

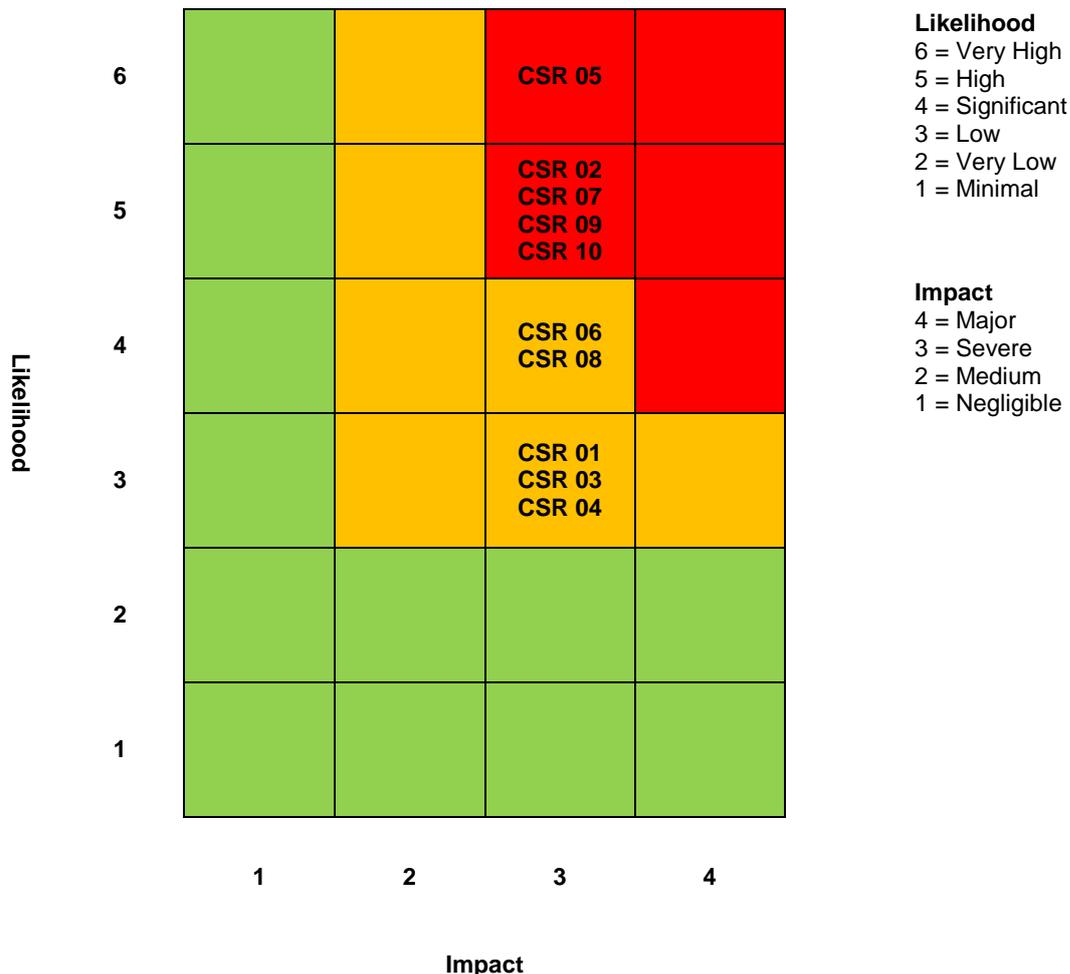
# Strategic Risks March 2019

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: Development programme
- CSR10: Calverley Square

## Tunbridge Wells Borough Council Strategic Risk Profile March 2019



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

Risk Ref	Title	June 2018	September 2018	November 2018	March 2019	Trend
CSR 01	Cinema site remains undeveloped.	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)	↔			
CSR 03	Resident engagement.	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)	9 (3 x Lk, 3 x Im)	9 (3 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)	↔			
CSR 06	Service Interruption	12 (4 x Lk, 3 x Im)	↔			
CSR 07	Unable to meet expectations within resources.	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)	↔			
CSR 09	Development programme.	15 (5 x Lk, 3 x Im)	↔			
CSR 10	Calverley Square.	15 (5 x Lk, 3 x Im)	↔			

