

Second Quarter Risk Update 2021/22

November 2021
Policy & Resources Committee
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Maidstone Borough Council

Introduction

Risk management is concerned with the **impact of uncertainties on our objectives**. Effective risk management is a key principle of corporate governance and its importance is recognised explicitly in our Local Code of Governance, the Annual Governance Statement and through the Risk Management Framework. By being aware of risks, and actively seeking to manage risks to acceptable levels, we are more likely to achieve objectives, safeguard our resources and be better prepared in the event of major uncertainty.

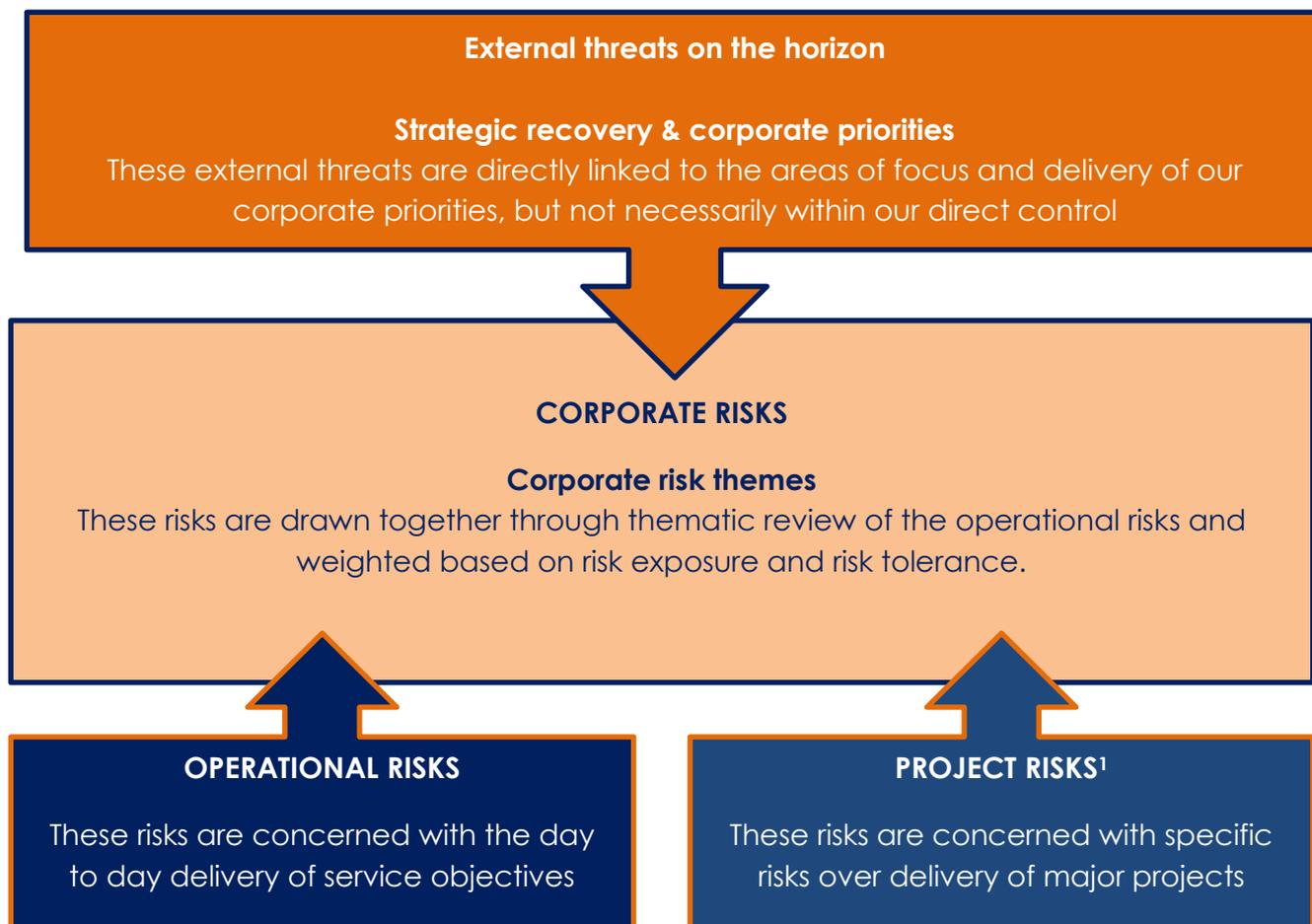
The risk management framework is the guide that sets out how the Council identifies, manages, and monitors risks. This includes the risk appetite statement, which articulates the Council's appetite for and tolerance of risk – basically how much risk the Council is comfortable with.

