

From: Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation and Commercial and Traded Services

John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement

Gary Cooke, Cabinet Member for Corporate and Democratic Services

David Cockburn, Corporate Director for Strategic and Corporate Services

To: Policy & Resources Cabinet Committee – 14th March 2016

Subject: **Risk Management: Strategic and Corporate Services**

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 Strategic and Corporate Services directorate, in addition to the risks featuring on the corporate risk register for which the Corporate Directors are the designated 'risk owners'. The paper also explains the management process for review of key risks.

Recommendation(s):

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

1. Introduction

- 1.1 Directorate business plans are reported to Cabinet Committees each March / April as part of the Authority's business planning process. The plans include a high-level section relating to key directorate risks, which are set out in more detail in this paper.
- 1.2 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 business planning, performance management and service procedures. Risks outlined in risk registers are taken into account in the development of the Internal Audit programme for the year.
- 1.3 Directorate risk registers are reported to Cabinet Committees annually, and contain strategic or cross-cutting risks that potentially affect several functions across the Strategic and Corporate Services directorate, and often have wider

potential interdependencies with other services across the Council and external parties.

- 1.4 Strategic and Corporate Services 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 Strategic and Corporate Services directorate are designated 'Risk Owners' for several corporate risks, one of which (CRR 17 – future financial and operating environment for local government) is rated as 'high'. These risks and their mitigations are presented to the Committee for comment in appendix 1.
- 1.5 A new corporate risk relating to the identification of, and planning for, delivery of 2017/18 budget savings is proposed to be added to the corporate risk register.
- 1.6 For information and awareness, the corporate risk profile as at end of February 2016 is outlined below:

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

| Risk No.* | Risk Title | Current Risk Rating | Target Risk Rating |
|-----------|---|---------------------|--------------------|
| CRR 1 | Data and Information Management | 9 | 9 |
| CRR 2a | Safeguarding – protecting vulnerable children | 16 | 9 |
| CRR 2b | Safeguarding – protecting vulnerable adults | 16 | 9 |
| CRR 3 | Access to resources to aid economic growth and enabling infrastructure | 12 | 8 |
| CRR 4 | Civil Contingencies and Resilience | 12 | 8 |
| CRR 9 | Health & Social Care Integration (inc. Better Care Fund) | 12 | 9 |
| CRR 10(a) | Management of Adult Social Care Demand | 20 | 12 |
| CRR 10(b) | Management of Demand – Specialist Children's Services | 20 | 12 |
| CRR 12 | Welfare Reform changes | 12 | 9 |
| CRR 17 | Future financial & operating environment for local government | 20 | 12 |
| CRR 21 | Delivery of 2015/16 savings | 4 | 2 |
| CRR 22 | Implications of increased numbers of Unaccompanied Asylum Seeking Children (UASC) | 20 | 12 |
| CRR 23 | Managing and embedding sustainable change | 12 | 6 |
| CRR 24 | Delivery of 2016/17 savings | 12 | 2 |

- 1.7 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.
- 1.8 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 can be found in the risk management guide on the 'KNet' intranet site.

2. Financial Implications

- 2.1 Many of the strategic risks outlined have financial consequences, which highlight the importance of effective identification, assessment, evaluation and management of risk to ensure optimum value for money.

3. Policy Framework

- 3.1 Risks highlighted in the risk registers relate to strategic priorities and outcomes featured in KCC's Strategic Statement 2015-2020, as well as the delivery of statutory responsibilities.
- 3.2 The presentation of risk registers to Cabinet Committees is a requirement of the County Council's Risk Management Policy.

