

Corporate Risk Register

Link to Corporate Plan	Risk ID	Risk Name	Risk Owner	Risk Description & Triggers	Actions in place	Current Score			Mitigation scheme	Proposed Actions	Timeframe	Target Score			
						Likelihood	Impact	Total				Likelihood	Impact	Total	
All Priorities	C1	Organisational Capacity	Susan Priest (Chief Exec); Cllr David Monk (Leader)	Diverse political make-up of Council with range of Council motions to manage. Limited capacity, challenging recruitment market & shortage of many specialist skills available in key fields such as Development Control, Climate Change, Strategic Development, Environmental Health, Finance & Building Control. Particular concern over Building Control with key staff due to retire. Workforce pressures remain high for key contractors such as Veolia and Mears, and in seasonal roles for Grounds Maintenance. Reputational risk exposure if not sufficiently managed.	Capacity proposals agreed by Cabinet in 2021 to address strategic projects capacity. Agile working introduced to attract skilled workforce. Succession planning being undertaken by Organisational Development (OD) for all Directorates. New grow our own initiative. Use of specialist recruiters to target hard to fill roles and interim resource to fill key roles. Targeted service reviews taking place to consider future delivery options where gaps are emerging. Widened span of control for some Chief Officers to cover gaps.	3	3	4	9	12	Treat	Ongoing	2	2	4
SA 4: Quality homes and infrastructure	C2	Otterpool Park development	Ewan Green (Director of Place); Cllr David Monk (Leader)	Delivery of a new Garden Town which will present complex planning issues, requirement for robust stewardship and governance arrangements, management of financial exposure risks and require new connections to be established with key partners to enable the scale and complexity of delivery. The project involves significant amounts of borrowing and further increases in interest rates would impact on the development.	LLP established and Board appointed, Business Plan for 2021-2026 considered and update agreed January 2022. Framework for updated Business Plan considered by O&S in November 22. Budget commitment made within MTCP. Regular Owners Committee Meetings. Internal Corporate Oversight Group established. Core Strategy adopted March 2022. Paper agreed by Cabinet on appropriate separation of duties for Members and Officers. Strategic Land Agreement concluded. Agreement from Cabinet to establish a Stewardship Vehicle and explore a Collaboration Agreement with Homes England.	3	3	3	9	9	Treat	Planning Permission Q2 2023 S106 Q1 2024	2	3	6

