

Strategic risks

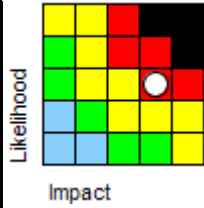
Report Type: Risks Report

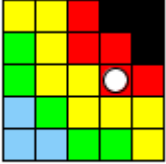

Report Author: Charlotte Hammersley

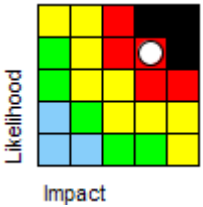
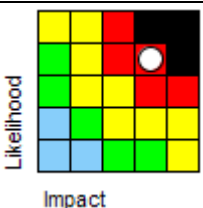
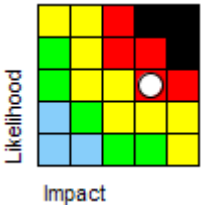
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Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. ECO DEV. R003	Eurostar – negative impact on local economy (development and investments) due to Eurostar not stopping in Ashford until 2022.	Loss of international status; Reduced development and investments in Ashford; Reduced connectivity to Europe, use of station.		Partnership Working Lobbying	■	<p>Eurostar has announced a further delay in their plans to resume international services from Ashford and Ebbsfleet. They have confirmed that Eurostar services will not stop at Ebbsfleet or Ashford stations in 2023, any they cannot make any commitments for another two or three years.</p> <p>Eurostar have stated that whilst their recovery is progressing well, they continue to face considerable financial commitments following the pandemic which combined with a toughened border environment post Brexit and further complexity with the launch of the EU's Entry Exit System means that their focus will continue to be on their most profitable inter-capital routes.</p> <p>The Council continue to be in regular dialogue with Eurostar and will continue to work with partners, KCC, the local MP and High Speed One to lobby for a return in services at Ashford. The Ashford Strategic Delivery Board also continue to keep a watching brief on progress.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. ENVS POR T.R00 6	Failure to deliver Ashford aspect of Mid-Kent Joint Waste Management Contract	Financial impact on the MTFP. Impact on recycling rates. Council's reputation Disruption to waste collection service.	 <p>Likelihood</p> <p>Impact</p>	<p>Regular communication, liaison & escalation of issues</p> <p>Information sharing and collaboration</p> <p>Financial planning, analysis and internal controls</p> <p>Access to specialist support, advice and expertise</p> <p>Contingency planning</p> <p>Use of Orchard analytics</p> <p>Promotional campaigns to increase take up.</p>	<p>■</p>	<p>The final invitation to participate in dialogue was released in March 2022. Since then, competitive dialogue has taken place with interested tenders. Dialogues have progressed well leading to development of documents for the Invitation to Submit Final Tender (ISFT). ISFT documents less the Project Agreement were released on 08/09/2022. Evaluation will take place in late October. At this stage we have to mitigate concerns, but await outcome of tenders submitted at the closing date on 21/10/2022.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. HOU SING. R010	Increasing numbers of people in Temporary Accommodation	<p>Negative social and educational impacts.</p> <p>Pressure on the General Fund.</p> <p>Increased casework and placements.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>Welfare Intervention Officer</p> <hr/> <p>Early Interventions Accommodation Officer</p> <hr/> <p>Communications Campaign</p> <hr/> <p>Responding to relevant actions in the Housing Delivery Action Plan</p>		<p>This risk profile has increased to reflect spend and numbers in temporary accommodation increasing. Whilst numbers presenting as homeless remain stable, the profile of people presenting has changed, with an increase in singles rather than families. Currently the supply of temporary accommodation for singles is limited and we are having to rely on expensive Bed and Breakfast providers, who are also increasing their prices. The move on option for this group is also more limited due to the shortage of supply of one bedroom units which has led to people remaining in Temporary Accommodation for a longer period of time, which has led to our overall numbers increasing.</p> <p>To mitigate this risk, we are talking to a number of providers to see whether we can source cheaper, more suitable accommodation. We are also allocating nearly all one beds to homeless households. We have recently received Rough Sleepers Initiative funding to help support and prevent single people from becoming homeless and we are in the process of recruiting to these posts.</p>

