

**From: Roger Gough, Leader of the Council**  
**David Cockburn, Corporate Director for Strategic & Corporate Services and Head of Paid Service**

**To: Cabinet – 14<sup>th</sup> December 2020**

**Decision No: N/A**

**Subject: Corporate Risk Register**

**Classification: Unrestricted**

**Past Pathway of Paper: N/A**

**Future Pathway of Paper: Governance & Audit Committee – 21<sup>st</sup> Jan 2021**

**Electoral Division: ALL**

**Summary:** This report updates Cabinet on the revised process for the refresh of the Corporate Risk Register, taking Covid-19 and other operating environment considerations into account.

**Recommendation(s):**

Cabinet Members are asked to NOTE the report

## **1. Background**

- 1.1 The Corporate Risk Register is a 'living document' and is usually subject to a more formal and comprehensive refresh annually in the autumn. However, the coronavirus pandemic led to a significant revision of the register during the summer of 2020, which was reported to Cabinet in June as part of the Risk section of the Quarterly Performance Report. A summary of the corporate risk profile was also presented to Cabinet in September, as part of a "winter risks" item.
- 1.2 Given the above, and the continually evolving risk environment, a more streamlined process has been undertaken, involving several conversations with risk and action owners across the organisation to answer specific questions, ahead of collective discussion with Corporate Management Team and Cabinet Members.

## 2. Corporate Risk Register summary

- 2.1 Given the significant refresh over the summer, there has not been major change to the corporate risk profile in terms of the ratings assigned to the risks, particularly as the coronavirus pandemic continues to present the challenges for the council that has led to many risks increasing in recent months.
- 2.2 However, the context of the risks continues to evolve, along with the Council's responses. A summary of the latest position for each risk is attached in appendix 1, while a summary list of all risks with direction of travel is in appendix 2.
- 2.3 During the latest refresh process, no new risks have been added to the register, although there have been several amendments to risk levels, as well as risks identified where the context requires significant updating:
- 2.3.1 CRR0051 - Maintaining or Improving workforce health, wellbeing and productivity throughout Coronavirus response and recovery. A significant majority of the KCC workforce has been working remotely for eight months and the recent *Work and Wellbeing* "pulse check" survey indicates that our staff continue to show tremendous resilience in adapting to new working practices, finding innovative ways to engage with service users and residents and continue to deliver services. However, there are potential wellbeing concerns for public, service user facing staff, particularly in areas of high infection rates, as we enter a challenging winter period. The Corporate Management Team will ensure continual engagement with staff to monitor the situation and respond appropriately, putting in place further interventions as necessary to supplement pre-existing support to aid health and wellbeing. Given the above, it is proposed that the risk level is increased from 'medium' to 'high' for the coming months.
- 2.3.2 CRR0014 - Cyber-attack threats and their implications. The risk remains high due to the continuing significant volumes of attempted attacks across the sector and inherent risks of increased cyber-attacks during emergencies such as a pandemic. Further improvements have been made to KCC's ICT security infrastructure over the past six months, hence the rating has been reduced slightly from the maximum 25 to 20. The Authority's Technology Strategy continues the endorsement of a move to the "Cloud", to further increase resilience.
- 2.3.3 CRR0040 - Financial, governance, reputational and service delivery risks associated with KCC's Local Authority Trading Companies. This risk was initially added to the register several years ago as the individual companies were being formed. Since then, holding company arrangements have been implemented and from a governance perspective, the council retains control as 100% shareholder to mitigate governance risks. The risk level was previously raised in summer 2020 from a financial perspective, due to the potential loss of income for these companies because of Covid-19 disruption. While this may be the case, this is not of the same scale as other financial pressures

presented by Covid-19. A HoldCo transformation project is being scoped as part of the KCC Strategic Reset Programme and the risk is being delegated to the Strategic & Corporate Services directorate register for ongoing monitoring and review.