## Risk Scenario 1: Cinema site remains undeveloped

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Low(3) / Severe(3)
<b>Cinema Site</b>			
<b>Member Risk Owner</b>	David Jukes	<b>Officer Risk Owner</b>	Stephen Baughen
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Damage to reputation</li> <li>Curtails attractiveness and discourages new investment in the town centre</li> </ul>	<ul style="list-style-type: none"> <li>Planning permission granted 2.2.18 for redevelopment of site with a Section 106 agreement and planning conditions (including pre-commencement conditions).</li> <li>Applicant progressing with Network Rail Asset Protection Agreement</li> <li>Footpath diversion order and Walkway Agreement is now completed</li> <li>Further ground investigations undertaken by applicant</li> <li>Ongoing discussions with applicant – including provider of housing element</li> <li>Until there is clear and publicly visible evidence of impending development (e.g. site works, submission of details to discharge planning conditions, etc) regular communication with the applicant will continue to be undertaken.</li> <li>Given the last bullet point, the review of "likelihood" is continuously ongoing.</li> </ul>

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

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Significant (4) / Severe (3)
<b>Economic development and infrastructure</b>			
<b>Member Risk Owner</b>	Tracy Moore /Alan McDermott	<b>Officer Risk Owner</b>	David Candlin
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>• There are economic opportunities, but other areas are also chasing these.</li> <li>• 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.</li> <li>• Redevelopment of RVP to provide an improved offer.</li> <li>• There are issues around cost of housing and infrastructure, particularly traffic congestion which could affect ability to make the most of opportunities.</li> <li>• 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.</li> </ul>		<ul style="list-style-type: none"> <li>• Lose out to other areas</li> <li>• Unable to secure sufficient opportunities</li> <li>• Local area and people lose out</li> <li>• Insufficient inward investment</li> <li>• Impact on economic vitality of area</li> <li>• Curtails attractiveness</li> <li>• Impact on revenue streams and income</li> <li>• Suffer in comparison to others</li> <li>• Damage to reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Secure KMED and SELEP support for delivery of key infrastructure improvements</li> <li>• Maintain and develop working relationships with key partners, landowners &amp; developers</li> <li>• Royal Tunbridge Wells Business Improvement District (BID)</li> <li>• Ensure Local Plan and Transport Strategy address economic &amp; transport issues</li> <li>• Professional advice secured to establish viability of transport schemes</li> <li>• Monitor Brexit negotiations and terms impacting on the local economy and business sectors in the Borough</li> <li>• Lobby with partners and stakeholders (including SELEP) to minimise negative impact of Brexit terms</li> <li>• Development programme and support for community facilities in the rural towns</li> </ul>

### Risk Scenario 3: Resident engagement

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Low (3) / Severe (3)
<b>Local engagement</b>			
<b>Member Risk Owner</b>	Tracy Moore	<b>Officer Risk Owner</b>	Paul Taylor
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>Royal Tunbridge Wells and the surrounding Borough are in the midst of some significant changes and challenges including a number of both Council-led and privately-led developments and a requirement to deliver increased numbers of homes.</li> <li>There are some strongly-held views about a number of these proposed developments in the town and across the Borough and this is contributing to a significant number of challenges, allegations and rumours.</li> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>Direction and decisions out of line with public opinion</li> <li>Impact on key areas, e.g. growth or economic development</li> <li>Directing resources to wrong areas, potentially away from areas of most need</li> </ul>	<ul style="list-style-type: none"> <li>The Council has set up a number of forums/advisory groups representing parish councils, residents, retailers and businesses and consults with the Town Forum.</li> <li>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.</li> <li>The Council consults on major strategies and policies.</li> <li>The Council has procedures in place to capture and act on feedback and complaints received.</li> <li>Local elections offer the opportunity for residents to elect their representatives and influence council decision-making.</li> <li>The Council utilises a variety of formats of public engagement for major projects, including using local newspapers, the Borough-wide 'Local' magazine, roadshows, exhibitions and briefings for businesses, residents, stakeholders, schools and community and interest groups.</li> <li>A Communications and Marketing strategy has been created for the period 2018-22.</li> </ul>

		<ul style="list-style-type: none"><li>• Work on a new Consultation and Engagement Strategy will review the Council's approach to consultation and engagement and make changes where appropriate.</li></ul>
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## Risk Scenario 4: Unable to plan financially over the longer term