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COR P.22. FINIT .R003	Successful cyber attack	Data breach Loss of service Reputation Financial		<p>Staff training</p> <p>Patching, firewall, policy rules</p> <p>Emergency planning exercise</p>	↑	New corporate firewall installed. This is an NG firewall (next generation) that doesn't just give us traditional firewall capability of blocking and allowing certain traffic, but also virus scanning, web filtering protection and IPS (intrusion prevention system).
COR P.22. FINIT .R009	Recession	Loss of income Increased caseload Increased demand for Housing and Revenues and Benefits Services		<p>Regular communication with Arlingclose</p> <p>Increased minimum reserves balance</p>	↑	The squeeze on household incomes due to the rising prices of energy and food has led to slower growth in the UK economy. Due to this the likelihood of a recession has increased and the severity is expected to be high, costing the Council in excess of £1m
COR P.22. LEGD EM.R 004	Transport and service disruption in Kent	Inability to deliver services in and around Ashford in a timely way Negative impact on local businesses and the economy Anti-social behaviour		<p>Kent Resilience Forum risk register</p> <p>ABC attendance at KRF Strategic and Tactical Coordinating Groups</p> <p>Individual service disruption risk assessments and controls in place</p>	↑	The ongoing fragility of border control means that significant delays can be caused backing up into Ashford and the implementation of Operation Brock. Significant delays in and around Ashford were felt in late July as a result of border issues in France combined with the commencement of the school holidays. Brock has remained in place over the summer period. The Kent Resilience Forum and command and control structure continue to mitigate the situation. Increased border checks in May 2023 with the implementation of EU Entry and Exit system are expected to increase checking times and therefore the challenges associated with this risk could worsen.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. PLAN NING .R008	South of Ashford Garden Community (SAGC) not delivered to time and quality	A quality garden community not delivered in accordance with the approved vision and strategy within anticipated timescales.		Chilmington Together governance structure in place	—	Detailed note provided below:

Garden Community Priority Project Delivery

A funding bid has been submitted to Homes England’s Garden Community Capacity Fund to support internal resourcing and a wide range of projects to develop and progress delivery of community infrastructure. The outcome of this bid should be known at the end of February.

Work to develop an SAGC website is underway and will be complete shortly.

Planning Matters

Ongoing discussions with Hallam Land regarding Court Lodge continue with agreement to the community heads of terms expected soon. The review of the Nutrient Neutrality report for Court Lodge is underway. Once the remaining matters are confirmed/resolved, the application will move to Committee for resolution. There is no current progress on Kingsnorth Green to report.

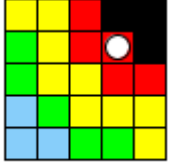
Two application for Reserved Matters have been received at Chilmington Green. Hodson Developments has submitted an application for Parcels D & H and Brookworth Homes have submitted an application for Parcel K. Officers are currently assessing these applications.

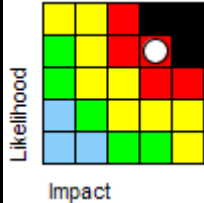
Natural England

Mitigation is required for both Court Lodge and Kingsnorth Green in order for the applications to be determined by the council. Any future Reserved Matters at Chilmington Green will also need to consider mitigation.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
Chilmington Green Delivery						
<p>We have circa 200 occupations. It appears that Hodson Developments are progressing with some new groundworks at the rear of The Lakes development. Barratts are completing the final few properties on Parcel Q and continue to build out at Parcel R. Jarvis continue to make steady progression with good sales at Parcel P.</p> <p>In the autumn, the council sent their decision on Hodson’s application to redetermination 57 of the s106 clauses. Hodson Developments then applied to Court for a Judicial Review which was turned down by the Judge. Hodson Developments have appealed this decision which is currently under consideration. These legal discussions mean that the council’s relationships with all developers are under pressure.</p>						
Secondary School						
<p>A planning application was submitted in the autumn and is being considered by officers. There are concerns with the impact on the highway and levels of parking proposed with comments raised by the parish council, residents and community members. Officers are working with KCC Highways and the applicant to resolve these concerns. It is however hoped that the application can be taken to committee in March.</p> <p>The S106 amendments for school access remain under discussion between KCC and Hodsons.</p>						
Primary School						
<p>The primary school opened on the 1st November. There are community concerns about traffic access to the school. The school appears to be managing these well. The improved footpaths provided by KCC and ABC from The Lakes to the school and from Chilmington Green Lane to the primary school have had a positive impact.</p>						
Sustainable Transport Strategy						
<p>This jointly funded piece of work with KCC is drawing to a conclusion. A draft strategy and action plan are being considered with consideration by members likely in the spring. Funding to support delivery of projects within the action plan was included in the HE funding bid. Work with KCC to identify other sources of funding is underway.</p>						

