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To: Growth, Environment and Transport Cabinet Committee – 10 March 2026

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

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary:

This paper presents the strategic risks relating to the Growth, Environment and Transport Cabinet Committee, comprising of three risks on the Corporate Risk Register that fall within the relevant Cabinet portfolios, plus a summary of key risks from within the Growth, Environment and Transport directorate.

Recommendation(s):

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

1. Introduction

- 1.1 Risk management is a key element of the Council's internal control framework and the requirement to maintain risk registers ensures that potential risks that may prevent the Authority from achieving its objectives are identified and controlled.

- 1.2 Corporate and Directorate risks are reported to Cabinet Committees annually and contain strategic or cross-cutting risks that potentially affect several functions across the Growth, Environment & Transport directorate, and often have wider potential interdependencies with other services across the Council and external parties.
- 1.3 Corporate Directors also lead or coordinate mitigating actions in conjunction with other Directors across the organisation to manage risks featuring on the Corporate Risk Register.
- 1.4 The majority of these risks, or at least aspects of them, will have been discussed in depth at the relevant Cabinet Committee(s) throughout the year, demonstrating that risk considerations are embedded within core business.
- 1.5 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 residual 'target' risk level is set and further mitigating actions introduced, with the aim of reducing the risk to a tolerable and realistic level. If the current level of risk is acceptable, the target risk level will match the current rating.
- 1.6 The numeric score in itself is less significant than its importance in enabling categorisation of risks and prioritisation of any management actions. Further information on KCC risk management methodologies can be found in the risk management guidance on the 'KNet' intranet site.

2. Growth, Environment and Transport led Corporate Risks

- 2.1 The Corporate Director for the Growth, Environment and Transport directorate is the lead, on behalf of the Corporate Management Team, for several of the Council's corporate risks that fall within the relevant Cabinet portfolios. The risks are regularly reviewed by directorate and divisional senior officers in consultation with the Corporate Risk and Delivery Assurance function.
- 2.2 There are three corporate risks of particular relevance to this Committee. A summary, including changes over the past year, are outlined below, with more detail of the risks and their mitigations contained in Appendix 1.
- 2.3 These risks were presented to Cabinet along with the entire Corporate Risk Register on 8 January 2026. In addition, the risk register was presented to Governance and Audit Committee for assurance on 28 January 2026.

Risk Reference	Risk Title	Current Rating	Target Rating
CRR0003	Securing resources to aid economic growth and enabling infrastructure.	High (20)	High (16)
<p>The Council actively seeks to secure the resources/funding necessary to provide the infrastructure required to support growth, which often need to be bid for in very tight timescales and are increasingly subject to the drive to deliver economic impact, housing and employment outputs.</p> <p>The risk specifically highlights gaps in funding at local level between the overall costs of the infrastructure required and the Council's ability to secure sufficient funds through the current funding systems, including Section 106 contributions, Community Infrastructure Levy and other growth levers and the consequential impacts.</p> <p>KCC has led the development of a Kent and Medway Economic Framework with partners, setting out a high-level strategy that will guide activity to support the sustainable growth of the county's economy through to 2030. One key ambition is to "secure resilient infrastructure for planned, sustainable growth, supporting joint work across Kent and Medway to maintain a dynamic understanding of the county's infrastructure needs, and making the case for investment in its national connectivity infrastructure and the resilience of local business-critical infrastructure."</p> <p>Other mitigating controls are in place such as the Local Transport Plan 5, the updated Developer Contributions Guide and the Kent Design Guide is being refreshed to ensure consistency with national policy and legislation supporting the delivery of high-quality design in new development. These controls have enabled a stable risk rating, although this remains High due to the resources/funding constraints.</p>			

Risk Reference	Risk Title	Current Rating	Target Rating
CRR0052	Adaptation of KCC services to the impacts of a changing climate. <i>(Risk revised)</i>	High (16)	Medium (12)
<p>This risk has been revised to ensure it relates to the adaptation of the services the Council provides to the impacts of a changing climate, including seasonal weather events and increased severe weather incidents, periods of prolonged dry weather and a lack of water and increased risks of flooding during periods of high rainfall.</p> <p>There is the need to embed environmental considerations in our operating model and meet our environmental commitments.</p> <p>The KCC Strategic Statement 'Reforming Kent' focuses on adapting to changes in our weather, stronger environmental stewardship, visible improvements and a focus on the resident. This is ensured by a number of strategies, including the Environment Plan and Climate Change Adaptation Plan. These plans set the</p>			

strategic direction for the Council from 2025-28 to embed adaptation into its assets and services. Successful delivery of the plan will not be without risk, particularly as it will rely in part on securing external funding, as well as being delivered by staff across the organisation that are required to embed the work into their day-to-day operations in a time of considerable resource constraint.

