

From: **Susan Carey, Cabinet Member for Customers, Communications and Performance**

David Cockburn, Corporate Director for Strategic and Corporate Services

To: **Policy & Resources Cabinet Committee – 8 March 2019**

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'.

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 Strategic and Corporate Services directorate, and often have wider potential interdependencies with other services across the Council and external parties.
- 1.3 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' (along with the rest of the Corporate Management Team) 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.

2. Strategic and Corporate Services (ST) directorate led Corporate risks

2.1 Strategic and Corporate Services Directorate currently lead on 8 of the 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.

Risk No.	Risk Title	Current Risk Rating	Target Risk Rating
CRR0009	Future financial and operating environment for local government	20 (High)	12 (Medium)
<p>The level of risk had been reduced slightly in 2017 due to additional social care monies received from Government but in the 2018 autumn refresh it was revised back up from 16 to 20 as we await details of the Government's Spending Review in mid-2019 as well as the outcome of the fair-funding review.</p>			
CRR0011	Embedding KCC's Strategic Commissioning approach and consistency of commissioning standards	9 (Medium)	6 (Low)
<p>The approach aims to meet the need for comprehensive, professional strategic commissioning advice to all directorates across the Authority and requires a whole council ethos, as well as clarity of responsibility and accountability. Over the past 12 months the central Strategic Commissioning division has been established and restructured in order to support the approach set out in the 'Commissioning Success' blueprint. A key action now is to work towards Chartered Institute of Procurement and Supply (CIPS) Excellence accreditation for the organisation, as part of the work to embed consistent commissioning standards across the organisation.</p>			
CRR0013	Delivery of in-year savings within agreed budgets.	9 (Medium)	4 (Low)
<p>Although the forecast revenue pressure of £1.984m, increasing to £4.393m including roll forwards, reported to Cabinet on 28th January 2019 was an improvement compared to the position at the same point last year, there is no room for complacency and must be managed down to at least a balanced position. £2.1m of the forecast pressure relates to the Asylum service and negotiations continue with the Home Office to seek full reimbursement of the costs of supporting unaccompanied asylum seekers and care leavers.</p>			

CRR0014	Cyber-attack threats and their implications	16 (High)	12 (Medium)
<p>Continued vigilance is critical to mitigate this risk that could have serious implications such as unauthorised access to data and / or significant business interruption. Recently, KCC has engaged the 'National Computer Centre Group' to conduct a cyber security review to provide independent assurance on the ability of KCC's IT services to prevent, detect and respond to cyber-attacks. This review commenced in early February 2019 with a view to completion by the end of March 2019.</p>			
CRR0039	Information Governance	12 (Medium)	8 (Medium)
<p>Last year the focus of this risk was narrowed to concentrate on preparedness for compliance with the General Data Protection Regulations (GDPR) in May 2018, including an extensive training programme. While the embedding of the regulations continued past that date, the risk has been broadened out again to reflect a range of potential risk events. A Corporate Information Governance Group has been established to allow for effective management of information governance risks and issues between the Data Protection Officer, Senior Information Risk Owner and Caldicott Guardian.</p>			
CRR0040	Opportunities and risks associated with KCC's Local Authority Trading Companies	12 (Medium)	4 (Low)
<p>The risk is centred around KCC's companies achieving target financial dividends and / or return on investment within timescales and ensuring appropriate governance is in place. One significant mitigation in progress is the implementation of holding arrangements for KCC's companies. A Chairman and Chief Executive have been appointed and are developing a business plan.</p>			
CRR0041	Maintaining a healthy and effective workforce through significant change	12 (Medium)	8 (Medium)
<p>The current level of risk was raised in early autumn 2018, although this was largely based on anecdotal evidence. The level of risk is now being reviewed taking into account the results of the recent comprehensive staff survey. While further analysis is being conducted, headline results show positive responses to questions in the 'resources and workload' and 'my wellbeing' sections that would suggest that a medium risk rating is appropriate and could see the risk return to target level.</p>			
CRR0045	Effectiveness of governance within a Member-led authority	10 (Medium)	5 (Low)
<p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and robust internal control mechanisms.</p> <p>One recently completed mitigation was the development of KCC's informal governance arrangements, authorised by the KCC constitution, which clarify how officers work with elected Members to support effective decision making. This is in addition to KCC Operating Standards for KCC officers to help them discharge their responsibilities effectively.</p>			

3. Strategic and Corporate Services (ST) directorate risk profile

- 3.1 There are currently two directorate risks featured on the Strategic and Corporate Services directorate risk register, both are rated as 'Medium' risk. The directorate register is underpinned by risk registers for each division that are considered for escalation in accordance with KCC's risk management policy.

ST0021	Anti-Bribery and Corruption	9 (Medium)	9 (Medium)
This risk was added to the directorate register in 2017 in response to an Internal Audit report that identified some potential for improvements in the control environment (although no substantiated allegations had been found). An action plan was implemented, and risk level reduced. The risk has been kept on the register to ensure regular review of the risk and its controls.			
ST0023	Workforce capacity, capability and wellbeing	12 (Medium)	8 (Medium)
This risk provides a Strategic & Corporate Services view of the KCC corporate risk. The Directorate Management Team has been reviewing the results of the recent staff survey as relevant to the directorate, with an action plan being devised.			

- 3.2 The Strategic & Corporate Services directorate is engaged in significant business continuity planning in preparation for a potential no-deal Brexit. An overview of these arrangements that highlights current activities and mitigating actions being put in place across the ST directorate to support the County Council's preparations is covered in a separate report to this Committee.
- 3.3 Advances in technology present a significant opportunity for KCC to change how it works, making full use of technology that we have invested in, work differently and from different places and find new ways to interact with our customers and each other.' A business change leadership group made up of senior representatives across the organisation has been established to facilitate coordinated conversations with the business i.e. development of property strategy and elements of ICT transformation.

4. Key Divisional Risks

- 4.1 Underpinning the corporate and directorate risks, there are a number of divisional risks across the ST directorate for which the Directorate Management Team have regular oversight, such as:
- Compliance with legislative duties and associated requirements e.g. Freedom of Information Act; Equality Impact Assessments; Data Protection Impact Assessments.
 - Resource availability in individual divisions to discharge their functions.
 - Ensuring effective relationships with our partners.
 - Review of multi-agency safeguarding board arrangements as a result of Working Together statutory guidance.

- Ensuring provision of appropriate preventative health interventions.
- Addressing safety risks, including fire safety.

5. Recommendation

Recommendation: The Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the risks presented.

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>

7. Contact details

Report Author

- Mark Scrivener
- 03000 416660
- Mark.scrivener@kent.gov.uk

Relevant Director:

- David Whittle
- 03000 416833
- David.whittle@kent.gov.uk



Strategic and Corporate Services Led Corporate Risks

Corporate Risks - 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 March 2018
CRR0009	Future financial and operating environment for local government	20	12	↑
CRR0011	Embedding KCC's strategic commissioning approach and consistency of commissioning standards	9	6	↔
CRR0013	Delivery of in-year savings within agreed budgets	9	4	↑
CRR0014	Cyber-attack threats and their implications	16	12	↔
CRR0039	Information Governance	12	8	↔
CRR0040	Opportunities and risks associated with KCC's Local Authority Trading Companies	12	4	↑
CRR0041	Maintaining a healthy and effective workforce	12	8	↑
CRR0045	Effectiveness of governance within a Member-led Authority	10	5	NEW

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.

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	CRR0009	Risk Title	Future financial and operating environment for Local Government			
Source / Cause of risk	Risk Event	Consequence	Risk Owner (s)	Current Likelihood	Current Impact	
<p>The operating environment for local government is likely to continue to change during the coming years, presenting both opportunities and risks for the Council and its partners / service providers.</p> <p>Government funding has continued to reduce, with a number of councils showing signs of financial stress and warning of moves toward a 'minimum service offer', including the issuing of the first section 114 notice for over 20 years.</p> <p>While KCC is not in this position, continuing budget challenges will necessitate difficult policy decisions being made regarding the future of services.</p> <p>The Government's Spending Review in 2019; the Social Care Green Paper; NHS 10-year plan; current uncertainties relating to implications of Brexit and ongoing challenges to secure funding for essential infrastructure to keep pace with housing growth will all affect the operating framework for the Council.</p> <p>Limits on our ability to levy additional council tax without a referendum are still in place.</p>	<p>Additional unfunded spending demands and continued real-terms funding reductions threaten the financial sustainability of KCC, its partners and service providers.</p> <p>In order to set a balanced budget, the council is likely to have to continue to make significant year on year savings. Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.</p> <p>Insufficient Government Grant available to provide sufficient number of school places.</p>	<p>Unsustainable financial situation, ultimately resulting in s114 notice.</p> <p>Potential for partner or provider failure – including sufficiency gaps in provision.</p> <p>Reduction in resident satisfaction and reputational damage.</p>	<p>On behalf of CMT:</p> <p>Dave Shipton, Acting Section 151 Officer</p> <p>Responsible Cabinet Member (s): All Cabinet Members</p>	<p>Likely (4)</p> <p>Target Residual Likelihood Possible (3)</p>	<p>Major (5)</p> <p>Target Residual Impact Serious (4)</p>	

Control Title	Control Owner	
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation	Dave Shipton, Acting Section 151 Officer	
Processes in place for monitoring delivery of savings and budget as a whole	Dave Shipton, Acting Section 151 Officer	
KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period	Paul Carter, Leader of the Council	
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, Business Partner (external funding)	
Support being provided to the Leader of KCC in his role as Chair of the County Councils Network (CCN)	David Whittle, Director SPRCA	
Financial analysis conducted after each budget statement	Dave Shipton, Acting Section 151 Officer	
Engagement with CCN, other local authorities and Government of potential opportunities and issues around devolution and public reform	David Whittle, Director SPRCA	
Continued engagement with Government for a fair Basic Need allocation to meet the demand for school places	Keith Abbott, Director Education Planning and Access	
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, Acting Section 151 Officer	June 2019 (review)
Engage with Government for a fair-funding needs formula for Grant distribution and tariffs/top ups under business rate retention	Dave Shipton, Acting Section 151 Officer	June 2019 (review)
Ensure appropriate response to Government Spending Review 2019	Dave Shipton, Acting Section 151 Officer	September 2019
Assess impact of and respond to social care green paper	Penny Southern, Corporate Director ASCH	June 2019
Assess implications arising from design of the UK Shared Prosperity Fund (cross-reference to CRR0003)	David Smith, Director Economic Development	June 2019

Risk ID	CRR0011	Risk Title	Embedding KCC's Strategic Commissioning approach and consistency of commissioning standards			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
The Authority has developed a strategic commissioning approach, which is a journey in changing the systems, culture and approach the organisation takes to achieving its strategic outcomes. The approach aims to meet the need for comprehensive, professional strategic commissioning advice to all directorates across the Authority and requires a whole council ethos, as well as clarity of responsibility and accountability.	Insufficient management capacity and / or capability in key skill areas to support sustained change. Lack of clarity over which activities can be defined as strategic commissioning as distinct from the specification of service outcomes. Lack of buy-in to whole-council ethos to support the changes required.	Potential to fall short of achieving benefits if changes introduced are not fully embedded.	In collaboration with CMT: Vincent Godfrey, Strategic Commissioner Responsible Cabinet Member: Catherine Rankin, Strategic Commissioning	Possible (3) Target Residual Likelihood Unlikely (2)	Significant (3) Target Residual Impact Significant (3)	
Control Title				Control Owner		
Senior role of Strategic Commissioner appointed, reporting to the Head of Paid Service, to oversee the delivery of strategic commissioning expertise				David Cockburn, Head of Paid Service		
Building capacity and capability in commissioning is a key area of KCC's Organisation Development action plan				Julie Cudmore, Head of Organisation Development		
Cabinet Member role for Strategic Commissioning created				Paul Carter, Leader of the Council		
Rolling programme of reviews of contract management arrangements for major contracts embedded into Business as Usual and reported on regularly				Vincent Godfrey, Strategic Commissioner		
<i>Commissioning Success:</i> A strategy to improve lives by ensuring every pound spent in Kent is delivering better outcomes for Kent's residents, communities and businesses through successful commissioning developed as part of a co-design process				Vincent Godfrey, Strategic Commissioner		
KCC has established a Strategic Commissioning Division to strengthen commissioning capability, and lead and shape commissioning activity, which has been restructured as a vehicle for achievement of business strategy				Vincent Godfrey, Strategic Commissioner		

Commissioning Standards Framework Group provides strategic oversight and agreement by executive Members and senior professional officers of the proposed minimum standards for strategic commissioning activity throughout the life cycle which will make up the Commissioning Framework	Catherine Rankin, Cabinet Member for Strategic Commissioning	
KCC informal Governance arrangements refreshed to include continued focus on improving quality of commissioning activity	Vincent Godfrey, Strategic Commissioner	
Action Title	Action Owner	Planned Completion Date
Work towards Chartered Institute of Procurement and Supply (CIPS) Excellence accreditation for the organisation	Vincent Godfrey, Strategic Commissioner	October 2019

Risk ID	CRR0013	Risk Title	Delivery of in-year savings within agreed budgets			
Source / Cause of Risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
The ongoing difficult public financial situation and economic uncertainty continue to mean significant reductions in funding to the public sector and Local Government in particular, at a time when spending pressures on councils are increasing.	Robust plans to achieve the required savings are not developed in time to enable implementation and realisation of benefits.	Urgent alternative savings need to be found which could have an adverse impact on service users and/or residents of Kent.	On behalf of CMT: Dave Shipton, Acting Section 151 Officer	Possible (3)	Significant (3)	
KCC has already made significant cost savings and still needs to make significant ongoing year-on-year savings in order to “balance its books”.	Plans are not aligned with Cabinet Member priorities.	Potential adverse impact on council transformation plans.	Responsible Cabinet Member(s): Peter Oakford, Finance and Traded Services	Target Residual Likelihood Unlikely (2)	Target Residual Impact Unlikely (2)	
		Depletion of the Council’s financial reserves.				
		Reputational damage to the council.				
Control Title			Control Owner			
Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process			Dave Shipton, Acting Section 151 Officer			
Process for monitoring delivery of savings is in place, including a Budget Delivery Group to scrutinise progress			Dave Shipton, Acting Section 151 Officer			
Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole			Dave Shipton, Acting Section 151 Officer			
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			Dave Shipton, Acting Section 151 Officer			
Indicative cash limits and savings targets allocated to Corporate Directors to allow early planning			Corporate Directors and Director Group			

Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee	Corporate Directors and Director Group
Continued engagement with the Home Office for a fair settlement for Unaccompanied Asylum-Seeking Children (UASC), particularly Care Leavers	Matt Dunkley, Corporate Director, CYPE
Action Title	Action Owner
Planned Completion Date	
NOTE: Level of risk is expected to decrease during the year by effective operation of existing controls.	

Risk ID	CRR0014	Risk Title	Cyber-attack threats and their implications			
<p>Source / Cause of Risk</p> <p>The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent.</p> <p>KCC repels a high number of cyber-attacks on a daily basis, although organisations across all sectors are experiencing an increasing threat in recent times and must ensure that all reasonable methods are employed to mitigate them (within resource constraints), both in terms of prevention and preparedness of response in the event of any successful attack.</p> <p>KCC's ICT Strategy will move the Authority's technology to cloud based services. It is important to harness these new capabilities in terms of both IT security and resilience, whilst emerging threats are understood and managed.</p> <p>In information terms the other factor is human. Technology can only provide a level of protection. Our staff and members must have a strong awareness of their responsibilities in terms of IT and information security.</p>	<p>Risk Event</p> <p>Successful cyber-attack (e.g. 'phishing' scam) leading to loss or unauthorised access to sensitive business data.</p> <p>Significant business interruption caused by a successful attack.</p>	<p>Consequence</p> <p>Data Protection breach and consequent Information Commissioner's Office (ICO) sanction.</p> <p>Damages claims.</p> <p>Reputational Damage.</p> <p>Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.</p>	<p>Risk Owner(s)</p> <p>Rebecca Spore, Director Infrastructure</p> <p>Ben Watts, General Counsel and KCC Data Protection Officer</p> <p>Amanda Beer, Corporate Director Engagement, Organisational Design & Development.</p> <p>Responsible Cabinet Member(s):</p> <p>Eric Hotson, Corporate & Democratic Services</p>	<p>Current Likelihood</p> <p>Likely (4)</p> <p>Target Residual Likelihood</p> <p>Possible (3)</p>	<p>Current Impact</p> <p>Serious (4)</p> <p>Target Residual Impact</p> <p>Serious (4)</p>	

Control Title	Control Owner
Systems are configured in line with best practice security controls proportionate to the business information being handled. Systems are risk assessed and reviewed to ensure compliance is maintained	Kathy Stevens, ICT Compliance and Risk Manager
Staff are required to abide by IT policies that set out the required behaviour of staff in the use of the technology provided. These policies are reviewed on an annual basis for appropriateness	Kathy Stevens, ICT Compliance and Risk Manager
Continual awareness raising of key risks amongst the workforce and manager oversight	Internal Communications function / Rebecca Spore, Director Infrastructure / All Managers
Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place	Rebecca Spore, Director Infrastructure
External reviews of the Authority's security compliance are carried out to maintain accreditation and confirm best practice is applied	Kathy Stevens, ICT Compliance and Risk Manager
Persistent monitoring of threats, network behaviours and data transfers to seek out possible breaches and take necessary action	Kathy Stevens, ICT Compliance and Risk Manager
Data Protection and Information Governance training is mandatory and requires staff and members to refresh periodically. Progress rates monitored regularly.	Ben Watts, General Counsel
Further training introduced relating to cyber-crime, cyber security and social engineering to raise staff awareness and knowledge	Rebecca Spore, Director Infrastructure
Messages to encourage increased awareness of information security amongst staff are to be communicated to align with key implementation milestones of the ICT Transformation Programme	Diane Trollope, Head of Engagement and Consultation
Procedures to address data breaches from KCC 'client side' perspective are covered within the Infrastructure business continuity plan	Kathy Stevens, ICT Compliance and Risk Manager
Monthly updated remediation plans produced for the Director of Infrastructure and Senior Information Risk Owner. Quarterly reporting to the Directorate Management Team	Kathy Stevens, ICT Compliance and Risk Manager
A Cyber incident response and management policy has been developed which strengthens the responsibilities and accountabilities across the Authority	Kathy Stevens, ICT Compliance and Risk Manager

Action Title	Action Owner	Planned Completion Date
Implementation of ICT Transformation Programme includes actions to further strengthen ICT resilience, with systems and software compliance with various UK Standards	Rebecca Spore, Director of Infrastructure	March 2019
Liaise with service partners / providers to ensure clarity regarding support available and respective responsibilities to address data breaches should they occur	Kathy Stevens, ICT Compliance and Risk Manager	June 2019
Independent cyber security review commissioned to provide assurance of KCC's cyber security controls	Rebecca Spore, Director of Infrastructure	April 2019

Risk ID	CRR0039	Risk Title	Information Governance			
Source / Cause of risk		Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact
<p>The Council is required to maintain the confidentiality, integrity and proper use of data under the Data Protection Act 2018.</p> <p>General Data Protection Regulations (GDPR) came into effect that have introduced significantly increased obligations on all data controllers, including the Council.</p> <p>There is insufficient resource available to undertake comprehensive oversight / assurance activity that provides assurance on compliance with existing information governance standards.</p> <p>There is a critical dependency on one of the Council's Local Authority Trading Companies (CBS) to support Information Governance compliance for the KCC systems and network.</p> <p>KCC services' requirement for non-standard systems creates vulnerabilities.</p>		<p>Failure to embed the appropriate processes and procedures to meet the new regulations.</p> <p>Information security incidents (caused by both human error and / or system compromise) resulting in loss of personal data or breach of privacy / confidentiality.</p> <p>Council accreditation for access to government and partner ICT data, systems and network is withdrawn.</p> <p>Cantium Business Solutions prioritises commercial work or does not undertake information governance compliance work in an appropriate and timely fashion.</p>	<p>Information Commissioner's Office sanction (e.g. undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority).</p> <p>Serious breaches under GDPR could attract a fine of €20m.</p> <p>Increased risk of litigation.</p> <p>Reputational damage.</p>	<p>Ben Watts, General Counsel and Data Protection Officer in collaboration with David Whittle, Senior Information Risk Owner</p> <p>Responsible Cabinet Member:</p> <p>Eric Hotson, Corporate & Democratic Services</p>	<p>Possible (3)</p> <p>Target Residual Likelihood</p> <p>Unlikely (2)</p>	<p>Serious (4)</p> <p>Target Residual Impact</p> <p>Serious (4)</p>
Control Title					Control Owner	
Data Protection Officer in place to act as designated contact with the Information Commissioner's Office					Ben Watts, General Counsel	
Caldicott Guardian appointed with training and support to undertake the role					Penny Southern, Corporate Director ASCH	

Senior Information Risk Owner for the Council appointed with training and support to undertake the role	David Whittle, Director SPRCA	
Corporate Information Governance group to allow for effective management of information governance risks and issues between the DPO, SIRO and Caldicott Guardian	Ben Watts, General Counsel	
Management Guide / Operating Modules on Information Governance in place, highlighting key policies and procedures	Caroline Dodge, Team Leader Information Resilience & Transparency	
A number of policies and procedures are in place including KCC Information Governance Policy; Information Governance Management Framework; Information Security Policy; Data Protection Policy; Freedom of Information Policy; and Environmental Information Regulations Policy all in place and reviewed regularly	Ben Watts, General Counsel	
Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum	Ben Watts, General Counsel / Amanda Beer, Corporate Director EODD	
ICT Commissioning function has necessary working / contractual relationship with the Cantium Business Solutions to require support on KCC ICT compliance and audit	Rebecca Spore, Director of Infrastructure	
Information Resilience and Transparency team in place, providing business information governance support	Caroline Dodge, Team Leader Information Resilience & Transparency	
Privacy notices as well as procedures/protocols for investigating and reporting data breaches reviewed and updated	Caroline Dodge, Team Leader Information Resilience & Transparency	
Action Title	Action Owner	Planned Completion Date
Development of stand-alone Information Governance risk register	David Whittle, Director SPRCA	March 2019
Consider introduction of additional information governance controls, utilising capabilities of Microsoft Office 365	David Whittle, Director SPRCA / Ben Watts, General Counsel	April 2019

Risk ID	CRR0040	Risk Title	Opportunities and risks associated with KCC's Local Authority Trading Companies (LATCos)			
<p>Source / Cause of risk</p> <p>KCC has established a number of wholly-owned companies delivering a wide range of professional services that can bring benefits such as a change in culture and a more commercial approach to delivering services; more freedom to invest; the ability to secure new external clients; and the ability to grow the business and return a dividend to the Council as shareholder.</p> <p>As with any new company start up, there will also be risks to be managed.</p> <p>With the number of wholly-owned companies increasing, the council has reached a cross-over point where the wider objectives of the shareholder (KCC) is of at least the same importance as the individual needs of the new companies.</p> <p>KCC does not make the necessary internal changes / decisions (e.g. internal commissioning arrangements) necessary to support the delivery of the agreed business plans of trading companies.</p>	<p>Risk Event</p> <p>Expected financial dividends not met or return on investment takes longer than planned to achieve.</p> <p>One or more company acts in a way that does not fit with KCC's values.</p> <p>Council attempts to manage or run individual companies rather than acting as shareholder to extract the maximum value and benefit for the council in terms of both financial return and delivery of our identified outcomes as the owner of the businesses.</p> <p>Insufficient quality of service from company to KCC 'client'.</p>	<p>Consequence</p> <p>Additional pressures on Council budget.</p> <p>Reputational damage.</p> <p>Companies may not be able to take advantage of commercial opportunities if decision-making is restricted.</p>	<p>Risk Owner</p> <p>KCC Shareholder Boards</p> <p>Responsible Cabinet Member:</p> <p>Peter Oakford, Finance and Traded Services</p> <p>Supported by:</p> <p>Richard Long, Cabinet Lead for Traded Services</p>	<p>Current Likelihood</p> <p>Likely (4)</p> <p>Target Residual Likelihood</p> <p>Unlikely (2)</p>	<p>Current Impact</p> <p>Significant (3)</p> <p>Target Residual Impact</p> <p>Moderate (2)</p>	

Control Title	Control Owner	
Governance: shareholder and company boards exist for KCC-owned companies with respective roles, with matters reserved for shareholder decision outlined	Ben Watts, General Counsel	
Cultural and change factors are built into the planning for proposed creation of alternative service delivery models	Julie Cudmore, Head of Organisation Development	
KCC's Group Audit function conducts audits for KCC-owned companies	Robert Patterson, Head of Internal Audit	
Robust business cases developed for proposed new companies, subject to Member and Officer scrutiny – including consideration of market potential, governance arrangements etc.	Relevant Cabinet Member and Corporate Director.	
KCC company governance and ownership reviewed with regular updates given to Policy & Resources Cabinet Committee	Richard Long, Cabinet Lead for Traded Services / David Cockburn, Head of Paid Service / Ben Watts, General Counsel / Dave Shipton, Acting Section 151 Officer	
Action Title	Action Owner	Planned Completion Date
The Council is effecting changes to the constitution and Member scrutiny to support effective oversight and input by Members	Ben Watts, General Counsel	May 2019
Implementation of holding arrangements for KCC's companies	Ben Watts, General Counsel	April 2019 (review)
To develop exit strategies in relation to all businesses from a commissioning and shareholder perspective against various potential outcomes	Relevant commissioners / Share holder Boards	Ongoing
Accommodation solution agreed to support Cantium Business Solutions requirement for co-location of staff as per agreed Business Plan	Rebecca Spore, Director Infrastructure	April 2019

Risk ID	CRR0041	Risk Title	Maintaining a healthy and effective workforce			
Source / Cause of risk	Risk Event	Consequence	Risk Owner	Current Likelihood	Current Impact	
KCC's workforce makes a vital contribution to the delivery of the Council's strategic outcomes, through its energy, commitment and hard work.	Low morale or stress related to organisational change or other factors.	Negative impact on productivity and levels of service.	Corporate Management Team	Possible (3)	Serious (4)	
Staff across the organisation need to be healthy, motivated and have the right skills to help the organisation develop.	Increased sickness levels. Lack of depth / resilience of key personnel or teams.			Target Residual Likelihood	Target Residual Impact	
It is important that this continues through challenging times, with significant change becoming the new reality and further year-on-year efficiencies being required to meet difficult budgetary challenges.	Increasing demands on staff leads to insufficient capacity.		Responsible Cabinet Member: Eric Hotson, Corporate and Democratic Services	Unlikely (2)	Serious (4)	
Control Title			Control Owner			
Refreshed approach to managing people and performance focusing in particular on regular, high quality conversations between managers and staff and emphasising management accountability and employee engagement			Amanda Beer, Corporate Director EODD			
Annual staff survey (Employment Value Proposition – EVP) builds insight by looking at the perceived balance between what the organisation offers staff and what employees bring to the job			Amanda Beer, Corporate Director EODD			
Wellbeing initiatives and health promotions for staff			Paul Royel, Head of Human Resources (HR) and Organisation Development (OD)			
Arrangements in place for active monitoring and response to absence			Paul Royel, Head of HR and OD			
Employee engagement strategy in place			Paul Royel, Head of HR and OD			

iResilience tools available	Amanda Beer, Corporate Director EODD	
Staff care services provide professional occupational health, counselling (Support Line); coaching and mediation services to help ensure staff are physically, emotionally and mentally well	Mark Scott, Chief Executive Cantium Business Solutions	
Suite of key performance indicators being monitored as early warning indicators e.g. retention, absence	Amanda Beer, Corporate Director EODD	
Directorate Organisation Development groups share best practice and facilitate communication on key OD issues	Julie Cudmore, Head of Organisation Development	
Service redesigns take account of capacity and capability issues ensuring resources are allocated appropriately	Corporate Management Team	
Significant and positive engagement with staff representatives	Paul Royel, Head of Human Resources (HR) and Organisation Development (OD)	
Comprehensive leadership and management training & development offer available	Paul Royel, Head of Human Resources and Organisation Development	
Action Title	Action Owner	Planned Completion Date
Review progress against actions arising from the Autumn 2018 staff survey	Corporate Management Team	April 2019