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
	<p>CMO</p> <p>The CMO is in the process of agreeing its new business plan. Hodson Developments have changed their nominations on the board so induction of these new directors is underway. The closing date for applications for the first resident director have now passed with interviews to take place over the coming few weeks. It is hoped to have a resident director in post by early April, if not before.</p> <p>Community development will gather pace this year. In partnership with the CMO, the council is procuring a Placemaking Sprint, a series of high impact, quick community projects to raise the profile of the CMO and increase resident engagement. The CMO has also set up a Community Grants Fund which is now live and is piloting a resident sounding board. These events, alongside resident surgeries and newsletters are expected to build and grow the reputation of the CMO amongst residents and engender community participation/capacity building.</p> <p>Work to hand over landscaping to the CMO is gathering pace, with the first handover expected in about six weeks, subject to the provision of plans, inspections and the expected quality of planting.</p>					<p>Discovery Park Masterplan</p> <p>Work to progress with the masterplan is shaping up using internal resources and skills. A community consultation event is hoped will take place later this year.</p>

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COR P.22. PLAN NING .R010	Poor quality water in the River Stour (nitrates and phosphates)	An inability to permit housing development without appropriate assessment and mitigation measures. Negative impact on council budget due to loss of planning income, cost of mitigation strategy.	 <p>Likelihood</p> <p>Impact</p>	<p>Legal advice received being followed</p> <hr/> <p>Relevant stakeholders working on mitigation schemes to allow development to take place.</p>	-	<p>No change in risk assessment.</p> <ul style="list-style-type: none"> • Work is ongoing to identify land for strategic wetlands • Discussions have been held internally regarding the complexities of nutrient credit systems and scope of Supplementary Planning Document. • Applications proposing on-site mitigation continuing to progress through Appropriate Assessment process. • Natural England announcement of funding and resourcing for a national nutrient mitigation scheme. Details to be released in autumn. Discussions ongoing with Natural England about the impact of this on borough and catchment mitigation strategies.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22E NVSP ORT. R009	Supply chain disruption	Projects and services not delivered to time or budget		Monitoring of goods and services Contract management	<input type="checkbox"/>	Detailed note provided below:

This is a new risk on the register to reflect the uncertainties around the supply and cost of goods and services. In particular, there is a reduction in the number of bids being received for construction and works related to contracts where prices cannot be guaranteed.

There is also reduced interest in more complex projects due to it a highly competitive market. Contractors are in demand and the materials market is providing challenges with some construction related items being difficult to obtain and prices being inflated.

In response, an individual approach is being taken where needed on some contracts. For example, reducing the length of time contractors are committed to holding prices for where inflationary pressures mean they cannot guarantee prices for long. Where a typical price hold may have been 150 days previously, it can now be as little as 15 days.

In terms of contract management, the rising cost of materials is impacting on bidders potentially increasing prices whilst in contract. Again, mitigations are being put in place, for example, the use of vesting certificates, whereby materials are purchased and stored by the manufacturer until ready to use.

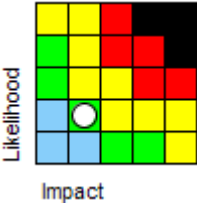

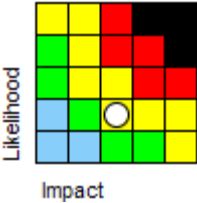

The approach to supply chain disruption is individualised depending on the industry and materials. Construction is the most challenging area at the moment. However, the effects are likely to be felt in other sectors.