4. Risks relating to the Strategic and Corporate Services (StCS) directorate

- 4.1 There are currently four directorate risks featured on the Strategic and Corporate Services directorate risk register (appendix 2), all of which are rated as 'Medium' risk. Many of the risks highlighted on the register are discussed implicitly as part of regular items to the Cabinet Committee.
- 4.2 Since the last report in April 2015, one risk has been closed (STCS 05 - Collaboration of corporate support services to support implementation of New Ways of Working). The level of risk had reduced from 'medium' to 'low', with interconnections to other work streams identified, particularly across Property, ICT and HR and strong programme management arrangements in place involving relevant stakeholders. This cross-directorate collaborative approach is being embedded in all major change activity, overseen by the Business Capability Portfolio Board, and is an important mitigation for the new risk that has been introduced in recent months (STCS 09 - Development of 'client-side' commissioning arrangements across the directorate).
- 4.3 Mitigations for risks are identified and implemented on a regular basis as required. For example, a succession plan for the directorate has been developed to build depth and resilience of senior and key roles (StCS 03); from 1st April the Authority is moving to "no purchase order, no pay" which will reinforce use of I-proc, improve procurement intelligence and aid return on I-proc investment (StCS 04); and 'intelligent client' functions have been established in several areas across the directorate such as Contact Point, Digital Services and the Infrastructure division, to enable the effective management of Service Level Agreements / contracts with providers (either externally or internally commissioned).
- 4.4 Inclusion of risks on this register does not necessarily mean there is a problem. On the contrary, it can give reassurance that they have been properly identified and are being managed proactively.
- 4.5 Monitoring & Review – risk registers should be regarded as 'living' documents to reflect the dynamic nature of risk management. Directorate Management Teams formally review their risk registers, including progress against mitigating actions, on a quarterly basis as a minimum, although individual risks can be identified and added to the register at any time. Key questions to be asked when reviewing risks are:

- Are the key risks still relevant?
- Have some risks become issues?
- Has anything occurred which could impact upon them?
- Has the risk appetite or tolerance levels changed?
- Are related performance / early warning indicators appropriate?
- Are the controls in place effective?
- Has the current risk level changed and if so is it decreasing or increasing?
- Has the “target” level of risk been achieved?
- If risk profiles are increasing what further actions might be needed?
- If risk profiles are decreasing can controls be relaxed?
- Are there risks that need to be discussed with or communicated to other functions across the Council or with other stakeholders?

5. Recommendation

Recommendation:

The Policy & Resources Cabinet Committee is asked to consider and comment on the directorate risk register and relevant corporate risks outlined in appendices 1 and 2.

6. Background Documents

6.1 KCC Risk Management Policy on KNet intranet site.

7. Contact details

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Strategic and Corporate Services Directorate-led Corporate Risks

FEBRUARY 2016

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 April 2015 |
|-----------|---|---------------------|--------------------|--------------------------------------|
| CRR 1 | Data and Information Management | 9 (Medium) | 9 (Medium) | ↔ |
| CRR 17 | Future financial and operating environment for local government | 20 (High) | 12 (Medium) | ↔ |
| CRR 21 | Delivery of 2015/16 savings | 4 (Low) | 2 (Low) | ↓ |
| CRR 23 | Managing and embedding sustainable change | 12 (Medium) | 6 (Low) | New |
| CRR 24 | Delivery of 2016/17 savings | 12 (Medium) | 2 (Low) | New |

*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) |

| Risk ID | CRR1 | Risk Title | Data and Information Management | | | |
|--|---|---|---|-----------------------------------|---|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| The Council is reliant on vast amounts of good quality data and information to determine sound decisions and plans, conduct operations and deliver services. It is also required by the Data Protection Act and Government's Code of Connection (CoCo) to maintain confidentiality, integrity and proper use of the data. With the Government's 'Open' agenda, increased flexible working patterns of staff, and increased partnership working and use of multiple information repositories, controls on data management and "cyber" security have become complex and important. | Information security incidents resulting in loss of personal data or breach of privacy/confidentiality. Data Subject complaint upheld by Information Commissioners Office (ICO). Failure to achieve either annual Public Service Network or NHS Information Governance certification. | ICO sanction (e.g. undertaking, assessment, improvement, enforcement or monetary penalty notice) issued against the Authority. Reputational damage. Damages claims. Cost of remediation. Access to PSN and/or NHS connected services revoked or restricted resulting in significant interruption to services. | On behalf of CMT: Geoff Wild, Director Governance & Law Rebecca Spore, Director Infrastructure Responsible Cabinet Member(s): Gary Cooke, Corporate & Democratic Services | Possible (3) | Significant (3) | |
| Control Title | | | | | Control Owner | |
| Senior Information Risk Officer (SIRO) supported by Information Governance cross-directorate group. | | | | | David Cockburn, Corporate Director Strategic and Corporate Services | |
| SIRO IG Action Plan and Information Risk Register in place and regularly reviewed | | | | | Geoff Wild, Director Governance & Law | |
| Information Governance policies and procedures in place and monitored. | | | | | Geoff Wild, Director Governance & Law | |
| Information Governance Management Framework in place | | | | | Geoff Wild, Director Governance & Law | |
| | | | | Target Residual Likelihood | Target Residual Impact | |
| | | | | Possible (3) | Significant (3) | |

