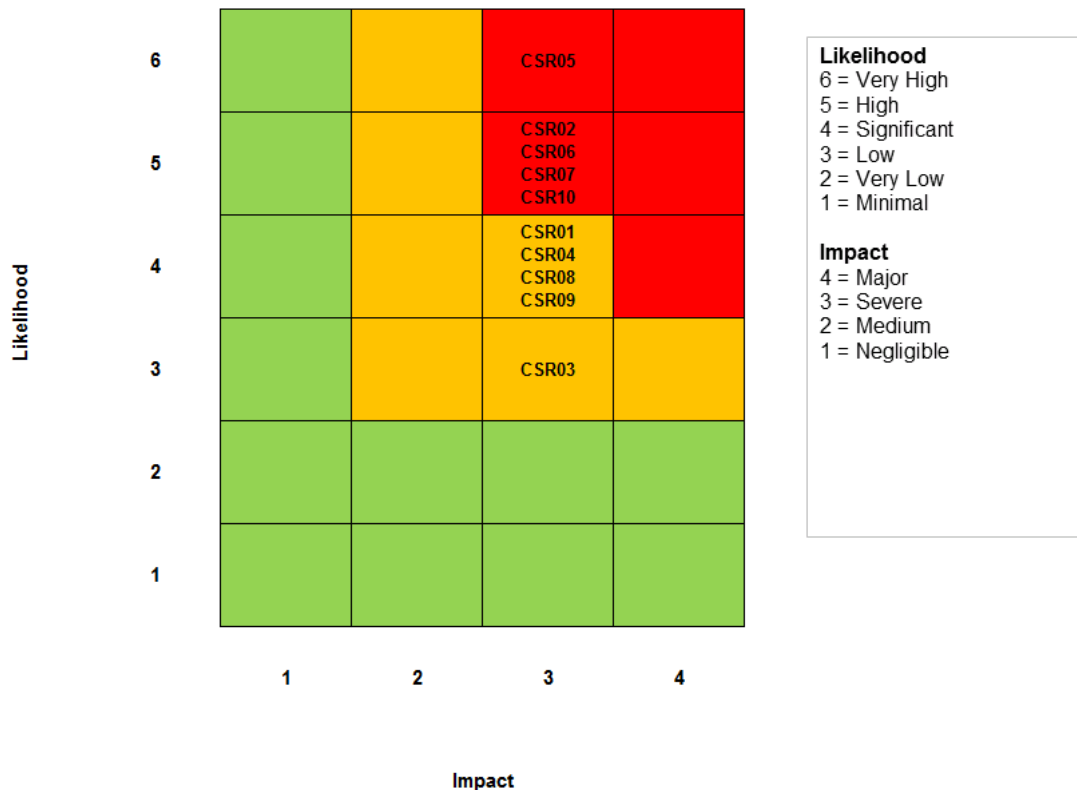
Strategic Risk Update July 2016

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. This is a dynamic and not always linear process; circumstances could mean changes in direction, identification of new risks or existing risks becoming resolved. The chart below provides only a snapshot on a particular date.

The risk scenarios are:

- CSR01: Cinema site remains undeveloped
- CSR02: Unable to maximise economic opportunities and resolve infrastructure issues
- CSR03: Resident engagement
- CSR04: Unable to plan financially over the longer term
- CSR05: National policy changes in short term impact negatively on TWBC and direction
- CSR06: Missing something significant (dropping the ball)
- CSR07: Unable to meet expectations within resources
- CSR08: Inspector decision which challenges housing targets versus housing supply
- CSR09: Not managing control and change effectively
- CSR10: Development programme

Tunbridge Wells Borough Council Strategic Risk Profile July 2016



The table below tracks movement in the identified strategic risk areas since initial approval by Cabinet in April 2014.

Risk Ref	Title	June 2014	March 2015	July 2016	2 Year Trend
CSR 01	Cinema site remains undeveloped	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	↓
CSR 02	Unable to maximise economic opportunities and resolve infrastructure issues	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	↔
CSR 03	Resident engagement	12 (4 x Lk, 3 x Im)	9 (3 x Lk, 3 x Im)	9 (3 x Lk, 3 x Im)	↓
CSR 04	Unable to plan financially over the longer term	18 (6 x Lk, 3 x Im)	18 (6 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	↓
CSR 05	National policy changes in short term impact negatively on TWBC and direction	12 (6 x Lk, 2 x Im)	18 (6 x Lk, 3 x Im)	18 (6 x Lk, 3 x Im)	↑
CSR 06	Missing something significant (dropping the ball)	8 (4 x Lk, 2 x Im)	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	↑
CSR 07	Unable to meet expectations within resources	10 (5 x Lk, 2 x Im)	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	↑
CSR 08	Inspector decision which challenges housing targets vs housing supply	16 (4 x Lk, 4 x Im)	16 (4 x Lk, 4 x Im)	12 (4 x Lk, 3 x Im)	↓
CSR 09	Not managing control and change effectively	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	↔
CSR 10	Development programme	n/a	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	↔

Risk Scenario 1: Cinema site remains undeveloped

Risk Description:		Likelihood/Impact	Significant (4) / Severe(3)
Cinema Site			
Member Risk Owner	David Jukes	Officer Risk Owner	Jonathan MacDonald
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> The Cinema Site has a significant impact on the overall perception and reputation of Tunbridge Wells. Resolving the lack of progress on this site is not wholly within the Council's control 		<ul style="list-style-type: none"> Damage to reputation Curtails attractiveness and discourages new investment in the Town Centre 	<ul style="list-style-type: none"> Pressure applied by senior officers on land owners to speed up selection of preferred developer. Planning and Development Director in regular phone contact with Carlyle. <p>Planning meetings held with x 4 developers to inform their bids for the site. Offers also made by TWBC to hold meetings with funders if prospective developers consider it helpful.</p>

Risk Scenario 2: Being unable to maximise economic opportunities and resolve infrastructure issues

Risk Description:		Likelihood/Impact	High (5) / Severe (3)
Economic development and infrastructure			
Member Risk Owner	Jane March/Alan McDermott	Officer Risk Owner	David Candlin
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> • There are economic opportunities but other areas are also chasing these. • The local economic offer and reputation is strong and improving with latent demand, particularly in retail and 'in town' while the Council has developed wider Borough opportunities, e.g. North Farm. • There are issues around cost of housing and infrastructure, particularly traffic congestion which could affect ability to make the most of opportunities. 		<ul style="list-style-type: none"> • Lose out to other areas • Unable to secure sufficient opportunities • Local area and people lose out • Insufficient inward investment • Impact on economic vitality of area • Curtails attractiveness • Impact on revenue streams and income • Suffer in comparison to others • Damage to reputation 	<ul style="list-style-type: none"> • Delivery by Highways Agency of A21 Tonbridge to Pembury dualling. • Delivery of North Farm infrastructure improvements. • Secure KMEP and SELEP support for delivery of key infrastructure improvements. • Maintain and develop working relationships with key partners, landowners & developers. • Ensure Local Plan and Transport Strategy address economic & transport issues. • Development Advisory Panel to review and inform Council development programme. • Professional advice sought to establish viability and support delivery of Council development programme schemes. • Professional advice secured to establish viability of transport schemes

Risk Scenario 3: Resident engagement

Risk Description:		Likelihood/Impact	Low (3) / Severe (3)
Local engagement			
Member Risk Owner	David Jukes	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> As a result of the significant financial pressures it is experiencing, the Council has discontinued a number of the mechanisms it has used to engage with residents including Ward Walks and annual residents' surveys. Local engagement is crucial in place shaping and future direction. There is a need to ensure mechanisms are in place to ensure that decisions are grounded in empirical evidence. 		<ul style="list-style-type: none"> Direction and decisions out of line with public opinion Impact on key areas, e.g. growth or economic development Directing resources to wrong areas, potentially away from areas of most need 	<ul style="list-style-type: none"> The Council has set up a number of forums/advisory groups representing parish councils, residents, retailers and businesses. The Council has undertaken a Borough-wide survey. The Council makes proactive use of social media both to listen and to engage with residents. <p>The Council will engage comprehensively as part of the process of updating the Five Year Plan and as part of the various significant projects contained within it.</p>

