

From: David Brazier, Cabinet Member for Highways and Transport
Susan Carey, Cabinet Member for Environment
Simon Jones, Corporate Director for Growth, Environment & Transport

To: Environment and Transport Cabinet Committee – 17 March 2022

Subject: **Risk Management: Growth, Environment and Transport Directorate**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This paper presents the strategic risks relating to the Environment and Transport Cabinet Committee, comprising of two risks featuring on the Corporate Risk Register for which the Corporate Director is the designated 'Risk Owner' on behalf of the Corporate Management Team; plus, a summary of key risks from within the directorate.

Recommendation(s):
The Cabinet Committee is asked to consider and comment on the risks presented.

1. Introduction

- 1.1 Risk management is a key element of the Council's internal control framework and the requirement to maintain risk registers ensures that potential risks that may prevent the Authority from achieving its objectives are identified and controlled.
- 1.2 Directorate risks are reported to Cabinet Committees annually and contain strategic or cross-cutting risks that potentially affect several functions across the Growth, Environment & Transport Directorate, and often have wider potential interdependencies with other services across the Council and external parties.
- 1.3 Corporate Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register.
- 1.4 The majority of these risks, or at least aspects of them, will have been discussed in depth at the relevant Cabinet Committee(s) throughout the year, demonstrating that risk considerations are embedded within core business.
- 1.5 The assessment scores given to individual risks help to prioritise risks in order to make clear which risks are most important to the Directorate and requires an understanding by senior managers of:

- The likelihood of each threat occurring.
- The impact of each threat if it did occur.

The process adopted by KCC follows guidance provided to practitioners in the Management of Risk.

2. Growth, Environment and Transport led Corporate Risks

2.1 The Corporate Director for the Growth, Environment and Transport directorate is the lead Director for two of the council's corporate risks. A brief summary of changes over the past year are outlined below, with full details contained in the risk register attached at Appendix 1. The risks are regularly reviewed by directorate and divisional management teams.

Risk Reference	Risk Description	Current Score	Target Score
CRR0003	Securing resources to aid economic recovery and enabling infrastructure	20 (High)	16 (High)
<p>The scope of the risk has broadened since the coronavirus pandemic, as the Authority continues to work with partners 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 the Authority continues to contribute to implementation of.</p> <p>An active pipeline of local projects is in place for potential funding announcements, and business growth across the County are supported through various schemes including the Kent and Medway Business Fund.</p>			
CRR0042	Post UK/EU Transition border systems, infrastructure, and regulatory arrangements	20 (High)	12 (Medium)
<p>KCC now operates a full, external border as a sovereign nation and controls are now placed on the movement of goods between the UK and the EU. The new border controls are currently being put in place for 1st July 2022. Actions being taken include recruiting and training additional staff to provide capacity for these changes.</p>			

2.2 A new Corporate Risk on the Impact of Climate Change is being considered. It would encompass the longer-term impacts on the Council's services, staff and assets, commissioned services, strategic infrastructure, population health, economy, and natural environment. It goes beyond the current risks already identified of severe weather impacts (GT0003) and of replacing funding that previously came via Interreg (GT0026).

3. Growth, Environment and Transport Directorate risk profile

3.1 The current risks in the GET Directorate risk register are shown below. Risks are presented in order of significance (highest first).

Risk Reference	Risk Description	Current Score	Target
GT0004	Skills shortage and capacity issues	20 (High)	12 (Medium)
<p>As part of the external bidding process officers have to submit suitable business cases, which requires staff with the appropriate skill set to manage contracts, projects and for planning applications. It is possible that the directorate would be unable to attract or retain suitably trained project managers as the private sector remains competitive in this area.</p> <p>A workforce strategy and action plan has been developed and is regularly reviewed, aiming to address key skills gaps. Emphasis has been placed on raising the standards of project management, while succession planning is another mitigation.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0001	Health and Safety, and wellbeing considerations	20 (High)	10 (Medium)
<p>Services across the directorate need to pay due regard to potential Health and Safety issues due to the nature of the work they undertake, in addition to the impact of working from home on the wellbeing of staff.</p> <p>A strategic roadmap has been put in place to address changed circumstances, with a focus on staff wellbeing, physical health, and positive communication.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0025	Capital Investment and Asset Management	15 (Medium)	9 (Medium)
<p>There is a risk of insufficient capital funding for Highway Asset Management and Infrastructure growth, as well as achieving Net Zero for the KCC estate by 2030.</p> <p>Actions are taking place to source additional capital funding with ongoing oversight within the directorate.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0003	Directorate preparedness for, and management of, severe weather incidents	12 (Medium)	9 (Medium)
<p>This is a directorate-focused version of the corporate emergency response and resilience risk. The number of severe weather events affecting the county has increased in the past few years, which can have a significant impact on all GET services, businesses, and the Kent community. Services within the directorate continue to play an important role in planning for, responding to, and recovering from these events. This risk has been updated to reflect the current risk of concurrent emergencies.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0024	Information Governance. Management of personal data.	12 (Medium)	6 (Low)
<p>This risk replaced a previous Directorate risk relating to the implementation of the General Data Protection Regulations and relates to the management of increasing amounts of personal data within the Directorate. Mitigation primarily relates to training and learning of staff across the Directorate.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0008	Ash Dieback. Destruction of the Ash species and associated costs to KCC.	12 (Medium)	12 (Medium)
<p>The degree of spread has caused concerns over the future of Ash trees in the County as well as cost implications regarding the management of the disease. Mitigations involve multi-agency monitoring and subsequent action as appropriate, as well as the publication of information to the general public.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0021	Internal services provided to the Directorate do not meet an acceptable standard	12 (Medium)	9 (Medium)
<p>The Directorate Management Team is continually liaising with KCC commissioners on any issues that arise regarding performance of service providers (e.g., KCC Local Authority trading companies or outsourced services), and the directorate's services are increasingly being involved as key stakeholders in matters of strategy and service design. This is in addition to liaising with corporate services to ensure they can provide expert advice at the right time.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0027	Failure of ICT systems	12 (Medium)	12 (Medium)
<p>The directorate is growing more reliant on information held electronically and would be impacted by staff being unable to continue working remotely due to equipment failure. Business Continuity Plans have been updated to include plans to mitigate against this risk and equipment is upgraded when available and necessary.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0026	Net Zero and Insufficiency of Funding	12 (Medium)	9 (Medium)
<p>This risk relates to the capital investment needed in order to meet the 2030 Net Zero objective, which is not yet fully identified. Funding has been secured for estate decarbonisation and funding opportunities continue to be sought and applied for.</p>			

Risk Reference	Risk Description	Current Score	Target
GT0019	Delivery of in-year budget targets.	Medium (12)	9 (Low)

At the time of reporting to Cabinet in December 2021, the GET directorate was forecasting a revenue variance of -£0.2m.

Risk Reference	Risk Description	Current Score	Target
GT0020	Identification, planning and delivery of Medium-Term Financial Plan targets.	12 (Medium)	4 (Low)

The directorate is required to make its contribution to the challenging savings targets required by the council over the medium term. There is a reduced ability for the directorate to mitigate year-on-year, but the Directorate participates fully in financial monitoring processes and has developed savings and income proposals that have been fed into the MTFP. Key projects are overseen by the GET Portfolio Board where they are monitored.

4. Key Divisional Risks

4.1 The Corporate and Directorate risks are underpinned by risks at a divisional level that are typically more operational in nature. The Directorate Management Team has regular oversight of significant divisional risks, which currently includes those relating to:

- Ensuring services continue to comply with significant policy changes at national level and meet service delivery standards in challenging financial context and impact of Covid-19;
- EU Transition and associated risks;
- Sufficiency of capital funding for highway asset management;
- Connectivity and Technology requirements;
- Operational risks such as health and safety concerns in household waste recycling centres.

5. Recommendation

The Cabinet Committee is asked to consider and comment on the risks presented in this report.

6. Background Documents

6.1 KCC Risk Management Policy and associated risk management toolkit on KNet intranet site. <http://knet/ourcouncil/Management-guides/Pages/MG2-managing-risk.aspx>

Contact details

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APPENDIX 1

KCC Corporate Risk Register: GET-led Corporate Risks

**January 2022 – FOR PRESENTATION TO ENVIRONMENT & TRANSPORT CABINET
COMMITTEE – 17th March 2022**

Corporate Risk Register - Summary Risk Profile

Low = 1-6	Medium = 8-15	High =16-25
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Risk No.	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since Jan 2021
CRR0003	Securing resources to aid economic recovery and enabling infrastructure	20	16	↔
CRR0042	Post-Transition UK/EU border systems, infrastructure, and regulatory arrangements	20	12	↔

NB: Current & Target risk ratings: The 'current' risk rating refers to the current level of risk considering 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.

The overall risk score is derived from multiplying the likelihood and impact scores.

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)

Risk ID	CRR0003	Risk Title	Securing resources to aid economic recovery and enabling infrastructure for growth			
<p>Source / Cause of Risk</p> <p>The Covid-19 pandemic has impacted on the economy in Kent & Medway and the impacts could be disproportionate across the county (e.g., in coastal areas).</p> <p>To gain an understanding of the implications, an impact assessment has been conducted, which has led to the preparation and launch of an 18-month local economic renewal and resilience plan, which aims to act as a stimulus for improvement.</p> <p>The Council actively seeks to secure the resources/funding necessary to provide the infrastructure required to support growth, which often need to be bid for in very tight timescales and are increasingly subject to the drive to deliver economic impact, housing, and employment outputs.</p> <p>UK funds will not fully replace EU structural funds lost following EU Transition.</p> <p>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</p>	<p>Risk Event</p> <p>The inability to fully secure sufficient funding, including contributions from development, to deliver the infrastructure necessary to support growth may require gap funding for KCC to fulfil its statutory duties.</p> <p>Deferral of developer contributions and/or elongated planning consents leads to delayed or compromised infrastructure.</p>	<p>Consequence</p> <p>Key opportunities for growth missed.</p> <p>The Council finds it increasingly difficult to fund services across Kent and fully mitigate the overall impact of housing growth on KCC services and, therefore, communities.</p> <p>Kent becomes a less attractive location for inward investment and business.</p> <p>Our ability to deliver strategic / enabling infrastructure becomes constrained.</p> <p>Reputational risk associated with delayed delivery of infrastructure required.</p> <p>Additional revenue costs incurred due to infrastructure delays e.g., Home to School transport costs.</p>	<p>Risk Owner</p> <p>Simon Jones, Corporate Director Growth, Environment and Transport (GET)</p> <p>Responsible Cabinet Member(s):</p> <p>On behalf of Cabinet:</p> <p>Derek Murphy, Economic Development</p> <p>David Brazier, Highways & Transport</p>	<p>Current Likelihood</p> <p>V. Likely (5)</p> <p>Target Residual Likelihood</p> <p>Likely (4)</p>	<p>Current Impact</p> <p>Serious (4)</p> <p>Target Residual Impact</p> <p>Serious (4)</p>	

the current funding systems, including Section106 contributions, Community Infrastructure Levy, and other growth levers.	
Control Title	Control Owner
Active pipeline in place of projects for potential funding arrangements.	David Smith, Head of Business and Enterprise (KCC lead)
Multi-agency Kent and Medway Employment Task Force has been established.	David Smith, Head of Business and Enterprise (KCC lead)
Single Monitoring System (SMS) is used to track individual s106 planning obligations from the Council's initial request for developer contributions through the issue of invoice for payment.	David Smith, Head of Business and Enterprise (KCC lead) / Stephanie Holt-Castle, Director Growth and Communities
Strong engagement of private sector through Kent and Medway Economic Partnership (KMEP), Business Advisory Board and Kent Developer Group	David Smith, Head of Business and Enterprise (KCC lead)
Strong engagement with South-East LEP and central Government to ensure that KCC is in a strong position to secure resources from future funding rounds.	David Smith, Head of Business and Enterprise (KCC lead)
Teams across the Growth, Environment and Transport directorate work with each individual District on composition of local infrastructure plans including priorities for the CIL and Section 106 contributions, to articulate needs for the demands on services	Nigel Smith, Head of Development (GET) / Stephanie Holt-Castle, Director Growth and Communities

Local Transport Plan 4 produced and approved by County Council	Tom Marchant, Head of Strategic Planning and Policy	
Government consultations on proposals for reform of the planning system in England considered and responded to.	Tom Marchant, Head of Strategic Planning and Policy	
Officers are working on bids to secure funding as appropriate including Local Growth Fund, Housing Infrastructure Fund, Major Roads Network	Joe Ratcliffe, Transport Strategy Manager	
Economic Recovery Dashboard in place	Rachel Kennard, Chief Analyst	
Kent and Medway Renewal and Resilience Plan Economic Impacts Evidence Base sets out a high-level assessment of the impacts of the Covid-19 crisis on the Kent and Medway economy to inform the Renewal and Resilience Plan for the next 12-18 months.	Rachel Kennard, Chief Analyst	
Growth and Infrastructure Framework for Kent and Medway published, setting out the infrastructure needed to deliver planned growth.	Stephanie Holt-Castle, Director, Growth & Communities	
Action Title	Action Owner	Planned Completion Date
Contribute to implementation of the Kent and Medway Economic Partnership's local Economic Renewal and Resilience Plan, key delivery principles of which are: <ul style="list-style-type: none"> • Greener Futures (building a sustainable, lower carbon economy) • Open and Productive (supporting long term productivity growth in an economy that welcomes investment and trade) • Better Opportunities, Fairer Chances (ensuring that people are supported through recession and stand to gain from a more resilient economy in the return to growth). 	David Smith	April 2022

Participation on the Renewal and Resilience Group Plan group and the Employment Taskforce plans are being scoped to support key delivery principles.		
The Kent & Medway Business Fund opened to pre application on 31 October, with the KMBF Small Business Boost opening in December 2021. The next phase of the Innovation Loan is to be scoped.	David Smith, Head of Business and Enterprise (KCC lead)	March 2022
Workstreams include Government Relations, Infrastructure Priorities, Joint Planning, Delivery modelling, KCC Support of Housing Growth, Governance, and Infrastructure Proposition Bid.	Simon Jones, Corporate Director Growth, Environment and Transport (GET)	April 2022

Risk ID	CRR0042	Risk Title	Post Transition period border systems, Infrastructure, and regulatory arrangements			
<p>Source / Cause of risk</p> <p>On 1 January 2021 the Transition period with the European Union ended, and the United Kingdom now operates a full, external border as a sovereign nation. This means that controls are now placed on the movement of goods between the UK and the EU.</p> <p>To afford industry extra time to make necessary arrangements, the UK Government has taken the decision to introduce the new border controls in three stages up until 1 July 2022.</p> <p>KCC has been working with partners at a local and national level to assess potential implications for the county and prepare for various scenarios.</p> <p>KCC is reliant on coherent, coordinated governance and information across Government to aid the Local Authority and partners locally in planning their contingency arrangements and responding appropriately.</p>	<p>Risk Event</p> <p>That changes in border customs, checking and processing routinely affect local communities and both the strategic and local road networks.</p> <p>That the Government does not provide sufficient capital and revenue financial support to departments, agencies, local authorities, and other infrastructure stakeholders necessary to address the necessary infrastructure, legislation, and controls to ensure long term plan for frictionless border movements.</p>	<p>Consequence</p> <p>Significant slowdown in the existing flow of goods and people through the Kent Ports leads to long delays in accessing Dover Ports and Eurotunnel.</p> <p>Impacts on major traffic routes to support Operation Brock and other mitigations for port delays and the consequential increase in local and pan-Kent road journey times, impacting on local residents and businesses.</p> <p>Significant detrimental impact on county's economic competitiveness, attractiveness for inward investment and quality of life for Kent residents.</p> <p>Significant increase in imported goods subject to statutory checks by</p>	<p>Risk Owner</p> <p>Simon Jones, Corporate Director GET</p> <p>Responsible Cabinet Member(s):</p> <p>David Brazier, Highways & Transport</p> <p>Mike Hill, Community & Regulatory Services</p>	<p>Current Likelihood</p> <p>Likely (4)</p> <p>Target Residual Likelihood</p> <p>Possible (4)</p>	<p>Current Impact</p> <p>Major (5)</p> <p>Target Residual Impact</p> <p>Serious (4)</p>	

	<p>Trading Standards including consumer goods and animal feeds.</p> <p>Imported animals now subject to welfare checks at Border controls posts, breaches of welfare subject to investigation by Trading Standards.</p> <p>Shortages and delay may impact supply chains.</p>
Control Title	Control Owner
KCC engagement with and support for the Kent Resilience Forum	Lisa Guthrie, Head of Kent Resilience Team
Regular engagement with senior colleagues in relevant Government Departments on the impacts and implications of transition on KCC's regulatory responsibilities relating to Trading Standards and the resilience of Kent highways.	Simon Jones, Corporate Director GET
Several training exercises have taken place to prepare for various scenarios	Simon Jones, Corporate Director, GET / Tony Harwood, Resilience and Emergencies Manager
KCC involvement in Operation Fennel Strategic and Tactical Groups (multi-agency planning groups for	Simon Jones, Corporate

potential disruption at Port of Dover and Eurotunnel).	Director GET	
Operation Fennel strategic plan in place	Simon Jones, Corporate Director GET	
KCC Cross Directorate Resilience Forum reviews latest situation regarding transition impacts	Tony Harwood, Resilience and Emergencies Manager	
KCC contribution to multi-agency communications in the 'response' phase, and leadership of communications in the 'planning' and 'recovery' phases	Christina Starte, Head of Communications	
KCC services are continually reviewing business continuity arrangements, taking potential scenarios into consideration (cross-reference to CRR0004), with co-ordination via Directorate Resilience Groups	Service Managers	
KCC membership of the Delivery Models Operational Group and associated working groups such as Emergency Planning, Infrastructure etc.	Steve Rock, Head of Trading Standards	
Action Title	Action Owner	Planned Completion Date
KCC continues to make a case for further funding from the Ministry of Housing, Communities and Local Government (MHCLG) and Department for Transport (DfT) for direct impact costs of Transition preparedness in the county.	Simon Jones, Corporate Director GET	July 2022
Recruitment of additional staff for Ports Team to provide capacity and deal specifically with imported goods through the 7-8 Ports and Inland border facilities in Kent.	Steve Rock, Head of Trading Standards	July 2022
Recruitment of additional animal health officers to provide capacity to deal with increased pressures on animal health and welfare in Kent.	Steve Rock, Head of Trading Standards	December 2021

Recruitment of Trainee Trading Standards Officers to increase capability of the service to cover statutory functions requiring qualified staff, in particular Animal Feed.	Steve Rock, Head of Trading Standards	December 2021
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