In summary, the risk management process for the Council can be broken down into the following key components. Appendix 3C gives a one-page summary of the risk management process.



This report provides details of the updates and changes to the corporate and operational risk landscape since the last report to Committee in September 2021.

The illustration below shows how the horizon scanning of threats links directly with our corporate and operational risk processes. By taking this approach, the Council moves closer to enterprise risk management, which seeks to better integrate risk management with service delivery, decision making and effective use of resources:



¹ Project and programme risk management is yet to be fully integrated into the risk management framework, but the aim will be for this to be incorporated in the future

Corporate risk profile

Our corporate risks are reported to Policy & Resources Committee on a quarterly basis to ensure effective oversight and monitoring. The risks are reviewed and updated by risk owners and any related risk actions are followed up. By their very nature, corporate risks have a broader and more strategic impact, as such, they are inherently riskier (and are scored higher as a result).

The table below summarises the **14** risks on the corporate risk register. 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**.

| No | Corporate risk | Current Risk | Corporate Priority | | | |
|----|--|--------------|--------------------|--|--|--|
| 1 | Contraction in retail sector | 25 | | | | |
| 2 | Financial Uncertainty | 20 | | | | |
| 3 | Environmental damage | 16 | | | | |
| 4 | Housing pressures increasing | 16 | | | | |
| 5 | Major unforeseen emergency | 15 | | | | |
| 6 | IT security failure | 12 | | | | |
| 7 | Not fulfilling residential property responsibilities | 12 | | | | |
| 8 | Major contractor failure | 12 | | | | |
| 9 | NEW: Governance changes | 12 | | | | |
| 10 | Covid-19: Restrictions to Council operations | 9 | | | | |
| 11 | NEW: Ability to access / leverage new funding | 9 | | | | |
| 12 | NEW: Reduced effectiveness of relationships with strategic partners | 9 | | | | |
| 13 | NEW: Resilience of the voluntary & community sector | 9 | | | | |
| 14 | Covid-19: Community & business recovery | 8 | | | | |

Our Priorities

- Embracing Growth & Enabling Infrastructure
- Safe, Clean & Green
- Homes & Communities
- Thriving Place

How we rate our risks (see appendix 3B for definitions)

| Catastrophic | Major | Moderate | Minor | Minimal |
|--------------|-------|----------|-------|---------|
| | | | | |

