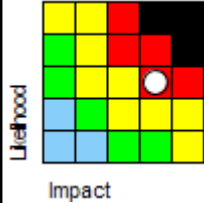

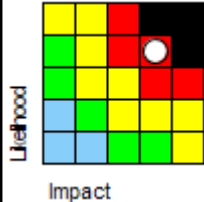



# Strategic risks

Report Type: Risks Report

Report Author: Charlotte Hammersley

Generated on: 29 February 2024

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. ECO DEV. R004	Newtown Works project delivered to time and budget	<ul style="list-style-type: none"> <li>Loss of Levelling Up Funding</li> <li>potential further degrading of the listed buildings</li> <li>Reputational damage to the council</li> <li>Holding costs for the development site</li> <li>Planning resubmission</li> </ul>		<p>Governance monitoring of LUF</p> <p>Internal project team</p> <p>Monitoring and release of loan funding to Ashford International Company</p> <p>Project Risk register.</p>		With the challenges to the programme for delivery of this project, the Council is submitting a Project Adjustment Request to the Department for Levelling Up Homes and Communities to ensure the Levelling Up Funding can be spent within the required timescales for this funding programme. This will be submitted in February, with a decision expected in March 2024.
COR P.22. FINIT .R003	Successful cyber attack	<p>Data breach</p> <p>Loss of service</p> <p>Reputation</p> <p>Financial</p>		<p>Staff training</p> <p>Patching, firewall, policy rules</p> <p>Emergency planning exercise</p>		Within the last quarter there was an Ivanti (Virtual Private Network for homeworking) vulnerability which affected our remote working. This was mitigated against by having staff unable to work from home, come into office to work whilst ABC IT & Kent Public Service Network teams worked on patching against the vulnerabilities.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. HOU SING. R001	Increasing numbers of people in Temporary Accommodation	Negative social and educational impacts. Pressure on the General Fund. Increased casework and placements.		<p>Welfare intervention officer</p> <p>Early Interventions Accommodation Officer</p> <p>Communications campaign</p>	—	A number of interventions have been put in place in order to try and manage the situation- anyone presenting from the private sector is being fast tracked through to ensure early engagement and increase the chances of preventing as many cases as possible. Properties continue to be purchased via the Local Authority Housing Fund to increase the supply of settled accommodation for refugees. A broader review of the situation is being carried out to look at ways to reduce the demand and spend on Temporary Accommodation.
COR P.22. HOU SING. R003	Supply of affordable rented housing keeping pace with demand	Pressure on the housing waiting list Financial impact		<p>Affordable Homes Programme</p> <p>Securing funding sources</p> <p>Partnership working with registered providers.</p>	—	<p>This risk has occurred. We currently have 1,500 people on the Council Housing waiting list. Also 200 people in Temporary Accommodation. Housing Associations are not developing at the moment nor picking up S106 properties on new development sites. Nutrient neutrality continues to prevent us delivering overnight accommodation.</p> <p>A number of solutions are coming forward which may enable us to revisit the risk assessment shortly; these include:</p> <ul style="list-style-type: none"> <li>• Nutrient neutrality solution for small sites</li> <li>• Increasing on street purchases</li> <li>• Housing Services purchasing S106 properties</li> </ul>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. PLAN NING .R010	Managing nutrient neutrality in the Stour	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>Legal advice received being followed</p> <hr/> <p>Relevant stakeholders working on mitigation schemes to allow development to take place.</p>		Note provided below:

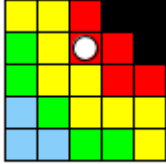
No change in risk assessment.

The Stour catchment has been designated by the Secretary of State as a 'nitrogen' and 'phosphorus sensitive catchment'. This places a requirement on the water companies to upgrade the Wastewater Treatment Works by 1 April 2030.

Ashford has paused work on its strategic nutrient mitigation.

