

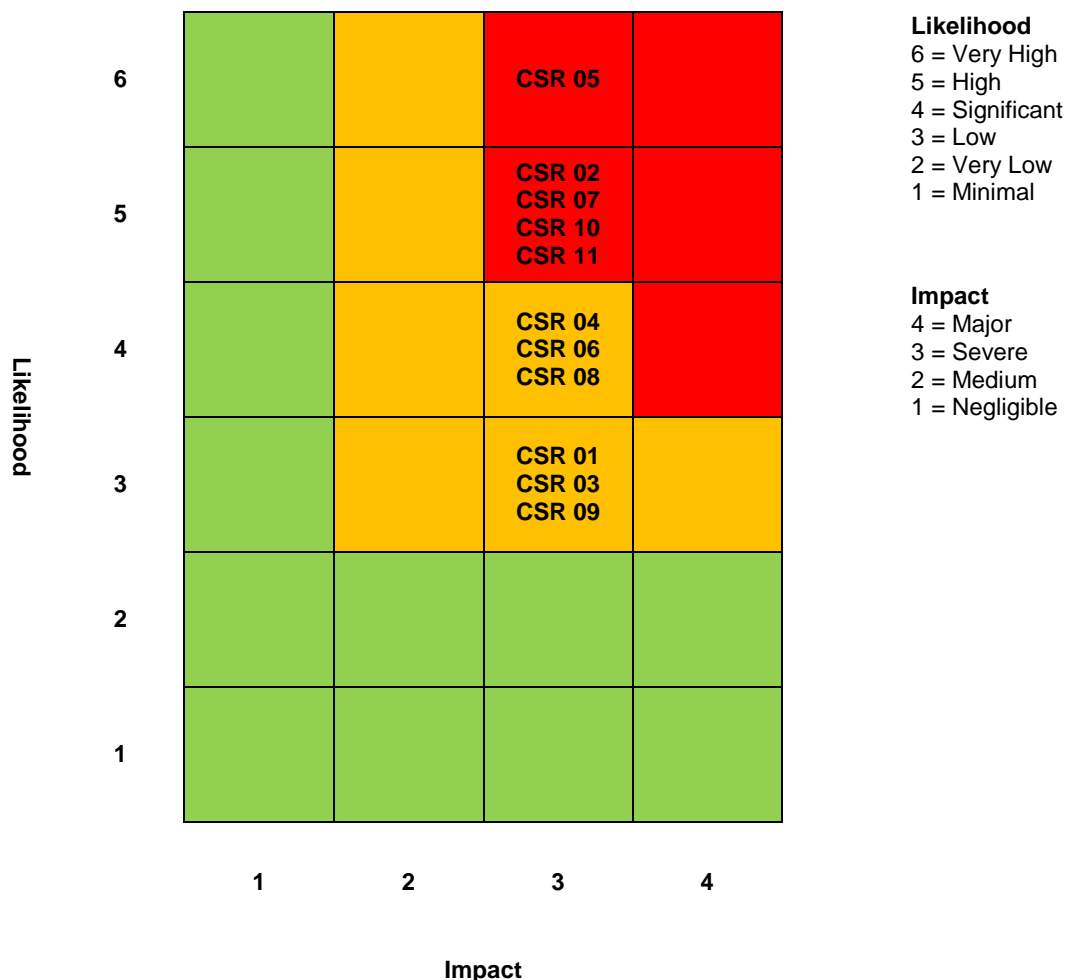
Strategic Risks March 2018

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: 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
- 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
- CSR 11:Civic Development

Tunbridge Wells Borough Council Strategic Risk Profile March 2018



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

Risk Ref	Title	July 2017	September 2017	November 2017	March 2018	Trend
CSR 01	Cinema site remains undeveloped	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 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	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 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	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 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)	↔
CSR 11	Civic Development				15 (5 x Lk, 3 x Im)	New

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 reputationCurtails attractiveness and discourages new investment in the town centre	<ul style="list-style-type: none">Planning permission granted 2.2.18 for redevelopment of site with a Section 106 agreement and planning conditions (including pre-commencement conditions)Applicant progressing with Network Rail Asset Protection AgreementFootpath diversion order and Walkway Agreement processes underwayFurther ground investigations undertaken by applicantSuggested start on site at end 2018/early 2019.

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 have mechanisms 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 opinionImpact on key areas, e.g. growth or economic developmentDirecting 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.Specifically in respect of the Civic Development project, the Council has launched a major programme of public engagement using local newspapers, the Borough-wide ‘Local’ magazine and numerous briefings for businesses, residents, stakeholders, schools and community and interest groups.