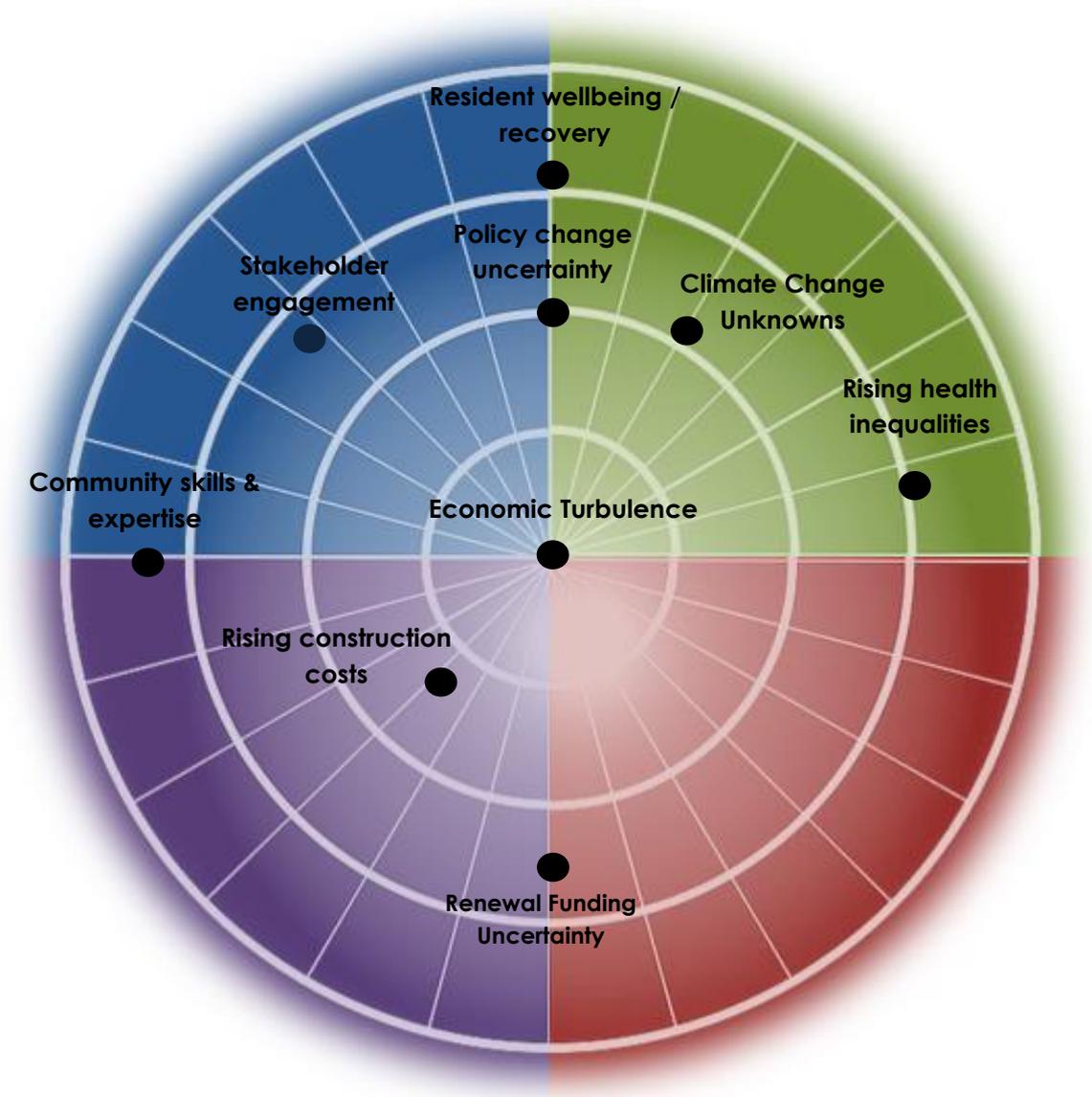
Ongoing Updates –

A couple of updates to the corporate risk register are underway at the time of reporting. This includes the addition of a new corporate risk and the amending of an existing risk. An outline of the changes being considered is as follows:

- Discussions are underway to capture a risk around how the workforce keeps up with the pace of change around hybrid working and maintaining corporate talent.
- The **IT Security Failure** risk is being reviewed to consider whether it should be expanded to include wider network failure and the impact of that in light of long-term hybrid and remote working.

External threats (horizon scanning)

During July 2021 Wider Leadership Team scanned the external environment for threats. This was refreshed and updated during October 2021. As external threats, we recognise that we do not have direct control over the uncertainties that we may experience, or the impact on our ability to deliver our priorities. However, it's important for us to be aware of these threats and how they develop or if they materialise. Our response to these threats will be an important factor in how we develop our strategies, policies and how we translate that into service delivery. As such, we can draw down any of these threats into our corporate risk register if (or when) the time is right. For the time being, we will keep our eye on these threats and continue to provide updates as part of the quarterly monitoring reporting.



These threats are aligned to each of the 4 corporate priorities:



The following points provide some more detail on the threats outlined in the diagram above:

- **Economic Turbulence** – uncertainty around employment rates, interest rates and inflation increases, and the affect this will have on the local economy and our own wage bill.
- **Climate change unknowns** – some of the implications of climate change are already captured within the corporate risk register. But this reflects the possibility of other as yet unknown implications from climate change.
- **Crime and disorder** – increase in anti-social behaviour and other community protection elements.
- **Policy change uncertainty** – potential for changes in legislation and other central government policy changes.
- **Renewal funding uncertainty** – ability of Maidstone BC to get funding which matches its aspirations and delivery goals.
- **Stakeholder engagement** – heightened sensitivity to Council plans leading to increased intolerance and complaints.
- **Resident Wellbeing and recovery** – potential for residents in the borough to not have long term improvements to their wellbeing
- **Rising health inequalities** – increasing inequality in access to health care provisions.
- **Rising construction costs** – unanticipated consequences from rising costs in the construction industry.
- **Community skills and expertise** – decline in diversity of skills and expertise within communities

Operational Risks

All operational risk registers were updated between January and March 2021, the outcomes of which were reported to the Policy and Resources Committee in June. Since then, risks have been routinely reviewed with a focus on updating high-level (red / black) risks quarterly.