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|--|---|
| Information Resilience and Transparency team providing business Information Governance support | Caroline Dodge, Team Leader- Information Resilience & Transparency team |
| Information Assurance maturity monitoring procedure in place. | Geoff Wild, Director Governance & Law/Michael Lloyd, Head of Technology Commissioning & Strategy |
| Contractor information assurance procedure in place | Mark Lobban, Director Commissioning SCHW |
| Corporate Director Social Care Health & Wellbeing is KCC Caldicott Guardian, protecting confidentiality of service user information and enabling appropriate information sharing. Caldicott Guardian Support Officers nominated in relevant services | Andrew Ireland, Corporate Director SCHW |
| County wide protocols in place for information sharing between agencies and governed by Kent & Medway Information Governance Partnership Board. Information Sharing Designated Officers nominated in relevant services. | Charlie Beaumont, Education & Young People Services |
| ICT Security and Service Transition Team operational. | Michael Lloyd, Head of Technology Commissioning & Strategy |
| Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place | Michael Lloyd, Head of Technology Commissioning & Strategy |
| Information Governance training completed by significant number of employees, contractors and temporary staff. Specialist training needs identified and training plan in place. Information Governance training plan in place and monitored. | Geoff Wild, Director Governance & Law |
| Discussions in place with Government regarding requirements of the Code of Connection | Michael Lloyd, Head of Technology Commissioning & Strategy |
| Corporate Information Asset Register established and risk assessments in progress. | Geoff Wild, Director Governance & Law |
| Information risk assessments completed for systems processing personal data and for new/change projects | Geoff Wild, Director Governance & Law |

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| Information Security & Information Risk Management supporting procedures and processes are monitored to ensure realisation of benefits | Andrew Ireland, Corporate Director SCHW/Geoff Wild, Director Governance & Law/ Michael Lloyd, Head of Technology Commissioning & Strategy | |
| Public Service Network (PSN) code of compliance information security standard achieved | Michael Lloyd, Head of Technology Commissioning & Strategy | |
| NHS Information Governance Toolkit 'satisfactory' rating achieved | Michael Lloyd, Head of Technology Commissioning & Strategy | |
| Information Governance Training re-launched. Training to be completed every 2 years | Geoff Wild, Director Governance & Law | |
| Action Title | Action Owner | Planned Completion Date |
| Implement recommendations arising from the Information Commissioner's Office (ICO) audit | Geoff Wild, Director Governance & Law | July 2016 |
| Continuous development of cyber-security monitoring and response processes | Kathy Stevens, ICT Security and Service Manager | March 2016 (review) |

| Risk ID | CRR 17 | Risk Title | Future financial and operating environment for Local Government | | | |
|--|---|---|--|---|-----------------------|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner (s) | Current Likelihood | Current Impact | |
| The operating environment for local government will continue to change during the coming years, presenting both opportunities and risks for the Council and its partners / service providers. For example, the Comprehensive Spending Review and associated Local Government settlement is expected to require a further 30% of savings in real terms during the next 4 years, which could threaten delivery of local services across the county, while the current provisions of the Govt's Cities and Devolution Bill could have wide-ranging implications,, including the potential for significant Local Government reorganisation. Business rate retention may present opportunities for the Council. A National Living Wage is due to be introduced from April 2016 and Govt has developed proposals to combine Local Authority pension funds. | Additional spending demands and continued public sector austerity measures threaten financial sustainability of KCC, its partners and service providers. Increase in the National Living Wage could severely impact on local markets. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen. Failure to capitalise on opportunities presented by the Government's devolution agenda. | Unsustainable financial situation. Potential for partner or provider failure – including sufficiency gaps in provision. Reduction in resident satisfaction and reputational damage. | All Corporate Directors Responsible Cabinet Member (s): All Cabinet Members | Likely (4) | Major (5) | |
| Control Title | | | | Control Owner | | |
| Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation. | | | | Andy Wood, Corporate Director Finance & Procurement | | |

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| Processes in place for monitoring delivery of savings and budget as a whole. | Andy Wood, Corporate Director Finance & Procurement | |
| KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period. | Leader of the Council | |
| KCC Commissioning Framework promotes commissioner understanding of markets and potential signs of provider stress. | Emma Mitchell, Director Strategic Business Development and Intelligence | |
| KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet. | Richard Fitzgerald, Business Intelligence Manager – Performance | |
| Ongoing oversight of implications relating to proposed Local Authority pension fund changes | Nick Vickers, Head of Financial Services | |
| Financial analysis of medium term Kent public sector / provider landscape post-Comprehensive Spending Review conducted | Dave Shipton, Head of Financial Strategy | |
| Action Title | Action Owner | Planned Completion Date |
| Work proactively with Government regarding how the new business rate retention scheme can be most effectively implemented | Dave Shipton, Head of Financial Strategy | June 2016 (review) |
| Develop initial prospectus and ongoing engagement regarding devolution between KCC, District Councils, other partners and Government | David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance | March 2016 (review) |
| Negotiate with service providers regarding how costs associated with the introduction of the National Living Wage are to be met. | Andy Wood, Corporate Director Finance & Procurement / Mark Lobban, Director Commissioning SCHW | April 2016 (review) |
| Support the Leader of the County Council in his role as Chair of the County Councils Network in order to help shape the future of the local government operating environment. | David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance | March 2016 (review) |
| Lobby Government for a need-led approach to Grants distribution | Andy Wood, Corporate Director Finance & Procurement | December 2016 |

| Risk ID | CRR21 | Risk Title | Delivery of 2015/16 savings | | | |
|--|--|---|---|---|-------------------------------|--|
| Source / Cause of Risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| Increasing spending demands and the ongoing difficult economic climate has led to significant reductions in funding to the public sector and Local Government in particular. KCC has already made significant cost savings and still needs to make ongoing year-on-year savings in order to "balance its books." | The required savings from key programmes or efficiency initiatives are not achieved. | Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on whole-council transformation plans. Reputational damage to the council. | On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement Responsible Cabinet Member(s): John Simmonds, Finance & Procurement | Unlikely (2) | Moderate (2) | |
| | | | | Target Residual Likelihood | Target Residual Impact | |
| | | | | Very unlikely (1) | Moderate (2) | |
| Control Title | | | | Control Owner | | |
| Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process | | | | Andy Wood, Corporate Director Finance & Procurement | | |
| Process for monitoring delivery of savings is in place, including a Budget Programme Board to scrutinise progress. | | | | Andy Wood, Corporate Director Finance & Procurement | | |
| Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole | | | | Andy Wood, Corporate Director Finance & Procurement | | |
| Procedures for appropriate consultation in place when decisions relating to changes in services are being considered | | | | Diane Trollope, Head of Engagement & Consultation/ | | |
| Controls and mechanisms remain robust | | | | Andy Wood, Corporate Director Finance & Procurement | | |
| Outline savings plans received for all significant budget savings | | | | Corporate Directors and Director Group | | |
| Discussions have been taking place with the Home Office to ensure their Asylum grant regime reflects the | | | | Philip Segurola, Director | | |

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| unique position of Kent in responding to the numbers of Unaccompanied Asylum Seeking Children | Specialist Children's Services |
| Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee | Corporate Directors and Director Group |
| Action Title | Action Owner |
| Ensure that contingency plans are adequate to cover any forecast overspending in-year, to avoid a significant overspend at year-end | Andy Wood, Corporate Director Finance & Procurement |
| | Planned Completion Date |
| | March 2016 |

| Risk ID | CRR23 | Risk Title | Managing and embedding sustainable change | | | |
|---|--|---|---|---|-------------------------------|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| To respond to increasing spending demands, continuing public sector austerity and an increasingly complex future operating environment for local government, the Authority will continue to evolve and change to meet the challenges ahead. This includes exploring alternative service delivery models that will require appropriate 'client-side' arrangements. | Insufficient programme control on key change activity. Insufficient management capacity and / or capability in key skill areas to support sustained change. 'Client-side' commissioner arrangements not developed in time to drive effective relationships with, and performance management of, suppliers. | Potential to fall short of achieving financial and non-financial benefits if changes introduced are not fully embedded. Disproportionate effort could be spent on areas of change that do not provide the greatest return on investment. Potential implications for staff wellbeing, morale and engagement. | All Corporate Directors Responsible Cabinet Member: Paul Carter, Leader of the Council | Likely (4) | Significant (3) | |
| | | | | Target Residual Likelihood | Target Residual Impact | |
| | | | | Unlikely (2) | Significant (3) | |
| Control Title | | | | Control Owner | | |
| Corporate Directors are providing managerial leadership for the change agenda and ensuring resources for delivering change are adequate and appropriate to ensure successful delivery and meeting regularly to ensure effective oversight and co-ordination of officer level programme management. | | | | Corporate Directors | | |
| Corporate Assurance function and devolved Portfolio Delivery Manager / Portfolio Management Office arrangements in place charged with managing dependencies and improving support for key programmes and projects | | | | Elizabeth Sanderson, Corporate Assurance Manager / Change Portfolio Delivery Managers | | |
| Project and Programme Managers network established to support development of key project and programme management skills and knowledge and sharing of good practice. Programme and project toolkit re-launched. | | | | Jan Hawkes, Senior Organisation Development Advisor / Diane Trollope, Head of Engagement & Consultation | | |
| Workforce planning strategy 2015-2020 and annual report outlines how the Council is planning for the future in terms of skills development, role definitions and employee mind-set. Includes action plan. | | | | Amanda Beer, Corporate Director Engagement, Organisation Development and Design | | |

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| Staff development and Leadership & Management Frameworks established to further develop key skills, including commercial acumen, project management and contract management, across the organisation as an essential enabler of change. | Amanda Beer, Corporate Director Engagement, Organisation Design & Development | |
| A suite of performance information is regularly reviewed and monitored to identify potential issues regarding staff recruitment, retention, health and engagement | Amanda Beer, Corporate Director Engagement, Organisation Design and Development | |
| Strategic Business Development & Intelligence function brings together activities which support effective commissioning and leads on the management of KCC's large contracts. | Emma Mitchell, Director Strategic Business Development & Intelligence | |
| Commissioning network and toolkit in place to support development of key commissioning knowledge and skills and sharing of good practice | Olivia Crill, Transformation Manager | |
| Procedures for appropriate consultation in place when decisions relating to changes in services are being considered | Diane Trollope, Head of Engagement & Consultation | |
| Workforce and succession planning tools available to aid managers | Julie Cudmore, Head of Organisation Development | |
| Skills transfer stipulations built into contracts of external efficiency partners / consultants to ensure internal staff develop relevant skills and build capability | Emma Mitchell, Director Strategic Business Development & Intelligence | |
| Best practice in relation to development of business cases has been shared with KCC project and programme managers and promoted via the project and programme management toolkit | Elizabeth Sanderson, Corporate Assurance Manager | |
| Governance arrangements reviewed to clarify Member roles and responsibilities around becoming a strategic commissioning authority e.g. Transformation Advisory Group, Commissioning Advisory Board, Cabinet Committees etc. | David Whittle, Director Strategy, Policy, Relationships and Corporate Assurance | |
| Roles and responsibilities for Officers charged with the strategic commissioning of services and those responsible for operational delivery of services have been clarified | Corporate Directors | |
| Action Title | Action Owner | Planned Completion Date |
| Guidance on business case development will be refreshed to align with new governance arrangements | Elizabeth Sanderson, Corporate Assurance Manager / Portfolio Delivery Managers | April 2016 |
| Introduce programme and project management training for key stakeholders (other than programme / project managers) to promote | Jan Hawkes, Senior Organisation Development | February 2016 |

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| awareness of their respective roles & responsibilities e.g. Senior Responsible Officers and those responsible for benefits realisation). | Advisor | |
| Improve mapping of dependencies and impacts across major change programmes and projects, including impacts on 'business as usual' activity. | Elizabeth Sanderson, Corporate Assurance Manager / Change Portfolio Delivery Managers | March 2016 (review) |

