

# Second Quarter Risk Update 2020/21

# Corporate Risk Update – November 2020

## Introduction

Effective risk management is a vital part of the Council’s governance and contributes greatly to the successful delivery of services and key priorities. The Council has always recognised and supported the need to have effective processes to identify, evaluate and manage risks. The processes followed by the Council to manage risk are set out in **Appendix 3B**. Risks are assessed based on impact and likelihood against a clear framework, set out in **Appendix 3C**.

All Council services maintain an operational risk register, including Shared Services. Operational risks are the responsibility of the services to manage, and so fall within the remit of our Managers and Heads of Service.

## Corporate Risks

The Council’s corporate risks are those risks which could impede the achievement of our strategic objectives. The corporate risk register was last reported to Members in June 2020. Owing to the increased focus on risks arising from the Covid-19 pandemic, members have asked that details of the corporate risk register be reported on an ongoing quarterly basis, to coincide with the regular budget and performance monitoring reports received by Policy and Resources Committee.

The matrices below provide a snapshot of the corporate risk profile. Each of the corporate risks has been plotted on the matrix based on the score of likelihood and impact, with the number falling within each cell of the grid indicated in white. Scores are based on the **current** risk, i.e. the risk impact and likelihood (as defined in **Appendix 3C**) considering any existing controls in place to manage the risk, but **before** any further planned controls are introduced. By showing the risks in this way we can easily see the top risk issues facing the Council. Risks are reviewed regularly, and scores adjusted to reflect any changes. For comparison purposes we have included the profile from the previous risk update:

**Risk Profile – September 2020**

Likelihood	5				1	1
	4			1	2	1
	3			2	6	1
	2		1		1	
	1					
		1	2	3	4	5
		<b>Impact</b>				

**Risk Profile – November 2020**

Likelihood	5				1	1
	4				2	
	3			2	6	1
	2		1		5	
	1					
		1	2	3	4	5
		<b>Impact</b>				

Our corporate risks are reported to corporate leadership team on a regular basis to ensure effective oversight. Since the last update in June we have maintained a watching eye on the top risks and updated controls accordingly to reflect any changes. As the table below illustrates, we continue to bear uncertainty from the top 11 risks (those scored in the **RED** or **BLACK**). No risks have increased in score since June, but five risks have been reduced following the successful implementation of risk actions. There are also two new risks added to the register:

Risk Title	Score before mitigation		
	Jun	Nov	Change
Contraction in retail & leisure sectors	25	25	-
Financial restrictions	20	20	-
Environmental damage	16	16	-
Brexit / EU transition	16	16	-
Major unforeseen emergency	15	15	-
Covid-19: Restrictions to Council operations	20	12	↓
Covid-19: Community & business recovery		12	NEW
Housing pressures increasing	12	12	-
IT security failure	12	12	-
Not fulfilling residential property responsibilities	12	12	-
Major contractor failure		12	NEW
Building of incomplete communities	9	9	-
Loss of community engagement	12	9	↓
Major project failure	12	8	↓
Contract Monitoring	12	8	↓
Poor partner relationships	16	8	↓
Governance failures	8	8	-
Not fulfilling commercial property responsibilities	8	8	-
Insufficient workforce capacity & skills	4	4	-

Further detail on the corporate risks, including a description of the risk and details of existing and planned key controls can be found in **Appendix 3A**. Changes since the last update in June 2020 are highlighted in red text.

## Risk response to Covid-19

Covid-19 has had a significant and far reaching impact on the Country. Organisations from all sectors have been affected and even the most resilient organisations have struggled to manage the consequences. The public sector has been on the front line and we have been a key part of the UK's response. As the impact of Covid-19 continues to be felt, our emergency plans and business continuity plans are holding up and we have been able to effectively balance community support with service delivery.

Risk management sits in the centre of the Council embedded into our governance arrangements. By looking ahead at future risks, we can better plan and prepare for uncertainties. A key part of this process is horizon scanning.

In June 2020 we added two new risks to the corporate risk register to reflect the uncertainties surrounding Covid-19 and the impact of our emergency response. As the uncertainties have been sustained, we have taken the opportunity to keep our eye on the risk horizon to better understand future risks and how we might need to respond.