At the last update we reported **20** risks identified as being scored 12 and above for their current rating and this has decreased slightly to **19**. The number of high-level risks after further action is taken (the mitigated rating) reduces to **6**.

The table below shows the total number of risks on the Maidstone and Shared Services risk registers as at November 2021:

| Risk Severity | Total Number of Risks | | |
|---------------|------------------------------|--------------------------------|----------------------------------|
| | Current Rating AUGUST '21 | Current Rating NOVEMBER '21 | Mitigated Rating NOVEMBER '21 |
| BLACK | 1 | 1 | 0 |
| RED | 19 | 18 | 6 |
| AMBER | 101 | 100 | 92 |
| GREEN | 37 | 26 | 51 |
| BLUE | 1 | 9 | 5 |
| TOTAL | 158 | 154 | 154 |

From the table you can see that the overall number of risks have **decreased** (from 158 to 154) as the result of either the successful management of those risks or them no longer being applicable.

The table below splits the risk overs MBC and Shared Services:

| Risk Severity | August 2021 | November 2021 | August 2021 | November 2021 |
|---------------|----------------|----------------|----------------|----------------|
| | MBC Current | MBC Current | MKS Current | MKS Current |
| BLACK | 1 | 1 | 0 | 0 |
| RED | 12 | 11 | 7 | 7 |
| AMBER | 70 | 69 | 31 | 31 |
| GREEN | 11 | 11 | 16 | 15 |
| BLUE | 2 | - | 8 | 9 |
| TOTAL | 96 | 92 | 62 | 62 |

There is one high level risk with a score of **20** on the risk register. Details are included below.

Infrastructure Improvements

| | | | | |
|--|--|---|--------------------------|-----------|
| Service Area: Economic Development | Ownership: John Foster | | Score: 14 x L5 | 20 |
| <p>Risk</p> <p><i>Infrastructure improvement to road, rail, public transport, cycling, community & social infrastructure and broadband fail to take place due to lack of investment or change to government priorities.</i></p> | <p>Existing Controls</p> <ul style="list-style-type: none"> • Work with KCC on Broadband, • Continue to work with KCC, Network Rail and Helen Grant MP to secure Thameslink services and further improvements • KCC Transport Planner working for and assisting MBC • Maidstone Strategic Infrastructure Working Group in place and includes delivery of improvements to Loose Road corridor • Ongoing agenda item in RED • Manager supervision and regular 121's | <p>Risk Response</p> <ul style="list-style-type: none"> • Continue to monitor what will replace the SE Rail franchise • Dedicated officer will be appointed to deliver the Integrated Transport Strategy, until then, CIL/S106 team and planning policy officers advise • Making Maidstone More Active project to identify sports facility requirements across the Borough • Future options for Mote Park Leisure centre to be considered by ERL during 2021 as the contract with MLT and Serco comes to an end in August 2024 | | |
| Next Risk review: Feb 2022 | Risk direction over time:  | | Score: 14 x L3 | 12 |

Upcoming Work

Risk management is a continuous process, and to be valuable it must be updated and maintained. The following areas will be focussed on over the coming months:

1. **Risk Management Software:** Following a procurement exercise we have purchased risk management software called JCAD and we are in the process of building it. This will give greater functionality in updating and reporting on risks and free up time to further develop other aspects of risk.
2. **Risk Reporting:** Linked to the implementation of JCAD we will be reviewing how risk information is reported across the authority to ensure that the reports are providing the right information at the right time to officers and Members.

We have continued to receive a positive level of engagement and support from Senior Officers and Managers in the Council which enables embedded risk management process. So, we'd like to take this opportunity to thank officers for their continued work and support.

