

Appendix 1 2017-18 Corporate Risk Assessment – September 2017 Review – Report to Audit Committee

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Supporting a successful economy	<p>The economic climate and austerity:</p> <p>If the economy continues to perform badly the quality of life for residents will suffer. There will be no positive long lasting economic, environmental and social change as our towns, local businesses and deprived areas suffer decline.</p> <p>Individuals, particularly young people, may be unable to secure employment because they lack the basic skills and confidence necessary and suitable jobs are not available in the economy.</p> <p>There will be cuts in Welsh Local Government spending over the MTFS period 2017-18 to 2020-21. These cuts will impact on the local economy disproportionately because the Council is one of the key local employers.</p> <p>Following the EU Referendum there is great uncertainty about the impact on resources. Bridgend County Borough receives significant levels of EU funding. Current programmes run to the 2020-21 financial year and there is approved funding of £4.926m. In addition there are also further grant applications of up to £18m at various stages of development. There is uncertainty about what will happen to ongoing projects now that Article 50 has been triggered. Once the UK is outside of the EU there is even less certainty about funding because monies may be redirected away from regeneration to other government priorities.</p> <p>In addition there is a greater risk of general economic downturn</p>	<p>There will be cuts in the public sector and these will disproportionately affect regeneration activities as spending on other services are protected.</p> <p>Reductions in regeneration funding have a disproportionate affect because each £1 of Council funding leverages between £8 and £13 from other sources.</p> <p>There could be further job losses and business failures in the local economy if the UK and European economies don't get stronger. The quality of life within the County Borough may decline.</p> <p>Pressure will be placed on diminishing Council services which support local businesses and employment.</p> <p>Town centres continue to suffer, predominantly the retail sector. Without regeneration they will not be attractive places to visit or able to compete with retail developments in neighbouring centres such as Talbot Green and Neath. Even with regeneration, competition and resilience will be difficult, as the nature of town centres is changing.</p> <p>The proposed regeneration programme assumes £2.6m of capital receipts. This includes an anticipated receipt from Porthcawl Regeneration Phase 1.</p> <p>Existing capital schemes will be</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Council supports the business community via the Business Forum, Bridgend Tourism Association, the Destination Management Partnership, Coastal Partnership, and town centres, through the Town Centre Manager and THI Programmes. Targeted investments have been made and successes achieved in key sectors such as tourism and the encouragement of micro business centres. The Council is working with Bridgend Business Forum to review business support in the context of the Cardiff Capital Region City Deal and establish a development strategy;</p> <p>The Council also supports the Bridgend Business Improvement District (BID). Businesses have voted in favour of establishing a Business Improvement District in the town centre and a manager has been appointed. There will now be increased investment into the town's economy from the proceeds of the BID levy over the next three years and key issues which affect the success of the town can be addressed transforming Bridgend into a better place to do business.</p> <p>The Council has an apprenticeship programme in operation.</p> <p>The Smart System and Heat project puts Bridgend at the forefront of emerging technology but key decisions must be made about project delivery.</p> <p>Increasing footfall via a greater number of residents living in town centres and by running high quality events.</p> <p>The Bridgend local development strategy under the Rural Development Plan for Wales has been approved with a funding allocation of £1.886m.</p> <p>Implement the Youth Engagement And Progression Framework.</p> <p>Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2016-17. However, following the announcement of the WG's Structural Funding Programme 2014-20, and the additional funding that can be secured using the SRF as matched funding, it has been agreed that the period of matched funding in the capital programme up to and including the 2020-21 financial year has been extended.</p> <p>A cross directorate working group will continue to co-ordinate the development and delivery of European funded projects. A package of employment support projects are being taken forward for European Social Fund grant aid.</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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	<p>following the vote to leave the EU. This is highly likely to impact on local economic viability and jobs.</p> <p>If the economy is less buoyant the Local Development Plan (LDP) will come under increasing pressure because sites available under the LDP become less attractive to housing developers.</p> <p>The drainage and flood risk mitigation requirements from NRW have become much more onerous on capital schemes</p>	<p>affected if there are cost over-runs on regeneration projects. There is no provision to fund unforeseen works.</p> <p>As a result of cuts in the service, the Council is unable to provide a coherent economic development response to the impact of Brexit, and fails to meet the needs of businesses and citizens, resulting in reputational damage and an increase in complaints.