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. A comprehensive spending review will be needed to set out government funding plans from 2020/21. The New Homes Bonus scheme has been significantly diluted with the first 150 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. The Local Government Finance Bill 'fell' with the snap election and has not been reintroduced as part of the Queen's Speech. This prevented the introduction of 100 per cent retention; however areas were able to bid to become 100 per cent pilots for 2018/19. As part of the 2018/19 settlement the Secretary of State announced that business rates retention would move from 50 per cent to 75 per cent in 2020/21. 		<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 Impact on partnership working Appeals wipe out any growth with no new funding flowing to the Council Proceeds of business rate growth may not be fully received 	<ul style="list-style-type: none"> Revenue budget balanced without the use of general reserves MTFS has manageable deficits 'User Pays' principle to recover costs where allowable 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 A Fair Funding Review is underway which will inform the allocation of resources for each council by the Government from April 2020 Government has provided more flexibility surrounding Council Tax income but this is less than for parish councils The Council was part of a successful bid to become a business rate pilot in 2018/19

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

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 last 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• Working with others to seize opportunities as they arise (e.g. 100% Business Rate pilot)• 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 attacksIncreased frequency of extreme weatherIncreased threats from terrorismFire and other major events		<ul style="list-style-type: none">Interruption to critical servicesStaff being pulled in different directionsClaims/Legal action/CompensationAdverse publicityNational and local reputation affectedFinancial lossExposure to fraud, ransom and denial of serviceThe 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 PlanMajor Emergency PlanResilience through partnership workingPart of the Multi-Agency AgreementMember of the Kent Resilience ForumDesignation of a Senior Information Risk OfficerPublic Service Network accreditationPayment Card Industry Data Security Standards (PCI DSS) complianceSupport 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 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• Improving resilience through partnerships• Adopting an “enabling” approach to encourage community to deliver local services• The use of external and peer reviews to provide assurance• With approval of the civic development project there will be further review of capacity (internal and external)

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 situationIncrease in level of housing on greenfield sitesMember and community dissatisfactionIncreased traffic congestionImpact on infrastructureFinancial benefit of planned growth – opportunity impactSignificant new costs to support production of new Core Strategy/Local PlanPotential significant appeal related costs following refusal of major residential developmentPlanning by appeal potentially leading to loss of New Homes BonusPotential legal fees/officer costs/loss of section 106	<ul style="list-style-type: none">Work on a new Local Plan is progressing to a revised timescaleRegular reporting to Planning Policy Working Group/Cabinet member/ Planning Committee on risk and legislative changesConsultation completed on Issues and Options document for new Local PlanTwo ‘Call for Sites’ exercises attracted 400 land/site submissions for assessmentInitial assessment conclusions indicate that level of identified need can be met by combination of current supply, additional allocations and windfall provisionProposed draft of new Local Plan expected to be due for further consultation in June 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.• Economic climate		<ul style="list-style-type: none">• Impact on revenue streams and income• Damage to reputation• Insufficient professional expertise• Procurement and issues of delay	<ul style="list-style-type: none">• Development Advisory Panel (DAP) to review and inform all development and community programmes• Programme Board established to oversee and monitor progress on all development and transformation projects• Officer Groups for the development and community programmes, established to manage and control the programmes• Professional advice sought to establish viability and support delivery of Council 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

Risk Scenario 11: Civic Development

Risk Description:		Likelihood/Impact	High (5) / Severe(3)
Civic Development			
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 Civic Development being led by the Council brings additional financial and property risks.• Planning decision and process• Site assembly and CPO• Judicial review• Economic climate• Internal capacity to deliver• No tenant for office space• Non-delivery of funding strategy• Value and disposal of the current Civic Complex		<ul style="list-style-type: none">• Impact on revenue streams and income• Resources and staffing reduced or redeployed• Impact on decisions• Time delay and cost overrun• Damage to reputation• Insufficient professional expertise• Procurement and issues of delay	<ul style="list-style-type: none">• Staged approvals for development progress to manage cost exposure and risk• Appointment of additional property professional staff to enhance in-house experience• Appointment of additional legal advice to enhance in-house experience• Professional advice sought to establish to support delivery of the Civic Development• Utilisation of framework agreements where appropriate to manage procurement timetables• Specific risk logs developed for each work stream and monitored by DAP and officer groups including Civic Steering Board• Development Advisory Panel (DAP) to review the Civic Development programme• Civic Steering Board established to oversee and monitor progress on the Civic Development work streams• Officer Groups for the civic development established to manage and deliver the work streams• Detailed financial funding strategy• MTFS has manageable deficits