The risk has remained in a stable position over the past year with a current rating of High. Work is ongoing to achieve the target risk rating of Medium as the environmental strategies are implemented.

Risk Reference	Risk Title	Current Rating	Target Rating
CRR0042	Border fluidity, infrastructure and resilience. <i>(Current risk rating reduced to Medium and target risk rating reduced to Low)</i>	Medium (9)	Low (6)

The UK operates a full, external border as a sovereign nation and controls are now placed on the movement of goods and people between the UK and the EU.

New border controls for people, including the Entry/Exit System (EES) which sees non-EU citizens fingerprinted and photographed at borders, were implemented in October 2025. There is a phased approach to implementation, with checks commencing at a 10% level, applicable only to freight traffic, and are increasing to 100% checks for all traffic over the following 6 months to April 2026. These increased checks pose a risk to local and County-wide highways, as well as potential impacts on the local economy.

The KCC Resilience team have undertaken various internal resilience activities to plan for and prepare responses to potential impacts arising. They have also undertaken several external multi-partnership activities to ensure preparedness and collaborative working is sufficient to mitigate foreseen risks.

The risk rating has been reduced to Medium over the past year which reflects the preparation work completed by KCC and its partners, however the uncertainty of impacts when passenger traffic checks increase remain. The risk profile is being regularly monitored as the percentage of checks increases.

3. Growth, Environment and Transport Directorate risk profile

3.1 The GET directorate risk register contains eight risks and a summary of these risks is shown below. The risks have been subjected to an in-year review by the Directorate Leadership Team.

3.2 Since Spring 2025, one new risk has been added to the GET Directorate Risk Register, GT0034 – Market capacity and competition. This risk relates to the

challenging market conditions compounded by the cost-of-living crisis and inflation, competition and availability of workforce and materials for both KCC and its suppliers.

- 3.3 One risk has been withdrawn from the GET Directorate Risk Register in the past year, GT0026 - Net Zero and insufficiency of funding. This was following adoption of the new KCC Strategic Statement ‘Reforming Kent’ and Objective 6 – Scrap unattainable Net Zero 2030 and focus environment policy on direct benefits to Kent residents.

Risk Reference	Risk Title	Current Rating	Target Rating
GT0025	Capital investment and asset management.	High (25)	High (16)
<p>This risk relates to financial pressures in maintaining and improving Kent highways and all assets including structures and bridges. The increase in costs of backlog of works results in challenges to the sufficiency of capital funding for highways asset management and infrastructure.</p> <p>More external funding will need to be secured, which presents risks related to resources required to develop feasibility/bids for these, alongside any “abortive costs” if bids are not successful, plus the sometimes onerous and challenging grant conditions that come with the funding that could expose KCC to financial risk.</p> <p>Shortfalls in capital funding that impact on the KCC estate can also present implications for services in the directorate that operate from KCC buildings.</p> <p>An ever-increasing risk is the annual shortfall in funding to achieve “steady state” in terms of asset management and the impact of significant inflationary and spending growth pressures in recent years. Actions continue to source additional capital funding with ongoing oversight within the directorate.</p> <p>The risk remains at the highest level due to the ongoing funding constraints, backlog costs and spending growth pressures.</p>			

Risk Reference	Risk Title	Current Rating	Target Rating
GT0036	UK Emissions Trading Scheme (UKETS).	High (20)	High (16)
<p>This risk relates to the UK Emissions Trading Scheme (UKETS) that went live on 1 January 2021, replacing the UK’s participation in the EU Emissions Trading Scheme.</p> <p>The UKETS applies to regulated activities which result in greenhouse gas emissions, including combustion of waste for fuel recovery. New legislation is set to be introduced in</p>			

April 2028 to incorporate Energy from Waste Activities into UKETS, and costs will then become applicable to KCC due to waste disposal responsibilities. Based upon the 2023/24 forecast, expenditure cost pressures may be as high as £19m per annum.