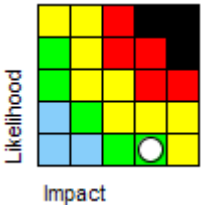

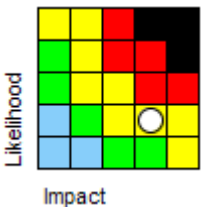

Financial risks

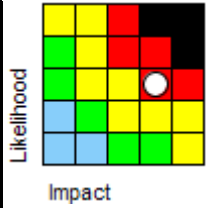

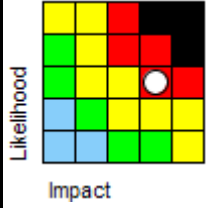

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COR P.22. FINIT .R008	Change to accounting standards: requirement to record all losses through income and expenditure.	Potential for temporary losses to be shown affecting the council's investment decisions.		Regular communication with Arlingclose Lobbying		<p>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.</p> <p>Will consider impact when borrowing and investing in individual instruments.</p> <p>We will continue to monitor and discuss with auditors.</p>
COR P.22. FINIT .R010	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		<p>The Medium Term Financial Plan is currently being developed. At present there are sufficient reserves in place over the medium term. A number of assumptions are being made which will need to be tested as the plan is developed.</p>

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COR P.22. FINIT .R010	MTFP Delivery	An unbalanced budget Corporate Plan delivery		Budget monitoring savings and investments strategy commercial and digital programmes Economic Resilience Reserve		Number of significant pressures to the MTFP at the current time including the inflation on cost and income, interest rate rises, pressure on household incomes, corporate property voids and the need to provide rent concessions. There are savings still to be identified for 2022/23.
COR P.22. STRA T.R004	Inability to make expected return on commercial investment portfolio	-Reputational damage of not delivering strategic projects. -Financial loss to the council which would impact on the councils Medium Term Financial Plan. -Potential loss of income by not achieving the minimum rent at Elwick Place to cover quality maintenance. -Inability to let the units at Carlton Road could lead to the need to repurpose or sell the site.		Regular monitoring of commercial investments Regular review of tenancies at International House with portfolio holder and marketing agent. Established tenants on mid-term leases at International House. Reviews of the market with agent (Carlton Road) Current demand for similar product to Carlton Road elsewhere		The likelihood of this risk has been reduced. Demand remains strong for industrial units at Carlton Road. The only factor which prevents the units from being highly competitive in the industrial sector is the operating time restrictions in place as per the planning terms. Similarly, Elwick Place is performing well with only one until (number 6) being vacant. For the first time since underwriting the two floors at the Commercial Quarter, a profit has been realised this quarter.

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COR P.22. STRA T.R008	Ongoing maintenance liabilities exceeding available budget.	Standard of maintenance reduced. Only necessary maintenance carried out.		Programme management & PID process Corporate asset management review Expenditure in line with Asset Management Strategy and prioritised. Stock condition survey		This risk remains at the same level. Whilst the repairs and renewals budget has been increased within the last few years, there continues to be a pressure whilst an asset management plan is being developed. The asset management plan will consider the energy efficiency of the assets as well as condition.
COR P.22. HOU SING. R010	Reduction in Housing Revenue Account income	Housing Revenue Account levels negatively impacted		Increased monitoring of number of cases, arrears levels and number of new Universal Credit claimants		Risk changed to reflect any current external factors impacting on income. The cost of living crisis and energy costs are particular risk factors as well as the government imposing rent freeze or reduction. Mitigations include a rent analytics system to enable targeted work with tenants in arrears and maximising the use of various grant funding streams e.g. household support fund, Contain Outbreak Management Fund (COMF) and the Discretionary Housing Payment.

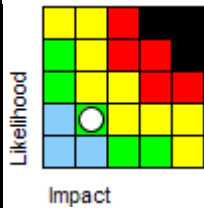
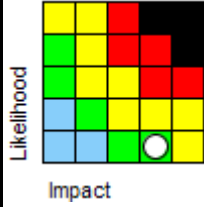
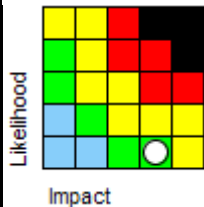
Compliance risks

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Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R001	Loss or theft of portable devices and data stored on them	Potential breach of council or personal data. Reputational damage.		Remote working and portable devices guidance Portable devices encrypted Data Protection Impact Assessment	—	No change. InTune setting has been configured to not allow corporate data to be copied to a USB memory stick that hasn't been encrypted, to help prevent removal / loss of data.
COR P.22. FINIT .R002	Not achieving codes of compliance: pci and Public Services Network	Potential to stop the council being able to communicate with other public sector organisations.		Patching, firewall, policy rules	—	There has been no change since the last update. PSN Code of Compliance is still the only compliance regime we have to officially achieve. Due to having our payment systems hosted offsite by Capita and have closed the Tourist Information Centre at the Gateway we no longer have to be PCI compliant, just ensure whoever we use for these services is.
COR P.22. FINIT .R005	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	—	Detailed note provided below:

Did not proceed with 2nd circuit for Sevington BCP, as we did not want to incur any further cost at the site with the changes and delays announced.

The new design of the KPSN network has greatly rationalised down the number of circuits supporting single sites. It is now a "diamond" shaped circuit, with 4 main corners of which the Ashford BT exchange is one. This has made our connection more secure and reliable as it has a lot more other organisation circuits connected meaning it is a primary exchange site with better / higher support from Capita & BT.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
<p>To make our connection fully resilient would require a second circuit, from a different BT exchange, connecting to additional router and firewall solutions. This would be at a great expense, and as we have not experienced any serious downtime with existing single KPSN circuit to the main Civic Centre site, we have not seen this as necessary.</p>						
COR P.22. POLP ER.R 001	Non-compliance with data protection laws	ICO fines Enforcement notices Reputational damage Customer dissatisfaction		GDPR action plan	-	The council continues to have strong governance arrangements with regard to data protection including training, communication and a clear set of policies in place. Data retention continues to present challenges as individual services work to reduce the information they hold. This combined with the increased risks associated with storing large volumes of personal data prevents a reduction in the likelihood of this risk. The council's policies are currently being updated and expected to be submitted to Cabinet in November 2022. Following this, we are looking to launch a review of the Records of Processing Activity.
				Service briefings		
				Dedicated resource		
				Staff training		
				Information Governance Group		
				Consultant legal support for key policies		
				Information Commissioner Office registration		
COR P.22. SAFE WELL .R007	Non-compliance with Health Safety Act and Regulations	Reputational Financial fines from the Health and Safety Executive Loss of working days Death or serious		Risk assessments	-	Detailed note provided below:
Health and Safety Policies and Procedures						
Mandatory and targeted training						

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		injury		programme Service compliance Management Team trained on leading safety Six monthly report to Management Team		

Limited Covid-19 controls remain in the Civic Centre. These follow the Covid Secure principles and apply to visitors and tenants. All precautions are regularly risk assessed, and reviewed and are compliant with health and safety law and government guidance. The current measures follow the 'Living with Covid' plan and HSE advice.

Messages are periodically posted on the council's internal 'Smart Hub' to inform staff of any new safety arrangements, particularly relating to the Civic Centre. The Covid office outbreak plan was reviewed in June 2022 to reflect current advice and remains a valuable document for managers to refer to should they need support in the instance of a Covid outbreak. PPE Cell arrangements closed at the end of May 2022 and the Cell is ready to step up again should the need arise.

The three named individuals Management Team identified and appointed as Competent Person(s) under the Fire Safety Regulatory Reform Order 2005 have started their training course. These Competent Persons will matrix work across the organisation to provide fire safety expertise and resilience. The Fire Safety Management Policy was successfully signed off at Cabinet in June 2022. An active safety and wellbeing training and refresher programme is maintained and CHS continually liaise with HR.