Appendix 3A

Corporate Risk Register

The table below sets out the current **14** 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. The **current** rating is the rating assuming existing controls are working effectively, and the **mitigated** rating is the future risk rating after planned actions are complete.

| Risk (title & full description) | Risk Owner | Key Existing Controls | Current rating (I x L) | Controls planned | Mitigated rating (I x L) |
|---|-----------------|--|---------------------------|---|-----------------------------|
| General and localised economic pressure leads to contraction in retail sector , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income. | William Cornall | <ul style="list-style-type: none"> Working with Key stakeholders including One Maidstone to safely reopen the High Street. Regular network meetings with town centre retailers Town Centre strategic advisory board Public realm improvement work Supporting One Maidstone Business Improvement District Acquisition of key property (Royal Mail / Grenada House) Work commissioned to promote Maidstone as business destination Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites Active management of Lockmeadow to enhance the local economy Support delivered to the sector through Business Rates grants and assistance grants Town Centre Opportunity guidance published and actively being used | (5 x 5) 25 | <ul style="list-style-type: none"> Taking advantage of opportunities to support infrastructure investment Consider a targeted programme of place promotion campaign activities Development of a Town Centre strategy to guide the reallocation of land uses within the Town Centre (including retail) A programme of town centre events and activities is now in place funded through covid response monies. The Council will soon be considering putting in place a new Article 4 Direction for the core shopping area of Maidstone town centre to retain greater control over planning in that location. | (4 x 5) 20 |
| General financial uncertainty , unexpected changes to government funding or failure to achieve income or savings targets places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims. | Mark Green | <ul style="list-style-type: none"> Agreed work programmes in transformation and commissioning Budget monitoring in place MTFS in place and monitored Scenario planning in budget setting Strategies for maintaining income (e.g. pricing policies and proactive management of property portfolio) Holding reserves to mitigate impact of financial restrictions Robust risk assessment of new business opportunities | (4 x 5) 20 | <ul style="list-style-type: none"> Currently updating MTFS to reflect impact of Covid-19 and longer-term issues of slower economic growth Lobbying to avoid unfavourable financial changes to government funding Cost recovery through bidding for additional government support for one-off costs and strategic investments Identifying measures to address future budget gaps | (4 x 4) 16 |



| Risk (title & full description) | Risk Owner | Key Existing Controls | Current rating (I x L) | Controls planned | Mitigated rating (I x L) |
|---|----------------|---|---------------------------|--|-----------------------------|
| Increased effects from climate change or reduction in air quality causes environmental damage reducing residents' quality of life and increasing risks from adverse weather events | Georgia Hawkes | <ul style="list-style-type: none"> • Biodiversity and Climate Change Strategy and action plan in place • Air Quality Action Plan in place • Emergency planning arrangements • Parks strategy • Budget available to deliver actions • Communication / engagement strategy for adverse weather events • Member of the Kent Climate Change Network • Permanent Biodiversity and Climate Change officer in post | (4 x 4) 16 | <ul style="list-style-type: none"> • Implement the Carbon trust report actions to get our estate to carbon neutral by 2030 • Implementation of the BD&CC strategy action plan • Review of our own estate in line with ambition to be carbon neutral by 2030. • Policy and resources committee to provide governance for delivery and oversight of BD&CC Strategy | (4 x 4) 16 |
| Major unforeseen emergency with national / international impact (e.g. new pandemic, environmental disaster) | Alison Broom | <ul style="list-style-type: none"> • Strong existing emergency planning framework • Active engagement with Local Resilience Forum • Flexible, committed and appropriately trained workforce • Quarterly oversight & monitoring through the Emergency Planning Group (EPG) • Some financial reserves • Good partnership working as demonstrated during Covid-19 pandemic • Continued update to Business Continuity Plans and arrangements • Ongoing considerations of financial reserves which have been increased | (5 x 3) 15 | <ul style="list-style-type: none"> • Plan for dealing with different types of major emergencies • Review and update of the Council's IT Disaster Recovery arrangements and Business Continuity Plans • Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings • Recovery and renewal funding allocated to strengthen work on community resilience | (4 x 3) 12 |



