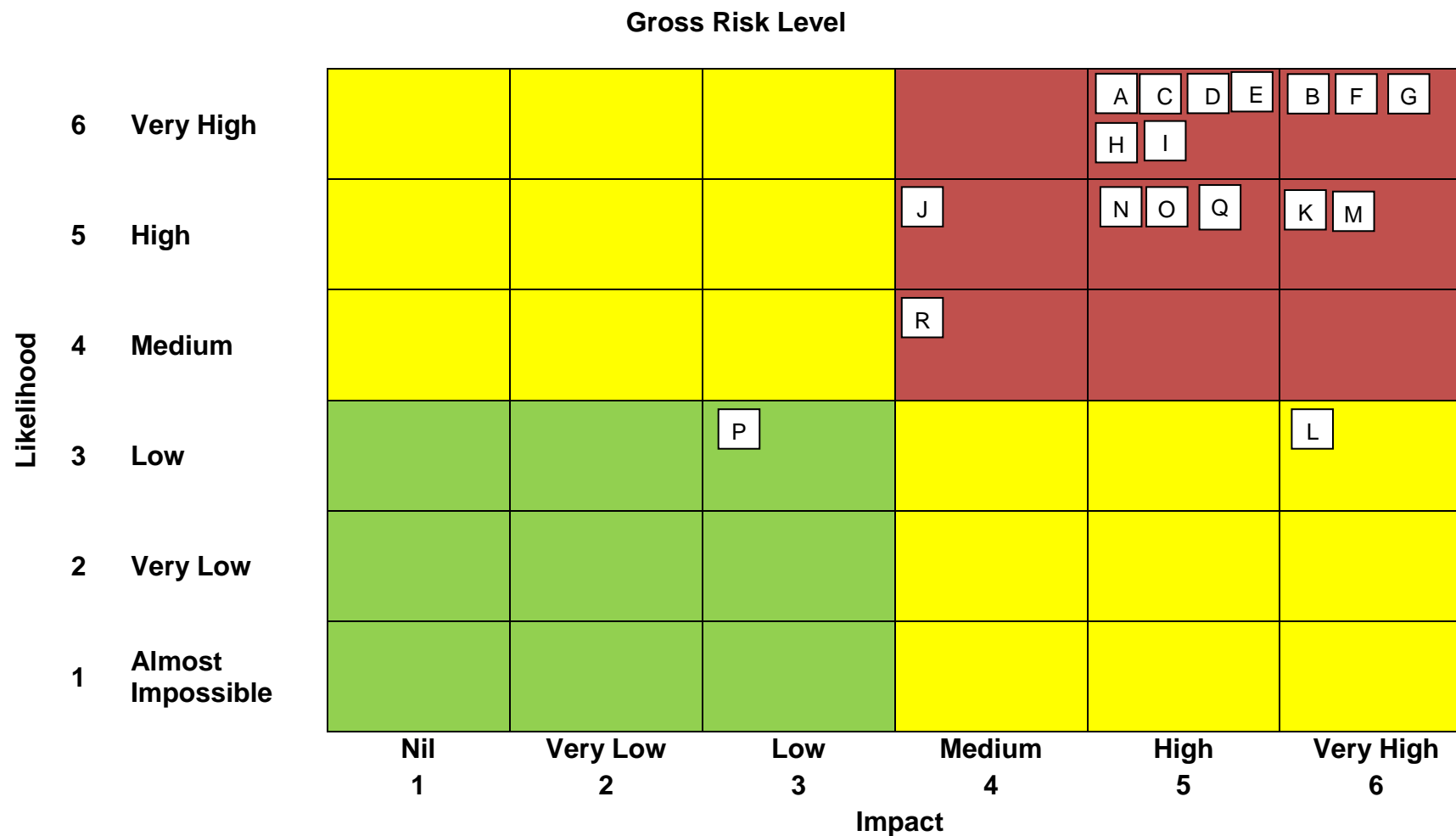


## Kettering Borough Council - Risk Management Summary Corporate Risk Profile - *Date refreshed July 2019*

The risk matrix is a diagrammatic representation of risks plotted by likelihood and by impact.



Firstly, there is a risk matrix that details the key risks (and their potential impact) at a 'gross' level – i.e. prior to the consideration of controls or mitigation measures, as detailed above.

## A3 - Appendix A

**Residual Risk Level**

		Impact					
		Nil 1	Very Low 2	Low 3	Medium 4	High 5	Very High 6
Likelihood	6 Very High						
	5 High					A C D E	B F G
	4 Medium					H I O	K
	3 Low				J	N Q	M
	2 Very Low			P	R		L
	1 Almost Impossible						

Secondly, there is a risk matrix that details the key risks (and their potential impact) at a 'residual' level i.e. after control / mitigation measures are applied, as detailed above.