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All Priorities	C3	Medium Term Financial Strategy Uncertainty of Future Funding	Charlotte Spendley (S151 Officer); Cllr David Monk (Leader)	Central Government continues to indicate a Fair funding review will be delivered to fundamentally change LG funding. However, continued delays suggest that implementation may not occur until as far forward as 2025/26. Will need to plan within climate of uncertainty. Lack of certainty on Business Rates Localisation and reset and also other funding streams such as the end of New Homes Bonus also brings uncertainty. A 3 year funding settlement was announced from 2022/23, however this settlement means a cash-flat position for 2023/24 and 2024/25. The Council awaits the outcome of the Autumn Statement from the Chancellor of the Exchequer to provide further clarity on the national and local picture for public finance. National economic climate creating significant additional pressures and uncertainty. The Council received the Autumn Statement in November 2022 and its was announced that the Fair Funding Review will now be pushed back to 2025/26. A one year settlement was received in December 2022 for the 2023/24 Budget with the promise of new policy guidelines for 2024/25 but with no new figures. There is no news on the Business Rates retention scheme reforms. The National economic and financial climates remains pressured and uncertain.	Officers regularly attending briefings on future LG funding. Updated MTFS was considered by O&S/Cabinet/Council in November outlining scale of medium term gap. S151 Officer part of Kent Finance Officers Group. Regular updates provided to Members on the current year position. MTFS position determined following significant modelling and having taken advice from advisors. Member training & senior officer session took place in November covering economic picture and LG Funding.	4	4	16	Treat	Officers will continue to attend briefings on LG Funding and brief members. Update to the MTFS to be reported in November, followed by the Budget Strategy update agreed by Cabinet in December. Plans to be drafted for Budget savings targets for Budget Managers for 23/24 cycle of budget now set following MTFS. Update to HRA Business Plan will be made for 2023/24 Specialist advisors engaged to undertake this. A review of inflationary pressures across the council underway to assess impact and options.	Ongoing	2	3	6
All Priorities	C4	Failure to deliver Strategic Projects due to volume & scale of projects, alongside the council facing increased financial pressures in an uncertain economic climate.	Andy Blaszkowicz (Housing & Operations Director) & Simon Baxter (Chief Officer Development); CLT; Cllr David Godfrey (Housing, & Special Projects)	Ambitious Strategic & Housing development agenda identified of a complex nature presenting planning risks, financial exposure risks and require new connections to be established with key partners to enable delivery e.g.grant funding, joint venture partners. Failure to attract relevant grants including Levelling Up Fund, Brownfield Sites Fund, Homes England etc. and a changed economic climate results in affordability concerns for the council.	Experienced resource within projects team. Work ongoing with Homes England, DLUHC, One Estate etc to secure further funding. Engaging specialist advice where required. Review of strategic projects undertaken to consider whether to continue or to pause until there is a more favourable economic climate and business cases for investment are strong.	3	3	9	Treat	Establishment of PMO approach to roll out consistent principles for managing projects corporately. Finance, Housing & Strategic Projects teams working collaboratively to introduce new housing scheme appraisal system.	Completed initial addressing of capacity, maintain progress	2	2	4
All Priorities	C5	Organisational non compliance with constitution requirements, emerging and new legislative and regulatory requirements and associated new burdens	Susan Priest (Chief Exec); Cllr David Monk (Leader)	FHDC operates in a complex regulatory and legislative environment. Risk of challenge over planning decisions (Secretary of State or Judicial Review) could create reputational damage and delay projects, landlord statutory obligations and Regulator of Social Housing, etc. Implications arising from changing legislative and regulatory environment (eg Environment Act 2021, Procurement Act expected Autumn 2023 etc), presents increased risk to authority in meeting the emerging requirements with sufficient resources and skills to fulfil statutory duties and demands. Staff required to be well-trained and aware of associated governance matters, including adherence to processes and procedures. Reputational risk to authority if risk occurs.	Legal support embedded in key project teams. External specialist advice sought where required. Monitoring of potential changes to planning and environmental legislation. Refreshed training and development programmes offered to staff. Governance action plan prepared with progress regularly monitored by CLT. New performance review template prepared to remind managers of the range of governance matters to check.	2	4	8	Treat	Continued external advice sought when required. Use of professional specialists (Legal, Finance, Development, Procurement) in key projects. Ongoing monitoring and regular reporting on compliance built into CLT monitoring reporting for key projects. Internal Audits commissioned to review areas of concern. Refreshed training and support materials available for staff to support ongoing learning and development. Additional resource focused on compliance. Regular review of governance action plan by CLT.	Ongoing	2	2	4

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SA1: Positive community leadership	C6	Cost of living pressures put unsustainable demands on council services	Susan Priest (Chief Exec); Cllr David Monk (Leader)	With the current economic situation and unknown further cost of living pressures predicted, communities require ongoing support. Vulnerable residents require appropriate access to services and effective signposting to specialist providers of support.	Well established connections made with a variety of partners including the voluntary community sector and specialist support agencies. Community hubs established for responsive work. Consideration given to the use of available UKSPF funds to support cost of living pressures for residents. Successful bid made to UK Power Networks for funding to support warm spaces.	4	3	12	Treat	Ongoing role of Community Hubs to continue based on value demonstrated through the pandemic. UKSPF proposed being used to target support for cost of living. Following on from the Cost of Living Summit, an information leaflet has been produced and work is being done to record and co-ordinate warm spaces.	Ongoing	3	2	6
All Priorities	C7	Failure to deliver Strategic Project - Princes Parade	Andy Blaszkowicz (Housing & Operations Director) & Simon Baxter (Chief Officer Development); CLT; Cllr David Godfrey (Housing, & Special Projects)	Failure to secure pre-commencement conditions and necessary license & contract agreements to achieve planned start on site. Potential JR process relating to residential site affecting cashflow position of scheme. Updated MTFS and wider economic landscape requires revaluation of the scheme. Failure to implement planning permission and secure the £20m + asset value of the Princes Parade site to deliver a Leisure Centre, Commercial and Residential development. Lack of financial and staff resources to effectively deliver the project. Elevated financial risk to the authority with uncertainty surrounding delivery route, potential write off and associated reputational damage.	Resource deployed to evaluate options for the scheme giving consideration to affordability, deliverability, planning, economic, community considerations. Project spend suspended. Members agreed resources to carry out actions to implement the planning permission (deadline date 17th July 2023.) Clarity on project delivery options (beyond planning matters) including potential sale of site, given priority attention with associated financial implications arising being carefully appraised and considered by members.	4	4	16	Treat	Portfolio Holder briefings and member decision required on options appraisal. Members to consider next steps once the planning implementation is secured. Review of financial plan for delivery options of the scheme to be carried out with associated financial implications given priority attention.	Ongoing	2	2	4
SA2: A thriving environment	C8	Failure to achieve Carbon Neutral ambitions by 2030	Charlotte Spendley (S151 Officer); Cllr Lesley Whybrow (Environment)	Council resolution to commit to reduce the Council's estate and operations to zero net carbon by 2030. Competing demands to be managed and interdependencies to be considered.	Climate and Ecological Working Group established and meeting regularly. Carbon Action Plan agreed. Additional resources secured. Staff & Member training commenced. Impact statements being trialed in Cabinet Papers from July 21 onwards. Social Decarbonisation Funding secured. A Carbon Innovation Lab has been established and has held three five meetings so far. Enhanced communications to maintain high profile on the issue.	4	3	12	Treat	Action plan to be delivered and reviewed regularly to ensure actions make the most of the opportunities to reduce carbon emissions from the council's estate and operations. Ongoing work particularly within specialist teams including procurement to create internal frameworks to inform decisions taken and reduce estate emissions. Consultancy services procured to assist in updating Carbon Action Plan. A bid will be has been submitted for the second round of the Social Decarbonisation Fund. Work required on HRA aspects as ambition cannot be funded from existing HRA resources (see risk 4 above). Working with a consultant through CI Lab on engagement events to widen participation.	Ongoing	3	2	6