- The Council is continuing to work on alternative smaller scale nutrient mitigation with consultants to implement appropriate changes in the use of small amounts of land within its ownership and improvements to the water efficiency of its existing housing stock in the catchment.
- Applications proposing on-site mitigation continuing to progress through Appropriate Assessment process.
- Preliminary work on the Local Plan 2041 has been progressed on the understanding that a solution to the constraints presented by nutrient neutrality will be in place by the time the Local Plan reaches the first major public consultation. Should that assumption change, the implications will be presented to Members via the Local Plan & Planning Policy Task Group and, if necessary, the Local Plan timetable will be updated.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. POLP ER.R 003	Not meeting our climate commitments	Environmental damage (for example flooding and loss of biodiversity and reduction in residents' health and wellbeing)		Carbon reduction action plan Kent Climate Change Network Green principles embedded in decision making and project management processes Ashford Climate Action Campaign		Note provided below:
<p>Ashford are seen as one of the leading authorities in Kent when it comes to work on tackling decarbonisation of energy, however work is it train rather than in place and thus the risk level needs to remain the same. Work to decarbonise our own assets including housing stock has benefitted from successful government grant applications, enabling early transition ahead of maintenance programming. We hope to extend this with further Public Sector Decarbonisation Fund, Social Housing Decarbonisation Fund and Heat Network Efficiency Scheme bids in 2024. However, our own assets are a small proportion of the work required to deliver our 2050 targets for the whole borough.</p> <p>Tackling emissions from heat and buildings is central to our delivery plan and has been the focus of much activity. This included a cross party planning workshop focussing on how the Local Plan could be used as a delivery vehicle for action. Work on establishing the viability of a heat network for the Borough is progressing positively with early indications suggesting that has potential. The Government zoning programme is currently out for review and we will be engaging to support the development of networks. It is envisaged the Borough will be a designated heat network zone and will host a zoning co-ordinator role by 2025.</p> <p>Our Local Area Energy plan is being developed, which will not only give us a more detailed decarbonisation plan for the private domestic and non-domestic sectors but a digital asset that can be used to help plan community energy projects and support our Planning Team. Generally we consider ourselves to be in a positive situation but there are still regional and national economic, political, global environmental risks that mean we cannot guarantee success regardless of ambition.</p>						

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.24. POLP ER.R 004	Kent County Council's budget pressures impacting local service delivery	Change in the way or levels of service received by local residents. Borough Council further budget pressures Local service change or reduction in financial support for community organisations or groups.	 <p>Likelihood</p> <p>Impact</p>	<p>Regular liaison with Kent County Council by officers and Members</p> <hr/> <p>Respond to consultations</p> <hr/> <p>Signposting organisations to funding streams</p>	<p>■</p>	<p>The financial sustainability of councils is a national concern at this time, and this includes Kent County Council who are taking necessary steps to manage future spending within resources available through savings, income generation and future cost avoidance. As the council looks to reduce costs and deliver efficiency/transformation savings, impacts could be felt locally across a range of services. Service change is being introduced for example through the Kent Communities Programme and more recently an announcement was made around a review of libraries to take place next year as examples. Funding reductions to the voluntary and community sector could also lead to organisations seeking alternative funds.</p> <p>It will be important for ABC to work closely with KCC to understand how forthcoming changes could have a local impact. For example, in responding effectively to the recent consultation on the community services programme, the council has helped ensure that services will be maintained in Tenterden. However, it will also be important to ensure that with our own budget pressures we do not take on additional responsibilities or increase spending in areas where it is being withdrawn at a county level.</p>

