

## Strategic risks

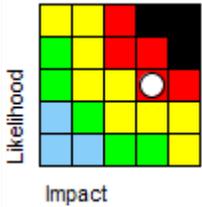
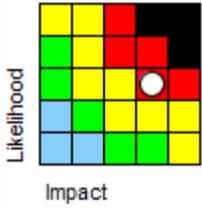
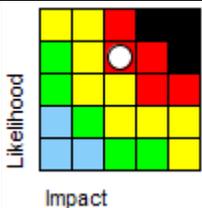
Report Type: Risks Report

Report Author: Charlotte Hammersley

Generated on: 17 September 2020



Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
CR17 FINIT 003	Successful cyber attack	Data breach Loss of service Reputation Financial		Staff training Patching, firewall, policy rules Emergency planning exercise		New Dojo Cyber training has been rolled out to ALL staff. Approximately 50% have completed to-date. Communications is taking place to ensure all staff complete the training over the coming weeks. Procedures in place to keep the council's systems secure whilst remote working including device scanning.
CR17 FINIT 009	Recession	Loss of income Increased caseload Increased demand for Housing and Revenues and Benefits Services		Regular communication with Arlingclose Increased minimum reserves balance		Due to the COVID-19 impact on the Council's finances and the likelihood of recession, the risk rating has been upgraded. The council's Management Team and Members are working on generating income and savings to enable investment in the borough to continue.

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CR17 HOU S005	Increasing disparity between rents and Local Housing Allowance	Unaffordable rents. Increase in number of people presenting as homeless to the council.		Unique package to support landlords Social lettings agency Financial incentives		Risk still exists. Minor uplift in Local Housing Allowance rates but still large shortfall between welfare benefit rates and market rents.
CR17 PLAN 007	Developers not delivering sites with planning permission to expected timescales (linked to national economy)	Five year land supply not addressed.		Out of ABC's control but do consider viability of key development sites.		Some of the strategic sites are not coming forward as quickly as anticipated which will impact on the Council's housing delivery test and five year land supply position. A Housing Delivery Action Plan has been produced which outlines the root causes of under-delivery and encourages more liaison with the housing market moving forward. Resource is needed in this area, to help ensure that the delivery of key sites happen.
CR17 POL0 3	Ashford College - delivery of phase 2 project to time	Removal of ability for the college to deliver engineering courses in Ashford. Non-delivery of ABC part funded college building within timeframes of the funding agreement		Ongoing monitoring with College		Ongoing discussion with the College about delivering expanded provision in the borough.

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CR20 POL0 2	Eurostar – negative impact on local economy (development and investments) due to Eurostar not stopping in Ashford until 2022.	Loss of international status. Reduced development and investments in Ashford. Reduced connectivity to Europe, use of station.	<p>Likelihood</p> <p>Impact</p>	Partnership Working Lobbying	New	Eurostar have announced they are withdrawing services from Kent until 2022. As a result there is a risk of a negative impact on the local economy and to Ashford’s International status in the longer term which the council together with partners is lobbying to mitigate.

## Financial risks

**Report Type:** Risks Report

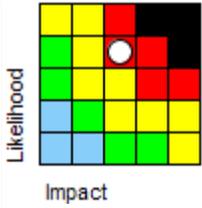
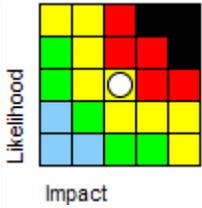
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Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
CR17 FINIT 008	Change to accounting standards: requirement to record all losses through income and expenditure.	Potential for temporary losses to be shown affecting the council's investment decisions.		Regular communication with Arlingclose Lobbying		No change to the risk profile. There is a statutory override for the 5 years therefore it will cause an issue in the short/medium term however it is unclear if this will be made permanent or be removed in the future. We will continue to monitor and discuss with auditors.
CR17 FINIT 010	Insufficient reserves to respond to another unforeseen event	Section 114 Notice. Inability to deliver services.		MTFP and budget monitoring processes Savings target Commercial income target	New	This has been updated to reflect the current position following COVID. Whilst the Council does have sufficient reserves currently, if there were to be a second wave of Covid-19 or another major unforeseen event then reserves would be depleted more rapidly than forecast in the Medium Term Financial Plan.  Management Team and Members are working on plans to safeguard reserves by delivering savings and generating additional income.

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CR17 HPC0 04	Downturn in the economy leads to reduction in parking income.	Negative impact on Medium Term Financial Plan.		<p>Income monitoring</p> <p>Promotional campaigns to increase take up.</p> <p>Marketing campaign</p>		As a result of the COVID-19 outbreak there has been a significant reduction in parking income. Any subsequent downturn in the economy will reduce parking income further. Current projections are that we expect to lose approximately half of budgeted income. Car park usage is, however, recovering in line with predictions. Risk assessment reduced as further national lockdown less likely although local lockdown would impact income again.
CR17 PRO P002	Inability to make expected return on commercial investment portfolio	<p>Reputational damage of not delivering strategic projects.</p> <p>Financial loss to the council which would impact on the councils Medium Term Financial Plan.</p> <p>Potential loss of income by not achieving the minimum rent at Elwick Place to cover quality maintenance.</p> <p>Inability to let the units at Carlton Road could</p>		<p>Monthly monitoring with developer of Elwick Place</p> <p>Potential to consume any shortfall within the total Elwick Place project budget.</p> <p>Regular review of tenancies at International House with portfolio holder and marketing agent.</p> <p>Established tenants on mid-term leases at International House.</p> <p>Monthly review of the</p>		Covid-19 has had an impact on the Council returns and is now reflected in the revised budget. Reported as part of the annual report to Cabinet in September.

