

By: **Paul Carter, Leader and Cabinet Member for Business Strategy, Audit & Transformation**

David Cockburn, Corporate Director for Strategic & Corporate Services

To: **Cabinet – 1st December 2014**

Subject: **Corporate Risk Register**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All

Summary

This paper presents the latest version of the Corporate Risk Register for the Authority.

Cabinet Members are asked to NOTE the report

1. Corporate Risk Register

1.1 The latest version of the Corporate Risk Register is attached at appendix 1. It has been refreshed to reflect key themes arising from meetings with individual Corporate Management Team, Cabinet Members and Directorate Management Teams during the autumn. Comments arising from presentation of corporate risks to Cabinet Committees and the Governance & Audit Committee have also been taken into account.

1.2 The majority of risks highlighted during the refresh process are already captured on strategic risk registers at corporate or directorate level, which would indicate that the risk identification process is robust, although there is the continuing need to be alert to new or emerging risks.

1.3 The Corporate Risk Register is a 'living' document, and is subject to a more formal refresh process each autumn. The main changes since presented last year are:

- The previous risk relating to procurement (CRR 14) has now been broadened to reflect key considerations relating to the development of KCC as a Strategic Commissioning Authority. The risk now incorporates elements of the former Governance & Internal Control risk (CRR 7), particularly the importance of ensuring our governance

arrangements keep pace with any changes to operating models. Consequently, risk CRR7 has been closed.

- CRR17: The future operating environment for local government risk now explicitly references the scale of the financial challenge, with the 2015 – 2018 medium term financial picture included.
- CRR9 – Better Care Fund (previously known as Integration Transformation Fund). The level of risk was raised from amber to red in July after the Government announcement changes to funding arrangements, which could potentially impact on the level of funding available for social care initiatives that promote independence. With the revised BCF plan approved with support, and Government arrangements with Clinical Commissioning Groups advancing, the level of risk has been reduced back to amber.
- CRR 10 – as proposed last year, the management of social care demand risk has been split into adults and children’s services, to reflect the varying drivers of demand and consequent differences in controls required. Several of the mitigating actions for both risks revolve around respective adults and children’s transformation programmes.
- CRR 18 – A medium level risk relating to Public Sector Network Code of Compliance (CoCo) information security standards was added early in 2014, as the government took a ‘zero tolerance’ approach to compliance. KCC has since achieved compliance with the code, although there are still potential adverse effects on KCC objectives that will need to be managed.
- CRR 19 – The Care Act provides a number of opportunities and risks, and it was felt back in the spring that these are significant enough to warrant being listed as a risk in its own right, rather than as part of the management of social care demand risk. A programme plan is in place ahead of implementation to ensure KCC delivers its new responsibilities and that Kent residents who need social care, their carers and local providers are able to take advantage of the new developments.

1.4 During the formal refresh process, comments were received highlighting the importance of our people to aid successful transformation. People-related risks currently feature on a number of risk registers across the authority, and consequently, an overall risk relating to potential staffing implications of transformation is being considered for the corporate register.

1.5 There are three areas of risk currently rated as ‘high’ on the register. These are:

- Management of adult social care demand: Adult social care services across the country are facing growing pressures, particularly with factors such as increasing numbers of young adults with long-term complex needs, increases in Deprivation of Liberty Safeguards Assessments and likely implications of the Care Act on demand for services. The adult social care transformation programme aims to respond to these challenges – the design stage of phase 2 is currently in progress.

- Management of demand on specialist children's services: A programme to deliver integrated Early Help and Preventative Services for 0-19s and their families is underway. A one-year plan for early help & preventative services has been produced, setting out priorities for service development and change. Diagnostic work has been conducted with the aid of an efficiency partner, aiming to ensure an improved and measurable impact of Early Help Services on Specialist Children's Services demand. A 'sandbox' approach is being used to provide an opportunity to test out new and innovative service design concepts.
 - Future operating and financial environment for local government: Local authorities nationally are facing increasing pressures as public sector austerity measures will continue well into the next parliament. KCC's response is its 'Facing the Challenge' Transformation Programme, which is continuing apace with progress updates regularly reported to County Council. Work undertaken so far includes completion of phase 1 service reviews, the launch of a new Leadership & Management Framework to address identified gaps in key skills and the establishment of four change portfolios to enable a clear and single view of all the change activity taking place across the council. A commissioning workstream is progressing to deliver the recommendations set out in the May 2014 County Council paper "Facing the Challenge: Towards a Strategy Commissioning Authority".
- 1.6 Further details of these risks, including controls and mitigating actions, are contained in appendix 1.

2. Monitoring & Review

- 2.1 While the Corporate Risk Register is formally refreshed annually, it is a 'living' document and is reviewed and updated regularly by Corporate Management Team and Cabinet Members in-year to reflect any significant new risks or changes in risk exposure.
- 2.2 The corporate risks led by each Corporate Director are presented to the relevant Cabinet Committees annually, alongside existing arrangements for presentation of directorate risk registers.
- 2.3 The corporate register is also presented to Governance & Audit Committee twice yearly for assurance purposes, and the Internal Audit function uses the register as one source of information to inform its audit plan for the coming year.
- 2.4 There is a particular focus on ensuring that key mitigating actions are identified and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are

reported to Cabinet quarterly via the Quarterly Performance Report. This includes commentary against high risks.

3. Recommendations

Cabinet is asked to:

- a) NOTE and COMMENT on the refreshed Corporate Risk Register.

Contact Officers:

Richard Hallett, Head of Business Intelligence

Richard.hallett@kent.gov.uk 03000 416192

Mark Scrivener, Corporate Risk Manager

Mark.scrivener@kent.gov.uk 03000 416660