## Financial risks

**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

**Generated on:** 29 February 2024

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
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.	<p>Likelihood</p> <p>Impact</p>	Regular communication with Arlingclose Lobbying		<p>No change to the risk profile. There was originally a statutory override for the 5 years from 1 April 2018 to 31 March 2023 that stops the requirement for Councils needing to budget for investment fair value movements.</p> <p>Following consultation the statutory override has now been extended until 31 March 2025, with the standard then to be fully applied.</p> <p>We will continue to monitor this position and the potential impact if the standard needs implementation post March 2025.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R010	Insufficient reserves to respond to an unforeseen event	Section 114 Notice Inability to deliver services		MTEP and budget monitoring processes Savings target Commercial income target	<input type="checkbox"/>	Note provided below:
<p>The Medium-Term Financial Plan for 2024-2029 identified a £854,000 deficit in 2024/25 and £8.9m over the 5-year period. Although the final forecasted deficit for the proposed 2024/25 budget is £350,000, this has reduced as a result of savings that were immediately deliverable. Additional funding from the Government Settlement has been used to fund further budgetary increases in Homelessness.</p> <p>At present there are sufficient reserves in place over the medium term to cover the losses in 2024/25 and this is the proposed strategy. A review of reserves was undertaken as part of the 2024/25 budget setting process and was presented to Cabinet on the 22 February 2024.</p> <p>However, it should be noted that there is still a need to find further savings of £1m per annum to reduce the budget deficit and return the council back to a sound financial footing.</p> <p>Operational reserves were used heavily in 2022/23 and will be needed again for 2023/24, with forecast predicting further draws in 2024/25, this is not a sustainable trajectory, and without making the level of savings needed, reserves will diminish quickly leaving the Council financially vulnerable.</p>						

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. FINIT .R010	Medium Term Financial Plan Delivery	An unbalanced budget Corporate Plan delivery	<p>Likelihood</p> <p>Impact</p>	Budget monitoring savings and investments strategy commercial and digital programmes Economic Resilience Reserve		Note provided below:

The Medium Term Financial Plan (MTFP) for 2024/25 has be developed based upon 2023/24 approved budget and known movements.

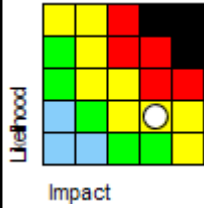

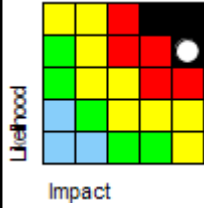

The MTFP has factored in revised interest rates, and although the expectation is that we are at the top of the curve, announcements in the Autumn Statement mean they may now take longer to come down than originally thought. Equally the cut to National Insurance Rates may support higher levels of inflation than anticipated which will add cost pressures to service contracts in 2024/25.

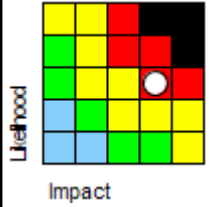
With the continued uncertainty in the national and local finances this is being kept as a high strategic risk to ensure that focus over the challenging financial outlook is not lost.

The MTFP proposal included developing £1.5m of savings per annum moving forward which will be developed in consultation with the MTFP Budget Task Group. Around £500,000 was identified as part of setting the 2024/25 budget although this still leaves £1m of savings to be identified.

While savings are being developed the risk will be covered by the MTFP Risk reserve. Following approval of the 2024/25 budget, there will be a need to start developing a new MTFP model factoring in updated forecasts.



Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. HOU SING. R010	Reduction in Housing Revenue Account income	Housing Revenue Account levels negatively impacted		<p>Increased monitoring of number of cases, arrears levels and number of new Universal Credit claimants</p> <hr/> <p>Use of Orchard analytics</p>		97.95% Collection rate at the end of Q3. Nothing suggests there will be a significant drop from this figure. Team has faced staffing issues the majority of the year, only recently getting a settled team of 4.
COR P.22. STRA T.R004	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 lead to the need to repurpose or sell the site.</p>		<p>Regular review of tenancies at International House with portfolio holder and marketing agent.</p> <hr/> <p>Established tenants on mid-term leases at International House.</p> <hr/> <p>Current demand for similar product to Carlton Road elsewhere</p>		<p>Office space and retail continue to struggle in the current economic climate.</p> <p>Elwick Place - interest is high in a number of units however there are challenges with regards to securing long term commercial leases. In addition, the receipt of future Picturehouse rental income is a known risk.</p> <p>Industrial is performing well and actions are being taken in this area, but income will not be realised in a time period that will offset the current known risks.</p>