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SA4: Quality homes and infrastructure	C9	Housing deliverability Tenant safety - capital programme/ Asset Management Health & Safety, Compliance / retrofit /Net Zero Carbon agenda	Andy Blaszkowicz (Housing & Operations Director); Cllr David Godfrey (Housing) & Gill Butler (Chief Officer, Housing)	Delivery against expectations investment /retrofit social housing (Net Zero Carbon), asset management, meeting legislation - decent homes standards, Health & Safety / building safety as well new consumer standards - Tenant Satisfaction Measures etc. HRA Business Plan viability /against expectation of HRA new build. Resource issues. Risk that we fall short on compliance / legislation which may cause problems with Regulator of Social Housing in 24/25. Also risk that we will have too many properties left to retrofit 2025-30 to EPC 'C' - dependent on Wave 2 decision. Combination of restrictions on rent increases, higher borrowing costs and significant capital works that are unavoidable may call viability of HRA into question over medium term.	Successful Social Housing Decarbonisation Fund Wave 1 bid £2M/£900K (HRA commitment). Some skilled Temp. officers in place to manage SHDF 22/23. Housing Asset Management Strategy commitment to have all homes to Energy Performance Certificate C by 2030. Competing demands from the Net Zero Carbon agenda & meeting Health & Safety /Compliance legislation - will place future retrofit programme at risk - if no Wave 2 funding secured for 23-25 this will leave 700+ 800 + properties.	3	4	12	Treat	Housing Asset Management Framework in place. Retrofitting /Net Zero Carbon agenda - developing a Housing Carbon Reduction Plan / contract procurement /stock management process in place - planned works module on IT system. Resources - recruiting to vacant posts. HRA Business Plan - to determine priority of spend level of Wave 2 Social Housing Decarbonisation Fund bid.	22/23 -Ongoing	2	3	6
SA2: A thriving environment	C10	Waste Collection & Street Cleansing Disruption	Ewan Green (Director of Place); Cllr Stuart Peall (Waste)	Service delivery failure or disruption to contract performance resulting in poor service to our residents, reputational damage, financial costs, impact on clean and attractive environment for residents, visitors and businesses. Possible triggers include - 1. Contractor service failures. 2. Weather disruption. 3. Disruption to transportation routes, fuel supplies and availability of HGV drivers. 4. Industrial action. 5. Pandemic/Covid Absences. 6. Volume of unacceptable littering behaviour 7. Introduction of new burdens and / or unforeseen service requirements arising from the implementation of new Government policy (e.g. Environment Act)	1. Regular monitoring of contract performance by Waste Team. 2. Joint approach with DDC as part of the Waste Partnership. 3. Use of contract performance clauses e.g. performance deductions. 4. Updated Business Continuity Plans. 5. Regular monitoring of contractor resource levels e.g. drivers and crews. 6. Targeted communications about taking home / disposing of waste responsibly. 7. Early impact assessment of implications of new policy burdens, working with DCC and the Kent Resources Partnership.	3	3	9	Treat	Continue the relevant actions as set out in 'Actions In Place'. Targeted communications.	Ongoing	2	2	4

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All Priorities	C11	Cyber Threat	Charlotte Spendley (Director of Corporate Services); Cllr Ray Field (Transformation, Digital, IT & Customer)	All ICT systems face cyber threats resulting in a number of possible outcomes including but not limited to - prolonged loss of access to FHDC network and key systems potential loss of data prolonged disruption to service delivery data breaches which could result in substantial financial penalties from the ICO	The council has a number of layers of anti virus security both internally and externally (e.g. on the Kent Connects network). All systems and equipment are in support at all times including cloud hosted systems and updated regularly with security patches. There are Acceptable Use and Information Security policies in place which contain incident reporting procedures to provide guidance for staff. The Acceptable Use Policy has been updated in 2023. Staff have to undertake security awareness training on an annual basis. The number of routes by which a virus could enter the network have been curtailed. Backups are held which would enable systems to be rebuilt in the event of a loss of data which are tested annually. The council maintains its compliance with government standards which includes rigorous testing of security and if necessary monitoring remedial actions.	3	4	12	Treat / Tolerate	Maintain current position of providing staff ICT equipment needed to carry out their roles. 2023 version of the Acceptable Use Policy reverts to position that work devices are for work purposes only and removes some of the freedom of personal use. Project to reduce data held on the network is being developed. This will reduce risk of virus infection spreading, raise awareness of staff of importance of good data management, reduce effort required if restoration necessary. Continue to monitor security systems and solutions and upgrade/renew as priority over other ICT works. Continue to educate users and carry out targeted email campaigns so staff and councillor awareness remains high. Renew the council "Cyber Essentials" accreditation, and enhance if necessary. Continue to migrate systems to the cloud in line with the 2023 ICT Strategy where better security can be provided by vendors on a larger scale and also reduced risk of cross contamination between key systems compared to hosting in local data centre. Council made a bid for DLUHC grant funding for improving cyber security and awarded £125k. A plan is being developed to make best use of this grant.	Ongoing	3	2	6
All Priorities	C12	Economic Climate	Charlotte Spendley (Director of Corporate Services); Cllr Lesley Whybrow (Environment)	Due to world-wide economic factors, CPI inflation rates have increased at rapid rates and currently (November 22) CPI sits at 11.1% (December 22) CPI sits at 10.5% . Cost increase pressures for pay, prices and contracts have necessitated price changes to the estimates of future projects and also the council's MTFS projections. These have to be funded and increase pressure on the MTFS funding gap. Inflation likely to drive higher cost demands that may exceed what has been allowed for in the MTFS. The consequence of this is that budget reductions will be required to maintain service levels within cost, and/or projects may have to be delayed or deferred. Inflationary pressures may challenge scheme feasibility. The state of the economy is likely to impact upon collection rates for major income streams including housing rents, council tax and business rates. As a consequence of high inflation, interest rates are also rising which again influences the cost of future projects and the cost of borrowing which can have a material effect on viability of these schemes.	This is being kept under review by CLT and the finance/case management team for existing contracts and any significant cost increases or shortfalls in income will be highlighted to CLT. Further guidance is awaited from Central Government on how Council's will be compensated for inflationary pressures, for example, will the Business Rates multiplier be increased by CPI rates or will the Council be compensated through the Provisional Local Government settlement. Pay and price negotiations are on-going with suppliers and in respect of pay awards. The Autumn Statement received in November 2022 has confirmed that CPI inflation will be used as the basis to compensate Councils for the multiplier cap freeze.	4	3	12	Treat/ Tolerate	To ensure Value for Money in all contracts and projects and mitigate as far as possible to avoid entering into fluctuating value contracts. Inflation assumptions in MTFS have been updated and any impact of additional funding pressures have been projected and the additional pressures that this may bring to the Council are identified within the funding gap. The Local Government Association and other relevant bodies are lobbying Central Government for compensatory adjustment within the Provisional Local Government settlement to help Councils balance their budgets.	Ongoing	3	3	9

