From: Linden Kemkaran, Leader of the Council

Brian Collins, Deputy Leader of the Council

Amanda Beer, Chief Executive Officer

Ben Watts, Deputy Chief Executive Officer

To: Policy & Resources Cabinet Committee – 11 March 2026

Subject: Risk Management: Chief Executive's and Deputy Chief Executive's Departments

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 Chief Executive's and Deputy Chief Executive's Departments, in addition to the risks featuring on the Corporate Risk Register that fall within the relevant Cabinet portfolios.

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. The process of developing the registers is therefore important in underpinning service delivery planning, performance management and operating standards. Risks outlined in risk registers are taken into account in the development of the Internal Audit programme for the year.

1.2 Directorate risks are reported to Cabinet Committees annually and contain strategic or cross-cutting risks that potentially affect several functions across the Chief Executive's and Deputy Chief Executive's Departments and often have wider potential interdependencies with other services across the Council and external parties.

1.3 Chief Executive's and Deputy Chief Executive's Department Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register. The Directors in the Chief Executive's and Deputy Chief Executive's Departments are designated 'Risk Owners' (along with the rest of the Corporate Management Team (CMT)) for several corporate risks.

1.4 The majority of these risks, or at least aspects of them, will have been discussed in depth at relevant Cabinet Committee(s) throughout the year, demonstrating that risk considerations are embedded within core business.

1.5 A standard reporting format is used to facilitate the gathering of consistent risk information and a 5x5 matrix is used to rank the scale of risk in terms of likelihood of occurrence and impact. Firstly, the current level of risk is assessed, taking into account any controls already in place to mitigate the risk. If the current level of risk is deemed unacceptable, a 'target' risk level is set and further mitigating actions introduced, with the aim of reducing the risk to a tolerable and realistic level. If the current level of risk is acceptable, the target risk level will match the current rating.

1.6 The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management action. Further information on KCC risk management methodologies is contained within the KCC Risk Management Policy and Strategy.

2. Corporate risks led by the Chief Executive's and Deputy Chief Executive's Departments

2.1 The Council, along with the local government sector, continues to operate amidst a challenging operating environment, experiencing significant uncertainty and organisational pressures relating to the cost-of-living crisis, economic volatility, workforce shortages and cost inflation, all of which impact financial sustainability.

2.2 There are nine corporate risks of particular relevance to this Committee. A summary, including changes over the past year, are outlined below, with more detail of the risks and their mitigations contained in Appendix 1.

2.3 These risks are reviewed regularly throughout the year and were presented to Cabinet along with the rest of the corporate risk register on 8 January 2026. In addition, the risk register was presented to Governance and Audit Committee for assurance on 28 January 2026.

2.4 There is a proposed new draft risk on the corporate risk register, CRR0069 – Implementation of Local Government Reorganisation (LGR). This risk is in early draft form and will be presented to the Devolution and LGR Cabinet Committee on 23 March for review and discussion.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0053	Asset Management and Degradation and associated impacts, linked to Capital Programme affordability	High (25)	High (16)

This risk is focused on the degradation of organisational assets due to financial pressures, affordability of the capital programme, and the uncertainty surrounding grant funding for capital expenditure, with particular concern relating to impacts on our ability to meet operational requirements and/or statutory duties and invest in infrastructure. The major risks and issues associated with the capital programme have been discussed as part of the budget process.

The risk has continued to remain at the maximum rating over the past 12 months. Despite the central Government funding settlement now being in place for the next three financial years, the risk causes and the lack of ability to meet infrastructure requirements remain.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0059	Significant failure to bring forecast budget overspend under control within budget level assumed	High (25)	Medium (9)

This risk is focused on the Council's legal duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities. The risk remains rated as High. The most significant overspend (and spending growth) in both the 2024-25 and 2025-26 financial years are in Adult Social Care & Health (ASCH) and controls are in place to reflect this, including the arrangements for annual fee uplifts for existing placements based on a differential approach for different settings, a more rigorous approach to managing placements including a review of previously self-funded arrangements and ongoing focus on assessments of eligible needs and the retendering of framework contracts with more robust guide prices and expectations for higher take-up of framework placements for new clients.

There are also strict spending controls in place across the organisation aimed at reducing the financial deficit in the current financial year.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating

CRR0014	Cyber and Information Security Resilience	High (20)	High (20)

This risk focuses on cyber and information security threats and the potential of malicious (intentional) actions against KCC from individuals, cyber criminals and state sponsored attacks, including within the Council's supply chain.

Each year, the National Cyber Security Centre's (NCSC) Annual Review details the key developments in cyber security nationally and abroad including an overview of emerging threats, risks and vulnerabilities which the Council reviews and takes the necessary action required to mitigate the risk.

The risk is at its target rating and remains a high rated risk. The risk rating reflects constantly evolving threats that require controls to remain effective and fit-for-purpose to protect the Council from threats to its information security.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0009	Future financial operating environment for Local Government	High (20)	High (16)

The risk focuses on the Council's ability to operate effectively within a challenging external environment and uncertainty around sufficiency of the council's core spending power when faced with service demand and other pressures.