| Risk ID | CRR24 | Risk Title | Delivery of 2016/17 savings | | | |
|--|--|---|---|-----------------------------------|-------------------------------|--|
| Source / Cause of Risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| Increasing spending demands and the ongoing difficult economic climate has led to significant reductions in funding to the public sector and Local Government in particular. KCC has already made significant cost savings and still needs to make ongoing year-on-year savings in order to "balance its books." | The required savings from key programmes or efficiency initiatives are not achieved. | Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent. Potential adverse impact on whole-council transformation plans. Reputational damage to the council. | On behalf of CMT: Andy Wood, Corporate Director Finance & Procurement Responsible Cabinet Member(s): John Simmonds, Finance & Procurement | Possible (3) | Serious (4) | |
| | | | | Target Residual Likelihood | Target Residual Impact | |
| | | | | Very unlikely (1) | Moderate (2) | |
| Control Title | | | Control Owner | | | |
| Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process | | | Andy Wood, Corporate Director Finance & Procurement | | | |
| Process for monitoring delivery of savings is in place, including a Budget Programme Board to scrutinise progress. | | | Andy Wood, Corporate Director Finance & Procurement | | | |
| Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole | | | Andy Wood, Corporate Director Finance & Procurement | | | |
| Procedures for appropriate consultation in place when decisions relating to changes in services are being considered | | | Diane Trollope, Head of Engagement & Consultation/ | | | |
| Controls and mechanisms remain robust | | | Andy Wood, Corporate Director Finance & Procurement | | | |
| Savings plans developed for all significant budget savings | | | Corporate Directors and Director Group | | | |

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| Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee | Corporate Directors and Director Group | |
| Action Title | Action Owner | Planned Completion Date |
| NB: Risk to be managed down to target residual level via existing controls outlined above | | |



Strategic and Corporate Services Risk Register

FEBRUARY 2016

Summary Risk Profile

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

| Risk No.* | Risk Title | Current Risk Rating | Changes to Current Risk Level since April 2015 | Target Risk Rating |
|-----------|---|---------------------|--|--------------------|
| STCS 03 | Maintain a healthy and effective workforce across STCS through significant change | 8 (Medium) | ↔ | 8 (Medium) |
| STCS 04 | Full utilisation of transactional and reporting systems | 9 (Medium) | ↔ | 6 (Low) |
| STCS 07 | Capacity and capability challenges relating to corporate support functions | 9 (Medium) | ↔ | 6 (Low) |
| STCS 09 | Development of client-side arrangements across StCS Directorate | 8 (Medium) | New Risk | 4 (Low) |

*Each risk is allocated a unique code, which is retained even if a risk is transferred off the Directorate 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) |

| Risk ID | StCS 03 | Risk Title | Maintain a healthy and effective workforce across StCS through significant change | | | | |
|---|--|---|--|---|-----------------------|-----------------------------------|-------------------------------|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | Target Residual Likelihood | Target Residual Impact |
| The StCS workforce plays a vital role in supporting the organisation to run effectively and efficiently. The staff across the directorate need to be healthy, motivated and have the right skills to help the organisation develop. | Low morale or stress related to organisational change or other factors. Increased sickness levels. Failure to develop the right skills in staff. Lack of depth/resilience in key staff. Ineffective workforce/succession planning. | Negative impact on organisational effectiveness and service levels. | StCS Directorate Management Team | Unlikely (2) | Serious (4) | Unlikely (2) | Serious (4) |
| Control Title | | | | Control Owner | | | |
| ST Succession Plan created. | | | | Robert Semens, HR Business Partner | | | |
| Attendance management policies and training for managers in place. | | | | Paul Royel, Head of Employment Strategy | | | |
| Attendance policy and practice reviewed, updated and communicated. Ongoing review as required | | | | Paul Royel, Head of Employment Strategy | | | |
| Arrangements in place for active monitoring and response to absence | | | | Paul Royel, Head of Employment Strategy | | | |
| Coaching and mentoring network in place | | | | Serena Cunningham, Business Management & Evaluation Advisor | | | |
| Directorate Organisational Development Group shares best practice and facilitates communication on key OD issues. | | | | Julie Cudmore, Head of Organisation Development | | | |
| Suite of KPIs being monitored as early warning indicators e.g. retention, absence | | | | Amanda Beer, Corporate Director EODD | | | |
| Employee engagement strategy | | | | Paul Royel, Head of Employment Strategy | | | |