| Risk (title & full description) | Risk Owner | Key Existing Controls | Current rating (I x L) | Controls planned | Mitigated rating (I x L) |
|--|--------------|--|---|--|--|
| <p>Covid-19: Restrictions impact negatively on our ability to deliver core / statutory services</p> | Alison Broom | <ul style="list-style-type: none"> • Strong existing business continuity planning arrangements • Emergency response plans have been made Covid secure • Learning from current pandemic has been captured • Risk assessments in place for all Council buildings • 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 • Arrangements in place to accommodate hybrid and agile working with ongoing review to reflect current covid-19 rates • Flexible / remote working arrangements in place, embedded and regularly reviewed • Regular internal communications with all staff • Embedded performance monitoring and reporting | <p>(3 x 3) 9</p>  | <ul style="list-style-type: none"> • Build up stocks of appropriate equipment and PPE • Ongoing review and development of new ways of working because of Covid-19 • Funding in place to facilitate culture change to support new ways of working • Benefits arising from the wider Microsoft 365 project | <p>(3 x 2) 6</p>  |
| <p>Covid-19: Inability to support the response and recovery from Covid for the community and local businesses</p> | Alison Broom | <ul style="list-style-type: none"> • Active engagement with Local Resilience Forum • Continued engagement with community groups and volunteers • Continuing engagement with local public health officers to ensure rapid response • Support model for residents and businesses is well embedded • Funding has been provided to the Council and agreed programme of projects in place • Core officer group established for recovery • Joint working with partners through the Inclusion Board & Maidstone Economic Business Partnership • Strategic approach to engagement with voluntary sector agreed by Communities Housing and Environment Committee in November 2020 and funding in place • Continued scanning of horizon with respect to changes to legislation, regulations, and guidance | <p>(4 x 2) 8</p>  | <ul style="list-style-type: none"> • Implementation, development and strengthening of the agreed strategic approach to engagement with community groups • Completion and monitoring of action plan themes for recovery | <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) |
|---|-----------------|--|--|--|--|
| Security breach or system weakness leading to IT security failure results in system unavailability and increased legal and financial liability. | Steve McGinnes | <ul style="list-style-type: none"> • Regular backup programmes • External testing of IT security by specialists –resulting findings and actions are implemented and tested • ICT policies & staff training, including disaster recovery plan • Mandatory cyber security training was rolled out and completed • CLT monitoring of performance indicators, including ICT incidents • Nessus scanning software reporting daily on system vulnerabilities • New firewall tested and installed • Ongoing programme of awareness raising through Cyber events, training, and tests • Ongoing programme of IT campaigns including phishing | (4 x 3) 12 | <ul style="list-style-type: none"> • IT infrastructure replacement programme being considered to ensure that IT equipment is fit for purpose | (4 x 3) 12 |
| The broader housing crisis leads to housing pressures increasing on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough. | William Cornall | <ul style="list-style-type: none"> • Homelessness prevention team in place with increased resource • Access to our own housing stock to use for temporary accommodation & market rented housing (within Maidstone Property Holdings) • Closer working with private sector & housing associations • Key policies are in place: Temporary Accommodation Strategy • Implementation of Housing Management Team • CHE approval in place for MBC to develop up to 250 affordable homes of its own • We work closely with the voluntary sector and community partners • Home Finders scheme in place and supported through Government funding • Affordable Housing supplementary guidance adopted in Summer 2020 | (4 x 4) 16  | <ul style="list-style-type: none"> • Continued progress towards the temporary accommodation acquisition programme funded through the MBC capital programme • Approval secured to provide hostel and ‘move on’ type TA in the town centre, and this new facility will be ready for occupation in December 2021. • Leader of Council ambition to build 1000 new Council homes as soon as possible and plans to meet this aspiration are being developed • New draft Housing Strategy has been considered by the CHE committee and is now out for public consultation with a view to it being adopted in January 2022 • The Council has acquired the Trinity Place community asset which is currently being refurbished and will provide a range of housing types for those in housing need from March 2022. | (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) |
|--|------------------------|--|---------------------------|--|-----------------------------|
| <p>Insufficient awareness / expertise leads to not fulfilling residential property responsibilities resulting in possible health & safety breaches.</p> | <p>William Cornall</p> | <ul style="list-style-type: none"> Faithfull Farrell & Timms have been retained as a critical friend to allow the new housing management function to up skill. West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio. The whole MBC residential portfolio is now being managed by a single team within Housing & Communities, where previously it was split between Housing & Property. H&S KPI's are now recorded and reported through a permanent software solution. The H&S KPI's are reported monthly to Corporate Leadership Team. Good level of awareness from officers around H&S obligations and compliance Excellent levels of compliance being reported to the CLT monthly. | <p>(4 x 3) 12</p> | <ul style="list-style-type: none"> Possible due diligence review by Mid Kent Audit to advise on integrity with respect of KPI production and reporting. Eventual goal of real time reporting in terms of gas safety, via the WKHA contractor. Review of existing resources and skills underway to support the housing portfolio and management of properties. Policy & Resources Committee has recently approved a sizable re-investment in the Council owned Gypsy & Traveller site portfolio | <p>(3 x 3) 9</p> |
| <p>Failure of a major contractor: One of the Councils contractors goes into liquidation / administration</p> | <p>Mark Green</p> | <ul style="list-style-type: none"> Regular contract monitoring and communication with contractors Procurement expertise made available through the Partnership with Tunbridge Wells Financial performance and sustainability embedded into the procurement process Contractor business continuity plans in place 'Exit plan' included as a requirement in the ITT document for all relevant contracts | <p>(4 x 3) 12</p> | <ul style="list-style-type: none"> Ongoing financial performance and resilience checks of our suppliers and contractors Risk register work being completed for each of the Council's strategic contracts | <p>(4 x 3) 12</p> |