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

Risk Description:		Likelihood/Impact	Very High (4) /Severe (3)
Longer Term Financial Planning			
Member Risk Owner	Cllr Paul Barrington-King	Officer Risk Owner	Lee Colyer
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> Core Government funding has reduced significantly in favour of incentive based schemes reliant on growth. The government have offered a four year funding settlement from 2016/17 which would result in Revenue Support Grant (£1.6 million) disappearing. Negative grant is still a possibility in 2019/20. There is a review underway on the New Homes Bonus scheme. There is a change in the rate and trajectory of fees and charges with a mismatch between demand and revenue. A lack of flexibility here can make it difficult to manage demand flow. The Infrastructure Bill will transfer the statutory responsibility for Land Charges to the Land Registry. This will substantially reduce the Councils income and write-off the investment in technology and performance in this area. There is also a risk to the public and local businesses as national government computer projects have a poor track record of delays, budget overspends and delivering expected outcome. 		<ul style="list-style-type: none"> Reactive decision making and budgeting rather than planning. Short term perspective reinforced. Central control of fees, burdens the Council Tax payer rather than the user of the service. Impact on decisions. Unpredictability and trust. Resources and staffing reduced or redeployed. Impact on staff retention. Credibility damaged. Impact on partnership working Missed opportunities to collaborate. 	<ul style="list-style-type: none"> Revenue budget balanced without the use of general reserves. MTFS has manageable deficits. Reducing exposure to changes to government funding such as Revenue Support Grant and New Homes Bonus. User Pays Principle to recover costs where allowable. Government has provided more flexibility surrounding Council Tax income, and a review of Planning and Licensing Fees is underway.

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

Risk Description:		Likelihood/Impact	Very High (6) / Severe (3)
Central government policy changes			
Member Risk Owner	David Jukes	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> The past five years have been characterised by significant changes to the public sector environment and the regulations that govern it. Further significant changes will be taking place following in the wake of the General Election as manifesto commitments are delivered. Significant changes are being proposed in the area of planning and finance (including a fundamental review of needs assessment and Business Rates announced in the financial settlement) and there is also the potential for local government reorganisation following the inclusion of an amendment into the Cities and Local Government Devolution Act. On 23 June 2016, the United Kingdom of Great Britain and Northern Ireland voted to leave the European Union. The impacts of this decision are likely to be significant but at this time it is difficult to quantify how this will affect this Council's ability to plan and deliver its priorities. 		<ul style="list-style-type: none"> Changes to external environment in which TWBC operates Unpredictability and frequent changes required to Council operations Increased costs 	<ul style="list-style-type: none"> Flexibility encouraged amongst staff. Partnership working presents opportunities to collaborate (e.g. in areas such as welfare reform). Constant monitoring of changes being proposed or introduced. Engagement with the LGA and central government. Proactive work with representative bodies. Further reports will come before members as the implications of BREXIT become clearer.

Risk Scenario 6: Missing something significant (£100k – 250k impact) – ‘dropping the ball’

Risk Description:		Likelihood/Impact	High (5) / Severe(3)
Reduced staff and management resources			
Member Risk Owner	David Jukes	Officer Risk Owner	Lee Colyer
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> • The Council has reduced staff numbers and resources with a loss of a number of specialist posts and increased working in partnership with other Authorities. • Reduced staff and management resources can affect agility to respond quickly and with flexibility to new requirements from community or other stakeholders. • Increased threat from cyber security attacks. • The Information Commissioner can now issue fines up to £500,000 for data protection breaches. 		<ul style="list-style-type: none"> • Key person dependency • Staff being pulled in different directions • Pressure on staff • Loss of knowledge • Fail to respond to legislative or regulatory requirements • Mistakes made/things missed • Complaints • Claims/Legal action/Compensation • Adverse publicity • National and local reputation affected • Financial loss • Greater Exposure to fraud and transparency requiring worldwide publication 	<ul style="list-style-type: none"> • Health & Safety added as a standing item to MB and MT Agenda • Resilience through partnership working • Shared expertise through partnership working • Review of EP arrangements following recent sustained flooding • Internal Audit identify areas where controls need to be improved – action is then taken by management • Management Board consider risk on a quarterly basis – including horizon scanning • Further communication to staff will be provided on requirements and risks from additional transparency rules. • Information Governance Forum established. • Designation of a Senior Information Risk Officer.

