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

　　　　　　　David Cockburn, Corporate Director for Strategic and Corporate Services

To:　　　　　　Policy & Resources Cabinet Committee – 16th March 2018

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' (along with the rest of the Corporate Management Team) for several corporate risks. These risks and their mitigations are presented to the Committee for comment in appendix 1.

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 '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 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 three 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 as part of regular items to the Cabinet Committee. It should be noted that the

directorate register is underpinned by risk registers for each division that are considered for escalation in accordance with KCC's risk management policy. There are currently 65 divisional risks across the ST directorate (excluding the Strategic Commissioning function, which is reviewing its risk profile as the division takes shape from April 2018).

4.2 Since the last report in March 2017, a new risk has been added to the directorate register relating to anti-bribery and corruption, with the directorate recognising the importance of continued awareness and vigilance, even though there have not been any substantiated allegations of bribery in the directorate to date.

4.2.1 A risk relating to operation of effective 'client-side' arrangements across the directorate was previously being considered for inclusion on the directorate register but has instead been factored into the two corporate risks relating to the evolution of KCC as a strategic commissioning authority, and opportunities and risks associated with alternative service delivery models.

4.2.2 In addition there were two workforce related risks, one concentrating on the challenge of maintaining a healthy and effective workforce across STCS through significant change and the other focused on capacity and capability concerns. These two risks have since been merged to cover workforce capacity, capability and wellbeing due to the natural relationship between them.

4.2.3 There was previously a risk referencing a potential failure to utilise transactional and reporting systems in use by the Council. This risk has been revised to take a broader view of the opportunities presented by technology to support new ways of working.

4.3 Two changes have been made to the Strategic and Corporate Services led risks. The delivery of in-year savings within agreed budgets has reduced from a score of 16 (red) to 3 (green), as the forecast overspend is reducing leaving the unfunded asylum costs as our biggest remaining in-year financial risk. In addition, the risk that was added to the corporate risk register last autumn relating to Alternative Service Delivery Models (ASDMs) has been raised from its initial score of 9, to 12 (still remaining amber), reflecting the challenge for new ASDMs to achieve target financial dividends as they 'start up'.

4.4 Mitigations for risks are identified and implemented on a regular basis as required. For example, the directorate has been assessing where the inherently higher risk areas for bribery are and targeting training and awareness in those areas, as part of an anti-bribery action plan that has been implemented. In addition, a Business Change Programme has been established to ensure benefits of technology advances and projects are fully adopted and viewed as key enablers for change.

4.5 While KCC had no contracts with Carillion, the Company's highly publicised collapse has brought into focus again the potential risks relating to supplier collapse. These risks are being considered as part of the contract management review process overseen by KCC's Strategic Commissioner and

reported periodically to this Committee. Directorate resilience groups are also being asked to review and consider the sufficiency of contingent actions built into service continuity plans across the council.

4.5   While there are no specific BREXIT-related opportunities and risks on the Strategic and Corporate Services directorate register currently, this situation is being kept under review and may well change as more information becomes available to aid effective assessment of risks.

 4.6   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.

4.7   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

MARCH 2018

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 March 2017
CRR0009	Future financial and operating environment for local government	16	12	⇩
CRR0011	Evolution of KCC's Strategic Commissioning approach	9	6	Risk Revised
CRR0013	Delivery of in-year savings within agreed budgets	3	2	⇩
CRR0014	Cyber-attack threats and their implications	16	12	⇔
CRR0039	Information Governance – Introduction of General Data Protection Regs	12	8	NEW
CRR0040	Opportunities and risks associated with alternative service delivery models	12	4	NEW
CRR0041	Maintaining a healthy and effective workforce through significant change	8	8	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)

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Risk Register - Corporate Risk Register

Current Risk Level Summary	Green	1	Amber	4	Red	2	Total	7
Current Risk Level Changes	1	-13 ↘	1	3 ↗			2	-10 ↘

0	0	0	0	0
0	0	1	2	0
1	0	1	1	0
0	0	0	1	0
0	0	0	0	0

Risk Ref	*CRR0009*	Risk Title and Event		Owner	Last Review date	Next Review Date
		Future financial and operating environment for Local Government		Andy Wood	20/12/2017	20/03/2018

Additional unfunded spending demands and continued public sector austerity measures threaten financial sustainability of KCC, its partners and service providers.
In order to set a balanced budget the council is likely to have to continue to make significant year on year savings. This will only add to the unprecedented era of real term spending reductions which councils have faced since 2010.
Quality of KCC commissioned / delivered services suffers as financial situation continues to worsen.
Insufficient Government Grant available to provide sufficient number of school places.

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
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. Government funding is set to continue reducing over the medium term, especially in 2018/19 and 2019/20 in the final years of the current spending review and four year settlement. Thereafter there is more uncertainty and the 100% business rate retention scheme due to be implemented by 2020 may present opportunities but also threat to the Council. Continuing budget challenges will necessitate difficult decisions being made regarding the future of services. Limits on our ability to levy additional council tax without a referendum are also likely to remain for the foreseeable future. The Local Government, Cities and	Unsustainable financial situation. Potential for partner or provider failure – including sufficiency gaps in provision. Reduction in resident satisfaction and reputational damage.	High 16 Serious (4) Likely (4)		• Engage with Government for a fair-funding needs formula for Grant distribution and tariffs/top ups under business rate retention.	Andy Wood	A -Accepted	31/03/2018		Medium 12
				• Work proactively with Government regarding how the new business rate retention scheme can be most effectively implemented.	Dave Shipton	A -Accepted	31/01/2019		
				• Engage with Government for a fair Basic Need allocation to meet the demand for school places.	Keith Abbott	A -Accepted	31/03/2018		
				• Processes in place for monitoring delivery of savings and budget as a whole.	Andy Wood	Control			
				• Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process, including stakeholder consultation.	Andy Wood	Control			
				• KCC Strategic Statement 2015-2020 and annual report outline key strategic outcomes that the Authority aims to achieve during this period.	Paul Carter	Control			
				• Financial analysis conducted after each budget statement	Dave Shipton	Control			

Devolution Act could have wide-ranging implications, including the potential for significant Local Government reorganisation. The EU referendum result in 2016 and June 2017 General Election result has added additional uncertainty to the environment, meaning major legislative change is unlikely.			• Ongoing oversight of implications relating to proposed Local Authority pension fund changes	Nick Vickers	Control
			• Engagement with CCN, other local authorities and Government on potential opportunities and issues around devolution and public reform	David Whittle	Control
			• Support being provided to the Leader of KCC in his role as Chair of the County Councils Network (CCN)	David Whittle	Control
			• KCC Quarterly Performance Report monitors key performance and activity information for KCC commissioned or delivered services. Regularly reported to Cabinet.	Richard Fitzgerald	Control

Risk Register - Corporate Risk Register

Risk Ref	CRR0011	Risk Title and Event	Owner	Last Review date	Next Review Date
Evolution of KCC's Strategic Commissioning approach Insufficient management capacity and / or capability in key skill areas to support sustained change. Lack of clarity over which activities that 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.			Vincent Godfrey	20/12/2017	20/03/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Days Overdue	Target Risk Level
The Authority is developing a strategic commissioning approach, as it looks to transform and respond to the challenging local government environment. It 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.	Potential to fall short of achieving benefits if changes introduced are not fully embedded.	**Medium** 9 Significant (3) Possible (3)		• Restructure of the Strategic Commissioning division to develop a vehicle for achievement of business strategy	Vincent Godfrey	A -Accepted	30/04/2018	**Low** 6
				• A co-design approach has been taken to develop the Strategic Commissioning division and the way it works, with active involvement of stakeholders.	Amanda Beer	Control		
				• Cabinet Member role for Strategic Commissioning created	Paul Carter	Control		
				• Building capacity and capability in commissioning is a key area of KCC's Organisation Development action plan	Julie Cudmore	Control		
				• Senior role of Strategic Commissioner appointed, reporting to the Head of Paid Service, to oversee the delivery of strategic commissioning expertise	David Cockburn	Control		
				• Rolling programme of reviews of contract management arrangements for major contracts embedded into Business as Usual and reported on regularly	Vincent Godfrey	Control		
				• A co-design approach has been taken to develop the Strategic Commissioning division and the way it works, with active involvement of stakeholders.	Vincent Godfrey	Control		
				• KCC Commissioning Framework introduced to establish several core commissioning principles in everything we do as an authority	Vincent Godfrey	Control		
				• Commissioning Success: 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 the co-design process	Vincent Godfrey	Control		

				• KCC has established a Strategic Commissioning Division to strengthen commissioning capability, and lead and shape commissioning activity	Vincent Godfrey	Control			

Risk Register - Corporate Risk Register

Risk Ref	CRR0013	Risk Title and Event			Owner	Last Review date	Next Review Date
Delivery of in-year savings within agreed budgets					Andy Wood	20/12/2017	20/03/2018
Robust plans to achieve the required savings are not developed in time to enable implementation and realisation of benefits. Plans are not aligned with Cabinet Member priorities.							

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
The ongoing difficult public finances 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. KCC has already made significant cost savings and still needs to make significant ongoing year-on-year savings in order to "balance its books".	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 council transformation plans. Reputational damage to the council.	**Low** 3 Minor (1) Possible (3)	16 ↓ -13	• NOTE: Level of risk is expected to decrease during the year by effective operation of existing controls.	Andy Wood	A -Accepted	31/03/2018		**Low** 2
				• Robust budgeting and financial planning in place via Medium Term Financial Planning (MTFP) process	Andy Wood	Control			
				• Controls and mechanisms remain robust	Andy Wood	Control			
				• Process for monitoring delivery of savings is in place, including a Budget & Programme Delivery Board to scrutinise progress	Andy Wood	Control			
				• Robust monitoring and forecasting of arrangements in place relating to the KCC budget as a whole	Andy Wood	Control			
				• Continued engagement with the Home Office for a fair settlement for Unaccompanied Asylum Seeking Children (UASC), particularly Care Leavers	Matt Dunkley	Control			
				• Procedures for appropriate consultation in place when decisions relating to changes in services are being considered.	Diane Trollope	Control			
				• Six monthly update reports on progress against budgeted savings presented to Governance & Audit Committee	Corporate Directors CD	Control			
				• Indicative cash limits and savings targets allocated to Corporate Directors to allow early planning.	Corporate Directors CD	Control			

Risk Register - Corporate Risk Register

Risk Ref	CRR0014	Risk Title and Event	Owner	Last Review date	Next Review Date
Cyber attack threats and their implications			Amanda Beer	20/12/2017	20/03/2018
Successful cyber-attack (e.g. 'phishing' scam) leading to loss or unauthorised access to sensitive business data. Significant business interruption caused by a successful attack.					

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action	Control / Action	Target Date	Days Overdue	Target Risk Level
The Council has a duty to protect personal and other sensitive data that it holds on its staff, service users and residents of Kent. 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. 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. In information terms the other factor is human. Technology can only provide a level of protection. Our staff must have a strong awareness of their responsibilities in terms of IT and information security.	Data Protection breach and consequent Information Commissioner's Office (ICO) sanction. Damages claims. Reputational Damage. Potential significant impact on business interruption if systems require shutdown until magnitude of issue is investigated.	**High** 16 Serious (4) Likely (4)		• Further develop procedures to address breaches, including a retained specialist capability.	Kathy Stevens	A -Accepted	31/12/2018	**Medium** 12
				• Implementation of ICT Transformation Programme includes actions to further strengthen ICT resilience, with systems and software compliance with various UK Standards	Michael Lloyd	A -Accepted	31/03/2018	
				• 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	Control		
				• External reviews of the Authority's security compliance are carried out to maintain accreditation and confirm best practice is applied.	Kathy Stevens	Control		
				• Persistent monitoring of threats, network behaviours and data transfers to seek out possible breaches and take necessary action.	Kathy Stevens	Control		
				• 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	Control		
				• Further training introduced relating to cyber crime, cyber security and social engineering to raise staff awareness and knowledge.	Michael Lloyd	Control		
				• Continual awareness raising of key risks amongst the workforce and manager insight	Michael Lloyd	Control		
				• Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place	Michael Lloyd	Control		

				Responsible	
			• Data Protection and Information Governance training is mandatory and requires staff to refresh periodically. Progress rates monitored regularly.	Benjamin Watts	Control
			• 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	Control

Risk Register - Corporate Risk Register

Risk Ref	*CRR0039*	Risk Title and Event				Owner	Last Review date	Next Review Date
Information Governance – Introduction of General Data Protection Regulations (GDPR) Failure to prepare adequately for the introduction of the new regulations. Information security incidents resulting in loss of personal data or breach of privacy / confidentiality.						Benjamin Watts	20/12/2017	20/03/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
The Council is required to maintain the confidentiality, integrity and proper use of data and has a number of controls already in place to manage this. In May 2018 General Data Protection Regulations (GDPR) come into effect that introduce significantly increased obligations on all data controllers, including the Council. This will require significant preparation.	Information Commissioner's Office sanction (e.g. undertaking, assessment, improvement, enforcement or monetary penalty notice issued against the Authority). Serious breaches under GDPR could attract a fine of €20m or 4% annual global turnover. Increased risk of litigation. Reputational damage.	Medium 12 Serious (4) Possible (3)		• Finalise implementation of any outstanding actions arising from 2016 Information Commissioner's Office (ICO) audit.	Benjamin Watts	A -Accepted	28/02/2018	5	Medium 8
				• Review and update privacy notices to include legal basis (where applicable) and name/contact details of Data Protection Officer. Introduce new privacy notices as required for service areas where they don't currently exist	Caroline Dodge	A -Accepted	31/03/2018		
				• Review and revise procedures to comply with new enhanced individual's rights / consider repercussions of Subject Access Requests free of charge and reduce timescales.	Caroline Dodge	A -Accepted	31/03/2018		
				• Review and update procedures/protocols for investigating and reporting data breaches	Caroline Dodge	A -Accepted	31/03/2018		
				• Appoint a Data Protection Officer as a designated contact with the ICO.	David Cockburn	A -Accepted	31/03/2018		
				• Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum.	Amanda Beer	Control			
				• Staff are required to complete mandatory training on Information Governance and Data Protection and refresh their knowledge every two years as a minimum.	Benjamin Watts	Control			
				• 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.	Benjamin Watts	Control			

				• Cross-directorate Information Governance Group in place to support the SIRO	Benjamin Watts	Control			
				• Management Guide on Information Governance in place, highlighting key policies and procedures.	Caroline Dodge	Control			
				• Information Resilience and Transparency team in place, providing business information governance support.	Caroline Dodge	Control			

Risk Register - Corporate Risk Register

Risk Ref	CRR0040	Risk Title and Event		Owner	Last Review date	Next Review Date
				KCC Shareholder Board		20/03/2018

Opportunities and risks associated with alternative service delivery models

Expected financial dividends not met or return on investment takes longer than planned to achieve.
One or more company acts in a way that does not fit with KCC's values.
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.

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
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. As with any new company start up, there will also be risks to be managed. With the number of wholly-owned companies potentially 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.	Additional pressures on Council budget. Reputational damage. Companies may not be able to take advantage of commercial opportunities if decision-making is restricted.	Medium 12 Significant (3) Likely (4)	9 ↗ 3	• Conduct review of KCC Company Governance and ownership.	Paul Carter	A -Accepted	30/04/2018		Low 4
				• Training is being delivered to members of the Shareholder Board in the first two quarters of 2018/19 to support the knowledge required and to regularly reflect lessons learned.	Benjamin Watts	A -Accepted	31/10/2018		
				• Robust business cases developed for proposed new companies, subject to Member and Officer scrutiny - including consideration of market potential , governance arrangements etc	Paul Carter	Control			
				• Cultural and change factors are built into the planning for proposed creation of alternative service delivery models	Julie Cudmore	Control			
				• Governance: shareholder and company boards exist for KCC-owned companies with respective roles, with matters reserved for shareholder decision outlined.	Benjamin Watts	Control			
				• To develop exit strategies in relation to all businesses from a commissioning and shareholder perspective against various potential outcomes	Benjamin Watts	Control			
				• Alongside the exploration of the HoldCo, the Council is also effecting changes to the constitution and Member scrutiny to support effective oversight and input by Members.	Benjamin Watts	Control			
				• KCC's Group Audit function conducts audits for KCC-owned companies	Robert Patterson	Control			

Risk Register - Corporate Risk Register

Risk Ref	CRR0041	Risk Title and Event					Owner	Last Review date	Next Review Date

Maintaining a healthy and effective workforce through significant change

Low morale or stress related to organisational change or other factors.
Increased sickness levels.
Lack of depth / resilience of key personnel or teams.
Increasing demands on staff leads to insufficient capacity.

Owner: Corporate Management Team

Next Review Date: 20/03/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
KCC's workforce makes a vital contribution to the delivery of the Council's strategic outcomes, through its energy, commitment and hard work. Staff across the organisation need to be healthy, motivated and have the right skills to help the organisation develop. 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.	Negative impact on productivity and levels of service.	Medium 8 Serious (4) Unlikely (2)		• 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	Control			Medium 8
				• Employee engagement strategy in place	Paul Royel	Control			
				• Arrangements in place for active monitoring and response to absence	Paul Royel	Control			
				• Significant and positive engagement with staff representatives	Paul Royel	Control			
				• Wellbeing initiatives and health promotions for staff	Paul Royel	Control			
				• iResilience tools available	Amanda Beer	Control			
				• Suite of key performance indicators being monitored as early warning indicators e.g. retention, absence	Amanda Beer	Control			
				• 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	Control			
				• Directorate Organisation Development group shares best practice and facilitates communication on key OD issues	Julie Cudmore	Control			
				• Service redesigns take account of capacity and capability issues ensuring resources are allocated appropriately	Corporate Management Team	Control			

Strategic and Corporate Services Risk Register

FEBRUARY 2018

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 March 2017	Target Risk Rating
STCS 03	Maintain a healthy and effective workforce across STCS through significant change		Closed	
STCS 04	Full utilisation of transactional and reporting systems		Closed	
STCS 07	Capacity and capability challenges relating to corporate support functions		Closed	
ST0021	Anti-bribery and corruption	9	New	9
ST0022	Maximising opportunities presented by technology to support new ways of working	9	Risk revised from STCS 04	6
ST0023	Workforce capacity, capability and wellbeing	8	Risk merged from STCS 03 and STCS 07	8

*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.

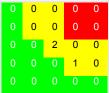| Likelihood & Impact Scales					
Likelihood	Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Minor (1)	Moderate (2)	Significant (3)	Serious (4)	Major (5)

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Risk Register - Strategic and Corporate Services

	Current Risk Level Summary	Green	0	Amber	3	Red	0	Total	3
	Current Risk Level Changes								

0	0	0	0	0
0	0	0	0	0
0	0	0	2	0
0	0	0	1	0
0	0	0	0	0

Risk Ref	*ST0021*	Risk Title and Event	Owner	Last Review date	Next Review Date
		Anti-Bribery and Corruption Bribery or corruption activity in the ST directorate goes undiscovered or is discovered once material losses have been experienced.	Strategic & Corporate Services Directorate Management Team	20/02/2018	20/05/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
A recent internal audit took place to review how well the Council is managing the risks associated with bribery and corruption and the Authority's compliance with the Bribery Act Policy. To date no substantiated allegations of bribery have been found, although some areas for improvement in the control environment were identified. There will be inherent risks of varying levels associated with particular functions across the directorate.	Financial loss Reputational loss	Medium 9 Significant (3) Possible (3)		• ST senior and middle managers received bribery awareness presentation as part of Challenger and T200 sessions	Paul Rock	Control			Medium 9
				• Whistleblowing policy – staff are aware of the process (on KNet and through line managers) and are enabled to highlight any concerns about irregular activity including bribery and corruption.	Paul Royel	Control			
				• KCC Anti-Fraud and Corruption Strategy updated and ratified by Governance and Audit Committee in October 2016	Robert Patterson	Control			
				• Alternative Service Delivery Vehicles i.e. Commercial Services, GEN2 and Invicta Law have adopted appropriate anti-bribery policies	ST Client Side Leads	Control			
				• Implementation of Anti-bribery action plan	Strategic & Corporate Services Directorate Management Team	Control			
				• Bribery and corruption controls being regularly reviewed by the Directorate Management Team	Strategic & Corporate Services Directorate Management Team	Control			

Strategic and Corporate Services

Risk Register - Strategic and Corporate Services

	• Extended CMT Bribery risk assessment workshop conducted and areas of increased risk identified.	Strategic & Corporate Services Directorate Management Team	Control		
	• Staff are required to routinely declare any offers of gifts and/or hospitality they receive including those offers that are declined	Strategic & Corporate Services Directorate Management Team	Control		
	• Staff in identified higher risk areas complete the refreshed bribery & corruption eLearning package.	Strategic & Corporate Services Directorate Management Team	Control		

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Risk Ref	*ST0022*	Risk Title and Event	Owner	Last Review date	Next Review Date
Maximising opportunities presented by technology to support new ways of working Key stakeholders do not engage with the new technology solutions and therefore they are not utilised.			Strategic & Corporate Services Directorate Management Team	20/02/2018	20/05/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
KCC is dependent on the ongoing development and use of technology solutions to support organisational transformation and enable new ways of working. Effective systems are also necessary to enable proactive extraction and reporting on data for the purposes of making better, more and informed decisions. It is important that the ST directorate utilises the tools available while being mindful of the financial and wider resource implications, in order to set a good example for the rest of the organisation.	Manual and less efficient systems continue to be used. Potential to achieve associated benefits such as financial efficiencies and improved collaborative working are limited	Medium 9 Significant (3) Possible (3)		• Further roll-out of Collaborative Planning to achieve full coverage	Andy Wood	A -Accepted	30/09/2019		Low 6
				• Roll out of Business Change programme across the directorate and KCC to ensure benefits of technology advances and projects are fully adopted and viewed as key enablers in the wider change programme.	Amanda Beer	A -Accepted	07/09/2018		
				• Roll out of Transformation Programme; Cloud Navigator Phase 1 implementation	Michael Lloyd	A -Accepted	31/03/2018		
				• Roll out of ICT Transformation Programme; Windows 10/User Access Device roll-out	Michael Lloyd	A -Accepted	28/02/2018	5	
				• Robust programme and project management in place for the roll-out of the ICT Transformation Programme	Michael Lloyd	Control			
				• Roll-out of ICT Transformation Programme; implementation of Skype for Business (Unified Comms replacement)	Michael Lloyd	Control			
				• Significant numbers of staff/managers are using key existing tools such as HR self-service, I-procurement, Collaborative Planning, Oracle Business Intelligence and e-learning tools.	Strategic & Corporate Services Directorate Management Team	Control			

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Risk Ref	ST0023	Risk Title and Event		Owner	Last Review date	Next Review Date
Workforce capacity, capability and wellbeing Insufficient capacity to maintain day-to-day delivery on top of supporting change. Lack of appropriate skills and competencies as the directorate develops. Low morale or stress related to organisational change or other factors. Lack of depth / resilience of key staff or ineffective workforce planning.				Strategic & Corporate Services Directorate Management Team	20/02/2018	20/05/2018

Cause	Consequence	Current Risk	Previous Current Risk	Control / Action		Control / Action	Target Date	Days Overdue	Target Risk Level
The Strategic and Corporate Services directorate plays a vital role in supporting the organisation to run effectively and efficiently. To do this, the workforce needs to have sufficient capacity, be healthy, motivated and have the right skills.	Levels of service drop or support for key change initiatives cannot be given in required timescales.	Medium 8 Serious (4) Unlikely (2)		• Attendance management policies and training for managers in place.	Paul Royel	Control			Medium 8
				• Wellbeing initiatives and health promotions for staff.	Paul Royel	Control			
				• Suite of KPIs being monitored as early warning indicators e.g. retention, absence.	Amanda Beer	Control			
				• iResilience Tools available	Amanda Beer	Control			
				• Employee Value Proposition Survey (EVP) - annual staff survey conducted to look at the balance between what the organisation offers it employees and what they feel they bring to KCC in return. Draws out issues around job pressure for example.	Amanda Beer	Control			
				• Effective operation of the Managing Stress at Work policy	Flavio Walker	Control			
				• Service redesigns take account of capacity and capability issues ensuring resources are allocated appropriately.	Strategic & Corporate Services Directorate Management Team	Control			
				• Bids put forward to transformation fund for additional resource if required.	Strategic & Corporate Services Directorate Management Team	Control			
				• Project based approaches adopted and resource mapping in place where required to aid capacity planning.	Strategic & Corporate Services Directorate Management Team	Control			

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				• Resource requirements reviewed regularly in light of projected workload.	Strategic & Corporate Services Directorate Management Team	Control			