#### **2.3.4 CRR0045 - Effectiveness of Governance within a Member-led Authority**

When presented to Governance and Audit Committee in July 2020, it was stated that, *“As currently drafted, it is expected that this risk will come off the register, but it may need to be re-cast alongside the KCC reset.”* It is felt that while several mitigating actions relating to this risk were completed some time ago i.e. review of informal governance arrangements, introduction of officer operating standards etc. the source of the risk relating to the challenging financial and operating environment across the local government sector remains, including the critical importance of avoiding any consequent governance failures relating to decision-making that have been experienced elsewhere in the sector. Therefore, rather than remove this risk altogether, the risk is to be re-cast to enable review of any emerging lessons from the sector and any governance implications arising from the coronavirus pandemic that the Council should be cognisant of and actively seek to mitigate or avoid locally.

### **3. Monitoring and Review**

- 3.1 The corporate risks led by each Corporate Director are presented to the relevant Cabinet Committees annually, alongside existing arrangements for presentation of directorate risks.
- 3.2 The corporate register is also presented to Governance & Audit Committee twice yearly for assurance purposes, and the Internal Audit function uses the register as a source of information to inform its audit plan for the coming year.
- 3.3 There is a focus on ensuring that key mitigating actions are identified, and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are reported to Cabinet quarterly via the Quarterly Performance Report.

### **4. Recommendation**

- 4.1 Cabinet Members are asked to NOTE the report.

Report Author:

*Mark Scrivener, Corporate Risk Manager*

Email: [mark.scrivener@kent.gov.uk](mailto:mark.scrivener@kent.gov.uk)

**Relevant Director**

**David Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance**

Email: [David.whittle@kent.gov.uk](mailto:David.whittle@kent.gov.uk)

## APPENDIX 1

### Corporate Risk Register summaries – ranked from highest to lowest Current Score

As at 03/12/2020

Risk Reference	Risk Description	Current Score	Target
CRR0009	Future financial and operating environment for local government	25 (High)	16 (High)
<p><u>Comment:</u> This risk underpins many of the risks on the corporate risk register and was raised to the maximum level due to the continued uncertainty regarding local government funding and other national policy agendas and the difficulties this presents for financial planning, exacerbated by the financial effects of the Covid-19 pandemic.</p> <p>County Council approved a budget amendment for 2020-21 in September. This included forecast additional spending, delays to planned savings and forecast income losses due to Covid-19; underspends occurring as a result of lockdown; additional un-ringfenced and specific grants announced from Government; additional non Covid-19 spending; and further savings to be delivered during the remainder of the year to maintain a balanced budget.</p> <p>Council tax monitoring shows in-year losses due increased council support discounts and lower collection rates. KCC submits regular monitoring returns to Ministry of Housing and Local Government (MHCLG), outlining the shortfall between forecast spending and income losses due to Covid-19, and additional government funding.</p> <p>Details of the 2020 one-year spending review were announced by the Chancellor of the Exchequer on 25<sup>th</sup> November and an update outlining the implications for KCC will be presented to Corporate Board on 2<sup>nd</sup> December. KCC expects to receive confirmation of its allocation by mid-December.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0004	Simultaneous Emergency Response and Resilience	25 (High)	15 (Medium)
<p>While there are robust controls in place for this risk, it carries a maximum rating of 25 to acknowledge the expected ongoing strain on council capacity and resources in the coming months, as we continue to run aspects of Covid-19 response and recovery in parallel, as well as intensifying preparations for the end of the UK/EU transition period on 31<sup>st</sup> December 2020 (see risk CRR0042). This is in addition to the more 'regular' planning for severe weather during the winter, closely monitoring and responding as appropriate to any avian flu outbreak(s) and maintaining local vigilance in light of the recent increase in national terrorism threat to "severe."</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0050	CBRNE incidents, communicable diseases and incidents with a public health implication – KCC response to and recovery from the impacts of the Coronavirus public health emergency	25 (High)	12 (Medium)

**Comment:** This risk was escalated to the Corporate Risk Register by the Director of Public Health and relates to his and the organisation's statutory responsibilities relating to planning, response and recovery from communicable diseases – in this instance Covid-19. There has been a rise in cases across parts of Kent since the end of October and the Kent and Medway area has been placed by central Government into 'Tier 3' restrictions from 2<sup>nd</sup> December, with the next national review on 16<sup>th</sup> December. The Public Health team at KCC is working with partners to ensure the local restrictions are effectively implemented across the county, as well as managing outbreaks in vulnerable settings with the local Public Health England team. A local Test and Trace system went live on 27<sup>th</sup> November in the county to support the national system and KCC and partners are working to support the preparations for mass vaccination rollout.