| Risk (title & full description) | Risk Owner | Key Existing Controls | Current rating (I x L) | Controls planned | Mitigated rating (I x L) |
|--|------------------|---|---------------------------|--|-----------------------------|
| <p>NEW Ability to access / leverage new funding</p> <p>Uncertainties relating to the Council's ability to access new funding available via the Government (including Levelling Up). Securing and leveraging this funding will help to stabilise and support the delivery of our plan for renewal and recovery.</p> | Mark Green | <ul style="list-style-type: none"> • Access to professional networks to identify opportunities for funding • Experienced officer capacity • Good relationships with funding partners, e.g. Homes England | (3 x 3) 9 | <ul style="list-style-type: none"> • Investment of one-off resources for putting together funding bids | (3 x 3) 9 |
| <p>NEW Reduced effectiveness of relationships with strategic partners</p> <p>The Pandemic changes the priorities or commitments of our strategic partners or their capacity to work with us. This causes a dislocation with our work and increases Member pressure to highlight concerns.</p> | Alison Broom | <ul style="list-style-type: none"> • KCC partnership arrangements through the strategic board • The Community Safety Partnership with the Police and other key parties • The West Kent Elected Members Forum with local health authorities • Survey of all voluntary and community sector to understand changes in community need and demand for services • Good integration with County-wide networks | (3 x 3) 9 | <ul style="list-style-type: none"> • Strengthen processes for continued horizon scanning with partners to understand changes in priorities and formulate an overview of all key partners • explore Maidstone Anchor Institution Network | (3 x 3) 9 |
| <p>NEW As a result of significant changes to the Councils' governance (including moving to executive model and the boundary review) sound governance processes may not be maintained during the change or poor processes may be introduced. Leading to delays in decision making, reputational damage or legal implications.</p> | Angela Woodhouse | <ul style="list-style-type: none"> • Existing governance structure will remain in place until the change is complete, including the constitution and committee structure • Monitoring Officer in place to oversee Council activities and provide advice • Code of Conduct • Timeline agreed for the Local Government Boundary Commission review and work overseen by the Director of Finance and Business Improvement | (4 x 3) 12 | <ul style="list-style-type: none"> • Recruit an additional officer into Democratic Services to help deliver projects • Appoint an external legal advisor to help draft the new constitution • Purchase software to facilitate consultation on ward boundaries | (3 x 2) 6 |

| Risk (title & full description) | Risk Owner | Key Existing Controls | Current rating (I x L) | Controls planned | Mitigated rating (I x L) |
|--|--------------|--|---------------------------|--|-----------------------------|
| <p>NEW Resilience of the voluntary & community sector</p> <p>The pressures facing the voluntary and community sectors are unprecedented and increasing, threatening the resilience and stability of these support networks.</p> <p>This could result in increased financial pressures for residents of the Borough with knock-on effects for the Council.</p> | Alison Broom | <ul style="list-style-type: none"> • Commitments obtained to establish an architecture to support the voluntary and community sector and provide funding. | <p>(3 x 3) 9</p> | <ul style="list-style-type: none"> • Establish a community sector forum • Funding to provide support for volunteering • Funding to equip Trinity Foyer to become a Community Hub • Funding for the Love Where You Live & Get Involved project • Agreed Financial Inclusive Strategy • A Community Resilience Fund that groups can bid for funding from • Agreed part funding with the Citizens Advice Bureau for a Debt Management post | <p>(3 x 2) 6</p> |

Risks are assessed for impact and likelihood. So that we achieve a consistent level of understanding when assessing risks, the following definitions were agreed and have been used to inform the assessment of risks on the risk register.