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Low (3) /Severe (3)
<b>Longer Term Financial Planning</b>			
<b>Member Risk Owner</b>	Cllr David Reilly	<b>Officer Risk Owner</b>	Lee Colyer
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>• Core Government funding has reduced significantly in favour of incentive based schemes reliant on growth.</li> <li>• The Government have offered a four year funding settlement from 2016/17 which would result in all Revenue Support Grant (£1.6 million) disappearing. The prospect of negative grant in 2019/20 has been abolished.</li> <li>• A government spending review (SR19) is underway.</li> <li>• The New Homes Bonus scheme has been significantly diluted with the first 150 homes not being eligible.</li> <li>• 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.</li> <li>• 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. The Government is still committed to delivering 100 per cent when Parliamentary time is available.</li> </ul>		<ul style="list-style-type: none"> <li>• Reactive decision-making and budgeting rather than planning</li> <li>• Short term perspective reinforced</li> <li>• Central control of fees, burdens the Council Tax payer rather than the user of the service</li> <li>• Impact on decisions</li> <li>• Unpredictability and trust</li> <li>• Resources and staffing reduced or redeployed</li> <li>• Impact on staff retention</li> <li>• Impact on partnership working</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue budget balanced without the use of general reserves for 2019/20.</li> <li>• MTFS has manageable deficits.</li> <li>• 'User Pays' principle to recover costs where allowable.</li> <li>• The Council has accepted the four year funding offer.</li> <li>• A Fair Funding Review is underway which will inform the allocation of resources for each council by the Government from April 2020.</li> <li>• Government has provided more flexibility surrounding Council Tax income but this is less than for Parish Councils.</li> <li>• Proceeds of business rate growth are now being consistently received.</li> <li>• The Council is part of the Kent Business Rate Pool for 2019/20.</li> </ul>

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

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Very High (6) / Severe (3)
<b>Central government policy changes</b>			
<b>Member Risk Owner</b>	David Jukes	<b>Officer Risk Owner</b>	William Benson
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>The past few years have been characterised by significant changes to the public sector environment and the regulations that govern it.</li> <li>The general election in 2017 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 negative RSG) and the government's approach towards devolution.</li> <li>On 23 June 2016, the United Kingdom of Great Britain and Northern Ireland voted to leave the European Union. Three years on, at the time of writing this report, the precise terms of the departure remain unclear. The continued uncertainty is having an impact on our ability to scenario-plan and preparations are impacting on capacity within the Council and, more significantly, within partner organisations.</li> </ul>		<ul style="list-style-type: none"> <li>Changes to external environment in which TWBC operates.</li> <li>Unpredictability and frequent changes required to Council operations and policy/ funding assumptions.</li> <li>Increased costs/reduced income.</li> <li>Impact on the costs associated with or our ability to deliver key projects and services (particularly if tariffs are applied and transport infrastructure is affected by Brexit)</li> </ul>	<ul style="list-style-type: none"> <li>Flexibility encouraged amongst staff</li> <li>Partnership working presents opportunities to collaborate on service delivery and address constraints on capacity</li> <li>Engagement with the LGA, central government and other national, regional and local bodies</li> <li>Working with others to seize opportunities as they arise (e.g. Business Rate pilot, funding opportunities)</li> <li>Up to date business continuity plans and engagement with the Kent Resilience Forum.</li> </ul>

## Risk Scenario 6: Service interruption

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	High (4) / Severe (3)
<b>The ability to deliver services is disrupted</b>			
<b>Member Risk Owner</b>	David Jukes	<b>Officer Risk Owner</b>	Denise Haylett
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>• Increased threat from cyber security attacks</li> <li>• Increased frequency of extreme weather</li> <li>• Increased threats from terrorism</li> <li>• Fire and other major events</li> </ul>		<ul style="list-style-type: none"> <li>• Interruption to critical services</li> <li>• Staff being pulled in different directions</li> <li>• Claims/Legal action/Compensation</li> <li>• Adverse publicity</li> <li>• National and local reputation affected</li> <li>• Financial loss</li> <li>• Exposure to fraud, ransom and denial of service</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Major Emergency Plan</li> <li>• Resilience through partnership working</li> <li>• Part of the Multi-Agency Agreement</li> <li>• Member of the Kent Resilience Forum</li> <li>• Designation of a Senior Information Risk Officer</li> <li>• Public Service Network accreditation</li> <li>• Payment Card Industry Data Security Standards (PCI DSS) compliance</li> <li>• Support from the National Centre for Cyber Security (part of GCHQ)</li> <li>• Review of Emergency Planning arrangements</li> </ul>