Risk ID	CRR0045	Risk Title: Effectiveness of governance within a Member-led Authority				
<p>Source / Cause of risk</p> <p>The continuation of a challenging financial and operating environment for Local Government (see risk CRR0009) will require difficult policy decisions to be made in a timely manner, which requires continued effective governance and robust internal control mechanisms.</p> <p>KCC's constitution explicitly references its Member-led / Officer managed demarcation, which consequently places dependency / risk on the effectiveness of the member governance of the Council. It is crucial that the Council avoids some of the inherent risks such as:</p> <p>Professional / statutory officers failing in their duty to provide robust professional advice needed by Member to effectively discharge their member leadership role, or unwillingness of elected Members to appropriately consider advice from professional / statutory officers.</p> <p>Over reliance on informal governance arrangements and political group meetings to direct officers and make decisions</p>	<p>Risk Event</p> <p>Members are unwilling or unable to agree necessary policy (service) decisions to deliver a legally balanced budget and sustainable medium-term financial plan (MTFP).</p> <p>Members agree a budget requiring unrealistic and undeliverable efficiency savings leading to significant in-year overspends.</p> <p>Officers act on direction from members which has no basis in statutory decision making or the Council's constitution.</p> <p>Statutory officers (S151, Monitoring Officer, Head of Paid Service) are required to use their powers to intervene or alert the Council to inappropriate/illegal decision-making.</p>	<p>Consequence</p> <p>Decisions challenged under judicial review on the appropriateness of the decision-making within KCC</p> <p>Monitoring Officer / Head of Paid Service statutory report to Council</p> <p>Reputational damage to the Council</p> <p>S114 Notice issued by the S151 Officer</p>	<p>Risk Owner</p> <p>Paul Carter, Leader of the Council</p> <p>David Cockburn, Head of Paid Service</p>	<p>Current Likelihood</p> <p>Unlikely (2)</p> <p>Target Residual Likelihood</p> <p>Very Unlikely (1)</p>	<p>Current Impact</p> <p>Major (5)</p> <p>Target Residual Impact</p> <p>Major (5)</p>	

outside of formal statutory decision-making and scrutiny arrangements.

Policy options regarding the service offer of the Council are not adequately or appropriately considered within the budget development/approval process.

Failure of the governance structures of the council (Cabinet, Cabinet Committee, Full Council, Scrutiny Committee/Governance & Audit) to provide robust internal and external oversight, scrutiny and challenge of budget options and delivery of agreed MTFP savings programme.

Control Title	Control Owner
Strategic Statement agreed by County Council and published setting out medium-term objectives and priorities of the Council	Paul Carter, Leader of the Council
MTFP and Budget Book agreed by Full Council and support/briefing provided for all political groups by officers on budget development options	Dave Shipton, Acting Section 151 Officer
Key and significant decision-making process in place for Executive decisions and appropriately published Forward Plan of Executive Decisions	Ben Watts, General Counsel
Transformation plans and/or business cases for strategic change underpinning MTFP shared with non-executive members through Cabinet Committees as part of the executive decision-making arrangements	David Cockburn, Head of Paid Service
Member and Officer codes of conduct in place and robustly monitored and enforced	Ben Watts, General Counsel
Member development and training programme in place and overseen by Selection and Member Services Committee	Ben Watts, General Counsel
Appropriate officer development and training programme in place and overseen by CMT	Amanda Beer, Corporate Director – EODD
Appropriately detailed and timely financial monitoring reports considered by Cabinet and Cabinet Committees	Dave Shipton, Acting Section 151 Officer

Appropriate performance reporting of service and corporate performance to Cabinet, Cabinet Committee and Full Council	David Cockburn, Head of Paid Service	
Effective internal audit arrangements in place and robust monitoring arrangements for the delivery of internal audit recommendations to Governance & Audit Committee	Dave Shipton, Acting Section 151 Officer	
Provision for Chief Officers to seek written direction from Executive Members within the KCC Constitution	Ben Watts, General Counsel	
Annual Governance Statement (AGS) arrangements in place with returns made across both senior and statutory officers	Ben Watts., General Counsel	
Appropriate and effective corporate risk management procedures in place for the Council	David Whittle, Director SPRCA	
Democratic Services appropriately resourced to support effective Committee governance and scrutiny arrangements	Ben Watts, General Counsel	
Informal governance arrangements authorised by the KCC Constitution have been published on KNet, as a practical guide for how officers work with elected Members to help them support effective decision making for our service users, residents and communities.	David Whittle, Director SPRCA	
New operating standards for KCC officers that support KCC's constitution published on KNet, signposting officers to essential policy information and additional guidance on specific topics, to help officers discharge their responsibilities effectively.	David Whittle, Director SPRCA	
Action Title	Action Owner	Planned Completion Date
Development of single Strategic Delivery Plan for KCC	David Whittle, Director SPRCA	March 2019
Refresh of the Kent County Council's constitution	Ben Watts, General Counsel	May 2019