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SA1: Positive community leadership	C13	May 2023 Elections	Susan Priest (Chief Exec & Returning Officer)	Delays to secondary legislation and Electoral Commission Guidance obstructing planning for & delivery of election. May 2023 Elections will be first requiring voter ID and problems may arise with both the software and the ID supplied by electors. Likely to add to requirements for polling stations, additional pressures on staff and need for support from police.	This is being kept under review by the elections lead specialist and liaison ongoing with other authorities and DLUHC.	3	4	12	Treat	Continue to work with electoral and district council networks/LGA to pressure DLUHC to urgently bring forward legislation. Apply similar pressure to Association of Electoral Administrators and Electoral Commission to issue guidance with ample time to implement changes.	May-23	2	3	6
SA4: Quality homes and infrastructure, SA2: A thriving environment	C14	Levelling Up Fund Folkstone	Ewan Green (Director of Place); Cllr Wimble (District Economy)	Delivery of a £22m Levelling Up Programme for Folkstone will present complex project management issues, requirement for robust governance arrangements, management of budget, comprehensive comms and engagement strategy along with strong stakeholder engagement. The project also has a challenging timetable set by DLUHC	The project has started ahead of the funding agreement. FHDC and KCC have procured the design consultant for the highways aspects of the scheme. FHDC have also procured the Folca element of the LUF.	2	4	8	Treat	Awaiting detailed Memorandum of Understanding and administration requirements from DLUHC. A clear governance structure is proposed. A delivery agreement with KCC is being drafted. A resource structure has also been proposed to ensure strong delivery team is in place to deliver against the challenging timetable. A comprehensive list of Project Management Office documents are being populated and will be managed accordingly	Completed initial addressing of capacity, maintain progress	2	2	4
SA1: Positive community leadership	C15	Sports and Leisure Provision in the District	Ewan Green (Director of Place); Cllr Jennifer Hollingsbee (Communities)	The provision of sports and leisure facilities within the district is under pressure from several risk factors. 1. High energy costs have had a significant impact on the leisure sector that have high energy usage notably swimming pools. 2. Wage inflationary pressures have driven up staffing costs. 3. Shortages of trained staff (e.g. lifeguards and training instructors) and its operational impact. 4. The high cost of maintaining often ageing leisure facilities (e.g. Hythe Pool constructed in 1974). 5. The reliance of many community leisure facilities on external funding (e.g. FSCT grant and Sports England funding). 6. The ageing population and increased need for targeted wellbeing programmes (e.g. obesity) have increased community demand but with no national funding structure.	1. Council funding of local facilities either directly (e.g. Hythe Pool) or through grant support (e.g. FSCT). 2. Worked carried by the Council promoting the Health & Wellbeing agenda and identifying external funding schemes.	4	3	12	Treat	1. Replacement for Hythe Swimming Pool. 2. Continued grant support for FSCT. 3. New leisure centre facility planned for Otterpool Park.	3-10 years	2	3	6
SA1: Positive community leadership	C16	Fraud and Corruption	Charlotte Spendley (S151 Officer); Amandeep Khroud (Monitoring Officer); Cllr Prater (Portfolio Holder Revenues, Benefits, Fraud & Corruption)	The Council could suffer a loss due to the mis-use of Council assets; potential reputational damage; potential impact of government grants; potential impact on residents and businesses if Council funds or resources are subject to fraud or corrupt practises.	Internal Audit review all key systems vulnerable to fraud and corruption regularly, undertaking appropriate checks and report to management and Audit & Governance Committee. Anti-Fraud, Corruption, Bribery and Whistleblowing Policy in place. Annual staff training available. Dedicated and trained Council Fraud Investigator. Work undertaken to review NFI data which provide additional checks to identify fraudulent claims and identify fraud. Robust system controls tested regularly	3	2	6	Treat	Continue to build on use of data analytics including the utilisation of government initiatives and in house resources. A fraud risk assessment should be undertaken to evaluate fraud risks including the development of a fraud action plan. Add to the existing Fraud reporting arrangements to include a summary of all suspicions and outcomes of investigations, and be presented to Corporate Leadership Team and the Audit and Governance Committee on a regular basis. Fraud data published under the Transparency Code 2015 must include all types of fraud suspected, reported and investigated.	Ongoing	2	2	4

Appendix 2

Matrix - Corporate Risk Register - current Score

Likelihood	Very Likely (4)			C8 - Carbon Neutral Ambitions G6 - Cost of Living- C12 - Economic Climate C15 - Leisure Provision	C3 - MT Financial Strategy Uncertainty C7 - Princes Parade
	Likely (3)		C16 - Fraud & Corruption	C1 - Organisational Capacity C2 - Otterpool Park C4 - Strategic Projects C10 - Waste & Street Cleansing C6 Cost of Living	C1 - Organisational Capacity C9 - HRA Deliverability C11 - Cyber Threat C13 - May 2023 Elections
	Unlikely (2)				C5 - Legislative and Regulatory Non Compliance C14 - Levelling Up
	Rare (1)				
		Minor (1)	Moderate (2)	Significant (3)	Severe (4)
	Impact				

Key to colour coding



extreme risk
 high risk
 moderate risk
 low risk
 very low risk

Items shown in *italics* are new or re-scored risks.