Specifically, our Covid-19 risk in June reflected the impact if there was a second wave (resurgence), which has now become reality. As we deal with this second lockdown as an *event*, our approach to the risk has needed to change. We have updated the risk and split it into two separate entries on the risk register. An internal and external facing risk:

**Covid-19: Delivery of Council services** – This risk is internally focussed and is concerned with the impact of operational restrictions during a period of national lockdown and other national measures. Our response to this risk includes our ability to follow our business continuity plans, be flexible with our working arrangements, and to increase oversight, monitoring and agility of service delivery.

**Covid-19: Response and Recovery** - This risk is externally focussed and is concerned with our ability to support our community and local businesses during the recovery from lockdown and other national measures put in place to address the Covid-19 pandemic. Our response to this risk reflects our continued monitoring of the social, economic and environmental impacts of Covid-19 and the consequent changes in support needs of our residents and local businesses to be delivered through increased engagement and effective operation of various support schemes and mechanisms.

In addition to the above additions to the risk register we have also added a further new risk to the corporate register:

**Major contract failure** - Given the sustained economic pressures and uncertainties of the business environment, this risk reflects the possible impact on our major contracts in the event of one of our providers going into liquidation. By elevating this risk to the corporate level, we can provide greater oversight and respond quickly and effectively to any early warning signs or concerns identified as part of our ongoing contract monitoring and management arrangements.

We will continue to review these risks as part of our regular monitoring and reporting through corporate leadership team, wider leadership team and to Members via the Policy and Resources Committee.

## Corporate Risks

The table below sets out each of the corporate risks in detail. Risk owners have assessed the impact and likelihood of the risks and identified the key controls and planned actions necessary to further manage the risk to an acceptable level where possible:

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p><b>Major unforeseen emergency</b> with national / international impact (e.g. new pandemic, environmental disaster)</p>	Alison Broom	<ul style="list-style-type: none"> <li>• Strong existing emergency planning framework</li> <li>• Active engagement with Local Resilience Forum</li> <li>• Flexible, committed and appropriately trained workforce</li> <li>• Quarterly oversight &amp; monitoring through the Emergency Planning Group (EPG)</li> <li>• Some financial reserves</li> <li>• Good partnership working as demonstrated during Covid-19 pandemic</li> <li>• <b>Continued update to Business Continuity Plans and arrangements</b></li> </ul>	<p>(5 x 3) 15</p>	<ul style="list-style-type: none"> <li>• Plan for dealing with different types of major emergencies</li> <li>• Review of the level of financial reserves</li> <li>• <b>Review and update of the Council's IT Disaster Recovery arrangements</b></li> <li>• <b>Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings</b></li> </ul>	<p>(5 x 3) 15</p>
<p><b>Covid-19: Restrictions impact negatively on our ability to deliver core / statutory services</b></p>	Alison Broom	<ul style="list-style-type: none"> <li>• Strong existing business continuity planning arrangements</li> <li>• <b>Emergency response plans have been made Covid secure</b></li> <li>• Learning from current pandemic has been captured</li> <li>• Member Covid-19 consultative forum established</li> <li>• Risk assessments in place for all Council buildings</li> <li>• Plans in place to enable staff who cannot work from home to work safely in our workplaces/activities including grounds maintenance, street cleansing, museum, and some office activities</li> <li>• Plans in place to enable return to work in our offices safely when appropriate</li> <li>• Flexible / remote working arrangements in place and embedded</li> <li>• Regular internal communications with all staff</li> <li>• Embedded performance monitoring and reporting</li> <li>• </li> </ul>	<p>(4 x 3) 12</p>	<ul style="list-style-type: none"> <li>• Build up stocks of appropriate equipment and PPE</li> <li>• <b>Regular review of flexible and remote working arrangements</b></li> <li>• <b>Ongoing review and development of new ways of working because of Covid-19</b></li> </ul>	<p>(4 x 2) 8</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p><b>Covid-19:</b> Inability to support the response and recovery from Covid for the community and local businesses</p>	<p>Alison Broom</p>	<ul style="list-style-type: none"> <li>Active engagement with Local Resilience Forum</li> <li>Member consultative forum on recovery arrangements</li> <li>Continued engagement with community groups and volunteers</li> <li>Continuing engagement with local public health officers to ensure rapid response</li> <li>Support model for residents and businesses is well embedded</li> <li>Enforcement with respect to non-compliant businesses is in place</li> <li>Funding has been provided to the Council</li> <li>Core officer group established for recovery</li> <li>Joint working with partners through the Inclusion Board &amp; Maidstone Economic Business Partnership</li> <li>Strategic approach to engagement with voluntary sector agreed by Communities Housing and Environment Committee in November 2020</li> </ul>	<p>(4 x 3) 12</p>	<ul style="list-style-type: none"> <li>Continued scanning of horizon with respect to changes to legislation, regulations, and guidance</li> <li>Implementation, development and strengthening of the agreed strategic approach to engagement with community groups</li> <li>Completion and monitoring of action plan themes for recovery</li> </ul>	<p>(4 x 3) 12</p>
<p>Increased effects from climate change or reduction in air quality causes <b>environmental damage</b> reducing residents' quality of life and increasing risks from adverse weather events</p>	<p>Angela Woodhouse</p>	<ul style="list-style-type: none"> <li>Biodiversity and Climate Change Strategy and action plan in place</li> <li>Air Quality Action Plan in place</li> <li>(2) Emergency planning arrangements</li> <li>(3) Parks strategy</li> <li>Budget available to deliver actions</li> <li>Communication / engagement strategy for adverse weather events</li> <li>Member of the Kent Climate Change Network</li> <li>Fixed-term Biodiversity and Climate Change officer in post</li> </ul>	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> <li>Review by Carbon Trust towards the Council becoming carbon neutral by 2030</li> <li>Implementation of the B&amp;CCS action plan</li> <li>Review of our own estate in line with ambition to be carbon neutral by 2030</li> <li>Seeking to recruit into a permanent Biodiversity and Climate Change officer</li> <li>Review of governance for delivery and oversight of BD&amp;CC Strategy</li> </ul>	<p>(4 x 4) 16</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p>Conflicting expectations or limited engagement leads to <b>poor partner relationships</b> inhibiting the Council's ability to call on others to help achieve its corporate objectives</p>	<p>Alison Broom</p>	<ul style="list-style-type: none"> <li>• Joint working with other local authorities, parishes, and voluntary sector during Covid-19 response</li> <li>• Regular liaison meetings (e.g. Kent Association for Local Councils)</li> <li>• Defined joint working arrangements (e.g. Mid Kent Shared services, waste, licensing)</li> <li>• Specific joint working protocols for key relationships (e.g. Joint Transport Board, Safer Maidstone Partnership)</li> <li>• Project and topic specific boards for key priorities, including Town centre board, Maidstone East strategic board, and Museum board</li> <li>• Participation in Integrated Care Partnership board</li> <li>• Participation in Business Improvement District advisory board</li> <li>• Positive relationships built during Covid-19 response</li> <li>• Creation of a multi-agency workspace for the Maidstone Task Force in Maidstone House</li> </ul>	<p>(4 X 2) 8</p>	<ul style="list-style-type: none"> <li>• Increased joint work with KCC highways &amp; waste teams</li> <li>• <b>Participation in specific projects arising from the activity of the Integrated Care Partnership Board</b></li> <li>• <b>Participation and development of the Maidstone Task Force</b></li> </ul>	<p>(4 x 2) 8</p>
<p>General financial downturns, unexpected changes to government funding or failure to achieve income or savings targets places further <b>financial restrictions</b> on the Council resulting in difficulty maintaining standards or meeting aims.</p>	<p>Mark Green</p>	<ul style="list-style-type: none"> <li>• Agreed work programmes in transformation and commissioning</li> <li>• Budget monitoring in place</li> <li>• MTFS in place and monitored</li> <li>• Scenario planning in budget setting</li> <li>• Financial independence strategy to maximise our income</li> <li>• Strategies for maintaining income (e.g. pricing policies and purchase of Lockmeadow)</li> <li>• Commercial investment strategy</li> <li>• Holding reserves to mitigate impact of financial restrictions</li> </ul>	<p>(4 x 5) 20</p>	<ul style="list-style-type: none"> <li>• Currently updating MTFS to reflect impact of Covid-19 and need to support recovery due to go to Policy and Resources in November 2020</li> <li>• Review of reserves policy as part of MTFS development</li> <li>• Lobbying to avoid unfavourable financial changes to government funding</li> <li>• Cost recovery through bidding for additional government support for one-off costs (e.g. Brexit)</li> <li>• <b>Identifying measures to address future budget gaps</b></li> </ul>	<p>(4 x 4) 12</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( 1 x L)	Controls planned	Mitigated rating ( 1 x L)
Security breach or system weakness leading to <b>IT security failure</b> results in system unavailability and increased legal and financial liability.	Steve McGinnes	<ul style="list-style-type: none"> <li>Regular backup programmes</li> <li>External testing of IT security by specialists –resulting findings and actions are implemented and tested</li> <li>ICT policies &amp; staff training, including disaster recovery plan</li> <li><b>Mandatory cyber security training was rolled out and completed</b></li> <li>CLT monitoring of performance indicators, including ICT incidents</li> <li>Nessus scanning software reporting daily on system vulnerabilities</li> <li>New firewall tested and installed</li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li><b>Ongoing programme of awareness raising through Cyber events, training, and tests</b></li> <li><b>Ongoing programme of IT campaigns including phishing</b></li> <li><b>IT infrastructure replacement programme being considered to ensure that IT equipment is fit for purpose</b></li> </ul>	(4 x 3) 12
Poor engagement and communications decreases <b>community engagement</b> limiting support for project delivery and regard for public realm.	Alison Broom	<ul style="list-style-type: none"> <li><b>Communication and engagement strategy which is regularly reviewed and updated</b></li> <li><b>Communications plan in place to enable effective response to events</b></li> <li><b>Internal expertise and skills to run effective consultation exercises to capture resident and businesses views</b></li> <li><b>Delivery of specific community projects</b></li> <li><b>Programme of communication campaigns, for instance recycling</b></li> <li><b>Statement of Community Involvement set out specifically as part of the Local Plan Review</b></li> </ul>	(3 x 3) 9	<ul style="list-style-type: none"> <li>Member training &amp; awareness</li> <li>More targeted public engagement, including more prominent engagement for Local Plan</li> </ul>	(2 x 3) 6