Risk Reference	Risk Description	Current Score	Target
CRR0015	Managing and working with the social care market	25 (High)	15 (Medium)

**Comment:** There is continued concern regarding the viability of local care markets in the wake of the Covid-19 outbreak, which has exacerbated pre-existing challenges. Care home occupancy rates have fallen in some areas, in part due to deaths from coronavirus and possibly a reluctance on the part of families to see loved ones go into care homes. Regular monitoring of supply and demand is undertaken by our Commissioning Analytics team to enable effective oversight and help inform service planning. With the continuation of the Government's Infection Control Fund over the winter, a multi-disciplinary project group has been set up to administer the fund and meet the requirements set out by government to pass the funding to care providers as soon as possible and complete regular monitoring and reporting to notify the government on what the fund has been used for.

Risk Reference	Risk Description	Current Score	Target
CRR0003	Securing resources to aid economic recovery and enabling infrastructure	20 (High)	16 (High)

**Comment:** The scope of the risk has broadened since the coronavirus pandemic, as the Authority, working with partners, seeks to fully understand both short and longer term Covid-19 impacts. The Kent and Medway Economic Partnership has produced a comprehensive Economic Renewal and Resilience Plan to aid local recovery, which has 5

key workstreams, including the establishment of a Kent and Medway Employment Task Force and Action Plan. It is acknowledged that given the continued uncertainty and Covid-19 related restrictions, the plan and associated actions will require continual review.

An active pipeline of local projects is in place for potential funding announcements, while KCC has also submitted responses to Government consultations for reform of the planning system, which would have significant infrastructure related impacts for the county.

Risk Reference	Risk Description	Current Score	Target
CRR0014	Cyber-attack threats and their implications	20 (High)	16 (High)
<p><u>Comment:</u> The risk remains high due to the continuing significant volumes of attempted attacks across the sector and inherent risks of increased cyber-attacks during emergencies such as a pandemic. Further improvements have been made to KCC's ICT security infrastructure over the past six months, with more work planned in the six months ahead. The Authority's Technology Strategy continues the endorsement of a move to the "Cloud" in order to increase resilience.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0001	Safeguarding – protecting vulnerable children	20 (High)	15 (Medium)
<p><u>Comment:</u> The risk level was raised during the initial 'lockdown' period to reflect the potential for 'hidden harm' and pent-up demand, given that referrals to children's services dropped considerably. Since children have been back at school, referral rates have been returning to pre-lockdown levels, although the nature of referrals is changing, and more complex and serious cases are being investigated.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0007	Resourcing implications arising from serious and complex children's services demand	20 (High)	15 (Medium)
<p><u>Comment:</u> This risk links to the safeguarding risk CRR0001 above. After a reduction in demand through the initial lockdown period and no obvious reduction in need, the risk of a demand 'spike' was raised, with consequent resourcing implications and impact on service. In order to aid service planning, modelling of pent-up demand took place. So far demand has been returning to pre-Covid-19 levels, although there are indications that a greater proportion of cases are more complex and serious in nature.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0002	Safeguarding – protecting vulnerable adults	20 (High)	15 (Medium)
<p><u>Comment:</u> Similar to the safeguarding children risk above, the risk level was raised due to emerging evidence from statutory and voluntary agencies emphasising the increased risks of domestic abuse, as well as safeguarding concerns for older vulnerable adults that live alone. These concerns are still valid and therefore the risk remains 'high'.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0006	Resourcing implications arising from increasing complex adult social care demand	20 (High)	15 (Medium)
<p><u>Comment:</u> During the coronavirus pandemic demand has been unpredictable, with significant reductions in some areas and increases in others, and there is still the potential for latent demand. Supply and demand is being regularly monitored to help inform service planning and any mitigating action required. In addition, the Adult Social Care and Health directorate has developed a Winter Pressure Plan for 2020-21, incorporating the actions required by the Department for Health and Social Care into pre-existing winter preparations, in order to ensure that high-quality, safe and timely support is provided to those who need it, whilst protecting the people who need support, their carers and the social care workforce from COVID-19.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0039	Information Governance	20 (High)	15 (Medium)
<p><u>Comment:</u> Messages are being communicated to staff to raise awareness and warn of increased information governance incidents and signposting to guidance. An audit of information governance arrangements in the context of a mainly 'digital' workplace is in progress, and any issues raised will be responded to by management.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0042	Post-Transition border systems, infrastructure and regulatory arrangements	20 (High)	12 (Medium)
<p>KCC, working with both national and local partners, has worked hard to prepare for all eventualities. Preparations for 1 January 2021 are driven by the objective to minimise disruption to local communities and to keep the county open for business. Local plans are being shaped by national planning assumptions and are as robust as they can be against a continually evolving background. We are also working across directorates to ensure that the County Council can meet its statutory obligations and Kent's public services can continue to be delivered.</p> <p>KCC has worked closely with colleagues from the Government's Border and Protocol Delivery Group (BPDG), Department for Transport (DfT), Her Majesty's Revenue and Customs (HMRC) and the Department for Environment, Food and Rural Affairs (Defra), to</p>			



address the potential issues that could be realised as a result of congestion caused by delays across the 'Short Straits'. KCC has stated its priorities for urgent Government action to resolve outstanding issues. During the coming weeks, a series of multi-agency exercises are being conducted to finalise preparations ahead of 1<sup>st</sup> January. Specific activities of the Trading Standards service in preparation for the end of Transition have been highlighted in a recent Cabinet Committee report. A paper on EU Transition preparedness, including outstanding dependencies and future risks, was presented to County Council on 10<sup>th</sup> December.

Risk Reference	Risk Description	Current Score	Target
CRR0016	Delivery of New School Places is constrained by capital budget pressures and dependency upon the Basic Need allocation and the Education and Skills Funding Agency (ESFA)	20 (High)	12 (Medium)
<p><u>Comment:</u> The impact of Covid-19 delays on school places for September 2020 and 2021 has been assessed, which has led to some delays and additional cost pressures, although mitigations are being put in place. Operational delivery risk for 2021 is being mitigated, although the medium-term risk remains. The financial aspect of the risk remains high, with continued shortfall in Basic Need grant.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0010	Suitable accommodation and funding for Unaccompanied Asylum-Seeking Children (UASC)	20 (High)	12 (Medium)
<p><u>Comment:</u> In August 2020 the Council announced that, despite efforts to work with the Home Office, and the County Council's many appeals for support from other UK Local Authorities, it had reached the limit of safe capacity to care for new arrivals of UASC and is unable to accept new arrivals until a solution can be found by the Home Office to fairly distribute the children to other Local authorities. The Council is in regular discussion with the Home Office on this matter and is continually reviewing its position.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0044	High Needs funding shortfall	20 (High)	12 (Medium)
<p>The increase in high needs funding in 2020-21 from Govt is welcome but insufficient to meet the expected demand and the cumulative deficit is expected to increase further during 2020-21 based on current trends. The publication of the government's review into the provision for children with special educational needs and disabilities (SEND) has been delayed until early 2021.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0047	Adequacy of support for children with Special Educational Needs and Disabilities (SEND) – response to Written Statement of Action	20 (High)	10 (Medium)
<p><b>Comment:</b> Progress has been made in implementing a new structure to add capacity to the programme team and improve integration between workstreams and delivery plans going forward. A local area SEND Strategy has been developed in collaboration with partners, which goes beyond the Written Statement of Action, to enable sustained improvement and transform Kent's SEND offer. The new strategy is due to launch in April, after public consultation. A SEND Improvement Programme update was recently considered by the CYPE Cabinet Committee.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0048	Maintenance and modernisation of the KCC estate	16 (High)	12 (Medium)
<p><b>Comment:</b> The risk relates in part to the ability to produce an affordable capital programme in the current environment, which could mean insufficient funds to undertake the required maintenance. There may be an opportunity to accelerate certain projects in light of the increased speed of adoption of virtual solutions to service delivery, although realising some of the benefits from these may be more medium-term.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0049	Fraud and Error	16 (High)	6 (Low)
<p><b>Comment:</b> The risk rating is high due to the fraud threat posed during emergency situations being higher than at other times. Covid-19 related fraud risk assessments have been drafted by KCC Counter-Fraud Team for review by services and awareness raising messages are being delivered across the organisation. An exercise is currently in progress to review urgent payments made to suppliers under Procurement Policy Notices (PPN) to help maintain continuity of business during the coronavirus pandemic. It is important to note that the risk rating does not necessarily relate to staff fraud/error, but other factors such as cyber-fraud, fraud within the supply chain and 'scams' against the Council and Kent residents.</p>			

Risk Reference	Risk Description	Current Score	Target
CRR0051	Maintaining or Improving workforce health, wellbeing and productivity throughout Coronavirus response and recovery	16 (High)	8 (Medium)
<p><b>Comment:</b> The majority of the workforce has been working remotely for eight months and the recent Work and Wellbeing "pulse check" survey indicates that our staff continue to show tremendous resilience in adapting to new working practices, finding innovative ways to engage with service users and residents, whilst continuing to deliver</p>			

services. However, going forward there are potential wellbeing concerns for public service user facing staff, particularly in areas of high infection rates, as we enter a challenging winter period. The Corporate Management Team will ensure continual engagement with staff to monitor the situation and respond appropriately, putting in place further interventions as necessary to supplement pre-existing support to aid health and wellbeing. Therefore, the risk level has been raised for the coming months.

Risk Reference	Risk Description	Current Score	Target
CRR0005	Development of Integrated Care System (ICS) / Integrated Care Programmes (ICPs) in Kent and Medway NHS system	12 (Medium)	8 (Medium)

Comment: There is well established partnership working between the Council and Health partners, with considerable effort and resource from KCC senior leaders into the development of health and social care “system” arrangements. A practical programme of joint commissioning is being developed, focusing on areas such as the discharge process and mental health recovery. An NHS Bill is expected in early 2021, to include creating a legal framework for the ICS, which will be an opportune time for a more fundamental review of the opportunities and risks relating to health and social care integration. Any implications for local Public Health teams arising from the national closure of Public Health England and formation of the Health Protection Institute will be considered once more information is known.



## **APPENDIX 2**

# **KCC Corporate Risk Register – Summary Risk Profile as at 03/12/20**

## Corporate Risk Register - Summary Risk Profile

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

Risk No.*	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since July 2020
CRR0001	Safeguarding – protecting vulnerable children	20	15	↔
CRR0002	Safeguarding – protecting vulnerable adults	20	15	↔
CRR0003	Securing resources to aid economic recovery and enabling infrastructure	20	16	↔
CRR0004	Simultaneous Emergency Response and Resilience	25	15	↔
CRR0005	Development of Integrated Care System (ICS) / Integrated Care Programmes (ICPs) in Kent and Medway NHS system	12	8	↔
CRR0006	Resourcing implications arising from increasing complex adult social care demand	20	15	↔
CRR0007	Resourcing implications arising from serious and complex children’s services demand	20	12	↔
CRR0009	Future financial and operating environment for local government	25	16	↔
CRR0010	Suitable accommodation and funding for Unaccompanied Asylum-Seeking Children (UASC)	20	12	↔
CRR0014	Cyber-attack threats and their implications	20	16	DECREASE from 25
CRR0015	Managing and working with the social care market	25	15	↔
CRR0016	Delivery of New School Places is constrained by capital budget pressures and dependency upon the Basic Need allocation and the Education and Skills Funding Agency (ESFA)	20	12	↔
CRR0039	Information Governance	20	12	↔
CRR0042	Post-Transition border systems, infrastructure and regulatory arrangements	20	12	↔
CRR0044	High Needs Funding shortfall	20	12	↔

CRR0045	Effective governance in a Member-led Authority – <b><i>risk being revised to reflect current risk environment</i></b>	TBC	TBC	UNDER REVIEW
CRR0047	Adequacy of support for children with Special Educational Needs and Disabilities (SEND) – response to Written Statement of Action	20	10	↔
CRR0048	Maintenance and modernisation of the KCC estate	16	12	↔
CRR0049	Fraud and Error	16	6	↔
CRR0050	CBRNE incidents, communicable diseases and incidents with a public health implication – KCC response to and recovery from the impacts of the Coronavirus public health emergency	25	12	↔
CRR0051	Maintaining or Improving workforce health, wellbeing and productivity throughout Coronavirus response and recovery	16	8	INCREASE from 12

\*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.

\*\* Context of the risk has been changed, hence direct comparison of score not applicable.

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)