

From: Linden Kemkaran, Leader of the Council
Amanda Beer, Chief Executive Officer

To: Devolution and Local Government Reorganisation Cabinet Committee

Date: 23 March 2026

Subject: KCC Draft Corporate Risk – Local Government Reorganisation

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary:

This paper presents the draft corporate risk that is proposed for inclusion in the Council's Corporate Risk Register.

Recommendation(s):

The Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the risk 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 This Committee provides a dedicated space for discussion regarding the Local Government Reorganisation (LGR) process in Kent and Medway, including implications from a KCC perspective. The reports and associated scrutiny has highlighted risks, issues and opportunities, for which key elements at a high level, feature in the articulation of the draft risk attached in appendix 1.

2. Background and national context

- 2.1 As LGR has been developing across the country, several bodies have been gathering information on risks, issues and learnings experienced by local authorities in two-tier areas transitioning to unitary structures. For example:
- 2.2. Grant Thornton published a report in autumn 2024, [Learning from the new unitary councils](#), which focused on the management of the LGR process in councils that had gone through LGR since 2019, and the associated risks. These risks predominantly related to:
- Transition governance and the timing of governance arrangements.
 - Financial sustainability, including escalating transformation costs, delayed realisation of financial benefits and risks arising from inherited financial positions.
 - Balance sheet disaggregation and aggregation.
 - Capacity and capability, including finance, leadership and programme management.
 - Internal audit and assurance requirements being underestimated.
 - Delivery risk, where focus on “day one” leaves a lack of focus on planning for the operating model and benefits realisation.
- 2.3. In November 2025, the Ministry of Housing, Communities and Local Government, the Local Government Association, and sector advisors from across local government have developed an aide-memoire to support the identification of risks and potential mitigations that could affect the successful transition to a reorganised unitary authority. This is intended to be a living document and will be regularly updated to remain relevant for local authorities. [LGR risks: Examples and options for mitigation by councils | Local Government Association](#)
- 2.3.1 Key areas of risk highlighted relate to:
- Assets and property
 - Communications and Engagement
 - Data quality
 - Financial
 - Governance and decision-making
 - Human resources
 - Information Technology
 - Legal and regulation
 - Policy implementation
 - Service continuity and oversight
- 2.4 The majority of risks highlighted above will vary depending on local context and will be taken into account as part of KCC and partners’ preparation and planning for the transition to unitary structure(s) in Kent.

- 2.5 An LGR corporate risk has been drafted to capture the key risks from a KCC perspective and will be regularly reviewed as the process moves forward (see appendix 1). This will inevitably have a number of interdependencies with other risks on the council's existing register.
- 2.6 Once this risk has been added to the corporate risk register, a specific KCC LGR risk register will be created, which can be reviewed by this committee going forward.

3. Recommendation

Recommendation:

The Devolution and Local Government Reorganisation Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the draft corporate risk presented.

Background Notes:

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.

The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management action. Further information can be found in KCC's risk management policy and strategy.

Contact details:

Report Author:

Mark Scrivener, Head of Risk & Delivery Assurance

Mark.scrivener@kent.gov.uk

Relevant Director:

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

David.whittle@kent.gov.uk