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p>The broader housing crisis leads to <b>housing pressures increasing</b> on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough.</p>	William Cornall	<ul style="list-style-type: none"> <li>Homelessness prevention team in place with increased resource</li> <li>Access to our own housing stock to use for temporary accommodation &amp; market rented housing (within Maidstone Property Holdings)</li> <li>Closer working with private sector &amp; housing associations</li> <li>Key policies are in place: Temporary Accommodation Strategy</li> <li>Implementation of Housing Management Team</li> <li>CHE approval in place for MBC to develop up to 250 affordable homes of its own</li> <li><b>We work closely with the voluntary sector and community partners</b></li> <li><b>Home Finders scheme in place and supported through Government funding</b></li> <li><b>Affordable Housing supplementary guidance adopted in Summer 2020</b></li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li><b>Continued progress towards the temporary accommodation acquisition programme funded through the MBC capital programme</b></li> <li><b>Approval secured</b> to provide hostel and ‘move on’ type TA in the town centre</li> <li><b>Purchase of more housebuilder stock off plan. Recent approval to acquire a further 21 units of PRS accommodation</b></li> </ul>	(3 x 3) 9
<p>Insufficient awareness / expertise leads to <b>not fulfilling residential property responsibilities</b> resulting in possible health &amp; safety breaches.</p>	William Cornall	<ul style="list-style-type: none"> <li>Faithfull Farrell &amp; Timms have been retained as a critical friend to allow the new housing management function to up skill.</li> <li>West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio.</li> <li>The whole MBC residential portfolio is now being managed by a single team within Housing &amp; Communities, where previously it was split between Housing &amp; Property.</li> <li>H&amp;S KPI’s are now recorded and reported through an interim software solution, FIXFLO.</li> <li>The H&amp;S KPI’s are reported monthly to Corporate Leadership Team.</li> <li><b>Good level of awareness from officers around H&amp;S obligations and compliance</b></li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li>A permanent replacement housing management software package <b>has been procured and be implemented early 2021. This will incorporate KPI and management information.</b> This will take over from the previous system, and the interim system (FIXFLO).</li> <li>Possible due diligence review by Mid Kent Audit to advise on integrity with respect of KPI production and reporting.</li> <li>Eventual goal of real time reporting in terms of gas safety, via the WKHA contractor.</li> <li><b>Review of existing resources and skills underway to support the housing portfolio and management of properties</b></li> </ul>	(3 x 3) 9

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p>Lack of capacity, capability or planning results in <b>major project failure</b> damaging the Council's reputation as a partner and inhibiting achievement of regeneration and development objectives.</p>	<p>William Cornall</p>	<ul style="list-style-type: none"> <li>• Engage external consultants where needed on complex projects</li> <li>• Clear project management process - including risk evaluation &amp; monitoring</li> <li>• CLT monitoring &amp; oversight, including digital transformation board</li> <li>• Specialist project management software used</li> <li>• Staff training &amp; support</li> <li>• External funding bids and Capital Programme</li> <li>• Housing and Regeneration Investment Plan</li> <li>• Close working relationships with experienced partners and stakeholders</li> <li>• Adherence to suite of financial hurdle rates reflective of different sector risk profiles</li> <li>• Regeneration &amp; Economic Development staffing structure amended to increase focus on project identification &amp; delivery</li> <li>• Capital programme project board established</li> </ul>	<p>(4 x 2) 8</p>	<ul style="list-style-type: none"> <li>• Continued development of an expert in-house project management team to act as the client for major project delivery</li> </ul>	<p>(4 x 2) 8</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p>General and localised economic pressure leads to <b>contraction in retail &amp; leisure sectors</b>, limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.</p>	<p>William Cornall</p>	<ul style="list-style-type: none"> <li>Working with Key stakeholders including One Maidstone to safely reopen the High Street.</li> <li><b>Regular network meetings with town centre retailers</b></li> <li>Town Centre strategic advisory board</li> <li>Public realm improvement work</li> <li>Supporting One Maidstone Business Improvement District</li> <li>Acquisition of key property (Royal Mail / Grenada House)</li> <li>Work commissioned to promote Maidstone as business destination</li> <li>Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites</li> <li>Active management of Lockmeadow to enhance the local economy</li> <li><b>Support delivered to the sector through Business Rates grants and assistance grants</b></li> <li><b>Town Centre Opportunity guidance published and actively being used</b></li> </ul>	<p>(5 x 5) 25</p>	<ul style="list-style-type: none"> <li>Taking advantage of opportunities to support infrastructure investment</li> <li>Consider a targeted programme of place promotion campaign activities</li> <li><b>Launch of town centre shop fronts improvement grant scheme closer to being made available</b></li> <li><b>Development of a Town Centre action plan to guide the reallocation of land uses within the Town Centre (including retail)</b></li> </ul>	<p>(4 x 5) 20</p>
<p><b>Contractor performance</b> is not appropriately monitored by the Council resulting in decline of quality or breach of contract obligations</p>	<p>Mark Green</p>	<ul style="list-style-type: none"> <li>Contract management approach in place</li> <li>Additional contract management resources obtained</li> <li>Risk assessments &amp; annual checks (e.g. credit &amp; health &amp; safety)</li> <li>Business continuity plans for our providers</li> <li>Training for contract managers on Toolkit</li> <li>Regular updates to senior management and CLT</li> <li><b>Contracts reviewed on a regular basis</b></li> <li><b>Contract management resources retained in-house</b></li> </ul>	<p>(4 x 2) 8</p>	<ul style="list-style-type: none"> <li>Additional staff training &amp; support</li> <li><b>Ongoing development and implementation of the Contract management toolkit</b></li> </ul>	<p>(3 x 2) 6</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
<p><b>Failure of a major contractor:</b> One of the Councils contractors goes into liquidation / administration</p>	Mark Green	<ul style="list-style-type: none"> <li>Regular contract monitoring and communication with contractors</li> <li>Procurement expertise made available through the Partnership with Tunbridge Wells</li> <li>Financial performance and sustainability embedded into the procurement process</li> <li>Contractor business continuity plans in place</li> <li>'Exit plan' included as a requirement in the ITT document for all relevant contracts</li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li>Ongoing financial performance and resilience checks of our suppliers and contractors</li> </ul>	(4 x 3) 12
<p>Failure in implementation of Local Plan leads to <b>building of incomplete communities</b> in the borough inhibiting residents' quality of life</p>	William Cornall	<ul style="list-style-type: none"> <li>Communication &amp; liaison with partners</li> <li>CLT oversight, including of developer income &amp; contributions</li> <li>Major projects team in planning</li> <li>Agreed approach to LP review</li> <li>Reg 18a reported to SPI meeting</li> </ul>	(3 x 3) 9	<ul style="list-style-type: none"> <li>Good progress continues to be made with the Local Plan Review</li> <li>Public Consultation of phase 18b (preferred spatial strategy + alternatives) starts in December 2020</li> <li>Lobby government on 5-year land supply and future legislative proposals</li> <li>Member lobbying and engagement with Senior officers in MHCLG regarding proposed increases to housing targets</li> </ul>	(3 x 3) 9
<p>Exit of EU on unfavourable terms results in adverse <b>short-term Brexit / EU transition impacts</b> disrupting the Council's ability to offer services and increasing liabilities.</p>	Mark Green	<ul style="list-style-type: none"> <li>Close working with other members of KRF on the EU transition planning</li> <li>Regular briefings for officers &amp; members</li> </ul>	(4 x 4) 16	<ul style="list-style-type: none"> <li>Continued liaison with partners</li> <li>More frequent updates and communication in the run up to 31.12.20 with Members and Officers</li> <li>Liaison with local business about the support that could be provided</li> <li>Refresh business continuity and contingency plans to reflect possible impacts of EU transition, specifically with regards to transport</li> </ul>	(3 x 4) 12

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating ( I x L)	Controls planned	Mitigated rating ( I x L)
Increased pressure on controls leads to <b>governance failures</b> resulting in poor decision making and increased legal liability	Alison Broom	<ul style="list-style-type: none"> <li>Regular review of the Constitution</li> <li>Annual Governance Statement and Local Code of Corporate Governance</li> <li>Provision for the P&amp;R to convene as urgency committee as required</li> <li>Protocols in place for remote meetings</li> <li>Professional advisory staff (including legal &amp; internal audit)</li> <li>Staff &amp; member training (including political awareness &amp; report writing)</li> <li>Committee agendas and work programmes with sign-off procedures for decision making reports</li> <li>Process for quick decision making in place</li> <li>Information Governance Group</li> <li>Time appropriate Member sounding groups for Covid and the Local Plan</li> <li>Clear and transparent decision making and delegated authority</li> </ul>	(4 x 2) 8	<ul style="list-style-type: none"> <li>Review of remote meetings</li> <li>Ongoing review and development of new ways of working because of Covid-19</li> </ul>	(4 x 2) 8
Due to difficulties in recruitment, retention or managing absence the Council has <b>insufficient workforce capacity &amp; skills</b> to complete effectively the work necessary to achieve its objectives.	Steve McGinnes	<ul style="list-style-type: none"> <li>Workforce strategy monitoring &amp; reporting</li> <li>Salary benchmarking across SE England public sector</li> <li>Training &amp; development programme</li> <li>Shared service resilience &amp; specialist agency staff</li> <li>Occupational health &amp; employee support</li> <li>Recruitment process that includes ability to adjust pay</li> <li>Rewards package reviewed regularly</li> <li>Use of HSE Stress survey</li> <li>Commissioning specialist external support as required</li> <li>Online onboarding of new staff</li> </ul>	(2 x 2) 4	<ul style="list-style-type: none"> <li>Implementation of actions from engagement surveys and pulse surveys</li> <li>New intranet page to enable staff to access information on health &amp; wellbeing</li> <li>Review of flexible and remote working arrangements</li> </ul>	(2 x 2) 4
Insufficient awareness / expertise leads to <b>not fulfilling commercial property responsibilities</b>	Mark Green	<ul style="list-style-type: none"> <li>Access to expert advice on compliance</li> <li>Regular monitoring by CLT of corporate property PIs</li> </ul>	(4 x 2) 8	<ul style="list-style-type: none"> <li>Selection of a new Corporate Property systems</li> <li>Corporate property service review to ensure resilience and expertise of the function</li> </ul>	(4 x 1) 4

## Maidstone Risk Management Process: One Page Summary

Step 1 – Identify Risks	Step 2 – Evaluate Risks	Step 3 – Risk Response	Step 4 – Monitor & Review																																													
<p>Best done in groups, by those responsible for delivery objectives.</p> <p><b>RISK</b> is a <i>potential future</i> event that, if it materialises, has an <i>effect</i> on the achievement of our objectives.</p> <p>Consider both threats and opportunities.</p> <p>When to consider:</p> <ul style="list-style-type: none"> <li>• Setting business aims and objectives</li> <li>• Service planning</li> <li>• Target setting</li> <li>• Partnerships &amp; projects</li> <li>• Options appraisal</li> </ul> <p>Establish the <b>risk owner</b>.</p> <p>Document in the risk register.</p>	<p>Combination of the <b>impact</b> and <b>likelihood</b> of an event (the <b>CURRENT RISK</b>).</p> <p>Impact score is the highest from the different categories.</p> <p>Establish your <b>key existing controls</b> and whether they are managing the impact and/or likelihood of the risk.</p> <p>Scores can be depicted in the <b>risk matrix</b>:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>5</td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #000000;"></td> <td style="background-color: #000000;"></td> </tr> <tr> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #000000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	5						4						3						2						1								1	2	3	4	5			Impact					<p><b>Black</b> – Above our <i>tolerance</i>, immediate action and reporting to directors.</p> <p><b>Red</b> – Outer limit of our <i>appetite</i>, immediate action.</p> <p><b>Amber</b> – Medium risk, review existing controls.</p> <p><b>Green</b> – Low risk, limited action, include in plans.</p> <p><b>Blue</b> – Minimal risk, no action but annual review.</p> <p>Risk Response – 4Ts</p> <ul style="list-style-type: none"> <li>• Treat (i.e. apply controls)</li> <li>• Tolerate (i.e. accept risk)</li> <li>• Transfer (e.g. insurance / partnership)</li> <li>• Terminate (i.e. stop activity)</li> </ul> <p>After your response; where does the risk score now? (the <b>MITIGATED RISK</b>)</p>	<p>Completed risk registers returned to <b>Mid Kent Audit</b>.</p> <ul style="list-style-type: none"> <li>• <b>Corporate Leadership Team</b> monthly monitoring of <b>black</b> risks. Quarterly reporting of all high level (<b>black</b> and <b>red</b>) risks.</li> <li>• 6-monthly reporting to <b>Wider Leadership Team</b>.</li> <li>• Risk registers sent quarterly to <b>directors</b> and <b>heads of service</b>.</li> <li>• 6-monthly monitoring at <b>Policy &amp; Resources Committee</b>.</li> <li>• Annual monitoring of process by <b>Audit, Governance &amp; Standards Committee</b>.</li> </ul> <p>Mid Kent Audit facilitate the review and update of risk actions (as per your risk register) during the year for and high-level (<b>red / black</b>) risks.</p>
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## Impact & Likelihood Scales

### Risk Impact

Level	Service	Reputation	H&S	Legal	Financial	Environment
<b>Catastrophic (5)</b>	Ongoing failure to provide an adequate service	Perceived as a failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
<b>Major (4)</b>	Failure to deliver Council priorities Poor Service, 5+ days disruption	Significant adverse national publicity	Fails to prevent death, causes extensive permanent injuries or long term sick	Litigation expected and uncertain if defensible Breaches of law punishable by significant fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1+ yrs)
<b>Moderate (3)</b>	Unsatisfactory performance Service disrupted 3-5 days	Adverse national publicity of significant adverse local publicity	Fails to prevent extensive permanent injuries or long term sick	Litigation expected but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1 yr)
<b>Minor (2)</b>	Marginal reduction in performance Service disrupted 1-2 days	Minor adverse local publicity	Medical treatment required Long term injuries or sickness	Complaint or litigation possible Breaches of regulations or standards	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
<b>Minimal (1)</b>	No performance reduction Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

### Risk Likelihood

Level	Probability	Description
<b>Almost Certain (5)</b>	90% +	Without action is likely to occur; frequent similar occurrences in local government / Council history
<b>Probable (4)</b>	60% - 90%	Strong possibility; similar occurrences known often in local government / Council history
<b>Possible (3)</b>	40% - 60%	Might occur; similar occurrences experienced in local government / Council history
<b>Unlikely (2)</b>	10% - 40%	Not expected; rare but no unheard of occurrence in local government / Council history
<b>Rare (1)</b>	0% - 10%	Very unlikely to occur; no recent similar instances in local government / Council history