RISK IMPACT

| Level | Service | Reputation | H&S | Legal | Financial | Environment |
|-------------------------|---|---|---|--|---|--|
| Catastrophic (5) | 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 |
| Major (4) | 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) |
| Moderate (3) | 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) |
| Minor (2) | 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) |
| Minimal (1) | 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 |
|---------------------------|-------------|---|
| Almost Certain (5) | 90% + | Without action is likely to occur; frequent similar occurrences in local government / Council history |
| Probable (4) | 60% - 90% | Strong possibility; similar occurrences known often in local government / Council history |
| Possible (3) | 40% - 60% | Might occur; similar occurrences experienced in local government / Council history |
| Unlikely (2) | 10% - 40% | Not expected; rare but no unheard of occurrence in local government / Council history |
| Rare (1) | 0% - 10% | Very unlikely to occur; no recent similar instances in local government / Council history |

One Page Process 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>RISK 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"> • Setting business aims and objectives • Service planning • Target setting • Partnerships & projects • Options appraisal <p>Establish the risk owner.</p> <p>Document in the risk register.</p> | <p>Combination of the impact and likelihood of an event (the CURRENT RISK).</p> <p>Impact score is the highest from the different categories.</p> <p>Establish your key existing controls and whether they are managing the impact and/or likelihood of the risk.</p> <p>Scores can be depicted in the risk matrix:</p> <table border="1" data-bbox="656 842 1124 1193"> <tr> <td rowspan="5">Likelihood</td> <td>5</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Black</td> <td>Black</td> </tr> <tr> <td>4</td> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>3</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Blue</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td>1</td> <td>Blue</td> <td>Blue</td> <td>Green</td> <td>Green</td> <td>Yellow</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">Impact</td> </tr> </table> | Likelihood | 5 | Yellow | Yellow | Red | Black | Black | 4 | Green | Yellow | Red | Red | Black | 3 | Green | Yellow | Yellow | Red | Red | 2 | Blue | Green | Yellow | Yellow | Yellow | 1 | Blue | Blue | Green | Green | Yellow | | | 1 | 2 | 3 | 4 | 5 | | | Impact | | | | | <p>Black – Above our <i>tolerance</i>, immediate action and reporting to directors.</p> <p>Red – Outer limit of our <i>appetite</i>, immediate action.</p> <p>Amber – Medium risk, review existing controls.</p> <p>Green – Low risk, limited action, include in plans.</p> <p>Blue – Minimal risk, no action but annual review.</p> <p>Risk Response – 4Ts</p> <ul style="list-style-type: none"> • Treat (i.e. apply controls) • Tolerate (i.e. accept risk) • Transfer (e.g. insurance / partnership) • Terminate (i.e. stop activity) <p>After your response; where does the risk score now? (the MITIGATED RISK)</p> | <p>Completed risk registers returned to Mid Kent Audit.</p> <ul style="list-style-type: none"> • Corporate Leadership Team monthly monitoring of black risks. Quarterly reporting of all high level (black and red) risks. • 6-monthly reporting to Wider Leadership Team. • Risk registers sent quarterly to directors and heads of service. • 6-monthly monitoring at Policy & Resources Committee. • Annual monitoring of process by Audit, Governance & Standards Committee. <p>Mid Kent Audit facilitate the review and update of risk actions (as per your risk register) during the year for and high-level (red / black) risks.</p> |
| Likelihood | 5 | | Yellow | Yellow | Red | Black | Black | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4 | | Green | Yellow | Red | Red | Black | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3 | | Green | Yellow | Yellow | Red | Red | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2 | | Blue | Green | Yellow | Yellow | Yellow | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1 | Blue | Blue | Green | Green | Yellow | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Impact | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |