

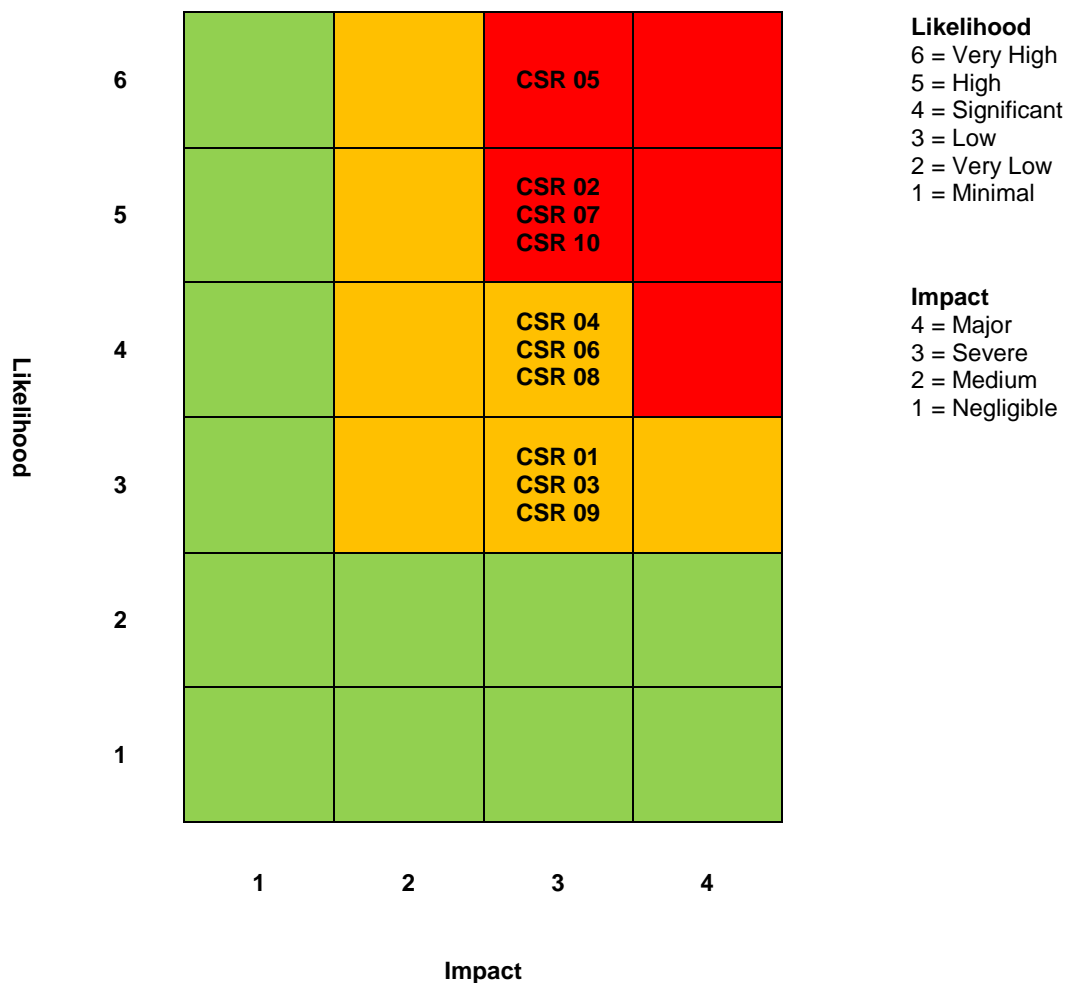
Strategic Risk Update September 2017

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: Service interruption
- 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 September 2017



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

Risk Ref	Title	Dec. 2016	May 2017	July 2017	September 2017	Trend
CSR 01	Cinema site remains undeveloped.	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	9 (3 x Lk, 3 x Im)	9 (3 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)	15 (5 x Lk, 3 x Im)	↔
CSR 03	Resident engagement.	9 (3 x Lk, 3 x Im)	9 (3 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.	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	12 (4 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.	18 (6 x Lk, 3 x Im)	18 (6 x Lk, 3 x Im)	18 (6 x Lk, 3 x Im)	18 (6 x Lk, 3 x Im)	↔
CSR 06	Service Interruption		8 (4 x Lk, 2 x Im)	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	↑
CSR 07	Unable to meet expectations within resources.	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 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.	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 x Im)	12 (4 x Lk, 3 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)	9 (3 x Lk, 3 x Im)	9 (3 x Lk, 3 x Im)	↓
CSR 10	Development programme.	15 (5 x Lk, 3 x Im)	15 (5 x Lk, 3 x Im)	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	Low(3) / Severe(3)
Cinema Site			
Member Risk Owner	David Jukes	Officer Risk Owner	Karen Fossett
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"> Following constructive pre-application meetings, a detailed planning application for the development of the former cinema site has been received and validated on 12 July 2017. A decision by the Planning Committee is expected to take place in the Autumn of 2017.

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. • Referendum ('Brexit') decision to leave the European Union. The implications of this decision have the potential to have a significant impact on the local economy. 		<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 • Establishment of Royal Tunbridge Wells Together town centre partnership • Ensure Local Plan and Transport Strategy address economic & transport issues • Professional advice secured to establish viability of transport schemes • Monitor Brexit negotiations and terms impacting on the local economy and business sectors in the Borough • Lobby with partners and stakeholders (including SELEP) to minimise negative impact of Brexit terms • Development programme and support for community facilities in the rural towns

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. The Council has engaged comprehensively as part of the process of updating the Five Year Plan and will continue to engage on the various significant projects contained within it.

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

Risk Description:		Likelihood/Impact	Significant (4) /Severe (3)
Longer Term Financial Planning			
Member Risk Owner	Cllr David Reilly	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 all Revenue Support Grant (£1.6 million) disappearing. Negative grant is still a possibility in 2019/20. The New Homes Bonus scheme has been significantly diluted with the first 200 homes not being eligible. The Infrastructure Bill transferred the statutory responsibility for Land Charges to the Land Registry. This will substantially reduce the Council's 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. The Local Government Finance Bill 'fell' with the snap election and has not been reintroduced as part of the Queen's Speech. Local Government is awaiting clarification of what this means for the policy of letting local government retain 100 per cent of business rates income by 2020. 		<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 Appeals wipe out any growth with no new funding flowing to the Council 	<ul style="list-style-type: none"> Revenue budget balanced without the use of general reserves MTFS has manageable deficits The Council has accepted the four year funding offer The Council has less 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 fees and licensing fees is underway Raising awareness of the impact of appeals on local tax payers Pushing for change in the way legislation excludes the Council from understanding how the Valuation Office Agency settles appeals.

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 few years have been characterised by significant changes to the public sector environment and the regulations that govern it. The recent general election and the return of a minority government has placed further uncertainty over reforms to finance (including the proposed review of needs and Business Rates) and the recent push towards 'devolution deals'. On 23 June 2016, the United Kingdom of Great Britain and Northern Ireland voted to leave the European Union. The impacts of this decision have the potential 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/reduced income 	<ul style="list-style-type: none"> Flexibility encouraged amongst staff Partnership working presents opportunities to collaborate on service delivery and address constraints on capacity Ongoing discussions with KCC and neighbouring councils to explore opportunities for aligning or devolving services 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: Service interruption

Risk Description:		Likelihood/Impact	High (4) / Severe (3)
The ability to deliver services is disrupted			
Member Risk Owner	David Jukes	Officer Risk Owner	Denise Haylett
Vulnerability/ Contributing factors		Potential Impact/ Consequences	Current Controls/ Mitigations in place
<ul style="list-style-type: none"> • Increased threat from cyber security attacks • Increased frequency of extreme weather • Increased threats from terrorism • Fire and other major events 		<ul style="list-style-type: none"> • Interruption to critical services • Staff being pulled in different directions • Claims/Legal action/Compensation • Adverse publicity • National and local reputation affected • Financial loss • Exposure to fraud, ransom and denial of service • The scale of the disaster could overwhelm the Council resulting in resignations, community discord and questions on whether the Government should intervene on how the Council is run. 	<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 • Designation of a Senior Information Risk Officer • Public Service Network accreditation • Payment Card Industry Data Security Standards (PCI DSS) compliance • Support from the National Centre for Cyber Security (part of GCHQ) • Review of Emergency Planning arrangements

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; additional resources put in place to support priorities (including additional resources recently agreed 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 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	Karen Fossett
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. • The 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 a new Local Plan is progressing to a compressed timescale • Regular reporting to Planning Policy Working Group/Cabinet member/ Planning Committee on risk and legislative changes • Consideration by the Constitution Review Working Party of application call-ins, supported at Audit and Governance Committee; this was agreed at Full Council on 26 July 2017 • Site Allocations document found sound by independent inspector in 2016 • Consultation completed on Issues and Options document for new Local Plan • Call for sites attracted 150 new submissions for assessment during 2017. • Complete draft of new Local Plan expected to be due for further consultation in Spring 2018.

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

Risk Description:		Likelihood/Impact	Low (3)/ 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 Mid Kent Services). 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). Opportunities for partnership working and devolution are being explored with neighbouring councils and KCC but this is on a different geographic footprint to Mid Kent Service. 		<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"> MKS is overseen by both a Board and shared service boards. The operation of the 'client side' has been strengthened through 'shared service boards' and regular performance reporting. The overarching governance arrangements have been reviewed and updated as have the individual collaboration agreements for each shared service. A Mid Kent Services Director post has been created 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 all civic development and community programmes Programme Board established to oversee and monitor progress on all development and transformation projects Officer Groups for the civic, development and community programmes, established to manage and control the programmes Professional advice sought to establish viability and support delivery of Council civic, development and community 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 groups Staged approvals for development progress to manage cost exposure and risk Appointment of additional professional staff to enhance in-house experience