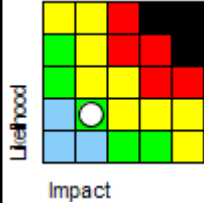

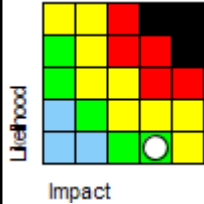

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. STRA T.R00 8	Ongoing maintenance liabilities exceeding available budget.	Standard of maintenance reduced. Only necessary maintenance carried out.	 <p>Likelihood</p> <p>Impact</p>	Programme management & PID process	-	Same assessment as previously. We are starting to receive the condition surveys back which the team will be reviewing to form and implement a planned maintenance programme. It will also inform our disposals strategy and take us away from a responsive repair approach to a planned approach meaning that repairs are less time consuming and costly.
				Corporate asset management review		
				Expenditure in line with Asset Management Strategy and prioritised.		
				Stock condition survey		

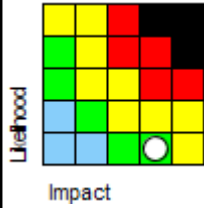
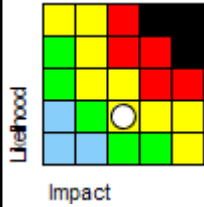
## Compliance risks

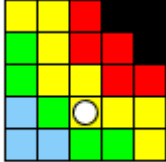
**Report Type:** Risks Report

**Report Author:** Charlotte Hammersley

**Generated on:** 29 February 2024

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		Investigating upgrading current Microsoft licensing agreement from E3 to E5 as part of renewal of contract, giving us access to added functionality to strengthen network security.
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		PSN CoCo external penetration test has been completed, and we have received report of findings which will be worked through to agree / resolve / mitigate.  Onsite ITHC (IT Health Check) currently being carried out by external technical auditors, and we will be sent a report of findings by end of first week in March to be worked through to agree / resolve / mitigate.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
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	—	No change but Capita who manage the KPSN have alerted us to 3 site Customer Premises Equipment's that will be End of Life during 2024, and so will require replacing. Budget costs are not yet known.
COR P.22. HOU SING. R013	Stanhope Private Finance Initiative (PFI) contract failure	Negative impact on tenant. Reputational impact to council, complaints not dealt with in appropriate manner. Officer time overseeing complaint process.		Regular performance monitoring and scrutiny of service delivery Monthly contract management meetings Housing review of all complaints	—	No change. Following a Housing Ombudsman case we have implemented a number of improvements to the contract arrangement with Stanhope Public Finance Initiative. This includes a review every month at contract management meetings, review of the agenda and oversight of response.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. POLP ER.R 001	Non-compliance with data protection laws	ICO fines Enforcement notices Reputational damage Customer dissatisfaction	 <p>Likelihood</p> <p>Impact</p>	<ul style="list-style-type: none"> <li>GDPR action plan</li> <li>Service briefings</li> <li>Dedicated resource</li> <li>Staff training</li> <li>Information Governance Group</li> <li>Consultant legal support for key policies</li> <li>Information Commissioner Office registration</li> </ul>	-	<p>The council has a clear Data Protection Policy to ensure compliance with GDPR UK and the Data Protection Act. 100% of eligible councillors having completed the online cyber and data protection training and face-to-face training also attended by approximately a third of councillors. Staff training compliance also remains high. Progress has also been made on updating the council's Record of Processing Agreements and the council's Corporate Information Governance Group is overseeing this process. Once this exercise is completed our retention compliance risks should reduce. A Breach Management Audit found the council to have 'Sound' arrangements.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.22. SAFE WELL .R007	Non-compliance with Health Safety Act and Regulations	<ul style="list-style-type: none"> <li>Reputational</li> <li>Financial fines from the Health and Safety Executive</li> <li>Loss of working days</li> <li>Death or serious injury</li> </ul>	<p>Likelihood</p> <p>Impact</p>	<ul style="list-style-type: none"> <li>Risk assessments</li> <li>Health and Safety Policies and Procedures</li> <li>Mandatory and targeted training programme</li> <li>Service compliance audits</li> <li>Management Team trained on leading safely</li> <li>Six monthly report to Management Team</li> </ul>	<ul style="list-style-type: none"> <li>+</li> </ul>	Note provided below:

The champion for Corporate Health & Safety (CHS) is the Corporate Director of Health and Wellbeing.