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		lead to the need to repurpose or sell the site.		market with agent (Carlton Road) Current demand for similar product to Carlton Road elsewhere Lettings Strategy		
CR17 PRO P011	Ongoing maintenance liabilities exceeding available budget.	Standard of maintenance reduced. Only necessary maintenance carried out.		Repairs and maintenance reserve Corporate asset management review	■	No change since previous update. The actuals continue to exceed the budget and stock condition surveys will inform the planned maintenance budget going forward which will in turn reduce the responsive maintenance budget.
CR20 HOU S012	Increased homelessness placements as a result of Covid-19	Negative impact on the general fund. Availability of stock Increased costs of placements and moving on		Modular accommodation build Street purchase programme Landlords now legally required to serve longer notice periods when courts come back into action.	■	Levels of temporary accommodation had risen to 149 homeless households in April/May 2020 but have since fallen to 101 placements as of 17 September 2020. Although this represents a significant reduction, there will still be the need to expect levels of placements to rise when the courts are fully operational from 24 Sep 2020, and private sector tenants who are evicted may make applications as homeless.

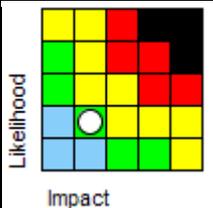
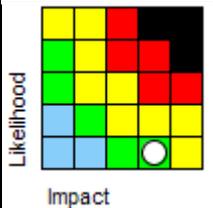
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CR20 HOU S013	Reduction in Housing Revenue Account income levels as a result of increased number of Voids	Housing Revenue Account levels negatively impacted	<p>Likelihood</p> <p>Impact</p>	<p>Increased monitoring of number of cases, arrears levels and number of new Universal Credit claimants</p> <hr/> <p>Use of Orchard analytics</p>	New	<p>Possibly increase in arrears figure could be circa £100k. An increase of this amount could see the arrears at close to £650k.</p> <p>Revised budget estimate includes a provision for a 5% reduction in rental income to account for the first lockdown and a potential second lockdown.</p>

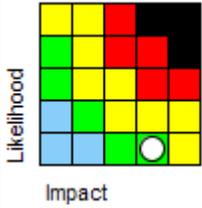
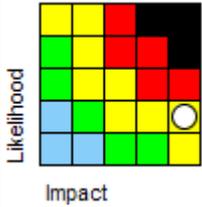
## Compliance risks

**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

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Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
CR17 FINIT 001	Loss or theft of portable devices and data stored on them	Potential breach of council or personal data. Reputational damage.	 <p>Likelihood</p> <p>Impact</p>	Remote working and portable devices guidance Portable devices encrypted Data Protection Impact Assessment	■	IT are issuing a form for staff and Members to complete to identify what assets they have taken from the civic centre. Currently the majority of staff are working from home so relying on individuals ensuring devices are secure. HR are updating relevant policies to reflect current home working arrangements.
CR17 FINIT 002	Not achieving codes of compliance: pci and Public Services Network	Potential to stop the council being able to communicate with other public sector organisations.	 <p>Likelihood</p> <p>Impact</p>	Patching, firewall, policy rules	■	Due to current Covid-19 lockdown situation, IT have had to carry out a reduced onsite ITHC (IT Health Check) with independent security auditors. Awaiting agreement to carry out final elements (Wi-Fi security audit, firewall policy rulebase check etc), once done we are ready to submit this year's PSN CoCo documentation set.

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CR17 FINIT 005	Loss of the Kent Public Services Network (KPSN) and services it provides	Potential to stop the council being able to communicate with other public sector organisations.		Externally managed	—	No change as network goes through a rationalisation period. A full procurement process is now planned to commence in 2021 and complete in 2022.
CR17 HPC0 13	Non-compliance with Health Safety Act and Regulations	Reputational Financial fines from the Health and Safety Executive Loss of working days Death or serious injury		Risk assessments Health and Safety Policies and Procedures Mandatory and targeted training programme Service compliance audits Management Team trained on leading safely Six monthly report to Management Team	—	All core corporate policies and procedures up-to-date and an active training progress is maintained. The council has a satisfactory record of compliance and strong welfare support for staff. Additional controls are in place relevant to Covid-19 as documented in a separate risk assessment. Controls have included, for example, closure of the civic centre to the public, stopping all but essential site visits, use of PPE and review of all relevant risk assessments. Homeworking DSE assessments have been conducted and additional welfare support provided to those remote working. Covid-19 workplace outbreak plan in operation.

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CR17 LEG0 01	Insufficient resources in the event Election is called at short notice	Mistakes during election Staff morale Customer satisfaction Reputational damage		<p>Increased staff hours and pay during election period.</p> <p>Well-developed corporate support system</p>		No change. Next Election date May 2021.
CR17 LEG0 04	Non-compliance with GDPR	ICO fines Enforcement notices Reputational damage Customer dissatisfaction		<p>GDPR action plan</p> <p>Service briefings</p> <p>Dedicated resource</p> <p>Staff training</p> <p>Information Governance Group</p> <p>Consultant legal support for key policies</p> <p>Information Commissioner Office registration</p>		The changing working arrangements brought about by the coronavirus pandemic both in terms of the council's response and the need for staff to work from home created additional data protection considerations. Careful considerations were taken to ensure data protection was handled appropriately during a public health emergency this included utilising differing lawful bases for processing such as Substantial Public Interest, Statutory Obligations and Vital Interest, as well as ensuring our transparency obligations were met with a specific Covid-19 privacy notice. Remote working has increased risks, mitigated by access to encrypted council owned laptops, two factor 'Duo' authentication and regular communication messages to colleagues on how to operate securely.