Risk Scenario 7: Being unable to meet expectations within resources

Risk Description:		Likelihood/Impact	High (5) / Severe (3)
Reduced resources/increased demands and expectations			
Member Risk Owner	David Jukes	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> The Council has reduced staff numbers and resources but is more ambitious with more priorities and is seeking to do more than before. The local community is vocal, demanding and articulate with significant expectations. 		<ul style="list-style-type: none"> Increased stress and strain Impact on morale Reliance on key and fewer people Services/staff are stretched Impact on service quality Satisfaction diminished Campaigns launched by local community Adverse publicity Resources required to respond to campaigns Damage to reputation 	<ul style="list-style-type: none"> Reduced number of priorities in strategic plan Regular consideration by Management board of resources and additional resources put in place to support priorities (including additional resources recently agreed to support the Council's property section). Appropriate use of external capacity and expertise. Performance monitoring helps to identify pressure points Regular sickness monitoring Quarterly analysis and reporting of complaints identifying any trends Identifying resilience through partnerships Adopting an "enabling" approach to encourage community to deliver local services

Risk Scenario 8: Inspector decision which challenges housing target vs housing supply

Risk Description:		Likelihood/Impact	Significant (4) / Severe (3)
Housing target/supply			
Member Risk Owner	Alan McDermott	Officer Risk Owner	Jane Lynch
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> • There has been a change in housing formula towards growth. There is resistance to housing growth locally with a difference between housing target and housing supply levels • The statutory revision to the method of calculating housing need, "Objectively Assessed Need" (OAN) indicates that the Borough's need is more than doubled. Whilst this is before consideration is given to reductions because of constraints this effectively means that policies limiting development to within the limits of built development fall away • Risk of appeals has increased 		<ul style="list-style-type: none"> • Council lose control of situation • Increase in level of housing on greenfield sites • Member and community dissatisfaction • Increased traffic congestion • Impact on infrastructure • Financial benefit of planned growth – opportunity impact • Significant new costs to support production of new Core Strategy/Local Plan • Potential significant appeal related costs following refusal of major residential development • Planning by appeal potentially leading to loss of New Homes Bonus • Potential legal fees/officer costs/loss of section 106 	<ul style="list-style-type: none"> • Work on new Local Plan has commenced. • Outcome of Examination for Site Allocations DPD is awaited – pending consultation • Regular reporting to Planning Policy Working Group/Cabinet member/ Planning Committee on risk and legislative changes • Restructure of Planning Team to support flexible working • Consideration by the constitutional working party.

Risk Scenario 9: Not managing control and change effectively – Staff, Management, and Political

Risk Description:		Likelihood/Impact	Significant (4)/ Severe (3)
Shared Services – control and change			
Member Risk Owner	David Jukes	Officer Risk Owner	William Benson
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> The Council is involved in joint service arrangements around a number of service areas (most notably MKIP) Managerial responsibility for these services is largely within other authorities which limits control of the services and their ability to contribute towards 'corporate' initiatives (such as emergency planning) Issues with the shared Planning Support service have placed some strain on relationships which is being addressed. 		<ul style="list-style-type: none"> Staff dissatisfaction/loss of goodwill Service delivery affected Strain on people working in partnership Impact felt by wider organisation Political dissatisfaction 	<ul style="list-style-type: none"> MKIP is overseen by both a Board and shared service boards. Work is underway to strengthen the operation of the 'client side' through shared service boards. A Mid Kent Services Director has been appointed on a trial basis to provide a greater sense of direction and 'esprit de corps' within Mid Kent Services. Reviews will be undertaken of the implementation of shared services to learn lessons.

Risk Scenario 10: Development Programme

Risk Description:		Likelihood/Impact	High (5) / Severe(3)
Development Programme			
Member Risk Owner	David Jukes	Officer Risk Owner	David Candlin
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> • The Council has identified a number of development opportunities to support the growth of the local economy. • Development of these Council owned sites is to be led by the Council which brings additional financial and property risks. 		<ul style="list-style-type: none"> • Impact on revenue streams and income • Damage to reputation • Insufficient professional expertise • Procurement and issues of delay • Economic climate 	<ul style="list-style-type: none"> • Development Advisory Panel (DAP) to review and inform Council development programme. • Officer Group established to manage and control programme. • Professional advice sought to establish viability and support delivery of Council development programme schemes. • Utilisation of framework agreements where appropriate to manage procurement timetables. • Specific risk logs developed for each development site and monitored by DAP and Officer Group. • Staged approvals for development progress to manage cost exposure and risk • Appointment of additional professional staff to enhance in house experience