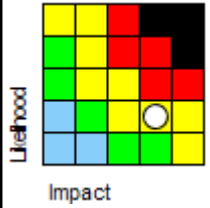

It remains the responsibility of the Community Safety and Wellbeing Manager to develop the corporate risk functions which include evaluating policies and procedures and making recommendations for improvement.

A review of the Job Description of the Health, Safety, Environment and Quality Manager in the Environment Property and Recreation department has meant that it is within the scope of their new role to provide technical health and safety advice where necessary from August 2023.

In light of this recent change and current vacancies being held, the CHS function is working through a period of transition to define roles and responsibilities.

The Health & Safety Policy is reviewed every two years and the next review was due December 2023. A draft was presented to Management Team (MT) in November 2023 and feedback is pending. This will then be subject to wider consultation with the union and safety representatives.

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
						<p>Discussions have taken place between departments to review the structure of CHS delivery, and included in these discussions is the agreement to appoint to the vacant CHS post which has been held since January 2023.</p> <p>An external assessor undertook a 'health check' of CHS in October 2022, with a report provided in December 2022. Officers delivering CHS reviewed the report recommendations and prepared a draft action plan. In November 2023, it was agreed that the Health, Safety, Environment and Quality Manager would work through the plan to develop a departmental risk profile.</p> <p>An active safety and wellbeing training programme is maintained and CHS continually liaise with Human Resources. Forthcoming corporate training includes inspecting fire doors and managing asbestos in buildings.</p> <p>The three named individuals MT identified and appointed as Competent Person(s) under the Fire Safety Regulatory Reform Order 2005 matrix work to provide fire safety expertise and resilience across the organisation. This arrangement has been in place since January 2022 and will be reviewed with a report provided to MT.</p> <p>Risk assessments for radon gas in the workplace are currently under review including desktop exercises and surveys. The civic centre has been identified as a workplace where its location and characteristics suggest that elevated levels may be found and significant exposures to employees and others are possible. An inexpensive survey will be carried out by leaving small plastic passive detectors in rooms or occupied locations of interest. These detectors are then sent off for analysis. Depending on the results, cost-effective engineering works may need to be carried out.</p> <p>Limited Covid-19 controls remain in the Civic Centre which follow the Covid Secure principles and apply to visitors and tenants. These form part of the Civic Centre Risk assessment which is routinely reviewed. All precautions are periodically risk assessed, reviewed, and compliant with health and safety law and government guidance. The current measures follow the 'Living with Covid' plan and Health and Safety Executive advice. Health and wellbeing messages are periodically posted on Smart Hub, including by HR, to inform staff of any new safety arrangements, particularly relating to the Civic Centre.</p>

Risk Code	Risk Title	Potential consequence	Risk Matrix	Internal Controls	Change	Latest note
COR P.24. POLP ER.R 004	Non-Compliance with Ombudsman Code	Customer dissatisfaction Ombudsman findings of maladministration		Project Team and action plan Designated complaints officers and Ombudsman Co-ordinators Performance monitoring		Note provided below:
<p>The Housing and Local Government and Social Care Ombudsman announced the introduction of a joint complaints handling code to be introduced from April 2024. The Housing Ombudsman Code has been in place for several years and extending it to Local Government and Social Care is intended to ensure a consistent approach across the sectors. This means that organisations who fall under the jurisdiction of both Ombudsmen (as is the case for ABC) should be able to provide a co-ordinated complaint handling process across services covered by both Codes. Following a consultation, it has been announced that the Local Government Code will however, be distinct from the Housing Code insofar as only the Housing Code will be supported by regulation. Changes in the Joint code include shorter response times for Stage one complaints, improved transparency on complaints handling performance and a strong emphasis on learning from complaints. Whilst introduction is from April 2024, the Ombudsman expects full compliance from April 2025. The council has established a project team and action plan to deliver this. Corporate Management Team has been briefed and performance on complaint handling will be monitored regularly by Directors to ensure we are meeting the Ombudsman's standards.</p>						