Officers are continuing engagement with Kent EnviroPower Limited and wider industry bodies to clarify ramifications of the UK trading scheme, as well as working with district partners to promote increased recycling rates and therefore reduce the waste applicable under the UKETS.

The risk continues to remain at a high level with no changes to profile over the past year.

Risk Reference	Risk Title	Current Rating	Target Rating
GT0031	Recruitment and retention challenges for key roles.	High (20)	High (16)

This risk relates to the directorate's recruitment shortfalls and retention challenges and has remained high over the past year.

There are a number of key or specialist roles across the directorate for which the postholders often have skillsets that are transferrable to other sectors, which presents risks to the recruitment and retention of suitably trained and experienced staff. It is particularly challenging to compete with salary demands for some key specialist roles.

The risk carries potential consequences for workforce capacity, capability and morale. Mitigating controls in place include workforce and succession planning as part of Managers' Personal Development and Action Plans, a Directorate Organisational Development Group and a reward and recognition approach as part of the KCC Employment Offer.

Risk Reference	Risk Title	Current Rating	Target Rating
GT0020	Identification, planning and delivery of Medium-Term Financial Plan targets.	High (20)	High (16)

This risk relates to the directorate's responsibilities to the MTFP and has continued to remain high over the past year due to increasingly challenging financial pressures, particularly with significant levels of savings still to be achieved across the Authority.

The directorate is required to make its contribution to the challenging savings targets required by the Council over the medium term. There is a reduced ability for the directorate to mitigate year-on-year, but the directorate participates fully in financial monitoring processes and has developed savings and income proposals that have been fed into the MTFP that require timely decision-making to ensure successful delivery. Key projects are monitored and managed by the GET Directorate Leadership Team.

Risk Reference	Risk Title	Current Rating	Target Rating
GT0027	Provision of suitable ICT systems and reliance on KCC technology projects.	Medium (12)	Medium (12)
<p>The directorate is increasingly reliant on information held electronically and would be impacted by staff being unable to continue working remotely due to equipment or network failure. Business Continuity Plans have been updated to include plans to mitigate against this risk and equipment is upgraded when available and necessary.</p> <p>This risk profile and rating have remained stable over the past year.</p>			

Risk Reference	Risk Title	Current Rating	Target Rating
GT0021	Availability and quality of resources provided to the directorate.	Medium (12)	Medium (12)
<p>The directorate liaises regularly with other organisational departments to ensure they can provide expert support and advice to services at the right time. However, it is acknowledged that there are capacity challenges elsewhere across the organisation that can impact on the level and timeliness of support available. The risk has therefore remained at a medium level over the past year.</p> <p>The Directorate Leadership Team is also continually liaising with KCC commissioners on any issues regarding performance of service providers (e.g. KCC Local Authority trading companies or outsourced services), and the directorate's services are increasingly being involved as key stakeholders in matters of strategy and service design.</p>			

Risk Reference	Risk Title	Current Rating	Target Rating
GT0034	Market capacity and competition. <i>(New Risk)</i>	Medium (12)	Medium (8)
<p>This is a new risk added to the GET Directorate Risk Register within the past year. It focuses on challenging market conditions causing a lack of sustainability and an inability to meet growing demand.</p> <p>The risk has been rated as Medium due to the mitigating controls in place, including the use of a supply and demand tool, Contract Management Review Group, robust checking of suppliers and the KCC Commercial and Procurement tools available.</p>			

Risk Reference	Risk Title	Current Rating	Target Rating
GT0001	Health and Safety considerations.	Medium (10)	Medium (10)

Services across the directorate need to pay due regard to potential health and safety issues due to the nature of the work they undertake, and this risk has remained static over the past year.

Recommendations from health & safety reviews are monitored, with any improvements made as required. Sound health & safety systems are maintained at waste sites, including reviews of any accidents or near misses, while services work with Facilities Management regarding regular risk assessments of directorate sites and testing for hazards.

A Health, Safety and Wellbeing Board for the directorate is in place and has the responsibility of ongoing review of the priority areas for action, including reporting mechanisms.

4. Recommendation

The Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the risks presented in this report.

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