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| iResilience tools | Amanda Beer, Corporate Director EODD | |
| KCC Staff Health and Wellbeing Group in place | Julie Cudmore, Head of Organisation Development | |
| Managing Stress at Work Policy | Helen Bale, Head of Health & Safety | |
| Public Health supporting and advising on the commissioning of Mental Health First Aid training | Andrew Scott-Clark, Director Public Health | |
| Staff Care Services | Helen Bale, Head of Health & Safety | |
| Directorate feeds into KCC Training Plan | Julie Cudmore, Head of Organisation Development | |
| Wellbeing initiatives and health promotions to staff | Paul Royel, Head of Employment Strategy | |
| Action Title | Action Owner | Planned Completion Date |
| This risk is currently at an acceptable 'target' level through effective operation of the controls outlined above. | | |

| Risk ID | StCS 04 | Risk Title | Full Utilisation of transactional and reporting systems | | | |
|---|--|---|--|---|---|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| KCC is dependent on the ongoing development and use of systems, such as those on the Oracle platform, to maximise the efficiencies to be achieved from moving away from manual or less efficient processes and to aid the concept of the 'self-sufficient manager' in KCC. Effective systems are also necessary to extract and report on data for the purposes of making better, more informed decisions. | Key stakeholders do not engage with the processes supported by those systems and therefore the systems are not utilised. Lack of resource to enable further development of systems. | Development will cease/be reduced which will limit opportunities to replace manual and other less efficient systems. This will result in more manual processes across the organisation limiting the potential to achieve efficiencies. The availability and reliability of the data used for business intelligence purposes could be compromised. KCC fails to improve efficiency of intelligence and makes poor decisions. Threat to the organisation's self-sufficiency agenda. | Amanda Beer, Corporate Director EODD Rebecca Spore, Director Infrastructure Emma Mitchell, Director SBDI Andy Wood, Corporate Director Finance & Procurement Richard Hallett, Transformation Manager | Possible (3) Target Residual Likelihood Unlikely (2) | Significant (3) Target Residual Impact Significant (3) | |
| Control Title | | | | Control Owner | | |
| Exalytics box purchased to improve performance of OBI and to support future mobile working. | | | | Richard Hallett, Transformation Manager | | |
| Oracle Business Intelligence 'enterprise' licences in place to allow county wide roll-out | | | | Richard Hallett, Transformation Manager | | |
| Significant numbers of staff/managers are using HR self-service i-procurement, Collaborative Planning, Oracle Business Intelligence and e-learning tools | | | | Amanda Beer, Corporate Director EODD Andy Wood, Corporate Director | | |

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| | Finance & Procurement Richard Hallett, Transformation Manager | |
| HR and Waste dashboards now live. Procurement pilot dashboards also available | Amanda Beer, Corporate Director EODD Andy Wood, Corporate Director Finance & Procurement Richard Fitzgerald, Corporate Performance Manager | |
| Comprehensive suite of finance dashboards now available including budgets, summary and detailed transactions, payroll, debt and commitments | Andy Wood, Corporate Director Finance & Procurement | |
| Action Title | Action Owner | Planned Completion Date |
| The Authority is moving to “no purchase order, no pay” which will reinforce use of I-proc, improve procurement intelligence and will aid return on I-proc investment | Andy Wood, Corporate Director Finance & Procurement | April 2016 |
| Further roll-out of Collaborative Planning to achieve full coverage | Andy Wood, Corporate Director Finance & Procurement | November 2016 |
| Oracle Business Intelligence upgrade to 11.1.1.10 to provide improved functionality | Richard Hallett, Transformation Manager | September 2016 |
| Comprehensive Highways suite of dashboards to be released to all Highways managers | Richard Hallett, Transformation Manager | September 2016 |

| Risk ID | StCS 07 | Risk Title | Capacity and capability challenges relating to corporate support functions | | | |
|---|---|---|---|--|-------------------------------|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| Support services across the directorate are facing the challenge of achieving challenging budget savings, maintaining day-to-day operations and playing a key role in helping the organisation through significant change. This is in addition to developing the internally commissioned Business Service Centre. | Insufficient capacity to maintain day-to-day delivery on top of supporting change. Lack of appropriate skills and competencies as the Directorate moves forward and transforms. | Levels of service drop or support for key change initiatives cannot be given in timescales. ICT resilience suffers. | StCS Directorate Management Team | Possible (3) | Significant (3) | |
| | | | | Target Residual Likelihood | Target Residual Impact | |
| | | | | Unlikely (2) | Significant (3) | |
| Control Title | | | | Control Owner | | |
| Bids put forward to transformation budget for additional resource | | | | StCS Directorate Management Team | | |
| Project based approaches being adopted and resource mapping in place where required to aid capacity planning. | | | | StCS Directorate Management Team | | |
| Resource requirements reviewed regularly in light of projected workload. | | | | StCS Directorate Management Team | | |
| Business Capability Portfolio Board in place to oversee allocation of resources to key change initiatives. | | | | David Cockburn, Corporate Director Strategic & Corporate Services | | |
| Corporate Assurance team and Portfolio Delivery Managers working with project / programme managers to highlight interdependencies, including demand on corporate support services. | | | | Elizabeth Sanderson, Corporate Assurance Manager/ Change Portfolio Delivery Managers | | |
| Service redesigns take account of capacity and capability issues | | | | StCS Directorate Management Team | | |
| Action Title | | Action Owner | | Planned Completion Date | | |
| Development of appropriate skills and competencies for new strategic commissioning arrangements once requirements are clear | | StCS Directorate Management Team | | April 2016 | | |

| Risk ID | StCS 09 | Risk Title | Development of client-side arrangements across StCS Directorate | | | |
|--|--|--|---|--|---|--|
| Source / Cause of risk | Risk Event | Consequence | Risk Owner | Current Likelihood | Current Impact | |
| As a result of service reviews and the move towards a strategic commissioning authority, a number of alternative service delivery models are being considered and moving towards potential implementation. This will require establishment of appropriate 'client-side' arrangements | Client-side arrangements not developed in time to drive effective relationships with, and performance management, of providers. Allocation of resources not at an optimal level (i.e. Client-side is too "thick" or "thin") to strike an appropriate balance between control and oversight of provider and provider freedom to focus on outcomes. Lack of appropriate skills to form an 'intelligent client' and run an effective 'contract' with the provider (internal or external). | Inadequate contract management leading to failure to secure sufficient 'Return on Investment' and/or Value for Money from providers (internal or external). Anticipated outcomes not achieved. | Amanda Beer, Corporate Director EODD Geoff Wild, Director Governance & Law Rebecca Spore, Director Infrastructure Andy Wood, Corporate Director Finance & Procurement Emma Mitchell, Director Strategic Business Development & Intelligence | Unlikely (2) Target Residual Likelihood Very Unlikely (1) | Serious (4) Target Residual Impact Serious (4) | |
| Control Title | | | Control Owner | | | |
| Strategic & Corporate Services directorate restructure has taken into account the move to a commissioning model. | | | David Cockburn, Corporate Director StCS | | | |
| Infrastructure division established to provide 'intelligent client' functions to manage service delivery of ICT and Property Infrastructure services through contract/SLA arrangements as appropriate. | | | Rebecca Spore, Director Infrastructure | | | |
| Member involvement in contract monitoring arrangements for Total Facilities Management contract | | | Rebecca Spore, Director Infrastructure | | | |

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| Appointments made to client-side roles in HR, ICT and Finance | Amanda Beer, Corporate Director EODD Rebecca Spore, Director Infrastructure Andy Wood, Corporate Director Finance & Procurement | |
| Phased programme to agree ICT, Finance, HR and Property SLAs across the organisation | Amanda Beer, Corporate Director EODD Rebecca Spore, Director Infrastructure Andy Wood, Corporate Director Finance & Procurement | |
| Customer service commissioning and Agilysis contract management arrangements established. | Amanda Beer, Corporate Director EODD Emma Mitchell, Director SBDI | |
| Proposals regarding Property LATCO presented to Cabinet in October 2015 and the Governance & Audit Committee Trading activities sub-group in November 2015, including client-side governance arrangements | Rebecca Spore, Director Infrastructure | |
| Action Title | Action Owner | Planned Completion Date |
| Completion of Phase 2 and 3 of the Infrastructure Division restructure including integrated client roles | Rebecca Spore, Director Infrastructure | March 2016 |
| Ensure appropriate and effective client-side arrangements for Contact Point and Digital Services. | Amanda Beer, Corporate Director EODD Emma Mitchell, Director SBDI | March 2016 (review) |
| Ensure establishment of appropriate 'intelligent client' function for Legal Services if an alternative service delivery model is adopted. | Geoff Wild, Director Governance & Law | TBC |