The 2026-27 budget and the medium term financial plan to 2028-29 were approved by County Council in February, with significant risks and challenges acknowledged. 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 at this time.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0058	Capacity and capability of the workforce	High (16)	Medium (12)

This risk is focused on the capacity and skills of the workforce. The Council continues to experience high demand for services, with the strain on the existing workforce impacting their capacity. The number of workforce related risks identified across the organisation

equates to approximately a third of all risks being monitored by the Council, maintaining the position from last year.

Continuation of skill shortages nationally in key areas, create challenges with attracting suitably qualified and capable staff, retaining them to ensure sufficient capacity and capabilities to deliver services continues to be reported as a challenge across directorates.

The organisation continues to be subject to significant change across services while delivering 'business as usual' services.

Strict spending controls are currently in place, which include recruitment processes.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0045	Maintaining effective governance and decision making in a challenging financial and operating environment	High (16)	Medium (8)

This risk focuses on the need for effective governance and decision making as well as robust internal control mechanisms to support timely and difficult policy decisions, particularly as the Council, like many across the local government sector, are facing significant budgetary challenges relating to high spend areas of adult social care and delivery of services to children with Special Educational Needs and Disabilities (SEND).

The External Auditor's annual report, published in autumn 2025, outlined their assessment of value for money arrangements at the council, under three key criteria: financial sustainability; governance; and improving economy, efficiency and effectiveness.

The *governance* assessment had improved from the previous year, with *"no significant weaknesses"* highlighted. The improvement in performance regarding implementation of Internal Audit recommendations was one area specifically highlighted. The External Auditor made four improvement recommendations to strengthen arrangements further which are being delivered.

The report also noted the large number of new members inducted since May 2025, with 30 training sessions and an induction program launched for members. All 81 Members were met by the Chief Executive Officer and Monitoring Officer to explain the importance and value of governance and appropriate decision making. Three training sessions and an information session for the Cabinet have been run alongside surgery style support.
The External Auditor commented that ongoing member training and engagement must remain a high priority.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating

CRR0039	Information Governance	Medium (15)	Medium (9)

This risk is focused on the obligations of the Council to meet requirements of the UK General Data Protection Regulations (GDPR) and ensuring that the appropriate processes, procedures and behaviours are embedded to meet requirements.

The Council continues to monitor and report on performance against targets for responding to increasing volumes of Freedom of Information and Subject Access Requests, which were both above expected volume range from June to September 2025. Whilst resources have been moved within the Information, Resilience and Transparency team to help improve response rates for Subject Access Requests (SARs), the pressures within services and with the volume and complexity of requests persist.

In response to innovative technological developments, the Council has developed a policy to provide direction on the use of Artificial Intelligence, ensuring that personal sensitive data from either residents, or people who use our services and commercially sensitive data is used correctly and appropriately.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0065	Implementation of fit-for-purpose Oracle Cloud system	Medium (10)	Low (5)

This risk is focused on the implementation of a fit-for-purpose Oracle Cloud system.

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.

It is essential 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.

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating
CRR0049	Fraud and Error	Medium (10)	Low (5)

This risk acknowledges the risk of fraud and/or error that exists within any organisation and the need for the council, like all public bodies, to be attuned to the risks facing their organisations and the public sector.

The direction of travel for this risk has remained stable, and the Counter Fraud team continue their proactive and reactive work in mitigating the risks to KCC. Regular reports

are presented to the Governance & Audit Committee and are being revised to make a clearer distinction between fraud and error, based on a judgement of probability in some cases.

3. Chief Executive's and Deputy Chief Executive's Departments' risk profile

3.1 The Chief Executive's and Deputy Chief Executive's Departments hold a total of five risks between them across their respective departmental registers. A summary of these risks is outlined in the table below.

3.2 Department Management Teams are currently in the process of reviewing their risk profiles as the majority of risks identified are relevant to both departments and there is potential for amalgamation.

Table 1 – Chief Executive's and Deputy Chief Executive's Departments Risk Register Summary

Risk Reference	Risk Title	Current Risk Rating	Target Risk Rating	Direction of Travel since March 2025
CED0003	Departmental resource capacity	High (16)	Medium (9)	⇔
CED0004	Modernisation of financial operations	High (16)	Medium (8)	⇔
DCEO0003	Departmental resource capacity	High (16)	Medium (9)	⇔
CED0007	Border controls – EU Entry and Exit system	Medium (9)	Low (6)	⇔
CED0008	Anti-bribery and corruption	Low (4)	Low (4)	⇔

3.3 The departmental risk registers are subject to in-year reviews with Departmental Management Teams, most recently completed in February 2026.

3.4 CED0007 'Border controls – EU Entry and Exit system' reduced in rating from Medium (9) to Low (6) but was subsequently increased back to Medium (9). KCC has been working closely with partners at a local and national level to assess potential implications for the county and prepare for various scenarios. The risk rating was reduced once it was clear that a phased approach would be adopted by the EU and further scenario modelling had been conducted at a national level, however there has been a subsequent delay in the implementation of passenger traffic checks.

4. Recommendation

Recommendation:

The Policy & Resources Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the risks presented.

5. Appendices

Appendix 1 – Chief Executive's Department and Deputy Chief Executive's Department Led Corporate Risks – Policy and Resources Cabinet Committee

6. Contact details

Report Author:
Mike Hand, Risk & Delivery Assurance Officer
Mike.hand@kent.gov.uk

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