

GOVERNANCE AND AUDIT COMMITTEE

Wednesday, 28th January, 2026

10.00 am

**Council Chamber, Sessions House, County Hall,
Maidstone**





AGENDA

GOVERNANCE AND AUDIT COMMITTEE

**Wednesday, 28th January, 2026, at 10.00 am
Council Chamber, Sessions House, County
Hall, Maidstone**

Ask for: **Ruth Emberley**
Telephone: **03000 410690**

Membership (15)

Reform (7):

Mr M Brown (Chairman), Mr A Cecil,
Mr R Palmer, Mr M Paul (Vice-Chair),
Mr A Kibble, Mr J Finch and Mr T Mallon

Liberal
Democrat
(2):

Mr M Munday and Mr G R Samme

Conservative
(1):

Mr H Rayner

Green (1):

Mr M A J Hood

Labour (1):

Mr A Brady

Independent
Group (1):

Mr O Bradshaw

Independent
Members
(2):

Ms C Black and Dr D A Horne

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Introduction/Webcasting
2. Apologies and Substitutes

3. Declarations of Interest in items on the agenda for this meeting
4. Minutes of the meeting held on 26 November 2025 (Pages 1 - 10)
5. Verbal Update on Committee Business (Pages 11 - 16)
6. External Auditor's Progress Report (inclusive of Kent Pension Fund) (Pages 17 - 36)
7. Corporate Risk Register (Pages 37 - 100)
8. Internal Audit Progress Report - To Follow
9. A Review of the Statutory Accounts for Kent County Council's Wholly Owned Companies (Pages 101 - 106)
10. Governance Arrangements for Wholly Owned Companies - Presentation

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
Deputy Chief Executive
03000 416814

Tuesday, 20 January 2026

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 26 November 2025.

PRESENT: Ms C Black, Dr D Horne, Mr A Brady, Mr M Brown (Chairman), Mr A Cecil, Mr R Palmer, Mr M Paul (Vice-Chair), Mr J Finch, Mr A Kibble, Mr M Munday, Mr G R Samme, Mr H Rayner and Mr M A J HoodMr M Brown (Chair), Mr M Paul (Vice-Chair), Mr A Cecil, Mr A Kibble, Mr J Finch, Mr R Palmer, Mr A Brady, Mr M Hood, Mr H Rayner, Mr G Samme, Mr M Munday, Dr D Horne and Ms C Black

ALSO PRESENT: Mr B Collins

IN ATTENDANCE: Ben Watts (Deputy Chief Executive), Petra Der Man (Head of Law and Monitoring Officer), John Betts (Interim Corporate Director, Finance), Nick Buckland (Head of Pensions and Treasury), Katy Reynolds (Governance Advisor), James Flannery (Interim Head of Counter Fraud), Pascale Balckburn-Clarke (Customer Experience and Relationship Manager), Paul Dossett (Grant Thornton), Lucy Nutley (Grant Thornton), Sarah Ironmonger (Grant Thornton) and Ruth Emberley (Democratic Services).

UNRESTRICTED ITEMS

346. Apologies and Substitutes (*Item 2*)

There were no Member apologies or substitutes.

347. Declarations of Interest in items on the agenda for this meeting (*Item 3*)

RESOLVED there were no Member declarations of interest in any items on the agenda.

348. Minutes of the meeting held on 30 October 2025 (*Item 4*)

RESOLVED that the minutes of the meeting held on the 30 October 2025 were a correct record and that a paper copy be signed by the Chair

349. Verbal Update on Committee Business (*Item 5*)

1. The Chair welcomed Ms Petra Der Man to the Committee as the new Monitoring Officer, taking over from Mr Ben Watts.
2. Governance Advisor, Ms Katy Reynolds presented the verbal update and highlighted the following key points to Members:
 - a) Going forward, the Action Tracker document presented to the Committee, would only include items which remained open and required work, or which related to other items on the agenda. The historic actions would remain on the Microsoft Teams site.
 - b) An additional Governance and Audit induction training session had been scheduled for 3 December 2025 and group leaders had been informed.
 - c) In terms of the Committee training, it was clarified that:
 - i) Professional Development training for current Members of the Committee was scheduled for the 2 December 2025 with Beth Evans. This would take place in person.
 - ii) The induction training scheduled for the 3 December was the mandatory minimum requirement for any Members who either wanted to qualify to join the Committee, or act as a substitute. For maximum attendance, this would be presented virtually in Microsoft Teams.
 - d) It was confirmed that the Performance of the KCC wholly owned companies would be included in the January 2026 agenda.
 - e) Members requested a timeline to be added to the outstanding actions on the Action Tracker document, to indicate completion.
2. Interim Director of Finance, Mr John Betts paid tribute to Mr Paul Dossett from external auditors, Grant Thornton. Sincere thanks were expressed for all his work during the last 8 years, working closely with officers in Kent County Council. The Committee also extended thanks to Mr Dossett for his contributions over the years.
3. Deputy Chief Executive, Mr Ben Watts paid tribute to Mr John Betts for all his dedicated work in his capacity as Interim Corporate Director of Finance. Warmest wishes for his success and happiness were extended by the entire Committee.
4. RESOLVED that Members NOTED the verbal update.

350. External Auditor Verbal Update

(Item 6)

1. The Verbal Update was presented by Mr Paul Dossett. Some of key points highlighted to Members included:
 - a) Work on the accounts had been completed and they were signed off on 6 November; the Value for Money report had been considered by both the Governance and Audit Committee and by Full Council.

- b) The only outstanding item for 2024-2025 was to complete the Whole of Government Accounts. It was explained to Members that this was a government return, required for all local authorities.
- c) Mr Dossett commented that Kent officers demonstrated real strength in supporting and cooperating with the audit process to prepare good accounts and good working papers. Mr Dossett confirmed that the actions and commitment shown by officers contributed to a very positive experience.
- d) Mr Dossett introduced Ms Sarah Ironmonger as the new Engagement Lead for Kent County Council.

2. RESOLVED that Members NOTED the External Auditor's verbal update.

351. Treasury Update Report

(Item 7)

- 1. The Deputy Leader, Mr Brian Collins, introduced the report and highlighted the following to Members:
 - a) The debt had been lowered by £68.1 million since the new Administration had been in place. It was confirmed that some of the debt had matured, and some was included in one large early repayment.
 - b) The £50 million early repayment released financial pressure of £680,000 per annum.
- 2. In answer to Member questions and comments, the following was said:
 - a) Mr Betts clarified that the agenda item covered debt which had been incurred as a result of borrowing and not short-term sundry debt. He clarified that the main areas of short-term debt for the Council were around Adult Social Care and this was being examined. The exact debt figures could be made available to Members after the meeting, along with information around attempted debt recovery.
 - b) Mr Betts clarified that the commentary in the Treasury Update Report was provided by KCC's advisors and had been included to provide context. The report set out what the cash holdings were at the maximum and minimum between 1 April 2025 and 30 September 2025. It was explained that the figures were there to provide an average and demonstrate to the Committee that the Authority was solvent, in the event that further opportunities to repay any debt arose.
 - c) The Head of Treasury and Pensions, Mr Nick Buckland, indicated to Members that the Strategic portfolio which the Council held for a number of years was introduced at a time of low interest rate, to achieve a level of investment return by holding investments on a more long term basis. Due to changes in accounting rules, the portfolio is scheduled for review. A plan was currently being developed with advisors to establish how to best execute this. Consideration would be given to whether the portfolio still served a purpose and if so, how much should be invested, and lastly whether

the portfolio was the right selection.

- d) Mr Buckland confirmed that he was not aware of how the investments were selected as this took place around 15 years ago however he could confirm that they were designed to be akin to the Pension Fund, in that a range of returns would be provided over a period of time which generated income. Mr Buckland confirmed that further information relating to stocks could be provided to Members, if required.
- e) In relation to the small number of Lend Option Borrower Option (LOBO Loans) held, it was confirmed that it was the counterparty's responsibility as to whether they changed the rate or whether KCC considered repayment and potentially borrowing from elsewhere.
- f) It was highlighted that a training session on Treasury Management would be arranged for Members of the Committee in 2026 to demonstrate how the Treasury Advisors operated and what considerations were given to managing investment portfolios and loans.
- g) The current interest rate of 4.1% on the LOBO loans was less than what the Council would have to pay the PWLB if the debt was rescheduled and therefore it was not in KCC's best interest to push for a renegotiation. Mr Betts confirmed that KCC had been successful in managing the LOBOs and that consideration would only be given to changing if the lender requested a rate which was over and above that which they would normally pay.
- h) At present it was difficult to comment on the extent to which KCC could invest locally in Kent; the Treasury Management Strategy was centred around liquidity and the security of that cash and it would be considered putting an undue risk on those funds if they were invested in local businesses where there was no confirmation as to whether they would succeed. The Kent and Medway Business Fund was set up to invest in local businesses and consequently the risks were higher.
- i) Mr Collins confirmed that the Cabinet Member for Coastal Regeneration was currently looking at projects with a view to investing in Kent, however, he explained that the element of risk needed to be balanced.
- j) The short-term Treasury Bills were used as part of a range of investment opportunities which were used when cash was being managed on a daily basis. It was highlighted to Members that there were ranges of exposures and liquidity across the portfolio, which was the desired outcome. It was confirmed that the new Treasury Strategy would be brought to Full Council in March 2026.
- k) Mr Betts confirmed that the format of the report would be reviewed to see whether comparative figures of previous years or lead schedules with subtotals could be included to assist Members with their understanding of the details.

- I) It was indicated that the draft Treasury Strategy would return to the Governance and Audit Committee to allow Members the opportunity to review and comment on it, before it formed part of the Budget papers. It was likely that this would be in January 2026, as the Budget Report would go to Full Council in February 2026.
3. RESOLVED that the Committee ENDORSED the Treasury Update Report and RECOMMENDED that it be submitted to the County Council.

352. Customer Feedback Annual Report

(Item 8)

1. The report was introduced by the Customer Experienced and Relationship Manager, Ms Pascale Blackburn-Clarke, who highlighted the key points to Members.
2. In answer to Member comments and questions, the following was said:
 - a) Ms Blackburn-Clarke referred Members to Appendix A which contained the details of the services that received complaints. It was confirmed that the number of complaints were relatively low, in comparison to the number of residents served in Kent, by way of example; for Adult Social Care, the level of complaints equated to approximately 1% of Kent Residents who used the service. The most appropriate comparator for complaints was the Ombudsman, who had started to benchmark Councils against population sizes, given that Kent was the largest council in the UK, this was helpful.
 - b) Complements had been provided about many services and Ms Blackburn-Clarke confirmed that a concentrated effort has been made to log all positive feedback.
 - c) Complainants could still go to the Ombudsman and challenge how the outcome of a decision was reached, however it was pointed out to Members that officers managing complaints revert to the individual to explain how and why policy decisions were made.
 - d) Ms Blackburn-Clarke confirmed that workload was problematic which effected the turnaround of dealing with complaints and a backlog had existed for a number of years in particular areas of the Council, however this was now starting to reduce.
 - e) It was confirmed that Quality of Service was being reviewed to explore whether the topic could be broken down further when reporting, in order to make it more useful in terms of lessons learned. Complaints tended to be individual, although it was possible to deal with numerous complaints about the same issue and therefore trends could be reflected for learning purposes.
 - f) A sign off delay (referenced in the report on page 50) related to the time taken by a Head of Service or Assistant Director to review a complaint response. Whilst this delay could be grouped within workload, it was set apart because officers wanted to see whether the delay in response was within the service or from senior management.

- g) Mr Watts confirmed that he was content to bring a report back to Committee which covered employment increase and level of staff for the period of March 2024 to March 2025.
- h) The concerns raised by the Ombudsman were recognised and acknowledged. It was explained to Members that the delays and instances of noncompliance predominately stemmed from significant backlogs within the service. This backlog impacted on the service's ability to meet agreed timescales, even for Ombudsman cases. Substantial improvements had been made to service delivery to reduce volume of complaints; the changes have allowed officers more time to complete their core work and response to new complaints.
- i) Mr Watts confirmed that issues around complaint handling was an area of focus during the past financial year. He confirmed that, whilst there were recognised pressures and resources issues in the areas responding, it continued to remain a priority and would be highlighted to the Corporate Management Team.
- j) Ms Blackburn-Clarke confirmed that it was not mandatory for Councils to comply with the Ombudsman's Code of Complaints. In terms of addressing complaints within 15 days, this would not be appropriate at the present, the Council were not meeting their own designated standard of meeting complaints within 20 working days. By reducing the amount of time to address complaints, could generate an increased level of complaints, due to timeliness.
- k) It was confirmed that an updating paper would be provided in six months' time to update Members on the status of complaints and responses.
- l) Ms Blackburn -Clarke confirmed that the Ombudsman stipulated that good practice would be to acknowledge a complaint within 5 working days, whereas her team provided acknowledgement within 3 working days. KCC's focus was on a robust stage 1 response and any reduction in time to do this could resulted in a rushed investigation.
- m) A Member commented that the culture of continuous improvement and making a difference was yet to be embedded and therefore it would assist the Committee if efforts of continuous improvement could be shared with Members for review and comment. Mr Watts commented that a report containing the requested information could be brought to the Committee for future review and discussion.
- n) The Ombudsman had reported an improvement in KCC's timeliness of responding to complaints and therefore improvement work continued in this area, as well as ensuring the officers took forward agreed actions.
- o) Staff and service user comments were captured for service improvement elements and to be able to examine trends and learn from feedback to shape services going forward.
- p) It was confirmed that complaints handling was difficult and there were current back logs as the team were struggling to both log and resolve complaints. In addition, staff vacancies impacted on timeliness. Ms Blackburn-Clarke

confirmed there were currently 4 vacancies and although these have been filled, it could take up to 6 weeks to fully train new officers.

- q) It was confirmed that there was no mandatory training for complaints handling however investigation training was conducted on a regular basis. Recently the Complaints Team had been realigned with an Organisational Learning Development Officer, who worked across the organisation to promote robust and timely responses to complaints.
- r) Mr Watts confirmed that complaint training was not mandatory, and the previous approach was to address the areas of concern and need. In reference to the Annual Governance Statement, it was expected that Corporate Directors would provide assurance that officers within their service had received the relevant training and expertise. Mr Watts confirmed that he would review the delivery of complaints training with the Corporate Management Team to ensure that the appropriate officers were receiving the correct training.
- s) It was confirmed that all senior complaints officers had undertaken the Ombudsman LGSCO training, with relevant sections being used to create KCC specific training for the different directorates.
- t) In answer to a question relating to Compensation Payments, it was confirmed that there was an extraordinary payment made in the last year as a reimbursement of services rendered.

3) RESOLVED Members NOTED the contents of the report for assurance

RESOLVED Members Reviewed the self-assessment form attached as Appendix C and COMMENTED on the Council's commitment with regards to the LGSCO's code of complaint handling.

353. Counter Fraud Report

(Item 9)

1. The report was presented by the Interim Head of Counter Fraud, Mr James Flannery. Mr Flannery highlighted the following key points for Members:
 - a) Mr Flannery highlighted a change in terminology to Members; where active recovery of losses was identified, these would now be reported as savings within the report.
 - b) System changes to the case management system had been implemented to differentiate between the figures of what was crime and what was error. Further clarity would be provided in future reports.
 - c) The Council of Europe Group Against Corruption Evaluation of Anti-Corruption and the Promotion of Integrity at a Sub National Level had started, with the submission of evidence to the evaluators completed within the reporting period. A site visited is expected in January 2026 where the evaluators will engage with key stakeholders to assess KCC's anti-corruption controls and how it promotes integrity. A summary of findings and recommendations would be reported back to the Committee.

- d) Social Care data had been sent to the National Fraud Initiative; the outcome of the data match was awaited.
- e) The peer review of the Counter Fraud team's compliance with the Government Counter-Fraud Professional Standards has been completed with KCC Counter Fraud team found to be fully compliant with those standards.

2. In answer to Member questions and comments, the following was said:

- a) Mr Flannery explained that due to resource restriction, no further Enforcement Days would be scheduled until 2026. It was confirmed that the team remained open to working with parking managers of any authority to assist in upskilling Civil Enforcement Officers to conduct proactive enforcement activity. It was confirmed that video training was available for Enforcement Officers to assist in the initial stages.
- b) Mr Watts confirmed that a Cyber Security update was being prepared for the Policy and Resources Cabinet Committee for March 2026. A discussion would be held in see if a single core briefing could be provided.
- c) A review of services provided to Kent Maintain Schools was being conducted to compare what services were being provided to academies. This work involved issuing alerts and liaising with school finance officers and the senior leadership forums, to highlight the dangers of spear phishing and cyber security awareness.
- d) Mr Flannery confirmed that a business case was currently being submitted as part of the medium-term financial planning process and he would be happy to discuss details with the relevant Cabinet Member, if required.
- e) It was confirmed that, whilst the report highlighted where there was good practice, Members were reminded that on street parking monitoring was delegated to the District Authorities to complete. As the parking agreement between KCC and the District Authorities does not cover Blue Badge enforcement, encouragement was given to the relevant portfolio holders of the various district authorities to try put high emphasis on Blue Badge enforcement within their parking teams.
- f) Since the Head of Internal Audit and Counter Fraud had left KCC, the current interim arrangements within the team continued to work well. The Government introduction of professional standards within the Counter Fraud profession also helped to provide structure. A data analyst has been employed with a computer science skill set and they have been working within the Counter Fraud team for past 12 months but their knowledge of Artificial Intelligence (AI) had been utilised across the team's practices. Mr Flannery confirmed that the team continued to embrace AI and officers had received training on its use to establish best practices and in line with appropriate governance.

3. RESOLVED Members NOTED the Counter Fraud Progress Report, which included the reported irregularities from 1 April 2025 to 30 September 2025.

RESOLVED Members NOTED the Progress if the Counter Fraud Action Plan for 2025/2026, set out in Appendix B of the report.

354. Lessons Learned from Other Councils

(Item 10)

1. The report was presented by Governance Advisor, Ms Katy Reynolds. Ms Reynolds highlighted the following key points to Members:
 - a) The paper formed part of the ongoing discussion regarding the role and purpose of Governance and Audit Committee as a whole and specifically in relation to oversight of governance, risk and control.
 - b) The main issues in the case studies (as set out in the paper) were drawn to Member's attention as they had resulted in a decision to intervene. Many of the areas related to areas where the Committee had oversight of at KCC.
 - c) The report came ahead of the scheduled training due to be delivered by Beth Evans for week commencing the 1 December 2025. This would consider the learning opportunities which flowed from the interventions and how they could have been avoided.
2. In answer to Member questions, the following was said:
 - a) A Member commented that within the case studies featured in the paper, there were several situations which involved tier one authorities and drew Committee Members' attention to the Council's current financial situation and potential consequences.
 - b) Mr Betts confirmed that the Quarter 2 Monitoring Report was a public document and had been reported to Cabinet Committees. The Quarter 3 report was due for similar submission in January 2026 and the most recent and up to date information on the Safety Valve Agreement would be contained in this. The broader issue of SEND deficits was a wider issue which needed to be addressed collectively across Central and Local Government. The deficit was not included on the balance sheet and before a response could be provided in relation to the financial position of the Authority, officers had to wait to see what action Central Government would take.
 - c) A Member indicated that, within the Q3 Monitoring report, the highest overspend in Adult Social Care and the Safety Value dedicated to school grants should be specifically addressed. The Member commented that he wanted it recorded via a recommendation that a request for Q3 and the points which could impact on the best value for duty were requested.
 - d) Mr Watts clarified that the Member requested assurance that when the Q3 report was delivered it specifically addressed the issues of concern and in turn, the Committee would consider the best value implications of this. Mr Watts highlighted to Members that the Scrutiny Committee had previously considered the Q2 Monitoring Report at a recent meeting and therefore it was important that Committee did not spend time considering the same reports and items.

- e) A Member commented that clear sight of the issues with overspend, and the measures outlined by the previous Member were required and commented that this suggestion had his support.
- f) An independent Member of the Committee commented that, in order to be able to support and help the Committee, it was important to look forward and be able to give guidance to the organisation which gave benefit of joint experience.
- g) It was proposed, and seconded, that the relevant points within the Q3 Budget Report concerning overspend, which linked to best value duty, were presented to the Committee for discussion and review, as evidence of the Committee's actions, if subsequent enquiries were made.
- h) The Committee voted in favour of the recommendation therefore the motion was carried.

3) RESOLVED Members NOTED the contents of the Lessons Learned from Other Councils Report;

RESOLVED that the relevant points within the Q3 Budget Report concerning overspend, which linked to best value duty, be presented to the Committee for discussion and review, as evidence of the Committee's actions, if subsequent enquiries were made.

Governance and Audit Committee Action Tracker

G&A Reference Number	Meeting Date	Minute No.	Agenda Item/Subject	Action	Responsible Officer/Area	Status
GA024	20 March 2025	293.3.c	Verbal Update on Management Actions	The Organisational Learning Panel Terms of Reference would be shared with the Committee when complete.	Pascale Blackburn-Clarke	Completed: The first meeting of the Organisational Learning Panel was in December 2025. The terms of reference were circulated to the Committee via Teams in January 2026.
GA026	20 March 2025	301.2.c	Counter Fraud Update	Further information would be sought from colleagues in the District Council and raised at the Kent Intelligence Network, in order to address a Member's question regarding an automated completion process between building enforcement and Council tax Revenue officers.	James Flannery	Completed: The Kent Intelligence Network Board meeting took place in August 2025 and this was raised for discussion. District councils have been made aware of this, there is currently monitoring of completion notices within the revenues teams by the visiting

							officers, as a back stop the deployment of Destin Nexus to identify any missing properties.
GA029	3 July 2025	319.3	Treasury Update Report	In answer to a Member's question, Mr Betts confirmed that he would be content to bring to Committee a review of the strategy for Money Market Funds and Investment Funds.	Corporate Director Finance	In progress: this has been added to the Work Programme as a future item and will be considered as part of the agenda setting process.	
GA032	24 September 2025	327.5	Verbal Update on Committee Business	It was agreed that arrangements for checking the value of matters covered by earmarked reserves would be included in the Work Programme so the item could feature in future committee meetings	Corporate Director Finance /Ruth Emberly	In progress: this has been added to the Work Programme as a future item and will be considered as part of the agenda setting process.	
GA033	24 September 2025	327.6	Verbal Update on Committee Business	In relation to a question regarding peppercorn rents, contact would be made with the	Ben Watts	This is currently in progress.	

				relevant Corporate Director and the Deputy Leader to ensure all relevant questions were covered. It was commented that a list of properties that held a peppercorn rent would be helpful to Members and Mr Watts confirmed that he would reflect with the relevant senior officers to examine how best to present this information to the committee.		
GA035	24 September 2025	330.3	External Auditor's Progress Report	Members unanimously agreed to ask the relevant officers to review and answer the model questions set out in the Grant Thornton report (pages 102 onwards) and if answers were not available, officers would provide these at the next Committee meeting	Katy Reynolds	In progress: This information was provided in part to the Committee ahead of the meeting on 30 October 2025. The remaining answers will be provided to the Committee when available. January 2026: further enquiries have been made regarding the outstanding answers.

GA036	24 September 2025	331.6.i	2024/2025 Kent County Council Auditor's Annual Report	Members unanimously agreed that a midterm review covering the effectiveness of the committee would be helpful. Mr Watts confirmed that one would be added to the Governance Recommendations Improvement Plan (GRIP) and presented to the Committee in January 2026.	Ben Watts/Katy Reynolds	In progress: This has been added to the Work Programme for the March 2026 meeting
GA039	30 October 2025	339.3	Verbal Update on Committee Business	Mr Watts confirmed that he was committed to ensuring that future agendas would include detailed performance and finance updates in relation to the Kent County Council Wholly Owned Companies, the shareholder board subcommittee of the Cabinet and the financial information relating to the board of companies, previously requested by a	Ben Watts	In progress: the performance of KCC wholly owned companies has been added as an agenda item to the January meeting of the Committee.

				Member at a previous Committee meeting.		
GA040	30 October 2025	340.13.c	2024 / 2025 Draft Statement of Accounts and Annual Governance Statement	A written response would be provided in relation to a Member's question around the acquisition details of WF Education, the WF Education Group Holdings Limited and WF Education Group Limited and the expansion of CSG.	Corporate Director Finance	
GA041	26 November 2025	352.2.m	. Customer Feedback Annual Report	A Member commented that the culture of continuous improvement and making a difference was yet to be embedded and therefore it would assist the Committee if efforts of continuous improvement could be shared with Members for review and comment. Mr Watts commented that a report containing the requested information could be brought to the Committee for future	Pascale Blackburn-Clarke	

				review and discussion.		
GA042	26 November 2025	353.2.b	Counter Fraud Report	Mr Watts confirmed that a Cyber Security update was being prepared for the Policy and Resources Cabinet Committee for March 2026. A discussion would be held in see if a single core briefing could be provided.	Ben Watts	

Kent County Council and Kent Pension Fund

Page 17

Audit progress report and sector updates

January 2026



Agenda

1	Audit progress report	03
2	Introduction	04
3	Progress as at January 2026	05
4	Audit deliverables	07
5	Sector updates	09
6	Audit Committee Resources	24

Audit Progress Report

Introduction



Sarah Ironmonger

Key Audit Partner – Kent County Council

T: 0788 045 6149

E: sarah.l.ironmonger@uk.gt.com



Lucy Nutley

Senior Manager – Kent County Council

T: 0755 707 3277

E: lucy.h.nutley@uk.gt.com



Parris Williams

Key Audit Partner – Kent Pension Fund

T: 0796 123 7350

E: parris.williams@uk.gt.com

This paper provides the Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Governance and Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress as at January 2026

Financial Statements Audit

2024/25 Audit – Kent County Council

We signed our opinion on the financial statements for the year ended 31 March 2025 on 4 November 2025. We were unable to issue a completion certificate at this point as we still had to complete Whole of Government Accounts (WGA) procedures.

WGA procedures are ongoing and we hope to issue our completion certificate in the coming months.

2025/26 Audit – Kent County Council

We have had initial planning discussions with the finance team regarding the 2025/26 audit. Audit fieldwork is due to begin at the end of January, with our plan for the 2025/26 audit being issued to the March Governance and Audit Committee.

Our IT Audit team have been engaged to perform specific procedures on the data migration from Oracle EBS to Oracle Fusion, which was implemented by the Council in August 2025.

2025/26 Audit – Kent Pension Fund

We intend to issue our plan for the 2025/26 audit of Kent Pension Fund to the March Governance and Audit Committee.

Audit planning is at an early stage and will also take account of the fund's triennial valuation at 31 March 2025 and the additional work we are required to undertake.

Value for Money

We continue to have regular discussions with the Chief Executive and S151 Officer to deepen our understanding of the authority. Our planning work for Value for Money, will assess where we consider there are risks of significant weakness in the following areas:

- Financial sustainability
- Governance
- Effective use of resources

Our plan will be issued to the March Governance and Audit Committee

Progress at January 2026 (continued)

Other areas

Our work on Teachers Pensions certification claims over a number of years, continues. We continue to work with the Council to achieve completion of the outstanding claims.

Meetings

Since commencement of our work in respect of the audit year 2025/26 we have continued to have meetings with the Chief Executive and S151 Officer. We have also had a debrief meeting on the 2024/25 audit with the Chief Accountant and his team.

2026
6
22

Audit Fees

PSAA published their scale fees for 2025/26: [2025/26 PSAA Scale Fees](#)

For Kent County Council these fees are **£475,501** for the Council audit and **£118,623** for the Pension Fund. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Events

We are holding a webinar for members of [Audit Committees on 10 February 2026](#). We will be discussing best steps to take “After the Backstop”, including:

- ❖ Adding value to the financial reporting function; and
- ❖ How to navigate the external audit process with success.

While Kent County Council is not directly impacted by the backstop arrangements, having produced financial statements that have been signed off with clean audit opinions, the webinar will provide members with background understanding of the backstop, which has impacted a number of Kent District Councils, in advance of Local Government Reorganisation.

We will also hold our Annual Local Government Accounts webinar for [preparers of accounts on 5 and 11 February 2026](#). Topics we will be discussing include:

- ❖ Aspects of financial reporting that are complex or challenging this year;
- ❖ Lessons from the implementation of IFRS 16, with good practice tips for Year Two;
- ❖ Avoiding pitfalls in financial instruments;
- ❖ Other common accounting and disclosure issues;
- ❖ Indexation for property, plant and equipment in 2025/26; and
- ❖ Revised statutory guidance affecting Minimum Revenue Provision

Invitations, with booking links have been shared with members and finance staff.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	25 March 2026	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	By 30 November 2026	Not yet due
Auditor's Report This includes the opinion on your financial statements.	By 30 November 2026	Not yet due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	By 30 November 2026	Not yet due

The statutory deadline to issue our Auditor's Annual Report is 30 November 2026. Dates have not yet been set for Governance and Audit Committees beyond March 2026, and we will confirm in later reporting to the Governance and Audit Committee which meetings our reports will be presented to.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

Audit related deliverables	Planned Date	Status
Teachers' Pensions Scheme – certification This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.	2021/22 – 16 February 2026	In progress
	2022/23 – 16 February 2026	In progress
	2023/24 – 16 March 2026	In progress
	2024/25 – 31 March 2026	Not yet started

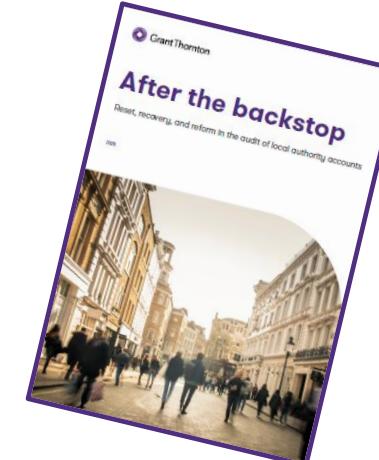
Sector Updates

After the Backstop: Reset, recovery and reform in the audit of local authority accounts

- ❖ Our latest thought leadership report 'After the Backstop: Reset, recovery and reform in the audit of local authority accounts' is now available to read.
- ❖ Following the significant milestone of backstop legislation in September 2024, the backlog of unissued accounts has fallen dramatically. The challenge now is to rebuild assurance and secure a sustainable future for the system of local accounts production and audit. The reforms set out in the English Devolution and Community Empowerment Bill are essential to restoring trust and accountability to the local audit system.
- ❖ In our March 2023 publication 'About time?' we explored the reasons for delayed publication of audited local authority accounts and set out our recommendations for key stakeholders in the local audit system.
- ❖ The backlog of unissued audit opinions peaked some months after our report at 918, on 30 September 2023. The Department for Levelling Up, Housing and Communities (DLUHC) and subsequently the Ministry of Housing, Communities and Local Government (MHCLG) conducted consultations on reset and reform in the local audit system, leading to secondary 'backstop' legislation to clear the backlog. This was a necessary step, allowing auditors and authorities to focus on current periods of account, but it brought with it new challenges, as over 200 authorities received one or more audit disclaimers.
- ❖ In this report we explore the development and implementation of a 'reset' of the local audit system, the immediate and longer-term consequences of the 'backstop' before turning attention to the reform of the system, the challenges involved in returning to widespread and sustainable compliance with audit reporting timeframes and what, in our view, is needed next.
- ❖ The English Devolution and Community Empowerment Bill paves the way for the creation of a long-awaited and much-needed systems leader for local audit, the Local Audit Office (LAO).
- ❖ Key stakeholders including local audited bodies, the audit firms, the Ministry of Housing, Communities and Local Government (MHCLG), Public Sector Audit Appointments (PSAA), the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW) will need to support the successful establishment of the LAO to address the crisis in local public audit.
- ❖ All key stakeholders in the local audit system will need to continue their efforts to secure a return to high levels of compliance with timely publication of accounts with unmodified audit opinions. We explore the challenges to establishing and maintaining a sustainable future for local audit in this report. In our full report, we make several recommendations to secure that sustainable future.

The full report is available here:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)



Changes at the top, but no sudden twists and turns

Key information for Audit Committees to be aware of:



Steve Reed replaced Angela Raynor as Secretary of State for Housing, Communities and Local Government on 5 September 2025.

Page 7

Angela McGovern replaced Jim McMahon as Minister of State at the Ministry of Housing, Communities and Local Government on 6 September 2025.

With Mr Reed moving from the Department for Environment, Food and Rural Affairs, and Ms McGovern moving from the Department for Work and Pensions, it was hard not to wonder what the impact would be on the government's manifesto commitment to build 1.5 million homes by the end of this parliament.

Steve Reed assured Councillors at the September 2025 Labour party conference in Liverpool that there are going to be no "sudden policy twists and turns".

So far, for building homes, this seems to be holding true.



Key homebuilding developments since 5th September are:

On 12 September, Mr Reed met with key developers and housebuilders and issued a 'call to arms' to "build, baby, build".

On 28 September, the Ministry of Housing, Communities and Local Government confirmed it will progress work on 12 new towns.

On 18 November, the Government announced that Housebuilding around train stations will be given a default "yes" if the applications meet certain criteria.

Under the same 18 November measures, Councils are going to be required to inform government when they are inclined to block applications of 150 homes or more so that ministers can decide whether to step in and make the decision themselves instead.

Autumn Budget 2025

Key information for Audit Committees to be aware of:

Chancellor **Rachel Reeves** delivered her second Budget on 26 November 2025. Key elements that those in the local government sector need to be aware of are:

- ❖ A High Value Council Tax Surcharge (a “Mansion Tax”) will be charged on owners of homes valued higher than £2 million. Whilst collection will be the responsibility of councils, the revenues will flow directly to central government.
- ❖ Strategic Authority Mayors in England will be empowered to impose a tourist tax on overnight stays. New systems may be needed for compliance and enforcement.
- ❖ The two-child benefit cap will cease to apply from April 2026, which may mitigate some demand pressures for housing and social care.
- ❖ A new electric vehicle (EV) mileage tax will be introduced, with the promise of doubling future road maintenance funding, but new risks for net zero goals if the public turn away from using EVs.
- ❖ The Government commits to devolve at least £13 billion of funding to seven major combined authorities and to create £902 million over four years for local growth funds in 11 Northern and Midlands city regions.
- ❖ Future Special Educational Needs and Disabilities (SEND) costs are to be managed by government once the statutory override ends on 31st March 2028. Cumulative deficits at this point will remain with the relevant councils.

For the full Budget, with supporting documents, see: [Budget 2025 - GOV.UK](#)

For the Chancellor’s speech, see [Budget 2025 speech - GOV.UK](#)



Local Government support and value

Key information for Audit Committees to be aware of:

The Local Government Association (LGA) wrote to the Chancellor of the Exchequer on 10 November, highlighting the key national policy issues currently being addressed by Councils; and the key financial challenges those Councils face.



GA stated that key national policy issues addressed by Councils are:

- ❖ Building new homes;
- ❖ Unlocking economic growth;
- ❖ Improving the health and life chances of the most vulnerable in society;
- ❖ Supporting children with SEND;
- ❖ Sourcing temporary accommodation; and
- ❖ Working to develop sustainable asylum accommodation and support systems.



LGA stated that key financial challenges faced by Councils are:

- ❖ Rising levels of debt due to relaxing the financial framework:
 - 42 Councils have had to access £5 billion in exceptional financial support since 2020/21; and
 - At the start of 2025/26, 1 in 6 Social Care Councils (17 per cent) were dependent on exceptional financial support.
- ❖ Real cash deficits:
 - The national dedicated schools grant cash deficit is on track to reach £5 billion by 2025/26; and
 - As a result, substantial cash flow costs are being incurred. The forecast deficit of £5 billion in 2025/26 means Councils will lose £200 million in unearned income alone.

The LGA's letter commented that “while councils have huge potential to support Government in delivering its objectives, we cannot shy away from the scale of the financial challenges the sector currently faces”.

Fair Funding Review

Key questions for Audit Committees to ask officers:

- ❖ What impact will the Fair Funding Review have on our medium-term financial plan?
- ❖ Have we calculated what level of support we will need from transitional arrangements?
- ❖ What mitigations are we planning if we are net “losers” from the new arrangements?

Page 30

Background:

The first multi-year Local Government Finance Settlement in a decade, together with the [Fair Funding Review response](#), was announced by the Government on 20 November 2025. Significant changes to be aware of are that:

- ❖ There will be a single settlement for [2026/27 to 2028/29](#);
- ❖ The government plans to use up to date English Indices of Multiple Deprivation, together with up-to-date services cost and demand data to calculate individual council allocations for 2026/27 to 2028/29; and
- ❖ The Children and Young People’s Services formula will use the latest index of deprivation affecting children.

Using new indices will inevitably lead to some Councils seeing increases in their allocations, whilst others see decreases. However, there are [transitional arrangements](#) to help with managing change:

- ❖ A Recovery Grant funding guarantee to upper tier authorities in receipt of Recovery Grant;
- ❖ Funding floors and phasing in of new allocations across the multi-year settlement; and
- ❖ Additional money in the national settlement for children’s social care and a new ring-fenced combined Homelessness, Rough Sleeping and Domestic Abuse grant over three years.

The benefits of using the new indices are expected to be greater transparency; and a reduced reliance on competitive bidding for funds. Reduced paperwork is also expected, as the Government announced it will simplify 33 funding streams, worth almost £47 billion over three years.

Ultimately though, the proof of the pudding will be in the eating. The overall national settlement will need to be fair to the sector as a whole if individual allocations within it are going to be fair as well.

For a full copy of the Ministerial Statement see: [Written statements - Written questions, answers and statements - UK Parliament](#)

Local government reorganisation – latest developments

Opportunity for Audit Committee members to contribute to consultations:

The Government is currently consulting on the proposals it received for local government reorganisation in six areas:

- ❖ East Sussex and Brighton and Hove;
- ❖ Essex, Southend-on-Sea and Thurrock;
- ❖ Hampshire, Isle of Wight, Portsmouth and Southampton;
- ❖ Norfolk;
- ❖ Suffolk; and
- ❖ West Sussex.

The consultations will run for seven weeks until Sunday 11th January 2026. The consultation documents are available on the Department's online platform "Citizen Space" and those responding to the consultations can use the online platform, email or post to submit their views.

[Written statements - Written questions, answers and statements - UK Parliament](#)

Other information for Audit Committees to be aware of:

On 28th October, the Government announced the outcome of its consultation on local government reorganisation in Surrey: Two new unitary councils will be created for the county from 1st April 2027. To help prepare for this, the Government committed to repay in-principle £500 million of Woking Borough Council's debt in 2026/27.

Other Councils facing reorganisation are bound to look at Surrey for signs of what may be decided for their areas. It is significant to note that two proposals had been submitted for Surrey (one for two unitaries; and one for three unitaries). The Government confirmed that both proposals met all its criteria, but the two-unitary model was assessed as performing better against the financial sustainability criterion – and was selected for that reason.

When looking ahead at what may follow in other areas, although Surrey is not necessarily a precedent for other areas, it is possible that similar prioritisation may apply again. We note that twenty more areas were required to submit business cases by 28th November 2025 and Government decisions are expected in Spring 2026.

For a full copy of the Ministerial Statement on reorganisation in Surrey, see:
[Written statements - Written questions, answers and statements - UK Parliament](#)

Preventative spending

Key questions for Audit Committees to ask officers:

- ❖ What do we spend on prevention?
- ❖ How do we identify and record that spend?
- ❖ How do we measure outcomes from the spend?
- ❖ How do our practices compare with other similar authorities?

Background:

CIPFA and the Health Foundation have developed new methodology for mapping and measuring public sector investment in prevention.

The methodology sets out a four-step approach that enables Councils and other public sector organisations to quantify their prevention spending, making it visible so that it can be protected and prioritised.

The framework has already been tested with four Councils in England and Wales:

- ❖ The London Borough of Merton;
- ❖ Three Rivers District Council;
- ❖ Wigan Metropolitan Borough Council; and
- ❖ Rhondda Cynon Taf County Borough Council.

The report from CIPFA and the Health Foundation sets out three recommendations for Councils and other public sector bodies looking to protect their preventative spending:

- ❖ Apply a consistent approach to map and measure preventative investment;
- ❖ Analyse demand drivers alongside financial data to inform priorities; and
- ❖ Embed prevention into strategies, budgets and governance structures.

For a full copy of the report, see [Understanding preventative investment](#)

Next step for Audit Committee members:

CIPFA is now seeking to build on the momentum of this work by establishing a community of practice on preventative investment, to be launched in early 2026. Anyone able to share their experiences and learning should contact: zachary.scott@cipfa.org.



Performance Trackers 2025

Audit Committees can help their Councils by asking officers what performance data they hold for demand led services; how they set realistic targets; how their Council's performance compares to peers and national trends; and what actions are planned when performance falls below a realistic target.

The Institute for Government (IFG) published its latest performance trackers for public services in October 2025. For demand led services run by Councils, the findings are consistent with other research in the sector.

Children's Social Care:

The IFG reports that costs are rising without outcomes improving in step. Shortages of foster carers and secure children's homes are exacerbating issues in the market.

[Performance Tracker 2025: Children's social care | Institute for Government](#)

The IFG's findings are consistent with findings from a separate report by the National Audit Office in October 2025, which also points to supply pressure in the market:

[Managing children's residential care.](#)

Homelessness:

The IFG report states that homelessness is costing more but delivering less. There has been an unprecedented "tsunami" increase in demand, fuelled partly by landlords leaving the housing sector. The government needs to shift from crisis response to prevention.

[Performance Tracker 2025: Homelessness | Institute for Government](#)

The IFG's findings are consistent with findings from Crisis in November 2025, which notes that demand is rising but it is becoming harder for Councils to access both social housing and private tenancies:

[Homelessness Monitor: England 2025 | Crisis UK](#)

Adult Social Care:

The IFG report states that the sector has been neglected by successive governments. Spending has increased but performance has declined.

[Performance Tracker 2025: Adult social care | Institute for Government](#)

The IFG's findings are consistent with a recent report by LGiU which points to demand increasing in scale and complexity, costs escalating, market instability, and workforce challenges:

[A national care service in England, Scotland and Wales: Briefing 1: the story so far - LGiU](#)

Special educational needs and disabilities (SEND)

Key information for Audit Committees to be aware of:

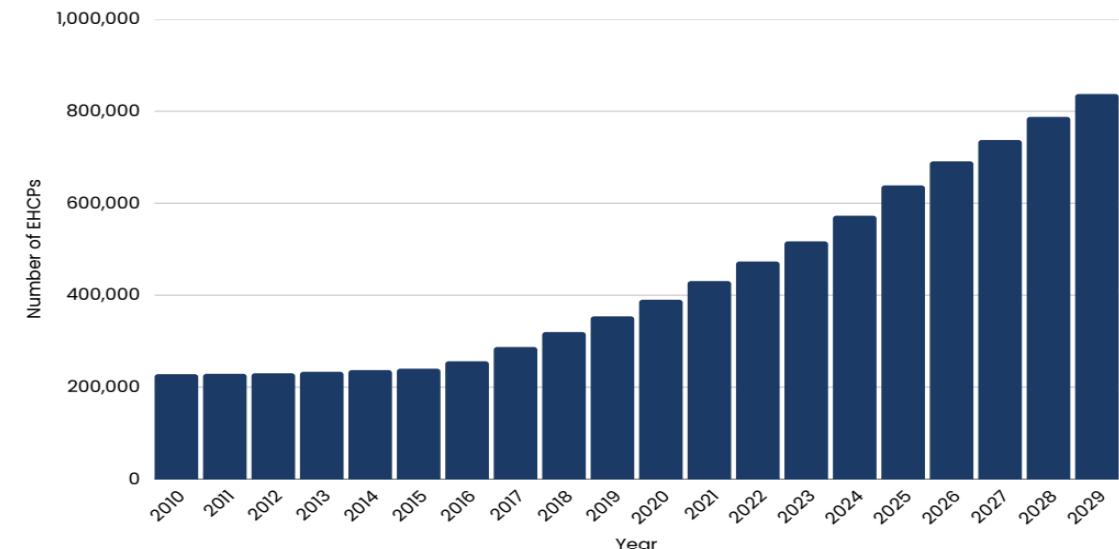
Concern at the mounting costs of SEND continued to escalate across the local and central government sector in months leading up to the Budget:

- ❖ On 21 October, the National Audit Office's review of the [Department for Education 2024/25](#) highlighted that 43% of Councils are on track to have SEND deficits that are close to or exceed their total reserves by 31 March 2026;
- ❖ On 31 October, the National Audit Office reported that the increase in the number of children and young people assessed as having special educational needs has had spiralling implications for [Home to school transport](#), especially considering that travel costs per pupil are higher for children and young people with SEND
- ❖ On [6 November 2025](#), Grant Thornton issued the first ever statutory recommendation in respect of significant weaknesses in management planning for a dedicated schools grant deficit; and
- ❖ On 14 November, a new report from [the County Councils Network](#) highlighted that the number of children in the SEND system rises every year.

Page 34

The 26 November 2025 Budget announcement that SEND will be financed centrally from 1 April 2028 will bring relief to Councils. However, clarity on the government's planned reforms will not be clear until the publication of the delayed white paper and confirmation of the next local government finance settlement.

Figure 1 – Number of children and young people with EHCPs (actual to 2025 and projected to 2029). Education, health and care plans, 2025, DfE and survey responses.



Source: [the County Councils Network](#)

Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

Other CIPFA Guidance and Codes

The following are available from CIPFA but have a charge. We encourage you to make enquiries to determine if copies are available within your organisation:

- Audit Committees: Assessing effectiveness
- Financial Management Code
- Prudential Code
- Treasury Management Code



© 2024 Grant Thornton. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

From: Brian Collins, Deputy Leader
Amanda Beer, Chief Executive Officer

To: Governance and Audit Committee – 28th January 2026

Subject: **CORPORATE RISK REGISTER**

Classification: Unrestricted

Summary: Governance & Audit Committee receives the Corporate Risk Register twice each year for assurance purposes.

FOR ASSURANCE

1. Background

- 1.1 The Corporate Risk Register is regularly reviewed and updated to reflect any significant new risks or changes in risk exposure that arise due to internal or external events; and to track progress against mitigating actions.
- 1.2 The Council, along with the local government sector, continues to operate amid an extremely challenging operating environment, experiencing significant uncertainty and organisational pressures.
- 1.3 The risk landscape is always evolving. During the course of the process, several additional events have occurred, including: the Government's Autumn Budget Statement; the phased introduction of the European Union's Entry / Exit System (EES) on 12th October; submission to Government of business cases for local government reorganisation in two-tier areas; the Government's Fair Funding review; the provisional local government finance settlement was released in mid-December; and the County Council has approved its new Strategic Statement. KCC has also published its draft budget for 2026-27 and Medium-Term Financial Plan 2026-2029. These events are being factored into KCC's risk profile.
- 1.4 There has been continued consensus on what are seen as the main risks for KCC, both in relation to respective portfolios / directorates and wider KCC concerns. There remains a strong correlation between these views and risks already captured on directorate registers or the corporate risk register, which would indicate that the current risk management process is robust. However, the context of the risks continues to evolve, along with the Council's responses.

2. Corporate Risk Register summary

- 2.1 The Corporate Risk Register was last presented to Governance & Audit Committee for assurance in July 2025, with a verbal update received at the October meeting. Regular risk updates have continued throughout the year to senior management forums.
- 2.2 Cabinet received an update on the Corporate Risk Register on 8th January 2026.
- 2.3 Changes to the risk register since last reported to this Committee in July 2025 are summarised below:

INCREASED RISK

- 2.4 CRR0059: Risk of significant adverse variance to the level of savings and income agreed in KCC's budget. The risk rating remains High and had previously reduced during Spring from the maximum rating after the County Council set its budget in February. However, 2025-26 financial monitoring to date has shown a significant in-year forecast overspend, mostly in the Adult Social Care and Health directorate, therefore the rating was increased back up to the maximum level.
- 2.5 CRR0068: Delivery Against Safety Valve Agreement. This risk was already rated as High on the Corporate Risk Register. However, with the Council no longer on target to eliminate the in-year deficit, or to clear the accumulated deficit from previous years, by the end of current Safety Valve Agreement in 2027-28, the risk has been raised to the maximum rating. The draft 2026/27 budget risk register highlights that the DSG accumulated deficit at the end of 2025-26 is forecast to be approximately £135m, with an in-year deficit of over £65m. Whilst Government have indicated they intend to provide additional assistance for those local authorities that cannot manage within their local resources, this is not a guarantee, therefore there continues to be a significant risk to the Council.

DE-ESCALATED RISK

- 2.6 CRR0063 – Capacity to Accommodate and care for Unaccompanied Asylum Seeking (UAS) Children. The risk has been at its target level for over twelve months and the latest review highlighted that the situation continues to be managed. Therefore, the risk has been de-escalated to CYPE directorate level for future monitoring.

RISK REDUCTION

2.7 CRR0068: SEND Delivery Improvement. The risk focuses on the sufficiency of improvement by KCC in areas identified by Ofsted in previous inspections and the demonstration of continued progress against the Accelerated Progress Plan (APP). The council has been making continued progress in this area, which has been acknowledged by the Department for Education, who are monitoring Kent's improvement journey. Therefore, the risk has been reduced to its 'target' residual level.

2.7.1 CRR0009: Future financial and operating environment for Local Government.

The 2026-27 budget and the medium term to 2028-29 are likely to continue to be exceptionally challenging and will require further spending reductions and/or income generation and ultimately difficult decisions over Council Tax rates. Even though overall net cash is increasing, this is not sufficient to keep pace with forecast spending demands. Central Government have re-introduced a multi-year settlement covering 2026-29 and the risk rating has been reduced to reflect this. However the overall amount of funding from central government and local taxation continues to be less than spending pressures, while there is also no certainty that additional central government funding to address spending pressures in social care will be clearly identified in future settlements, adding additional demands on core funding. The risk therefore remains at a High level.

2.7.2 CRR0042: Border fluidity, infrastructure, and regulatory arrangements.

The EU's Entry / Exit System (EES) was introduced on 12th October 2025. KCC has been working with partners at a local and national level to assess potential implications for the county and prepare for various scenarios. The risk rating had previously reduced once it was clear that a phased approach would be employed by the EU and further scenario modelling had been conducted at national level. EES checks commenced at a 10% level starting with freight traffic, and are scheduled to increase to 100% checks for all traffic over the coming months. The risk rating on day one of implementation was assessed as Low, although January sees the introduction of EES checks for passenger traffic, which increases the likelihood of longer queues at channel ports and therefore the current risk rating has been increased to Medium. This will be regularly reviewed as the percentage of checks increases. The risk will stay on the corporate register until at least that point.

DRAFT RISK

2.8 CRR0069: Local Government Reorganisation (LGR). The Council has a dedicated committee for Devolution and LGR that has been providing space for debate about the LGR process. This has highlighted risks, issues and opportunities. An LGR corporate risk has been drafted to capture the key risks

from a KCC perspective at this stage and will be regularly reviewed as the process moves forward.

- 2.9 The Council's Risk Management Policy & Strategy states, "*Corporate Risks are subject to "deep dive" reviews by Corporate Board and the Governance & Audit Committee, with those responsible for the management of risks present, at an appropriate frequency, depending on the nature of the risk.*" Therefore, the Committee may wish to consider whether any corporate risks, or mitigating controls require more in-depth review for assurance purposes.
- 2.10 The Corporate Risk Register is attached in appendix 1, with the draft LGR risk in appendix 2. A listing of recent committee items relevant to corporate risks are in appendix 3, while headline details of directorate risks are in appendix 4.

3. Monitoring and Review

- 3.1 The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are reported to Cabinet quarterly via the KCC Quarterly Performance Report.

4. Recommendation

- 4.1 The Governance and Audit Committee is asked to:
 - a) NOTE the report for assurance.

Report Author:

Mark Scrivener, Head of Risk and Delivery Assurance
Email: mark.scrivener@kent.gov.uk

Relevant Director

David Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance
Email: David.whittle@kent.gov.uk

Corporate Risk Register - Summary Risk Profile – January 2026

Low = 1-6 | Medium = 8-15 | High =16-25

Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since Summer 2025
CRR0053	Asset Management and Degradation and associated impacts, linked to Capital Programme affordability.	High (25)	High (16)	↔
CRR0015	Sustainability of the social care market	High (25)	Medium (15)	↔
CRR0068	Delivery against Safety Valve Agreement	High (25)	Medium (12)	Increase
CRR0059	Risk of significant adverse variance to the level of savings and income agreed in KCC's budget.	High (25)	Medium (9)	Increase
CRR0014	Cyber and information security resilience	High (20)	High (20)	↔
CRR0009	Future financial and operating environment for local government	High (20)	High (16)	Decrease
CRR0003	Securing resources to aid economic recovery and enabling infrastructure	High (20)	High (16)	↔
CRR0064	Delivery of Effective Adult Social Care Services	High (20)	Medium (15)	↔
CRR0052	Adaptation of KCC Services to the impacts of a changing climate	High (16)	Medium (12)	Revised Risk

CRR0058	Capacity and capability of the workforce	High (16)	Medium (9)	↔
CRR0066	Adult Social Care recommissioning programme	High (16)	Medium (8)	↔
CRR0045	Maintaining effective governance and decision making in a challenging financial and operating environment	High (16)	Medium (8)	↔
CRR0039	Information Governance	Medium (15)	Medium (9)	↔
CRR0067	SEND Delivery Improvement	Medium (8)	Medium (8)	Decrease
CRR0049	Fraud and Error	Medium (10)	Low (5)	↔
CRR0065	Implementation of fit-for-purpose Oracle Cloud System	Medium (10)	Low (5)	↔
CRR0042	Border fluidity, infrastructure, and regulatory arrangements	Medium (9)	Low (6)	Decrease
CRR0069	DRAFT RISK: Implementation of Local Government Reorganisation	Medium (15)	Medium (10)	

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Corporate Register. Therefore, there will be some 'gaps' between risk IDs.

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk taking into account any mitigating controls already in place. The 'target residual' rating represents what is deemed to be a realistic level of risk to be achieved once any additional actions have been put in place. On some occasions the aim will be to contain risk at current level.

Likelihood & Impact Scales					
Likelihood	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Minor (1)	Moderate (2)	Significant (3)	Serious (4)	Major (5)

This page is intentionally left blank

APPENDIX 1: Corporate Risk Register

Risk Register - Corporate Risk Register		Current Risk Level Summary			Current Risk Level Changes			Risk Register Summary								
		Green	0	Amber	5	Red	12	Total	17	0	1	1	0	4		
		1		-4	↘	2		3	-4	0	0	0	4	4		
		0	0	0	0	0	0	0	0	0	0	1	0	0		
		0	0	0	0	0	0	0	0	0	0	0	1	1		
		0	0	0	0	0	0	0	0	0	0	0	0	0		
Risk Ref	CRR0053	Risk Title and Event					Assigned To		Last Review da		Next Review					
Asset Management and Degradation and associated impacts, linked to Capital Programme affordability							Dave Shipton		15/12/2025		15/03/2026					
Impact on ability to meet operational requirements and/or statutory duties.																
Increase in maintenance backlogs.																
Emergency works on essential sites are prioritised to avoid serious health and safety incidents, with knock-on impacts for non-priority sites.																
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action				Control / Action	Target Date	Target Risk						
Assets not being invested in sufficiently or adequately maintained now will require future additional spend to maintain with the possibility of reactive costs which may create a revenue pressure.	Business interruption due to increasing level of reactive / emergency repairs, or parts of estate decommissioned (in whole or partially if deemed unsafe). Health and safety incidents (potentially serious) associated with asset degradation.	High 25 Major (5)	Very Likely (5)	<ul style="list-style-type: none"> Papers to Secretary of State seeking approval to increase school financial thresholds 10 year capital programme published. This Cath Head identifies projected costs for some of the rolling programmes and a separate section of potential stand-alone projects which are markers, and will need to have a full business case and identified funding planned, evaluated and agreed. Lobbying of Government in relation to capital funding. Review of current policy of no new external borrowing agreed in principle with senior Members, with potential impact on the capital programme from 2026/27. Asset safety factors associated with our assets are given priority during the budget setting process. 				Joanne Taylor	A-Accepted	31/03/2026	High 16 Serious (4) Likely (4)					
Ongoing investment to maintain and modernise our assets competes with the priority to protect frontline services from effects of public sector funding restraint.	Inability to meet statutory duties e.g. lack of appropriate school place provision.							Control								
The level of borrowing to fund the capital programme and the impact on the revenue budget is significant.	Non-priority sites may not be maintained to a sufficient standard and may not be safe and fit for purpose, leading to building closures. Delays result in additional							Control								

Risk Register - Corporate Risk Register

<p>The uncertainty includes capital expenditure funded by grants, many of which are crucial to delivery of statutory services.</p> <p>There are a number of geo-political uncertainties in the current environment which additionally impact on the financial and operating environment.</p> <p>Inflationary pressures impact on the capital programme significantly.</p> <p>Expectations of key stakeholders on capital spend.</p> <p>Risks associated with changes in legislation related to developer contributions. This could lead to a requirement for significant forward funding.</p>	<p>inflationary costs.</p> <p>Funding annual rolling programmes from borrowing is unsustainable.</p> <p>Reputational damage as a result of building closures or any impact on service delivery.</p>		<ul style="list-style-type: none"> An annual programme of planned preventative maintenance is undertaken at KCC sites by the relevant Facilities Management contract partners Lobbying central Government re capital grants relating to Highways. Premises Officers in place to visit schools and support them with forecasting maintenance budgets. The most urgent works will be completed on the agreed, prioritised sites. Infrastructure works with Assistant Education Directors to communicate to schools regarding their obligations for maintenance and their responsibilities for repairs under financial thresholds External funding bid for 'schools rebuilding programme' (DfE) was submitted, and successful for Birchington Primary School. Health and Safety Team in place in advisory capacity to ensure compliance with Government and HSE guidelines. Review of KCC estate – Future Assets Programme.
---	---	--	--

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event	Assigned To	Last Review da	Next Review			
Risk of significant adverse variance to the level of savings and income agreed in KCC's budget.		Dave Shipton	15/12/2025	15/03/2026			
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
The Council is under a legal duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities.	Council reserves further depleted below a sustainable position.	High 25 Major (5)		<ul style="list-style-type: none"> Finance and performance monitoring progress reports considered at Cabinet meetings. 	Dave Shipton	Control	Medium 9
The most significant savings requirements are in adult social care. Urgent action is required to ensure revenue spending is at a sustainable level, both within the current financial year 2025-26 and over the medium term (see CRR0009) to safeguard the council's financial resilience and viability.	Impact on service delivery, as urgent additional savings are required to be found. More imminent danger of financial failure – ultimately requesting Exceptional Financial Support from Government, or issuing of section114 notice by Corporate Director Finance (s151 Officer). Negative impact on MTFP.	Very Likely (5)		<ul style="list-style-type: none"> Delivery plan information has been developed for 2025/26, particularly within ASCH – milestones, risks, dependencies etc, and reported to Strategic Reset Board. Data is collected and analysed to benchmark against other local authorities. Budget monitoring includes a full report on all budgets on a quarterly basis with exception reports in the intervening months focussing on the largest and most volatile areas of spending. Savings delivery plans and monitoring processes in place. Analysis and enhancements to financial reporting introduced to better identify the underlying drivers for the main budget variances and the impacts and dependencies of management action and policy choices to reduce the forecast overspend. The Council's Financial Regulations (and delegation levels within), "Spending the Council's Money" and Code of Corporate Governance reviewed, to ensure they remain fit for purpose in the current environment. Analytics function used to undertake detailed analysis of the main areas of overspend. 	Dave Shipton Dave Shipton Dave Shipton Dave Shipton Dave Shipton Dave Shipton Matthew Wagner	Control Control Control Control Control Control Control	Significant (3) Possible (3)

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none">• Regular Strategic Reset Programme (SRP) engagement with Directors following approval of delivery plans.• Equality Impact Assessment screening will be completed for any alternative and / or additional savings necessary under the recovery plan.• Any adverse variations to agreed savings / income are swiftly identified with compensating actions agreed with management.• Resource Accountability Statements signed off by Corporate Directors.	<p>Elizabeth Sanderson Corporate Management Team Corporate Management Team Corporate Management Team</p>	<p>Control Control Control Control</p>		

Risk Register - Corporate Risk Register

Risk Ref	CRR0015	Risk Title and Event	Assigned To	Last Review da	Next Review			
Sustainability of the Social Care Market			Sarah Hammond	27/11/2025	27/02/2026			
<p>Social Care market is not sustainable.</p> <p>Inability to obtain the right kind of provider supply at affordable prices.</p> <p>Significant numbers of care home closures or service failures.</p> <p>Increases in hand backs of care</p> <p>Providers choose not to tender for services at Local Authority funding levels or accept service users with complex needs.</p>								
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
Local Authorities have a statutory duty to provide a viable and sustainable social care market to meet the needs of the local population who meet Care Act eligibility.	Gaps in the care market for certain types of care or in geographical areas meaning difficulty in placing some service users. Unable to offer care packages immediately leading to delays with discharging from Health Services Reduction in quality of care provided due to workforce pressures Significant numbers of care home closures or service failures.	High 25 Major (5)	Very Likely (5)	<ul style="list-style-type: none"> Ongoing monitoring of Home Care market and market coverage. Commissioners and operational managers review the capacity of the Home Care market with a view to developing a strategy to ensure market coverage. Market support team in place Development of micro providers market with Kate Silver partner Community Catalysts. Quarterly contract management reviews take place including focus on performance against targets (engagement and set up). Use of a fee negotiation tool (carecubed) to support fee negotiations with providers Daily risk assessment for people in the community awaiting packages of care and short term bed provision for those at high risk ASCH Commissioning Intentions 2022 - 2027 - describes how we plan to create person-centred and flexible care and support options which address the challenges and opportunities adult social care faces. It supports the delivery of 'Making a difference every day' strategy 2022-2027 KCC linked to Association of Directors of Adult Social Services (ADASS) South East and Kent Integrated Care Alliance monitoring of overseas worker concerns. 	Jo Harding Kate Silver Andrea Martin Sarah Hammond Helen Gillivan Helen Gillivan	Control Control Control Control Control Control	15 Major (5) Possible (3)	Medium
The main risks associated with care market instability are: Financial – As a result of the increasing cost and complexity of demand for services and constrained local authority budgets compounded by recent inflation and the Autumn Budget announcement of increases in employers' National Insurance contributions and the National Living Wage. Workforce – recruitment and retention are difficult across all grades in adult social care. Turnover is higher than other sectors. Providers struggle to compete with other sectors such as retail. There are particular challenges								

Risk Register - Corporate Risk Register

<p>in Kent in home care. Overseas workers have created some additional capacity but changes in social care visa rules excluding families has reduced applications from overseas care workers. The social care visa route also attracted operators seeking to exploit that rather than support the sector. There has been an increased risk of exploitation and overseas workers have been displaced when operators have had their licences revoked. This has created a lot of additional work for ASCH in ensuring that the needs of those that draw on care and support continue to be met.</p>			<ul style="list-style-type: none"> Ongoing Contract Monitoring, working in partnership with the Access to Resources team Engagement with Integrated Care Board around joint commissioning opportunities Regular engagement with provider and trade organisations Analytics function utilises data to inform decision making before commissioning activity moves forward. Accommodation Market Position Statement has been developed, analysing demand and need and sets the future vision and direction for accommodation and support for people in Kent. Ensuring contracts have indexation clauses built-in, managed through contract monitoring Continue to work innovatively with partners, including health services, districts and boroughs, and providers to identify any efficiencies across the wider sector. 	Helen Gillivan	Helen Gillivan	Helen Gillivan	Matthew Wagner	Sarah Challis	Michael Bridger	ASCH Divisional Directors	Control	Control	Control	Control	Control	Control

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event				Assigned To	Last Review da	Next Review
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
There has been a significant increase in the number of children receiving Special Educational Needs and Disability support and the Council's Dedicated Schools Grant (DSG) budget is overspending on the High Needs Block. Continued funding of the deficit on the DSG reserve by net surplus balances in other reserves is unsustainable, and a continuation of the situation would negatively impact the financial resilience of the Council. Consequently, meeting the needs of children and young people with SEND within available resources is becoming ever more challenging and the ability to forecast costs in future years is difficult. Funding has not kept pace with the rise in demand and three quarters of local authorities have deficits in their DSG grant budget as a result of High Needs cost pressures.	<p>In the event Kent County Council fails to adequately address the Dedicated Schools Grant deficit, including failing to meet the terms of the Safety Valve agreement, there would be:</p> <p>Major Financial Risk: Inability to manage within budget and reduce accumulated deficit on Dedicated Schools Grant reserve would result in adverse impact on the financial resilience of Kent County Council.</p> <p>Major Service Provision Risk: Children with SEND do not meet sufficient progress within the available financial resource. Adverse impact on outcomes for vulnerable children and young people.</p> <p>Significant Reputation Risk: Dissatisfaction from families and other stakeholders.</p>	High 25 Major (5) Very Likely (5)	20 ↗ 5	<ul style="list-style-type: none"> KCC has entered into a "Safety Valve" agreement with the Department for Education (DfE), enabling Kent County Council (KCC) to receive funding over a 5-year period to substantially fund the accumulated deficit on the Dedicated Schools Grant (DSG) High Needs Block (HNB). The agreement requires commitment to areas of review and improvement identified by Department for Education (DfE) to bring in year spend in line with the in-year budget by 2027/28. A financial contribution from the Council is also expected. <ul style="list-style-type: none"> Continual lobbying of Government on two matters; increased funding in both the short and medium term, and structural changes to government policy to help reduce the demand i.e. via County Council Network, Association of Directors of Children's Services. Includes provision of evidence of the impact of the High Needs pressures on the quality of education children receive, schools, other providers and the Local Authority. 	Dave Shipton Christine McInnes	Control Control	Medium 12 Serious (4) Possible (3)

Risk Register - Corporate Risk Register

<p>The long term outcomes for young adults with SEND and having had an EHCP remain negatively unremarkable when benchmarked against the costs of maintaining those EHCPs. 55% of all EHCPs ceased for 20-25 year olds were stepped down due to the young adult not wishing to continue with education or training AND not being in work, Higher Education training or apprenticeship.</p> <p>To address the situation, Kent County Council entered the DfE Safety Valve programme March 2023 covering the financial years 2022-2023 to 2027-2028²⁰²⁹. The Council will need to bring High Needs spending back into balance over the medium term and contribute to repaying the historic deficit.</p>						

Risk Register - Corporate Risk Register

Risk Ref	CRR0014	Risk Title and Event			Assigned To	Last Review da	Next Review	
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
Malicious (intentional) actions against KCC from individuals, cyber criminals and state sponsored attacks.	Data Protection breach and consequent Information Commissioner's Office (ICO) sanction. Damages claims. Reputational Damage. Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated. Loss or corruption of data. Loss of key systems potentially impacting ability to deliver statutory services. Partners unable to discharge their duties Complaints	High 20 Major (5) Likely (4)		<ul style="list-style-type: none"> Review visibility of Group Risk profile regarding cyber security, to provide reassurance that the use of any shared resources or other inter-dependencies from a cyber perspective are continually understood. Cyber security to be added to the mandatory IG training as agreed with GLD. Supply chain risk management program including keeping an inventory of all ICT suppliers and third party data transfers, cyber requirements built into procurement, regular assurance of supplier security to ISO 27001 and Cyber Essentials Plus, and regular risk assessments carried out to identify supply chain risks. CBS risks, including cyber risks shared with KCC on a regular basis. Security engagement, training and awareness. Ongoing program of security engagement, training and awareness, upskilling staff to reduce human error. This includes communications, e-learning and training for staff. Frequent security audits, penetration tests and compliance submissions External review of security posture provides validation that our controls work and are being managed effectively. 	James Church James Church James Church James Church James Church James Church	A -Accepted A -Accepted Control Control Control	31/03/2026 30/04/2026	High 20 Major (5) Likely (4)
Supply chain compromise including third party data transfers, vulnerabilities in purchased equipment and supplier system breaches.								
Human error leading to staff revealing information or taking actions which assist malicious actors in being able to affect systems or data, including responding to phishing emails and losing account credentials.								
Compromise of physical security controls and/or infrastructure including unauthorised access to data centres, network cables and natural disaster (flood, fires etc.)								
Gaps in existing resources and capabilities, including technological controls and resource challenges in providers' operational teams.								

Risk Register - Corporate Risk Register

			<ul style="list-style-type: none"> Multiple layers of logical, physical and administrative security controls Defence in depth is a key cyber security concept that the Authority adheres to, involving multiple layers of security control for protection from various threats. Cyber standards and risk assessment have been included into the central ICT commissioning framework Internal assurance programme including audits, risk assessment and vulnerability management Completion of internal audits and assurance audits to ensure cyber is being managed effectively. Continuing to action audit recommendations via the Consolidated Security Action Plan. Risk assessments completed on new implementations to ensure that cyber risks are highlighted and treated. Vulnerability management activities to identify and treat vulnerabilities in good time. 	James Church	Control	
			<ul style="list-style-type: none"> Investment in and implementation of new controls and technologies including capabilities of Microsoft M365 E5 licenses. 	James Church	Control	
			<ul style="list-style-type: none"> Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. Progress rates monitored regularly. 	Benjamin Watts	Control	
			<ul style="list-style-type: none"> Messages warning staff of cyber threats are sent out regularly. 	Diane Christie	Control	
			<ul style="list-style-type: none"> Messages to encourage increased awareness of information security amongst staff are communicated to align with key implementation milestones of the ICT Transformation Programme. 	Diane Christie	Control	

Risk Register - Corporate Risk Register

Risk Ref	CRR0003	Risk Title and Event	Assigned To	Last Review da	Next Review			
Securing resources to aid economic growth and enabling infrastructure				Simon Jones	06/10/2025	06/01/2026		
The inability to secure sufficient funding, including contributions from development, to deliver the infrastructure necessary to support growth may require gap funding in order for KCC to fulfil its statutory duties.								
Deferral of developer contributions and / or elongated planning consents leads to delayed or compromised infrastructure.								
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
The economy in Kent & Medway has been impacted by various global events, and the impacts could be disproportionate across the county (e.g. in coastal areas). The Kent & Medway Economic Framework was developed and aims to act as a stimulus for sustainable and inclusive economic growth. The Council actively seeks to secure the resources/funding necessary to provide the infrastructure and programmes required to support growth but these are often difficult to secure. At a local level there is often a significant gap between the overall costs of the infrastructure required and the Council's ability to secure sufficient funds through the current funding systems, including Section106 contributions, Community Infrastructure Levy and other growth levers.	Key opportunities for growth missed. The Council finds it increasingly difficult to fund services and match-fund infrastructure across Kent and fully mitigate the overall impact of housing growth on KCC services and, therefore communities. Kent becomes a less attractive location for inward investment, business and tourism. Our ability to deliver an enabling infrastructure becomes constrained. Reputational risk associated with delayed delivery of infrastructure required. Additional revenue costs incurred due to infrastructure delays and operational costs increasing.	High 20 Major (5) Likely (4)		<ul style="list-style-type: none"> Kent Design Guide to be refreshed to ensure consistency with national policy and legislation supporting the delivery of high quality design in new development. Local Transport Plan 5 approved by County Council and due to commence. Multi-agency Kent and Medway Employment Task Force continues to operate to tackle skills gaps, evidenced by the Local Skills Improvement Plan and support current and future labour market needs through developing the 'Get Kent & Medway Working Plan' and delivering the new 'Connect to Work' and 'Skills Bootcamps' programmes to help reduce economic inactivity and support local employers to tackle skills gaps. Specific business support packages, including the Kent & Medway Business Fund, Recover Pivot & Scale, Kent & Medway Growth Hub signposting, advice and events etc. Strong engagement of private sector through Kent and Medway Economic Partnership (KMEP), Business Advisory Board, Kent Developer Group, KMEP Sector Groups, Team Kent work etc. 	Tom Marchant Lee Burchill Steve Samson Steve Samson Steve Samson	A -Accepted Control Control Control Control	31/03/2026	High 16 Serious (4) Likely (4)

Risk Register - Corporate Risk Register

<p>Government spending restraint and evolving priorities may result in essential infrastructure programmes being delayed or cancelled.</p> <p>Central Government is now targeting funding for local growth programmes at Mayoral Combined Authority areas rather than counties. This now presents a significant risk of lack of financial resource for several years to support economic development activity in Kent & Medway, with the county being excluded from government funding resources.</p> <p>The challenge is becoming more acute with organisations such as Visit Kent and Locate in Kent going into liquidation due to significant cuts in public funding over the years.</p>		<ul style="list-style-type: none"> Kent & Medway Economic Framework <p>A Phase 1 implementation plan has been implemented for Kent & Medway Framework with KMEP sub groups and local stakeholders for taking forward the ambitions and action areas set out in the framework including developing a prioritised economic and infrastructure projects pipeline to focus and secure future funding resource and inform government of priorities. A new round of Growing Places Fund (capital loans) is being prepared to support projects that contribute to economic growth with a view to launching a first call for projects during 25-26.</p> <ul style="list-style-type: none"> Kent & Medway Economic Framework Implementation Plan progressed. Monitoring of socio economic data and trends and development of responses to changed economic trends through Kent & Medway Economic Dashboard and new KMEP work stream data sets. Work to restore visitor economy and inward investment services to continue to promote the county to visitors, to attract businesses to the county and bring in additional revenue for local companies. Regular contract monitoring and reporting to ensure businesses are supported. Lobbying government through the Kent & Medway Economic Partnership and other stakeholders to highlight Kent & Medway's exclusion from Growth programmes and funding. 	<p>Steve Samson</p>	<p>Control</p>	
---	--	--	---------------------	----------------	--

Risk Register - Corporate Risk Register

		<ul style="list-style-type: none"> Ensure that KCC continues to take a strategic leadership role for the Kent & Medway Functional Economic Area and to liaise with key government departments to make the case for specific resource allocations to tackle barriers to growth in Kent (& Medway) despite Kent not being part of the Devolution Priority Programme. Teams across the Growth, Environment and Transport directorate work with each individual District on the preparation of an Infrastructure Delivery Plan including priorities for spending CIL receipts (where applicable) and Section 106 contributions to mitigate the impact of growth on County Council infrastructure and services. Respond to Government consultations on proposals to reform the planning system in England, including the measures set out within the Planning and Infrastructure Bill and its provisions relating to the new duty to prepare Spatial Development Strategies. Infrastructure Mapping Platform has been successfully piloted in East Kent and will now be delivered across Kent and Medway setting out the infrastructure needed to deliver planned growth. The KCC Developer Contributions Guide has been updated and adopted. Regular dialogue with government departments. MasterGov (DEF Software) is used to track developer contributions from the Council's initial request for developer contributions through to the issue of invoice for payment and provides the evidence base to support the annual preparation of the Infrastructure Funding Statement. 	Steve Samson Tom Marchant Tom Marchant Tom Marchant Tom Marchant Stephanie Holt-Castle Stephanie Holt-Castle	Control Control Control Control Control Control Control
--	--	--	--	---

Risk Register - Corporate Risk Register

Risk Ref	CRR0009	Risk Title and Event			Assigned To	Last Review da	Next Review		
Future financial and operating environment for Local Government						Dave Shipton	12/01/2026	12/04/2026	
Levels of revenue spending and growth pressures across services continue to exceed the Council's core spending power, threatening the financial sustainability of KCC, its partners and service providers.									
In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings and/or generate additional income, and take all reasonable steps locally to manage financial pressures .									
Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.									
Should the Council be unable to address financial pressures and set a balanced budget, the Council would have to seek Exceptional Financial Support.									
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Target Risk	
Despite re-introducing a multi-year settlement covering 2026-29, the overall amount of funding from central government and local taxation continues to be less than spending pressures.	Unsustainable financial situation and potential drawdown from reserves, ultimately resulting in need to request Exceptional Financial Support from Government, or issue a section 114 notice.	High 20 Major (5) Likely (4)	25 -5 ↘	<ul style="list-style-type: none"> Continuing to develop better scrutiny of spending bids and more detailed savings plans, to improve the overall robustness of the budget setting process, thereby improving financial resilience. KCC Strategic Reset Programme established and reprioritised to focus on key budget delivery programmes. Financial analysis conducted after each Chancellor of the Exchequer Budget Statement to review potential implications for future local government settlements. Processes in place for monitoring delivery of savings and challenging targets to bear down on future cost growth, as well as the budget as a whole. Ensure evidence of any additional KCC spend required to cover impacts relating to new burdens imposed. Forecasts for future spending growth to be revised as necessary once estimates become more certain and only finalised in controllable budgets once uncertainties have been resolved. Greater consideration of affordability within growth forecasts. 		Dave Shipton Amanda Beer Dave Shipton Dave Shipton Dave Shipton Dave Shipton	A -Accepted Control Control Control Control Control	31/01/2026 16 Serious (4) Likely (4)	High 16 Serious (4) Likely (4)
2026-27 budget and the medium term to 2028-29 are likely to continue to be exceptionally challenging and will require further spending reductions and/or income generation and ultimately difficult decisions over Council Tax rates. Even though overall net cash is increasing, this is not sufficient to keep pace with forecast spending demands.	Failure to deliver statutory obligations and duties or achieve social value.								
	Potential for partner or provider failure – including sufficiency gaps in provision.								
	Reduction in resident satisfaction and reputational damage.								
	Reserves are reduced to below an adequate level.								
	Impact on Council Tax, including increases above the referendum level becoming necessary.								

Risk Register - Corporate Risk Register

<p>be clearly identified in future settlements, adding additional demands on core funding.</p> <p>The level of savings required in 2026-27 and over the medium term continues to be challenging, driven largely by growth in spending rather than cuts in funding.</p> <p>A significant financial risk for the Council is the continuing and increasing underlying deficit and accumulated debt on the High Needs Block of Dedicated Schools Grant (DSG).</p> <p>Local Government Reorganisation proposals have been submitted, although structural changes on their own will not address the underlying causes of spending growth pressures.</p>	<p>Increased and unplanned pressure on resources.</p> <p>Decline in performance.</p> <p>Legal challenges resulting in reputational damage to the Council.</p>		<ul style="list-style-type: none"> Budget managers will be given clearer expectations regarding both affordable activity levels and cost/fee levels within budget assumptions. Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation. Regular review of HM Treasury forecasts and Government planned spending levels for Local Government. Engagement with CCN, Society of County Treasurers and other local authorities and Government of potential opportunities and issues around devolution, local government reorganisation and public service reform. KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet. Ongoing monitoring and modelling of changes in supply and demand in order to inform strategies and service planning in key areas going forward. Regular monitoring and oversight of progress against KCC's 'Safety Valve' agreement with the Department for Education (DfE). Regular analysis and refreshing of forecasts to maintain a level of understanding of volatility of demand which feeds into the relevant areas of the MTFP and business planning process. Assessing impact and responding to Government plans with the potential for significant financial implications for the Council, including adult and children's social care, changes to waste collection arrangements etc. 	<p>Dave Shipton</p> <p>Dave Shipton</p> <p>Dave Shipton</p> <p>David Whittle</p> <p>Matthew Wagner</p> <p>Matthew Wagner</p> <p>Christine McInnes</p> <p>Corporate Directors CD</p> <p>Corporate Directors CD</p>	<p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p>
---	---	--	--	---	--

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event	Assigned To	Last Review da	Next Review				
Risk of Failing to Deliver Effective Adult Social Care Services		Sarah Hammond	27/11/2025	27/02/2026				
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
<p>The Council is at risk of failing to deliver effective Adult Social Care services and there is the potential to not meet requirements of statutory services under the Care Act 2014, The Mental Health Act 1983, The Mental Capacity Act 2005 and associated legislation, and the regulatory requirements of the Care Quality Commission.</p> <p>The Council has been impacted by:</p> <ul style="list-style-type: none"> - continued central government funding restraint - Demographic changes - Increased demand for services - Demand led statutory services which can be difficult to predict - Increasing costs due to increasing complexity of health and social care needs. - Increasing costs due to cost of living 	<p>Failure to fulfil our duty of care could result in serious harm or detriment or in extremely rare cases death to a person with significant impact on families, carers and support networks. This could in turn result in prosecution, having to pay compensation and a negative impact on the reputation of the Council.</p> <p>Reputational impact. Public perception of the council being willing to accept poor standards of care. Low public confidence in social care</p> <p>A loss of trust in the Council's ability to safeguard people who live in Kent.</p> <p>Overspending on the budget which may impact the wider council.</p> <p>Regulatory Intervention</p>	<p>High</p> <p>20</p> <p>Major (5)</p> <p>Likely (4)</p>		<ul style="list-style-type: none"> ASCH is undertaking further work to align our workforce with our strategic ambitions e.g those set out in Making a positive difference every day, with a strategic workforce plan due to be in place for 2026/27. ASCH has restructured the roles and responsibilities of the two Directors of Operations to provide clarity on the accountabilities around short- and long-term support. ASCH have developed delivery plans linked to individual Director of Operations and Assistant Directors Key area of accountability and delivery. ASCH have enhanced governance and assurance arrangements which focus on delivery to plan and recovery actions when delivery is not to plan. ASCH have restructured the roles and responsibilities of Assistant Directors to align service and strategic delivery with the key accountabilities of the two Directors of Operations ASCH have aligned delivery plans with the quality improvements identified from Kent's CQC assurance visit. 	<p>Sarah Hammond</p> <p>Sarah Hammond</p> <p>Sarah Hammond</p> <p>Sarah Hammond</p> <p>Sarah Hammond</p> <p>Sarah Hammond</p>	<p>A -Accepted</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p>	<p>03/04/2026</p> <p>15</p> <p>Major (5)</p> <p>Possible (3)</p>	<p>Medium</p>

Risk Register - Corporate Risk Register

pressure/inflation/interest rates/utilities. - increasing costs from social care market providers - recruitment and retention of staff - recovering from the impacts of the Covid-19 pandemic on the sector, including the NHS Recovery Plan			<ul style="list-style-type: none">ASCH have commissioned additional capacity to support the delivery of Adult Safeguarding via a time limited peripatetic team, and statutory reviews in the locality of Thanet and South Kent Coast.	Sarah Hammond	Control		
---	--	--	---	---------------	---------	--	--

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event			Assigned To	Last Review da	Next Review										
CRR0058	Capacity and capability of the workforce			Amanda Beer	10/11/2025	10/02/2026										
Workforce capacity challenges - insufficient staff to meet service demands.																
Capacity pressures within the management, and leadership teams potentially impacting time for reflection and decision making.																
Impact on budgets from use of agency staff/contractors to fill roles to support service delivery.																
There is a risk that services may not have the capacity to deal with the additional demand and associated cost pressures or may have to reduce quality to meet the need.																
Complaints from Kent residents																
Lack of depth / resilience of key personnel or teams.																
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk									
KCC is experiencing increasing demand for services due to whole system pressures which placing pressure on the existing capacity of the workforce.	Adverse impact on productivity	High	16 Serious (4) Likely (4)	<ul style="list-style-type: none"> Post implementation review of pay strategy to ensure it remains competitive and sustainable for the future. Review spans and layers of management in order to make sure we have the right people in the right places doing the right things. Promote learning opportunities including the coaching network, webinars and networking opportunities. Promote the reward and recognition mechanism in place as part of communications about our new Pay Strategy, including individual recognition for exceptional work and the employee package. Review our good conversation tool to look in more depth about the way career development conversation can be supported. Implementation of action plans arising from latest staff survey. 	Kerena Hunter Diane Christie Diane Christie Kirsty Ireland Corporate Management Team	30/04/2026 30/04/2026 30/04/2026 30/04/2026 27/03/2026	Medium 12 Serious (4) Possible (3)									
	Negative impact on performance and / or delivery of statutory functions or services.	16 Serious (4)														
	Lack of experienced staff with specialist skills	Likely (4)														
	Reliance on interim and agency staff potentially impacting stability of teams and consistency of service.															
As a result of the complexity and volatility of issues being faced in the organisation capacity in within the management, and leadership teams is stretched.	Inability to progress service development.															
	Low staff morale and negative impact on wellbeing, potentially leading to burn out.															
Increasing complexity of issues being faced by KCC require capable and experienced officers with potentially different skill sets.	Loss of discretionary effort/goodwill.															
The financial position of the Council limits the ability to manage in spikes operational																

Risk Register - Corporate Risk Register

<p>demand by way of recruitment. Newly qualified professionals in services require adequate time and support from senior officers, which has secondary capacity impacts.</p> <p>Impacts of supporting secondments on teams and services with limited capacity or on difficult to resource roles.</p> <p>As well as national skills shortages in key areas, attracting suitably qualified, skilled and experienced staff, and retaining them to ensure sufficient capacity and capabilities to deliver services continues to be reported as a challenge across directorates. This is influenced by internal and external factors such as the financial position of the Council, local and national elections and the subsequent political uncertainty.</p> <p>Tightened spending controls have been introduced to respond to the council's financial situation, including restrictions on recruitment.</p>	<p>Impact on delivery of projects to expected time scales.</p> <p>Employer and Service Reputational damage</p> <p>Negative impact on budgets and savings plans</p>		<ul style="list-style-type: none"> Workforce planning and appropriate career development and succession planning mechanisms in place. Delivery of the People Strategy for 2022-2027 approved by Personnel Committee Delivery of Management Development activities to provide clarity and guidance for KCC managers on their responsibilities and accountabilities, including focus on key areas, such as digital, hybrid, equality, inclusiveness. KCC's Organisation Design principles set out and periodically refreshed and monitored to ensure they remain fit for purpose. Communication, implementation and measurement of the impact of the People Strategy. Regular staff survey conducted, followed by facilitation of engagement and action plans with senior management. Includes predictive analytics to explore key drivers of intention to leave to enable appropriate responses to develop. Targeted advice, support and interventions available via HR business partners for areas of particular recruitment / retention concern relating to key roles. Delivery of the Change Support Hub to provide suite of tools, knowledge, models, videos and change related resources to support leaders, managers, staff, and project delivery teams. The aim of the Change Hub is to aid employees to build change understanding and skills at a time right for them, to support the delivery of KCC ambitions through its many change programmes. Exit and retention surveys in place to identify drivers for both leavers and for those who chose to stay
---	--	--	---

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none"> • Workforce profile report for the Personnel Committee gives detailed analysis on staffing levels and provides comparator information on previous years – now being provided more regularly to Personnel Committee for Member oversight and scrutiny. • Promoting even more regular communications between managers and their teams while working remotely via "Good Conversations" tools etc. • Communications and engagement campaigns will be delivered to support the implementation and embedding of People Strategy priorities. In particular, building awareness, understanding and use of our employee package will support staff retention. 	Diane Christie	Control		
--	--	--	--	--	----------------	---------	--	--

Risk Register - Corporate Risk Register

Risk Ref	CRR0045	Risk Title and Event	Assigned To	Last Review da	Next Review		
		Maintaining effective governance and decision making in a challenging financial and operating environment.	Amanda Beer	10/11/2025	10/02/2026		
Members are unwilling or unable to agree necessary policy (service) decisions within required timescales to deliver a legally balanced budget and sustainable medium term financial plan (MTFP).							
Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in year overspends.							
Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision making.							
Insufficient progress made against stakeholder recommendations.							
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) requires difficult policy decisions to be made in a timely manner, which means continued effective governance and decision making is critical, as well as robust internal control mechanisms. Examples from other local authorities has shown the impact that ineffective decision making can have on financial resilience.	Decisions challenged under judicial review on the appropriateness of the decision-making within KCC. Monitoring Officer / Head of Paid Service statutory report to Council. Reputational damage to the Council. Exceptional Financial Support needs to be requested or Section 114 Notice issued by the Section 151 Officer.	High 16 Serious (4)	Likely (4)	<ul style="list-style-type: none"> Medium Term Financial Plan and Budget Book agreed by Full Council and support/briefings provided for all political groups by officers on budget development options Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees Appropriate performance reporting of corporate performance to Cabinet, Cabinet Committees and Full Council Appropriate and effective corporate risk management procedures in place for the Council Operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively. 	Dave Shipton Dave Shipton Dave Shipton David Whittle David Whittle David Whittle	Control Control Control Control Control	Medium 8 Serious (4) Unlikely (2)
KCC's constitution explicitly references the demarcation of Member and Officer roles, which consequently places dependency on the effectiveness of the member governance of the Council.							
Previous external auditor							

Risk Register - Corporate Risk Register

<p>reports have highlighted recommendations relating to governance arrangements at the council, for which the External Auditor acknowledged the hard work undertaken by KCC to establish improved governance, including arrangements to support effective decision making and internal assurance. They also commented that further work is needed to complete the improvement journey, for which an action plan is being implemented.</p> <p>A large number of new members have been inducted following the May 2025 local elections, with further training plans developed.</p> <p>Report 67</p>			<ul style="list-style-type: none"> Informal governance arrangements authorised by the KCC Constitution have been published on KNet as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities. Regular reporting to Governance & Audit Committee of implementation of the actions identified within Annual Governance Statements, and actions raised at Governance and Audit Committee. In addition, Members and key stakeholders have access to a Power BI suite which captures all actions and progress to date. Annual Governance Statement (AGS) arrangements in place, providing an overview of the state of the Authority's governance and the controls that are in place to manage key governance risks. Member and Officer Codes of Conduct in place and robustly monitored and enforced. Member development and training programme in place and overseen by Selection and Member Services Committee. Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution. Appropriate officer development and training programme in place and overseen by CMT Key and significant decision-making process in place for Executive decisions and appropriately published Forward Plan of Executive Decisions. Democratic Services support effective Committee governance and scrutiny arrangements. Dedicated team in place within the Governance & Law functions to improve the awareness and application of governance and decision making across the council. 	<p>David Whittle</p> <p>Petra Der Man</p> <p>Petra Der Man</p> <p>Petra Der Man</p> <p>Petra Der Man</p> <p>Diane Christie</p> <p>Ben Watts & Petra Der Man</p> <p>Ben Watts & Petra Der Man</p> <p>Ben Watts & Petra Der Man</p>	<p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p>	
---	--	--	--	---	---	--

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none">• Governance reviews from across the Local Government sector are analysed to identify any lessons learned and reported to relevant stakeholders, including Governance & Audit Committee.	Control		
--	--	--	--	--	---------	--	--

Risk Register - Corporate Risk Register

Risk Ref	CRR0052	Risk Title and Event	Assigned To	Last Review da	Next Review			
Adaptation of KCC services to the impacts of a changing climate.						Simon Jones	25/11/2025	25/02/2026
There is a risk that a failure to adapt KCC services to a changing climate leads to adverse impacts on and increased costs to the Council, as a result of damage to or loss of physical and financial assets, staff sickness and lower productivity, transport disruption, and others.								
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
Seasonal weather events and increased severe weather incidents, including periods of prolonged dry weather and a lack of water and increased risks of flooding during periods of high rainfall.	KCC bears significant financial costs due to the destruction/deterioration of its assets and services.	High 16 Serious (4)	Likely (4)	<ul style="list-style-type: none"> Delivery of the KCC Climate Change Adaptation Plan (including service level climate change adaptation risks and incorporating climate adaptation into project and BAU activity delivery, etc.). 	Liz Milne	Control	Medium 12 Serious (4)	
A lack of adaptation by the Council services (including those delivered and commissioned by KCC) to a changing climate as a result of inadequate planning and a lack of resourcing.	Services responsible for the safety and wellbeing of staff and the general public are placed under greater demand for their services, resulting in greater expenditure and lower productivity.			<ul style="list-style-type: none"> Building environmental risks into KCC project work and the delivery of the KCC Environment Plan. 	Helen Shulver	Control	Possible (3)	
	Kent's residents experience a decline in the quality of services that KCC provides across the county, leading to customer dissatisfaction and reputational damage.			<ul style="list-style-type: none"> The KCC Strategic Statement focuses on adapting to changes in our weather, stronger environmental stewardship, visible improvements and a focus on the resident. 	Matthew Smyth	Control		
				<ul style="list-style-type: none"> Delivery of various strategies, including the Kent Environment Strategy, Energy and Low Emissions Strategy, Local Nature Recovery Strategy and Water Resources Plan. 	Matthew Smyth	Control		
				<ul style="list-style-type: none"> Estate rationalisation and building in additional measures to reduce the risk of impact from a changing climate. 	Rebecca Spore	Control		
				<ul style="list-style-type: none"> ISO 14001 accreditation (the international standard for Environmental Management Systems) implemented and maintained 	Matthew Williams	Control		

Risk Register - Corporate Risk Register

Risk Ref	CRR0066	Risk Title and Event			Assigned To	Last Review da	Next Review
ASCH recommissioning programme		Commissioning activity not delivered within expected timescales			Helen Gillivan	14/11/2025	14/02/2026
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
<p>The current contractual arrangements for Older Persons Residential & Nursing; Care & Support in the Home; LD/PD/MH residential care; and Supported Living do not meet the services needs nor its ambitions.</p> <p>For example, they do not give sufficiency of supply, leading to use of off-framework providers with loss of control of quality and price; there is overuse of care home placements because alternatives do not meet needs; and there is a disconnect between the commissioning intentions and operational practice.</p> <p>Care Act duties sit with KCC, not providers, who can choose whether to accept a person into their care or not, which creates a power imbalance. Whilst local authority is half of the sectors income source, providers may choose to work with the NHS and private fee payers only.</p> <p>The timescales to deliver these large programmes of work concurrently present</p>	<p>All contract extensions have been exhausted (except LDPDMH which is listed as an action). If work is not delivered on time, then the current contracts would need to be extended further which would require Member approval. If this is not approved, then spot-purchasing arrangements would have to be utilised to ensure continuity of care; this could result in additional costs to the service, as spot-purchased providers are usually more expensive than a contracted provider.</p>	<p>High</p> <p>16</p> <p>Serious (4)</p> <p>Likely (4)</p>		<ul style="list-style-type: none"> Seek approval from the Cabinet Member for Adult Social Care to extend the LDPDMH Residential Contract to align with the new start date of the Supported Accommodation contract in June 2027. A forward plan is being developed to support decision making around new contract lengths so ASCH can stagger future recommissioning and procurement activity to reduce the pull on resources. Continuing with the micro enterprise market development work to create more diverse supply and alternative workforce Open framework approach to allow more new providers to join Pricing models are being developed closely with colleagues in Finance and Commercial and Procurement Division. Benchmarking with neighbouring authorities will be undertaken to ensure Kent is offering a pricing model that is representative of other comparable local authorities. Reinforce the right to transfer packages of care from providers who choose not to join the framework Resource has been assigned from the Transformation and Delivery Team and Innovation and Partnerships to support the recommissioning activity. 	<p>Helen Gillivan</p> <p>Helen Gillivan</p> <p>Kate Silver</p> <p>Helen Gillivan</p> <p>Helen Gillivan</p> <p>Helen Gillivan</p> <p>Helen Gillivan</p> <p>Helen Gillivan</p>	<p>A -Proposed</p> <p>A -Proposed</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p> <p>Control</p>	<p>31/01/2026</p> <p>28/02/2026</p> <p>8</p> <p>Serious (4)</p> <p>Unlikely (2)</p>

Risk Register - Corporate Risk Register

<p>capacity challenges for the Commissioning team, Commercial and Procurement Division to support the activity and systems/arranging support for the mobilisation.</p> <p>The Council's financial position means efficiencies need to be achieved through recommissioning of contracts. This needs to be balanced against provider sustainability and ensure the pricing models offer a fair price to Providers and an affordable price to the Council.</p>		<ul style="list-style-type: none"> The recommissioning activities are complex and potentially high risk and therefore part of the Council's Strategic Reset Programme (SRP) and so receive support to ensure they are delivered successfully. Regular progress updates are provided to the Strategic Reset Programme Board. Engagement with the care sector and people with lived experience regarding specifications and proposed contract terms. Risks with a financial impact are to be quantified to demonstrate the risk budget that is required if any project risks materialise. Activities in place to restrict the use of off framework placements: Provider order of approach Finance monthly monitoring Exceptions are agreed by Assistant Directors Additional Commissioner posts, funded by SRP Reserves, are in post and supporting the recommissioning activity. Timelines for recommissioning activity have been developed with colleagues in Commercial and Procurement Division and a 3 month gap between each procurement exercise (for the big 3 contracts) has been put in place. Risk management advisory group established and chaired by Risk and Delivery Assurance Manager. This provides assurance, guidance and challenge on the risk management approach across recommissioning activity. Risks will be reported into ASCH DMT and SRP Board and fed into the Corporate Risk Register.
---	--	--

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none">• An overarching recommissioning Business Processes, Systems and Mobilisation Group has been established to better prepare for the work required to mobilise the new contracts. This group will ensure resource requirements are understood and planned in advance.	Helen Gillivan	Control		
--	--	--	--	---	----------------	---------	--	--

Risk Register - Corporate Risk Register

Risk Ref	CRR0039	Risk Title and Event	Assigned To	Last Review da	Next Review			
Information Governance						Benjamin Watts	29/10/2025	29/01/2026
Failure to embed the appropriate processes, procedures and behaviours to meet regulations. Failure to meet regulatory reporting deadlines. Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality. Council accreditation for access to government and partner ICT data, systems and network is withdrawn. Providers and or suppliers processing KCC data fail to embed the appropriate processes and behaviours. Poor data quality negatively impacts AI algorithms								
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
<p>The Council is required to maintain the confidentiality, integrity and proper use, including disposal of data under the Data Protection Act 2018, which is particularly challenging given the volume of information handled by the authority on a daily basis.</p> <p>The Council has regulatory obligations into the management of SAR/FOI/EIR requests</p> <p>United Kingdom General Data Protection Regulations (UK GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.</p> <p>There is insufficient resource available to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.</p>	<p>Information Commissioner's Office sanction (e.g., undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).</p> <p>Serious breaches under UK GDPR could attract a fine.</p> <p>Increased risk of litigation.</p> <p>Reputational damage.</p> <p>Bias presenting in AI algorithms impacting outcomes and decision making</p> <p>Loss of trust in automated decisions</p>	Medium 15 Significant (3) Very Likely (5)		<ul style="list-style-type: none"> Services to complete data mapping process for their respective areas Supply chain risk management program including keeping an inventory of all ICT suppliers and third party data transfers, cyber requirements built into procurement, regular assurance of supplier security to ISO 27001 and Cyber Essentials Plus, and regular risk assessments carried out to identify supply chain risks. Data breach process enhanced by automated system, changes included auto reminders to services where further information is required. More data is available on service performance in relation to breach management and also allow for timely escalation where appropriate Senior Information Risk Owner for the Council appointed with training and support to undertake the role. Caldicott Guardian appointed with training and support to undertake the role Overarching policy for use of Artificial Intelligence is in place and has been communicated to the wider organisation 	Information A -Accepted Asset Owners James Church Peter Healey David Whittle Sarah Hammond Benjamin Watts	01/04/2026	Medium 9 Significant (3) Possible (3)	

Risk Register - Corporate Risk Register

<p>There is a dependency on the Council's Local Authority Trading Companies (CBS) and other material third parties to support Information Governance compliance for the KCC systems and network. KCC services' requirement for non-standard systems creates vulnerabilities. Failure to manage data lawfully when using automated decision making via algorithms.</p>			<ul style="list-style-type: none"> Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum. IG policies and procedures have been consolidated supported by communications. Policies reviewed regularly. Data Protection Officer in place to act as a designated contact with the ICO. Management Guide/operating modules on Information Governance in place, highlighting key policies and procedures. Corporate Information Governance Group established, chaired by the DPO and including the SIRO and Caldecott Guardian acting as a point of escalation for information governance issues and further escalation to the Corporate Management Team if required Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated Information Resilience and Transparency team in place, providing business information governance support. The data capture mapping form is in place. Policy guidance requires Information Governance leads to review data maps with the services on a bi annual basis, or as and when a new DPIA is created reflected on the data map. Data Protection Impact Assessment (DPIA) is supported with a matrix detailing the type of data and its usage. KCC testing of Microsoft Copilot is moving into its second phase, and the DPIA remains a live document and will be updated accordingly. Cross Directorate Information Governance Working Group in place.
---	--	--	--

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none">ICT Commissioning function has necessary working/contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit.	Sverre Sverreson	Control		

Risk Register - Corporate Risk Register

Risk Ref	CRR0065	Risk Title and Event			Assigned To	Last Review da	Next Review
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
Implementation of fit-for-purpose Oracle Cloud system.	Oracle Cloud system not fit-for-purpose.			Simon Jones	15/01/2026	15/04/2026	
This is a critical programme for the organisation, replacing the current outdated infrastructure. It is a large and complex programme, which carries with it significant inherent risk. There have been reports in the public domain about other implementations that have been fraught with difficulties, so it is important that this organisation-wide risk features on the Corporate Risk Register for visibility and that the programme demonstrates robust governance, change and programme management, especially at a time where organisational capacity is stretched, with several major change activities in train.	<p>1. Impact on finance - unable to carry out month/year end, paying suppliers/providers/clients and staff and receive payments in to the Authority.</p> <p>2. Impact on HR - unable to run payroll and pay staff expenses, phase 2 effects every KCC employee.</p> <p>3. Services unable to carry out operational duties.</p> <p>4. Costs to the Oracle Cloud programme will increase as resources to the programme extended.</p> <p>5. Reputational impact to the Authority.</p>	<p>Medium</p> <p>10 Major (5)</p> <p>Unlikely (2)</p>		<ul style="list-style-type: none"> Right skills in place to carry out User Acceptance Testing (UAT). UAT phases - control points for sign off (payroll has a single pass/fail criteria). Build & Functional Test phases for each module built in to the programme with sign off required at end of each 'build' phase. Pre UAT & Training schedule as part of the programme. Any additional spend required for the programme to be discussed at the Oracle Cloud Programme Boards and approved by the SRO. Agree date of 'change freeze' across all applications that interface with Oracle Cloud readiness assessment (with Service Leads) phase undertaken to map out current processes and how these will fit to the new system taking on board 'ADOPT not ADAPT' Oracle Cloud Board Members to ask their respective areas to ensure that the programme is aware of any proposed changes to the current Oracle System or associated 3rd party systems to enable the programme to impact assess as otherwise it could result in additional costs. Programme Team to provide Internal communications with regular updates and key messages so that information is given in a timely matter. Transition / change management planning to be completed. 	<p>Lisa Gannon</p> <p>Lisa Gannon</p> <p>Lisa Gannon</p> <p>Lisa Gannon</p> <p>Lisa Gannon</p> <p>Simon Jones</p> <p>Simon Jones</p> <p>Simon Jones</p> <p>Simon Jones</p> <p>Ben Sherreard</p> <p>Ben Sherreard</p>	<p>Control</p>	<p>Low</p> <p>5</p> <p>Major (5)</p> <p>Very Unlikely (1)</p>

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event	Assigned To	Last Review da	Next Review
CRR0049	Fraud and Error	Dave Shipton	15/12/2025	15/03/2026
	<p>Failure to prevent or detect significant acts of fraud or error from internal or external sources, in that within any process or activity there are risks that:</p> <ul style="list-style-type: none"> - false representations made to make a gain or expose another to a loss - failure to notify a change of circumstances to make a gain or expose another to a loss - abuses of position, in which they are expected to safeguard to make a gain or expose another to a loss. <p>Given the size and complexity of KCC, with a significant number of payments going to a wide range of suppliers and other public bodies, whom have a legitimate need to amend their bank details, that this process is used to submit a fraudulent change of bank details (mandate fraud) to KCC in order to divert funds.</p> <p>Compromise of physical security controls and/or infrastructure including unauthorised access to ICT systems could lead to fraudulent access and/or use of data.</p>			
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action
As with any organisation, there is an inherent risk of fraud and/or error that must be acknowledged and proactively managed.	<p>Financial loss leading to pressures on budgets that may impact the provision of services to service users and residents.</p> <p>Reputational damage, particularly if the public see others gaining services or money that are not entitled to, leading to resentment by the public against others.</p> <p>Potential legal challenge.</p> <p>Reputational damage.</p> <p>Poor service delivery.</p> <p>Potentially enabling Serious Organised Crime.</p>	<p>Medium</p> <p>10 Moderate (2)</p> <p>Very Likely (5)</p>		<ul style="list-style-type: none"> • KCC is part of the Kent Intelligence Network Nick Scott (KIN), a joint project between 12 district councils, Medway Council, Kent Fire & Rescue and Kent County Council which analyses and data matches financial and personal information to allow fraudulent activity in locally administered services to be detected more proactively within Kent • An agreed Memorandum of Understanding is in effect with partners (District Councils, Police and Fire Service) outlining the minimum standards expected to be applied by collection authorities (District Councils) to address fraud and error relating to council tax and business rates. Additional work jointly funded to identify and investigate high risk cases based on each authority's share of the tax base. This supports the work of the KIN. • Multiple layers of logical, physical and administrative security controls. <p>Linked to CRR0014 Cyber Security Corporate Risk.</p>
The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector. This is further impacted by inflation and the cost-of-living crisis.				Dave Shipton
It is critical that management implements a sound system of internal control and always demonstrates commitment to it, and that investment in fraud prevention and detection technology and resource is sufficient. This includes ensuring that new emerging				James Church

Risk Register - Corporate Risk Register

<p>fraud/error concerns are sufficiently risk assessed.</p> <p>As part of the Economic Crime and Corporate Transparency Act (ECCT), a new corporate criminal offence of 'Failure to Prevent Fraud' has been introduced. The offence is intended to hold large organisations to account if they profit from fraud. Under the offence, large organisations may be held criminally liable where an employee, agent, subsidiary, or other "associated person", commits a fraud intending to benefit the organisation.</p>		<ul style="list-style-type: none"> KCC reserves the right to carry out a dip sample of due diligence vetting checks in partnership with contract managers to verify declarations of non-involvement. Scheme of Delegation - compliance with Delegation Matrix and Spending the Council's Money Procurement standards reviewed, including rules relating to "Spending the Council's Money", which have been clarified, to ensure relevant controls are in place to mitigate e.g. declarations of interest for procurement fraud, authorisation levels etc. All tendering specification now include a requirement for the tenderer to provide details on what procedures they have in place to prevent fraud from occurring within the contract, both in the service delivery and invoicing into KCC. Support in evaluating these procedures will be obtained from the Counter Fraud Team as part of the overall evaluation process. Clear process within relevant Commissioning Departments for procurement under the PCR threshold With supplier consent, within the Tender Selection Questionnaire and subsequent contract Terms and Conditions. Communication of mandate fraud / cyber security to KCC supply chain. Mandatory training - Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. <p>Linked to CRR0014 Cyber Security Corporate Risk.</p>
---	--	--

Risk Register - Corporate Risk Register

			<ul style="list-style-type: none"> Communication, including messaging to encourage increased awareness of information security amongst staff. Linked to CRR0014 Cyber Security Corporate Risk. Internal Audit includes proactive fraud work in its annual audit plan, identifying potential areas where frauds could take place and checking for fraudulent activity. Whistleblowing Policy in place for the reporting of suspicions of fraud or financial irregularity Training and awareness raising is conducted periodically and is included in the Counter-Fraud action plan. Preventing Bribery Policy in place, presenting a clear and precise framework to understand and implement the arrangements required to comply with the Bribery Act 2010. Anti-fraud and corruption strategy in place and reviewed annually Counter Fraud Action plan in place to manage resources in conducting reactive and proactive work across KCC. Participate in the National Fraud Initiative exercise every two years to identify any fraud and error within key risk areas. KCC Counter Fraud & Trading Standards are a member of the Kent Fraud Panel to help inform current fraud trends and emerging risks that may impact KCC and its residents. Mandate fraud risks are communicated as part of the fraud awareness sessions. Systems of internal control which aim to prevent fraud and increase the likelihood of detection e.g. financial controls such as authorisation of payments and spend. 	Diane Christie James Flannery James Flannery James Flannery James Flannery James Flannery James Flannery James Flannery James Flannery Corporate Management Team	Control Control Control Control Control Control Control Control Control Control
--	--	--	---	---	--

Risk Register - Corporate Risk Register

				<ul style="list-style-type: none">• The Corporate Management Team is required to engage the Counter Fraud Team regarding all new policies, initiatives and strategies as per the anti-fraud and corruption strategy, and have relevant fraud risk assessments and mitigating controls in place on specific fraud risks associated with their areas.	Corporate Management Team	Control		
--	--	--	--	---	---------------------------	---------	--	--

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event	Assigned To	Last Review da	Next Review			
Border fluidity, infrastructure and resilience		Simon Jones	08/12/2025	08/03/2026			
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk
Changes at the UK border with Europe means additional controls now exist on the movement of goods and people between the UK and the EU.	Significant slowdown in the existing flow of goods and people through border controls leads to long delays at Port of Dover and Eurotunnel.	Medium 9 Significant (3)		<ul style="list-style-type: none"> Update elected members regularly, including committee briefings. Engagement with Government departments at a strategic level, regarding EES and long-term border resilience. Work with KMRF partner agencies to update & maintain multi-agency plans & capabilities relating to border disruption. Established an internal meeting structure, linked to the Cross Directorate Resilience Forum, to ensure KCC is prepared for EES implementation, including business continuity. Ensure the KCC Resilience Training & Exercising Programme covers the testing of EES plans / capabilities. Work with Government departments to secure funding to support EES preparations / response. Coordinate planning & preparations for EES implementation with KMRF partners, in KCC's role as lead agency for EES (planning & response). Work with central Government, National Highways, and ports to develop short, medium and long term plans & capabilities for border resilience, including infrastructure and technological solutions. 	Simon Jones Simon Jones Andy Jeffery Andy Jeffery Andy Jeffery Andy Jeffery Andy Jeffery Andy Jeffery	Control Control Control Control Control Control Control	Low 6 Significant (3) Unlikely (2)
The UK Government and the EU have introduced new border controls and further changes are being introduced including the new Entry/Exit System (EES) and European Travel Information and Authorisation system (ETIAS).	Impacts on the strategic & local road networks as a result of Operation Brock and other traffic management measures, leading to an increase in local and pan Kent road journey times, impacting communities and businesses.	Possible (3)					
KCC has been working with partners at a local and national level to assess potential implications for the county and prepare for various scenarios.	Significant detrimental impact on the county's economic competitiveness, attractiveness for inward investment and quality of life for Kent residents.						
KCC is reliant on coherent, coordinated governance and information across Government to aid the Kent & Medway Resilience Forum (KMRF) locally in planning our contingency arrangements	Shortages and delays may impact local / national supply chains. Interruption and effect on business services, both statutory and discretionary, such as: • Adult's / children's social care staff making visits in						

Risk Register - Corporate Risk Register

<p>and responding appropriately. KCC continues to work with KMRF partners and government on EES, for which phased implementation began on 12th October 2025.</p> <p>EES checks commenced at a 10% level starting with freight traffic, and increasing to 100% checks for all traffic over the following 6 months.</p> <p>The risk profile will be reviewed as the percentage of checks increases.</p>	<p>affected areas.</p> <ul style="list-style-type: none"> • Operation of care homes. • KCC staff living / working in affected areas. • Critical KCC infrastructure, including schools, offices (including where KCC staff work in another agency's buildings), and other parts of the KCC estate. 		<ul style="list-style-type: none"> • An internal EES comms plan is in place, including communication with staff via direct and group email, KNet and the various meeting structures. This will include the planning and response to any impacts, and covers general information, business continuity and ensuring managers are aware of all necessary actions to support their teams. • Update & maintain the following EES external comms plans & capabilities: <ul style="list-style-type: none"> - KMRF EES Communications Strategy (reviewed monthly) - KMRF Media and Comms Plan (reviewed annually) - Driver Welfare Comms Plan (reviewed twice a year) - Media and Comms Group (set up as required) • Ensure business continuity plans are up-to-date to minimise disruption to service delivery.
			<p>Diane Christie</p> <p>Christina Starte</p> <p>Service Managers</p>

Risk Register - Corporate Risk Register

Risk Ref	Risk Title and Event	Assigned To	Last Review da	Next Review				
SEND Delivery Improvement		Christine McInnes	14/01/2026	14/04/2026				
<p>Insufficient improvement in areas identified within Ofsted timescales and children with SEND do not meet sufficient progress within the available financial resource.</p> <p>Insufficient resources and focus on the new inspection framework.</p> <p>Failure to maintain effective and continued delivery progress against the APP.</p>								
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Target Risk	
<p>The Kent local area inspection by Ofsted and the CQC for children with SEND took place in January 2019. This inspection found nine significant areas of weakness across the local area which resulted in a Written Statement of Action being issued.</p> <p>In September 2022, the Local Area Review was revisited by Inspectors from both Ofsted and the CQC, who found that the area had not made sufficient progress in addressing the weaknesses as set out in their letter dated 9 November 2022. An Improvement Notice was subsequently issued 31 March 2023.</p> <p>Concurrent to this event KCC was also in discussion with the DfE regarding participating in a financial recovery programme, known as Safety Valve, as a potential approach to addressing the growing actual and projected overspend in the High Needs</p>	<p>In the event the Kent local area fails to continue to adequately mitigate weaknesses identified in its special educational needs and disability (SEND) provision there would be:</p> <p>Serious Service Risk: Adverse impact on outcomes for vulnerable children and young people.</p> <p>Serious Compliance Risk: Should the Secretary of State not be satisfied with the Council's progress at any stage, they may choose to invoke statutory powers of intervention (s497A Education Act 1996) to direct the Council to take any further actions deemed necessary to secure the improvements required in SEND services.</p> <p>Potential for legal action if statutory time limits or processes are not met.</p> <p>Significant Reputation Risk: Dissatisfaction from families and potential for adverse press at a national and local level for a prolonged period.</p>	<p>Medium</p> <p>8 Serious (4)</p> <p>Unlikely (2)</p>	<p>12 -4</p> <p>↘</p>	<ul style="list-style-type: none"> Delivery of SEND Improvement Programme, which includes delivery of requirements detailed in the Kent Accelerated Progress Plan. The Council has been working to a Department for Education (DfE) and NHS England (NHSE) approved Improvement Plan (Accelerated Progress Plan) to deliver appropriate and sustainable improvement, covering the areas identified in the Ofsted and CQC revisit report of 9 November 2022, as well as recommendations made by the Department. Continual lobbying of Government on two matters; increased funding in both the short and medium term, and structural changes to government policy to help reduce the demand i.e. via County Council Network, Association of Directors of Children's Services. Includes provision of evidence of the impact of the High Needs pressures on the quality of education children receive, schools, other providers and the Local Authority. Local area SEND Strategy developed in collaboration with partners, which goes beyond the Written Statement of Action to enable sustained improvement and transform Kent's SEND offer. 	<p>Christine McInnes</p> <p>Christine McInnes</p> <p>Christine McInnes</p> <p>Christine McInnes</p>	<p>A -Accepted</p> <p>Control</p> <p>Control</p> <p>Control</p>	<p>27/01/2026</p> <p>8 Serious (4)</p> <p>Unlikely (2)</p>	<p>Medium</p>

Risk Register - Corporate Risk Register

<p>Funding Block.</p> <p>To address the identified weaknesses an Improvement Plan (Accelerated Progress Plan - APP) was formalised by the Local Area September 2023 against which Outcome and Impact based KPIs are being scrutinised and addressed.</p> <p>Progress against APP actions has been made and the Improvement Notice was lifted August 2024 on the understanding that the provision of SEND services remains a priority. Progress continues on outstanding APP actions which are subject to regular review and DfE oversight.</p> <p>The Government have indicated that they are not going to pause or suspend the new inspection framework for SEND. This risk for Kent is that the focus remains on the previous nine areas of weakness which are at odds with the new inspection framework. This could result in insufficient resource being directed to addressing the key issues in the new framework.</p>		<ul style="list-style-type: none"> Robust programme management in place, ensuring appropriate alignment between project workstreams and overall programme delivery arrangements. KCC SEND Transformation Strategic Board in place, with responsibility for coordinating activity and tracking improvement progress, reporting into the Kent SEND Partnership Board. Kent and Medway Children and Young People's Programme Board joint governance mechanism with Health partners (sub-group of Integrated Care Board) Independently chaired Kent SEND Partnership Board in place, including representation from the Local Authority (including Members and cross directorate colleagues), Health, Learning and Teaching settings, representatives of parents and carers, and where appropriate young people.
--	--	---

This page is intentionally left blank

APPENDIX 2: Draft Risk

Risk Register - Corporate Risk Register		Current Risk Level Summary		Green	0	Amber	1	Red	0	Total	1	0	0	0	0
		Current Risk Level Changes										0	0	0	0
Risk Ref	CRR0069	Risk Title and Event								Assigned To		Last Review da		Next Review	
		DRAFT RISK: Implementation of Local Government Reorganisation (LGR)								Amanda Beer		29/03/2026			
		Insufficient capacity to deliver the transition within available resources and to time, alongside delivery of KCC's Medium Term Financial Plan and ensuring service continuity.													
		Lack of clarity regarding the legal responsibility for leading implementation until a Ministerial decision is made.													
		Lack of clarity or agreement regarding the funding model, apportionment and costs, required to support LGR implementation.													
		Disagreement regarding future service design of new local government structures e.g. shared services													
Cause	Consequence	Current Risk	Previous Current Risk	Control / Action					Control / Action		Target Date		Target Risk		
On the 28th November 2025, business cases for LGR were submitted to government by local authorities, as per statutory invite. A KCC Strategic Business Case was developed through detailed internal analysis, independent financial modelling, and active participation in the joint Kent and Medway LGR process.	Quality of KCC service delivery impacted ahead of vesting day of successor authorities. Continuity of services impacted, before or during transition. Further strain on KCC finances.	Medium 15 Major (5) Possible (3)		<ul style="list-style-type: none"> Continued commitment from KCC to be open, pro-active and transparent while working with partner authorities as the LGR process evolves Prioritisation of work to ensure key information required for LGR is ready accessible when required and of good quality e.g. asset registers. Coordinated implementation planning within KCC and a consistent approach in the joint work. 					David Whittle	Control			Medium 10 Major (5) Unlikely (2)		

Risk Register - Corporate Risk Register

<p>This included a joint options appraisal (completed by KPMG on behalf of Kent Council Leaders) and through an internal options appraisal conducted by KCC.</p> <p>Options taken forward by partners all involve disaggregation of countywide services such as social care and highways, with recognised safety, service quality and resilience and financial concerns, and vulnerabilities inherent in any mitigating structures ^{proposed} (such as social care Partnerships ^{co}Partnerships).</p> <p>There are particular concerns around how EU border-related pressures in Kent can be managed when key services are disaggregated, including managing the arrival of UAS children and traffic management, which require countywide coordination and scale.</p> <p>LGR preparation is happening while there</p>						
--	--	--	--	--	--	--

Risk Register - Corporate Risk Register

<p>are continued financial and operating challenges for KCC and the local government sector (see CRR0009), and Government has stated that funding to support LGR must be found at local level.</p> <p>The timescales for implementation are ambitious for change of such scale and complexity and there is a significant dependency on the form of the Structural Change Order that will dictate how much of the implementation happens. There is precedent from Surrey that KCC may be required to lead the joint implementation work with other Kent and Medway councils, adding to capacity pressures and delivery complexity.</p> <p>Existing councils will not technically be decision makers for future service design and structures, this responsibility falls to the successor, unitary</p>						
--	--	--	--	--	--	--

Risk Register - Corporate Risk Register

authority/ies.								

APPENDIX 3 - Directorate Risk Registers - Summary Risk Profiles
January 2026

Risk No.	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since July 2025
Children, Young People and Education				
CY0050	Out of County EHCP LAC Payments <i>Escalated from Education Divisional Register June 2025</i>	High (25)	Medium (12)	↔
CY0045	Growing demand and limited supply of affordable accommodation – children's services.	High (25)	Medium (9)	↔
CY0040	Availability of Specialist Providers for Disabled Children and Children with Complex Needs	High (16)	Medium (12)	↔
CY0048	Safeguarding Vulnerable Children	Medium (15)	Medium (15)	↔
CY0042	Home To School Transport demand and cost pressures	Medium (12)	Medium (12)	↔
CY0051	Capacity to accommodate and care for Unaccompanied Asylum-Seeking (UAS) Children <i>De-escalated from Corporate Risk Register January 2026</i>	Medium (12)	Medium (12)	↔
CY0009	Children not in full time education not receiving a suitable education	Medium (12)	Low (6)	↔
CY0032	Information Governance	Medium (9)	Low (6)	↔
CY0034	Business Continuity and Resilience	Medium (8)	Low (4)	↔
CY0046	Quality in Care – Children's	Low (6)	Low (6)	↓ Reduction from 9
Growth, Environment and Transport				
GT0025	Capital Investment and Asset Management	High (25)	High (16)	↔
GT0031	Recruitment and Retention challenges for key roles.	High (20)	High (16)	↔

GT0036	UK Emissions Trading Scheme	High (20)	High (16)	Risk escalated
GT0020	Identification, planning and delivery of Medium-Term Financial Plan targets	High (20)	High (16)	↔
GT0027	Provision of suitable ICT systems	Medium (12)	Medium (12)	↔
GT0021	Resources provided to the directorate (availability and quality)	Medium (12)	Medium (12)	↔
GT0034	Market capacity and competition	Medium (12)	Medium (8)	New risk
GT0001	Health and Safety considerations	Medium (10)	Medium (10)	↔

Chief Executive's and Deputy Chief Executive's Departments

CED0003	Departmental resource capacity	High (16)	Medium (9)	↔
CED0004	Modernisation of financial operations	High (16)	Medium (8)	↔
CED0007	Preparations for the EU Entry/Exit System (EES)	Low (6)	Low (6)	↓ Reduction from 9
DCED0004	External supplier resource capacity	Medium (12)	Medium (12)	↔
DCED0003	Departmental resource capacity	Medium (12)	Medium (9)	↔
DCED0002	Anti-bribery and corruption	Low (4)	Low (4)	↔

Adult Social Care and Health

AH0005	ASCH ability to deliver required savings as set out in delivery plans leading to overspend against budget Risk of significant overspend	High (25)	High (20)	↔
AH0043	Deprivation of liberty safeguards	High (20)	High (16)	↔
AH0044	Safeguarding – protecting adults at risk	High (20)	Medium (15)	↔
AH0055	Increasing bad debt position that is greater than the bad debt provision.	High (20)	Medium (12)	New Risk
AH0033	Adult Social Care Workforce recruitment and retention	High (20)	Medium (9)	↔

AH0050	Provider Payments - System failure resulting in Providers not being paid on time and/or correctly	High (16)	Medium (12)	Decrease
PH102	Increased prevalence of mental health conditions and impact on wellbeing and mental health.	High (16)	Medium (12)	↔
PH0005	Health Inequalities	High (16)	Medium (9)	↔
AH0037	Information Asset Management	High (16)	Medium (9)	Increase
AH0056	Failure of Kent Community Equipment services	High (16)	Medium (8)	New Risk
AH0038	Information Governance	Medium (9)	Medium (9)	↔

This page is intentionally left blank

APPENDIX 4: Links to Committee Reports relating to Corporate Risk Register Sept 25 – Jan 26

CRR0003 Securing resources to aid economic growth and enabling infrastructure

Title	Item Number	Date of Committee	URL to Report
KMEF-Ambition 1-Enable Innovative, Productive and Creative Businesses-Report	Item 11	13/01/2026	Growth Environment and Transport Committee 13/01/26
Infrastructure Funding Statement (IFS)- Report	Item 12	13/01/2026	Growth Environment and Transport Committee 13/01/26
KMEF- Ambition 2- Widen opportunities and unlock talent	Item 7	11/11/2025	Growth, Economic Development And Communities Cabinet Committee 11.11.25
25/00102- Discovery Park Technology Investment Fund (DPTIF)	Item 11	11/11/2025	Growth, Economic Development And Communities Cabinet Committee 11.11.25
Kent and Medway Business Fund Monitoring Q4 2024-25	Item 7	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
KMEF- Ambition 3- Secure resilient infrastructure for planned, sustainable growth	Item 8	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
25/00076- Kent and Medway Business Fund- No Use Empty	Item 10	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
25/00074- Reallocation of Getting Building Funding (Non Key Decision)	Item 11	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
Protecting the Communities and Economy of Kent	Item 13	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
Lower Thames Crossing- Economic Impact	Item 14	11/09/2025	Growth, Economic Development and Communities Cabinet Committee 11/09/25
25/00080 - Transport for the South East - KCC endorsement of Transport Strategy for the South East	Item 17	09/09/2025	Growth, Environment and Transport Cabinet Committee 09/09/25

CRR0009 – Future financial and operating environment for Local Government

Title	Item Number	Date of Committee	URL to Report
Draft Revenue Budget 2026-27, Medium Term Financial Plan (MTFP) 2026-29, Draft Capital Programme 2026-	Item D2	22/01/2026	Scrutiny Committee 22/01/26

2036, and draft Treasury Management Strategy			
Draft Revenue, Capital Budget and Mid Term Financial Plan for Adult Social Care and Public Health	Item 6	21/01/2026	Adult Social Care and Public Health Committee 21/01/26
Draft Capital Programme 2026-36, Revenue Budget 2026-27 and Medium Term Financial Plan (MTFP) 2026-29	Item 6	20/01/2026	CYPE Cabinet Committee 20/01/26
Revenue and Capital Budget Forecast Outturn Report - Quarter 2	Item C1	25/11/2025	Scrutiny Committee 25.11.25
25/00101 - Kent County Council Local Government Reorganisation: Strategic Business Case Submission to Government	Item C4	25/11/2025	Scrutiny Committee 25.11.25
Budget Planning 2026-27 Update	Item 8	13/11/2025	Policy & Resources Committee 13.11.25
Strategic Statement - Reforming Kent	Item 8	06/11/2025	County Council 06.11.25
Kent County Council's position on Local Government Reorganisation and next steps	Item 5	30/09/2025	Devolution and Local Government Reorganisation Cabinet Committee – 30 September 2025

CRR0015 - Sustainability of the Social Care Market and CRR0066 ASCH Recommissioning Programme

Title	Item Number	Date of Committee	URL to Report
Accommodation Market Position Statement	Item 11	12/11/2025	Adult Social Care and Public Health Cabinet Committee 12.11.25
Structural Changes to NHS Kent and Medway Integrated Care Board	Item 5	09/10/2025	Health Overview and Scrutiny Committee, 9 October 2025
Update from the Integrated Care Board on the NHS 10 Year Plan	Item 12	25/09/2025	Kent Health and Wellbeing Board 25/09/25
25/00042 - Older Persons Residential and Nursing Care Service	Item C1	17/09/2025	Scrutiny Committee 17/09/25
25/00116 Kent Carers' Support Service Contract Award - Key Decision	Item 11	21/01/2026	Adult Social Care and Public Health Committee 21/01/26

25/00117 Learning Disability/Physical Disability and Mental Health Contract Extension - Key Decision	Item 12	21/01/2026	Adult Social Care and Public Health Committee 21/01/26
25/00118 Adult Social Care Provider Fee Uplifts 2026/2027 - Key Decision	Item 13	21/01/2026	Adult Social Care and Public Health Committee 21/01/26

CRR0045 - Maintaining effective governance and decision making in a challenging financial and operating environment.