</p> <p>Delivery of housing was on track in 2015 but slipped behind target in 2016. If the LDP fails Housing developers may come forward with alternative projects on sensitive sites which may escalate to appeals.</p> <p>The drainage and flood mitigation requirements from NRW impact all capital projects causing delay and often extra cost. In some cases schemes become unviable and cannot be developed.</p> <p>Many towns are built on rivers, and this could have a severe impact on the corporate priority to regenerate town centres.</p>		<p>Bridgend</p> <p>The Rhiw Car park redevelopment, aimed at bringing footfall and vitality to the town centre, is now complete, but work is still underway on the residential development. The project, funded by WG via a Vibrant and Viable Places grant, is on track.</p> <p>Parts of the Parc Afon Ewenni development scheme will become available for housing development.</p> <p>Maesteg / Llynfi Valley</p> <p>The first stage of desktop feasibility work on the Llynfi Valley sites has been completed. The town centre action plan is being implemented and is funding a range of activities in partnership with local stakeholders. The final evaluation of Maesteg THI has been issued, and confirms the success of the scheme in bringing historic buildings back into economic use in the town. A project submission has been made for Maesteg Town Hall under WG's Building for the Future programme and this has been prioritised for European funding.</p> <p>Porthcawl</p> <p>A new masterplan is being produced in support of phase 1 of the Seven Bays Project.</p> <p>Considerable progress has been made on regeneration in Porthcawl, including the completion of refurbishment of key buildings in the harbour quarter through £890,000 of THI funding and further development of the Maritime Centre project. The Partnership Action Plan for the town centre is being implemented.</p> <p>The Council was successful in its bids to the Coastal Community Fund and for £4.5m of Attractor Wales money. This is funding a maritime and water sports centre, where work is underway, and an extension of the coastal pathway which has been completed.</p> <p>WG funding for a new town centre partnership is now delivering projects.</p> <p>Refurbishment of the Jennings building will be completed this summer. This includes restaurants and cafes plus live/work residential units.</p> <p>Cardiff Capital Region has secured a City Deal worth £1.28billion. This will allow Councils and partners to unlock significant growth across the Cardiff Capital Region. The City Deal will provide an opportunity to continue tackling the area's barriers to economic</p>		

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				<p>growth by: improving transport connectivity; increasing skills levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. The Council is contributing to the development of the business plan for the Cardiff Capital Region City Deal, with the aim of bringing increased investment and economic control into the local area. A joint project is being developed to establish a network of enterprise hubs across the City Region, building on the Sony model in Bridgend. An options appraisal has been completed in draft to consider the future land use planning framework for South East Wales.</p> <p>Updated flood risk assessments can be prepared for sensitive areas such as town centres. There may be a need to explore a mixed approach to risk management, by developing updated flood evacuation plans, rather than have schemes fail to progress as a result of the prohibitive cost of mitigation measures.</p> <p>The Bridges into Work 2 (BIW2) project was originally funded to March 2018. WEFO have approved an extension until March 2020. The project targets help to the economically inactive and long-term unemployed people over the age of 25.</p>		
<p>Supporting a successful economy</p> <p>Smarter use of resources</p>	<p>Disposing of waste:</p> <p>The EU Waste Framework Directive promotes waste prevention and increased recycling.</p> <p>WG's waste strategy 'Towards Zero Waste' sets challenging targets. Since 2012-13 there has been an obligation to recycle / compost 52% of waste and this will rise to 64% by 2019-20 and 70% by 2025. A new service, which will deliver improved performance, has commenced.</p> <p>The vehicles being used for recycling under the new service are the same as those used under the old. From October 2017 Kier will be introducing new high capacity vehicles which will result in some rerouting. There is a risk that the service will suffer further disruption and miss collections as the new arrangements bed in.</p>	<p>Failure to achieve recycling/composting targets could result in:</p> <ul style="list-style-type: none"> Inefficient use of resources as waste goes to landfill sites Penalties of £200 per tonne if we fail to achieve landfill allowance targets. This would mean less money to spend on council services. <p>Increased recycling has a knock on effect to the contract requirements of MREC.</p> <p>Inconvenience to residents and reputational damage to the Council when miss-collections take place.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>A new waste and recycling contract commenced with Kier in April 2017. This will improve the Council's environmental performance protecting future generations. It will assist the Council in meeting the WG waste targets and avoid the imposition of fines.</p> <p>Under the new contract, service delivery changed from 5 June 2017. The Council is continuing to collect waste on a fortnightly basis however homes are now limited to a two bag collection policy. The capacity volume of recycling sacks provided has been increased at the same time as the residual waste is reduced. Additional allowances are made in certain circumstances.</p> <p>Following the launch, there was always going to be disruption as vehicles were rerouted and the new scheme was implemented. This was expected. However in weeks two and three it is accepted that the recycling collection was badly resourced as the contractor misjudged the level of resource required. Service levels dropped by an unacceptable degree. The levels of miss-collecting of recycling are now improving week on week and correct collections are now well above 99%. Unfortunately some residents who are receiving poor service are repeatedly suffering the same errors.</p> <p>The Council also introduced an absorbent hygienic products collection and the delivery of this service has also been poor. Some bags have not been delivered to residents and some collections have not taken place. Blue bag residual waste, bulky waste and garden waste all have low levels of miss-collection.</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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				<p>Kier, are due to introduce new high capacity recycling vehicles in October 2017. The level of resource must be correct and there must be sound plans for implementation.</p> <p>The introduction of the Council's new waste collection policy has been supported by the appointment of a team of education and engagement officers.</p> <p>BCBC and Swansea CBC have agreed a 15 year contract for all household food waste to be processed at Parc Stormy within the County Borough. The process produces methane gas, which is collected to power a generator and produce electricity that is exported to the national grid. The remaining material becomes a bio-fertilizer which is applied to nearby farm land.</p> <p>A tender was let to allow an operator to provide residual waste handling facilities at MREC. The results and their implications are being considered.</p>		
Helping people to be more self-reliant	The Council must continue to find innovative ways of working to maximise the impact of reduced resources. This includes Community Asset Transfer (CAT) of assets including parks pavilions, playgrounds and playing fields. If the Council does not find ways to promote healthy living the emotional and physical wellbeing of citizens will suffer			<p>The Council is pursuing CAT with priority given to assets that are linked to proposals within the MTFS. Up to £200,000 had been set aside in the Change Management earmarked reserve to fund a fixed term dedicated CAT Officer. Priority 1 CAT proposals include parks pavilions, community centres, public conveniences and bus shelters and priority 2 playgrounds and playing fields. The success of the proposals depends on the proactive participation of Town and Community Councils and community organisations, together with their ability to manage the asset. Different assets will generate different levels of interest. There is a £100,000 per annum over three years, ring fenced for capital investment for Town and Community Councils as well as potentially £1m prudential borrowing for sports pavilions to ensure that they are in a good condition, to encourage take up of assets.</p> <p>The Council works with partners to develop projects that tackle health issues such as weight management, harmful drinking and smoking. The Welsh Health Survey indicates a 4% reduction in smoking rates with Bridgend below the Welsh average.</p>	Corporate Director Communities	Likelihood - 4 Impact - 4 Total – 16

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Supporting a successful economy	<p>Maintaining infrastructure:</p> <p>If there is further harsh weather there may be an increase in the number of roads in poor condition, more repairs being required in the future and the Council might fail to meet its statutory obligations. The risk is exacerbated because the Local Government Borrowing Initiative (LGBI) has ended and reductions must be found in the Highways budget.</p>	<p>Failure to maintain infrastructure will result in the Council not meeting its statutory obligations and the % of roads that are in overall poor condition increasing.</p> <p>A poor quality highway network leads to increased third party liability claims, a loss of reputation, a possible adverse impact on economic activity and reduced quality of life for citizens.</p> <p>Further budgetary pressures could occur due to unpredictable weather patterns and the worsening condition of the infrastructure. This will lead to an increased requirement for emergency repairs.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The LGBI provided funding of around £6.8m over the period 2012-15 for highway infrastructure improvements. The principal adopted for the programme of works was to provide good quality resurfacing which will be sustainable in the long term rather than quick overlay which requires higher maintenance in future years. 2014-15 was the last year of the LGBI and there has now been a reduction in maintenance budgets.</p> <p>In 2017-18 there will be budget reductions in the areas of winter maintenance, weed spraying, technical surveys and road marking.</p> <p>The Highways and Transport capitalised annual allocation was maintained at £200,000.</p> <p>Unless there is further investment there will now inevitably be deterioration in the proportion of roads that are in a satisfactory condition and an increase in expensive reactionary maintenance.</p> <p>The Council's Highways Asset Management Plan provides information to assist the Council in considering the highway asset risk and apportion funding from the Council's budget strategy. The ability to digitally scan the highway helps in objective decision making but fewer scans will now be made.</p> <p>The risk around the condition of the highway will be managed by a proactive system of highway inspections and by responding positively to complaints.</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>