## Risk Scenario 7: Being unable to meet expectations within resources

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

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

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	Significant (4) / Severe (3)
<b>Housing target/supply</b>			
<b>Member Risk Owner</b>	Alan McDermott	<b>Officer Risk Owner</b>	Stephen Baughen
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>• 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.</li> <li>• The statutory revision to the method of calculating housing need, 'Objectively Assessed Need' (OAN) indicates that the Borough's need is more than doubled. This effectively means that policies limiting development to within the limits of built development fall away.</li> <li>• There is continuing Government alterations to the methodology for calculating housing need which is creating uncertainty and reducing public confidence in the planning system.</li> <li>• The risk of appeals has increased.</li> </ul>		<ul style="list-style-type: none"> <li>• Council lose control of situation</li> <li>• Increase in level of housing on greenfield sites</li> <li>• Member and community dissatisfaction</li> <li>• Increased traffic congestion</li> <li>• Impact on infrastructure</li> <li>• Financial benefit of planned growth – opportunity impact</li> <li>• Significant new costs to support production of new Local Plan if rejected by an Inspector at Examination.</li> <li>• Potential significant appeal related costs following refusal of major residential development</li> <li>• Planning by appeal potentially leading to loss of New Homes Bonus</li> <li>• Potential legal fees/officer costs/loss of section 106</li> </ul>	<ul style="list-style-type: none"> <li>• Work on a new Local Plan is progressing "on target" to a further revised timescale.</li> <li>• Frequent meetings and on-going communication with Parish and Town Councils (PC/TCs).</li> <li>• Regular reporting to Planning Policy Working Group/Cabinet member/ Planning Committee on risk and legislative changes</li> <li>• Consultation completed on Issues and Options document for new Local Plan</li> <li>• Two Call for sites exercises attracted 400 land/site submissions for assessment.</li> <li>• Assessment conclusions indicate that level of identified need can be met by combination of current supply, additional allocations and windfall provision. Additional allocations already discussed with PC/TCs and Neighbourhood Plan groups.</li> <li>• Proposed draft of new Local Plan due for further consultation in summer 2019.</li> </ul>

## Risk Scenario 9: Development Programme

<b>Risk Description:</b>		<b>Likelihood/Impact</b>	High (5) / Medium (2)
<b>Development Programme</b>			
<b>Member Risk Owner</b>	David Jukes	<b>Officer Risk Owner</b>	David Candlin
<b>Vulnerability/ Contributing factors</b>		<b>Potential Impact/ Consequences</b>	<b>Current Controls/ Mitigations in place</b>
<ul style="list-style-type: none"> <li>The Council has identified a number of development opportunities to support the growth of the local economy.</li> <li>Development of these Council owned sites is to be led by the Council, which brings additional financial and property risks.</li> <li>Economic Climate.</li> </ul>		<ul style="list-style-type: none"> <li>Impact on revenue streams and income</li> <li>Damage to reputation</li> <li>Insufficient professional expertise</li> <li>Procurement and issues of delay</li> </ul>	<ul style="list-style-type: none"> <li>Development Advisory Panel (DAP) to review and inform all development and community programmes</li> <li>Programme Board established to oversee and monitor progress on all development and transformation projects</li> <li>Officer Groups for the development and community programmes, established to manage and control the programmes</li> <li>Professional advice sought to establish viability and support delivery of Council development and community programme schemes</li> <li>Utilisation of framework agreements where appropriate to manage procurement timetables</li> <li>Specific risk logs developed for each development site and monitored by DAP and officer groups</li> <li>Staged approvals for development progress to manage cost exposure and risk</li> <li>Appointment of additional professional staff to enhance in-house experience</li> </ul>

## Risk Scenario 10: Calverley Square

Risk Description:		Likelihood/Impact	High (5) / Severe(3)
Calverley Square			
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"> <li>• The Calverley Square development being led by the Council brings additional financial and property risks.</li> <li>• Planning decision and process</li> <li>• Site Assembly and CPO Inquiry</li> <li>• Judicial review</li> <li>• Economic Climate</li> <li>• Internal capacity to deliver</li> <li>• No tenant for Office space</li> <li>• Non-delivery of funding strategy</li> <li>• Value and disposal of the current Civic Complex</li> </ul>		<ul style="list-style-type: none"> <li>• Impact on revenue streams and income</li> <li>• Resources and staffing reduced or redeployed</li> <li>• Impact on decisions</li> <li>• Time delay and cost overrun</li> <li>• Damage to reputation</li> <li>• Insufficient professional expertise</li> <li>• Procurement and issues of delay</li> </ul>	<ul style="list-style-type: none"> <li>• Staged approvals for development progress to manage cost exposure and risk</li> <li>• Appointment of additional property professional staff to enhance in-house experience</li> <li>• Appointment of additional legal advice to enhance in-house experience</li> <li>• Professional advice appointed to establish client support for delivery of Calverley Square development</li> <li>• Appointment of Mace as construction contractor on two Stage design and build</li> <li>• Development Advisory Panel (DAP) to review the Calverley Square programme</li> <li>• Specific risk logs developed for each workstream and monitored by DAP and officer groups including Calverley Square Steering Board</li> <li>• Calverley Square Steering Board established to oversee and monitor progress on the Calverley Square workstreams</li> <li>• Officer Groups for the Calverley Square development established to manage and deliver the workstreams</li> <li>• Detailed financial funding strategy approved</li> <li>• MTFS has manageable deficits</li> </ul>