Title	Item Number	Date of Committee	URL to Report
Quarterly Performance Report, Quarter 2, 2025/26	Item 6	08/01/2026	Cabinet 08/01/26
Corporate Risk Register	Item 6	08/01/2026	Cabinet 08/01/26
Committees Review	Item 9	18/12/2025	County Council 18/12/25
Revenue and Capital Budget Forecast Outturn Report - Quarter 2	Item C1	25/11/2025	Scrutiny Committee 25.11.25
Department of Local Government Efficiency (DOLGE) - Strategy, Remit, Governance & Decision-Making Update	Item 7	13/11/2025	Policy & Resources Committee 13.11.25
Strategic Statement - Reforming Kent	Item 8	06/11/2025	County Council 06.11.25
2024 / 2025 Draft Statement of Accounts and Annual Governance Statement - Annual Governance Statement	Item 6	30/10/2025	Governance And Audit Committee - 30.10.25
2024/2025 External Auditor's Annual Report	Item 9	30/10/2025	Governance and Audit Committee 30.10.25

CRR0049 - Fraud and Error

Title	Item Number	Date of Committee	URL to Report
Counter Fraud Report	Item 9	26/11/2025	Governance and Audit Committee 26.11.25

CRR0052 - Adaptation of KCC services to the impacts of a changing climate

Title	Item Number	Date of Committee	URL to Report
Energy and Low Emissions Strategy (ELES) Amendments-Report	Item 10	13/01/2026	Growth Environment and Transport Committee 13/01/26
Kent Flood Risk and Water Management Committee - Annual Report	Item D1	25/11/2025	Scrutiny Committee 25.11.25
Water Supply and Sustainability Report	Item 11	04/11/2025	Environment & Transport Cabinet Committee – 4 November 2025
KCC Severe Weather Response Activity Report	Item 8	29/10/2025	Kent Flood Risk & Water Management Committee – 29th October 2025

CRR0053 - Asset Management and Degradation and associated impacts, linked to Capital Programme affordability

Title	Item Number	Date of Committee	URL to Report
Strategic Overview of Kent County Council's Peppercorn Lease Estate	Item 8	14/01/2026	Policy & Resources Cabinet Committee 14/01/26
Call-in of 25/00057 - Property Accommodation Strategy - Strategic Headquarters (SHQ)	Item B1	25/11/2025	Scrutiny Committee 25.11.25
Kent County Council's Asset Disposal Strategy	Item C2	17/09/2025	Scrutiny Committee 17/09/25

CRR0058 - Capacity and capability of the workforce

Title	Item Number	Date of Committee	URL to Report
Annual Workforce Profile Report	Item 3	23/09/2025	Personnel Committee 23/09/25
Annual Employee Relations Activity Report	Item 4	23/09/2025	Personnel Committee 23/09/25

People Strategy Evaluation	Item 5	23/09/2025	Personnel Committee 23/09/25
Senior Management Structure	Item 9	18/09/2025	County Council 18/09/25

CRR0059 - Risk of significant adverse variance to the level of savings and income agreed in KCC's budget.

Title	Item Number	Date of Committee	URL to Report
Draft Revenue, Capital Budget and Mid Term Financial Plan for Adult Social Care and Public Health	Item D2	22/01/2026	Scrutiny Committee 22/01/26
Performance Dashboard - ASCH	Item 7	21/01/2026	Adult Social Care and Public Health Committee 21/01/26
Quarterly Performance Report, Quarter 2, 2025/26	Item 6	08/01/2026	Cabinet 08/01/26
Risk Management: Adult Social Care	Item 8	10/09/2025	Adult Social Care and Public Health Cabinet Committee 10/09/25

CRR0064 - Risk of Failing to Deliver Effective Adult Social Care Services

Title	Item Number	Date of Committee	URL to Report
Adult Social Care and Health Complaints Report 2024/2025	Item 7	12/11/2025	Adult Social Care and Public Health Cabinet Committee 12.11.25
Adult Social Care Operational Pressures Escalation Plan 2025/2026	Item 10	12/11/2025	Adult Social Care and Public Health Cabinet Committee 12.11.25
Accommodation Market Position Statement	Item 11	12/11/2025	Adult Social Care and Public Health Cabinet

		5	Committee 12.11.25
25/00042 - Older Persons Residential and Nursing Care Service	Item C1	17/09/2025	Scrutiny Committee 17/09/25
25/00054 Adult Social Care Prevention Framework - Key Decision	Item 10	10/09/2025	Adult Social Care and Public Health Cabinet Committee 10/09/25

CRR0067 - SEND Delivery Improvement and CRR0068 - Delivery Against Safety Valve Agreement

Title	Item Number	Date of Committee	URL to Report
SEND Scrutiny - Education Health and Care Plans (Deferred from 25 November 2025)	Item C1	22/01/2026	Scrutiny Committee 22/01/26
25/00108 Special Educational Needs (SEN) Funding - 2026-27 Payment Uplifts	Item 11	20/01/2026	CYPE Cabinet Committee 20/01/26
SEND Scrutiny - Education Health and Care Plans	Item C3	25/11/2025	Scrutiny Committee 25.11.25

By:	Deputy Leader, Brian Collins
	Dave Shipton Acting Corporate Director of Finance
To:	Governance and Audit Committee – 28 January 2026
Subject:	Performance of KCC wholly owned companies
Classification:	Unrestricted
Summary:	For Assurance - To present the financial position of KCC's wholly owned companies for 2024-2025 (and 2023-24).

1. Introduction

- 1.1 This report provides financial information on the companies owned by Kent County Council (KCC) at the end of 2024-25.
- 1.2 A structure chart showing the group of companies for which KCC is ultimate shareholder is shown in Appendix A. These are a mixture of companies as follows:
 - Companies set up by KCC to deliver services previously provided internally
 - Acquisitions to help support the development of the group and
 - Joint ventures with other local authorities or companies.
- 1.3 The Statutory Accounts for these companies are filed at Companies House and are publicly available. This report provides a summary of the key figures from the accounts. Attached to this report (Appendix B) is additional information in the form of the Annual Report from the Commercial Services group. This outlines their key achievements and challenges during the year for the various sectors the companies operate in e.g. energy, education, recruitment, and procurement. The Annual Report focuses on the brands the companies trade in e.g. the connect 2 brand, LASER, lumina, rather than individual commercial entity but it gives a different perspective on the group.
- 1.4 In addition to the commercial trade by the companies Commercial Services manages some services on behalf of KCC. These are sometimes referred to as “core” services. The services managed on behalf of KCC are Kent County Supplies (education supplies) and energy. These are in the table in paragraph 3.1.

2. Performance of wholly owned companies and joint ventures

2.1 The following table shows the turnover achieved by each individual company, overall costs and profit or loss after tax.

£'000's	Year ended 31 March 2025			Year ended 31 March 2024		
	Sales	Costs	Profit	Sales	Costs	Profit
Wholly owned companies						
Commercial Services Kent	80,669	-78,867	1,802	70,328	-68,092	2,236
Commercial Services Trading	19,719	-20,420	-701	27,038	-27,028	10
Cantium Business Solutions	26,636	-26,557	79	34,274	-33,410	864
Invicta Law	7,289	-6,703	586	7,572	-6,940	632
EDSECO (TEP)	22,515	-20,596	1,919	22,710	-21,721	989
Gen2 Property	8	-9	-1	10	-23	-13
CSG Global Education	31,752	-32,171	-419	33,035	-35,022	-1,987
Bowerhouse II Solar Farm	3,229	-1,928	1,301	3,208	-1,831	1,377
Landscapes for Learning	980	-1,194	-214	939	-1,116	-177
Lifecycle Management Group	2,224	-2,107	207	2,520	-3,240	-720
Prospects Payroll	939	-922	17	587	-399	188
Year ending 31 December 2024			Year ending 31 December 2023			
Sales			Sales	Costs	Profit	
WF Group (consolidated accounts)			12,026	-13,760	-1,734	13,949

Note: The WF Group was acquired in February 2025. The accounting year end will be amended to match the other companies in the group in future.

Joint Ventures	Year ending 31 March 2025			Year ending 31 March 2024		
	Sales	Costs	Profit	Sales	Costs	Profit
Hampshire and Kent CS	39,802	-38,703	1,099	39,700	-38,622	1,078
Luton and Kent CS	14,825	-14,488	337	17,179	-16,473	706
Surrey and Kent CS	30,309	-30,300	9	31,003	-30,863	140
Dudley and Kent CS	12,360	-12,236	124	14,717	-14,663	54
Dorset and Kent CS	9,714	-10,017	-303	-	-	-
Halton and Kent CS	7,180	-7,460	-280	-	-	-

2.2 Key points to note.

2.2.1 Overall, the Companies continue to face multiple challenges such as public sector budget constraints and for the companies in the education sector similar financial pressure affecting schools and limiting demand for goods and services. There is also increased competition in a declining market causing pressure on operating margins. There are also ongoing difficulties in absorbing inflation at the same time having to invest in technology and personnel.

2.2.2 The Companies continue to focus on growth and cost efficiencies, exiting non-profitable contracts where this is possible without high penalties. For CST the specialist recruitment service was loss making in 24/25 as demand has fallen.

2.2.3 The joint ventures provide recruitment services for the relevant local authority partner and are owned 50% by Commercial Services and 50% by the partner authority. They are listed in order of incorporation with the newest at the bottom of the table which is why there is no trading activity in 2023-24. Hackney and Kent Commercial Services is shown in the structure chart but not included in the table as it had not become operational in 2024-25.

2.2.4 The services provided by Gen2 Property have transferred back to KCC which is why there is little residual trading activity. Kent Waste Management is jointly owned with Countryside Recycling Ltd. UK Teach was a joint venture with KTB Technologies. It was renamed Consolidated Education Supplies in June 2025, and ownership has since transferred to CSTL entirely so will show as a wholly owned company in future years. Both companies were incorporated in July 2024 but have not yet commenced trading. The WF education group was acquired at the end of 2024-25 and is part of the strategy to expand the market share of the education market.

3. Traded activities managed by Commercial Services Kent Limited and included in KCC Statement of Accounts.

3.1 The table below shows the trading activity for services managed by Commercial Services on behalf of KCC (core services). These are Kent County Supplies which are office supplies and resources, Energy Procurement services (LASER) and operational services (predominantly vehicle maintenance services).

	£000's	Year ended 31 March 2025			Year ended 31 March 2023		
		Sales	Costs	Surplus	Sales	Costs	Surplus
Kent County Supplies – education & office supplies	5,559	-3,652	1,907	9,727	-8,681	1,046	
Energy procurement services	14,571	-10,642	3,929	13,276	-9,828	3,448	
Operational services - vehicle maintenance	-	-1	-	2	-9	-7	
Results for year	20,131	-14,295	5,836	23,005	-18,518	4,487	

4. Financial return to KCC

- 4.1 KCC receives financial benefits from the companies in different forms. If the companies make profit after tax on their trading activities and have a retained profit overall, they can declare a dividend. Any dividend payment is paid to KCC as ultimate shareholder via the holding company, Global Commercial Services Group Ltd. The dividend declared for 2024-25 was £5.5m (£3.1m prior year).
- 4.2 Where Commercial Services make a surplus on the services they manage for KCC, they return this surplus to KCC in the form of a contribution. The contribution for 2024-25 was £4.5m (£3.9m prior year).
- 4.3 The return from Bowerhouse II Solar Ltd is primarily in the form of a rebate on energy purchased but it also provides a dividend. For 2024-25 the rebate was £760k (the same as the prior year).

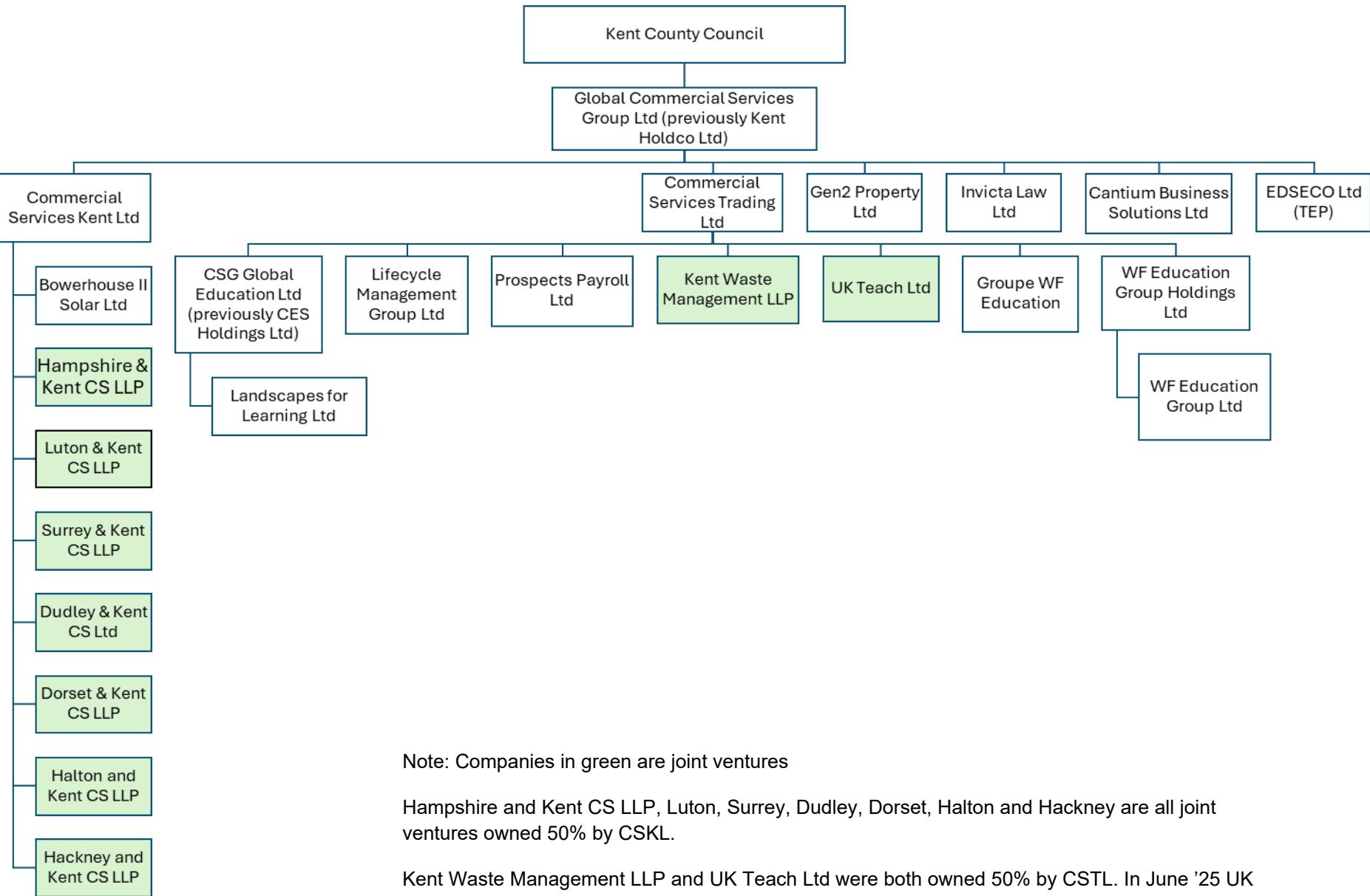
5. Group Consolidation

- 5.1 Since 2019-20 Kent County Council has consolidated all its companies in accordance with International Financial Reporting Standards (including comparatives). Kent County Council is the ultimate parent undertaking, and the consolidation is reflected in KCC's financial statements which are audited by Grant Thornton.
- 5.2 The Statutory Accounts for the companies for 2024-25 were externally audited by UHY Hacker Young and have all received their audit certificate without qualification. Their accounts have been filed at Companies House. KCC companies are also subject to internal audit by KCC's Internal Audit team.
- 5.3 The companies are separate legal entities but operate as a group for tax purpose. They have a group tax strategy and losses in an individual company are used to minimise the tax burden on the group overall.

6. Recommendation

- 6.1 Members are asked to note the contents of this report for assurance.

Andrea Melvin
Commercial Accounting Manager



Appendix B

Commercial Services Annual Report 2025.



CS Annual Report
2025.pdf

Link to the Commercial Services website.

<https://commercialservicesgroup.com/>