It can be seen that by applying controls that the residual risk is reduced. The question that should then be asked is whether the level of residual risk is acceptable or whether further mitigation measures are needed.

## A3 - Appendix A

### KBC STRATEGIC RISK REGISTER

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
<b>A</b>	<b>Delivery of a Balanced Budget</b>	<p>The Council continues to see reductions in central government funding and has also opted to freeze Council Tax levels over the past nine years.</p> <p>As a consequence, the council has had to use increasingly innovative means to balance its budget and consider alternative strategies such as commercial investments in order to deliver a balanced budget.</p> <p>There is still much financial uncertainty facing the Council regarding its main funding sources such as New Homes Bonus and Business Rates Retention particularly from 2020 – when it is anticipated 75% Business Rates Retention will be introduced which will bring even greater volatility to one of the Council's main funding streams.</p>	<b>6</b>	<b>5</b>	<b>5</b>	<b>Further review of Delivery Frameworks</b>
<b>B</b>	<b>External legislation Changes</b> (particularly those arising from unforeseen or rapid changes in national policies)	<ul style="list-style-type: none"> <li>a. Impact of the localisation of council tax benefit</li> <li>b. Potential impact of other changes due to welfare reform (Universal Credit, 2018)</li> <li>c. Impact of employment legislation on policies</li> <li>d. Impact of the Living Wage</li> <li>e. Business Rates reform</li> <li>f. Social Housing Green Paper</li> <li>g. Impact of reductions in Council Rents</li> <li>h. Apprenticeships</li> <li>i. Homelessness Reduction Act</li> <li>j. Fair Funding Review</li> <li>k. Leaving the European Union (impact to Local Economy and subsequently to KBC)</li> </ul>	<b>6</b>	<b>5</b>	<b>6</b>	<b>N/A</b>

## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
<b>C</b>	<b>Unexpected Budget Pressures</b> (funding reductions elsewhere)	The challenging economic conditions have and are likely to continue to result in other public sector providers cutting service budgets. This could lead to pressure being placed on the Council to fill the resulting funding gap or lost service. This could be relevant given the financial challenges facing Northamptonshire County Council.	<b>6</b>	<b>5</b>  Mitigation factors include; ♦ MTFS ♦ Budget Containment Strategy ♦ Closer Joint Working ♦ Understanding the wider issues ♦ Exploring Opportunities	<b>5</b>	<b>N/A</b>
<b>D</b>	<b>Partnership Working</b>	Proper arrangements are required to safeguard the council when it delivers services through joint working and partnership arrangements to ensure that costs, liabilities and risks are understood and agreed from the outset. The cumulative impact of austerity measures over time increase the risks of partner organisations failing. Northamptonshire County Council's stabilisation programme may redesign how services are delivered, impacting on existing partnerships.	<b>6</b>	<b>5</b>  Mitigation factors include; ♦ Partnership audit ♦ SLA's and agreements ♦ Risk assessment of partners at the inception of the arrangement. ♦ Reviewing partnership arrangements ♦ Review of notice periods in SLA's ♦ Robust exit strategy in the event of partnership dissolution	<b>5</b>	<b>Central Register of all SLA's that are reviewed annually</b>
<b>E</b>	<b>Delivery of Major Projects</b>	The council has a very ambitious programme of corporate projects including: <ul style="list-style-type: none"> <li>• Street Scene Partnership with Corby</li> <li>• Town Centre Delivery Plan</li> <li>• Growth Deals</li> </ul> These projects can be both aspirational and challenging to deliver during normal economic conditions but become extremely stretching when operating in current market conditions.	<b>6</b>	<b>5</b>  Mitigation factors include; ♦ Strong project management ♦ Use of technical/professional advisers ♦ Dedicated performance clinics ♦ Strategic approach ♦ Joint working protocols based on a shared vision ♦ Identification of key milestones and critical success factors	<b>5</b>	<b>N/A</b>

## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
<b>F</b>	<b>Ensuring Corporate Capacity</b>	<p>The council has ambitious objectives and projects and has developed a unique budget delivery framework that is currently standing the authority in good stead. To remain 'ahead of the curve' the council needs to ensure that it maintains corporate capacity to protect the council's position and to continue to deliver its priorities.</p> <p>This has the potential to become even more challenging as the council is required to deliver on its 'business as usual' whilst experiencing pressures from the Local Government Reform work streams.</p>	<b>6</b>	<p><b>5</b></p> <p>Mitigation factors include;</p> <ul style="list-style-type: none"> <li>◆ Proper budget and service planning</li> <li>◆ Budget Delivery Framework</li> <li>◆ Maintaining corporate resources and capacity</li> <li>◆ Strategic approach</li> <li>◆ Reviewing efficiency to enable smarter working</li> </ul>	<b>6</b>	<b>N/A</b>
<b>G</b>	<b>Maintaining Political Focus and Stability</b>	<p>To ensure that resources are properly deployed and used effectively and efficiently, maintaining political focus is very important. Being clear from the outset about what KBC is trying to achieve, how we achieve it, and then continuing to maintain the focus in these areas.</p> <p>The challenging nature of which is likely to increase as we progress through Local Government Reform.</p>	<b>6</b>	<p><b>5</b></p> <p>Mitigation factors include;</p> <ul style="list-style-type: none"> <li>◆ Clear corporate objectives and refreshed priorities</li> <li>◆ Service and budget planning process</li> <li>◆ Council constitution</li> <li>◆ Focussing on Borough responsibilities</li> <li>◆ Making difficult decisions, with the medium term impact in mind</li> </ul>	<b>6</b>	<b>N/A</b>
<b>H</b>	<b>Effective Governance Arrangements</b>	<p>Good governance is at the heart of the correct and effective workings of the council. This applies to compliance with legislation, member and officer behaviour and having a robust constitution.</p>	<b>6</b>	<p><b>4</b></p> <p>Mitigation factors include;</p> <ul style="list-style-type: none"> <li>◆ Council Constitution</li> <li>◆ Clear protocol's</li> <li>◆ Statutory Officer roles</li> <li>◆ Standard Committee procedures</li> <li>◆ Track record of dealing with issues</li> <li>◆ Corporate Governance Group</li> <li>◆ GDPR arrangements</li> </ul>	<b>5</b>	<b>N/A</b>

## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
I	<b>Maintaining Staff Morale</b>	<p>Staff are at the heart of our organisation and the council holds the belief that staff can provide the answers to the challenges that we face. Staff morale is vital to keep;</p> <ul style="list-style-type: none"> <li>◆ Services running</li> <li>◆ Deliver efficiency savings</li> <li>◆ Improve the councils reputation</li> </ul> <p>In line with comments under Risk F, it is recognised that pressures from Local Government Reform could have an adverse impact.</p>	6	<p>4</p> <p>Mitigation factors include;</p> <ul style="list-style-type: none"> <li>◆ Continuous full staff involvement</li> <li>◆ Staff Development</li> <li>◆ Relevant staff communication</li> <li>◆ Regular staff communication</li> <li>◆ Investors in People</li> <li>◆ Culture/One Team Ethos</li> <li>◆ Staff Recognition</li> <li>◆ Staff empowerment, being part of the solution</li> <li>◆ Providing opportunities</li> </ul>	5	N/A
J	<b>Reputation Management</b>	<p>Ensuring that the reputation of the council is monitored and managed is important for any large organisation. Failure to do so could result in negative publicity and more importantly spending resources correcting the issue when it could have been avoided. Also includes the risk posed by comments on social media.</p>	5	<p>3</p> <p>Mitigation factors include;</p> <ul style="list-style-type: none"> <li>◆ Clear protocols</li> <li>◆ Media strategy and protocols</li> <li>◆ Monitoring arrangements</li> <li>◆ Pro-active media approach</li> <li>◆ Monitoring social media</li> <li>◆ Appropriate use of Social Media</li> <li>◆ Targeted and factual responses within the media</li> <li>◆ Successful delivery of key projects</li> </ul>	4	N/A

## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
<b>K</b>	<b>Effective Business Continuity Arrangements</b>	The council needs to ensure that robust arrangements are in place for business continuity – especially in relation to IT systems, cyber security, data and buildings.	<b>5</b>	<b>4</b> Mitigation factors include; <ul style="list-style-type: none"> <li>◆ Business Continuity Plans</li> <li>◆ Partnership arrangements with neighbouring local authorities</li> <li>◆ Work with external insurers</li> <li>◆ Staff communication</li> <li>◆ Data Security Protocols</li> <li>◆ Effective cyber security practices</li> <li>◆ Participation in mock exercises</li> </ul>	<b>6</b>	<b>Continued Development of the Business Continuity Disaster Recovery Plans</b>
<b>L</b>	<b>Effective Emergency Planning Arrangements</b>	The council needs to ensure that robust arrangements are in place for emergency planning purposes	<b>3</b>	<b>2</b> Mitigation factors include; <ul style="list-style-type: none"> <li>◆ Emergency Plan</li> <li>◆ Partnership arrangements with neighbouring local authorities</li> <li>◆ Participation in mock exercises</li> <li>◆ Brexit Plan</li> </ul>	<b>6</b>	<b>Monitoring of Emergency Planning Partnership arrangements</b>
<b>M</b>	<b>Health and Safety Compliance</b>	Keeping pace with the latest H&S requirements and practices is an important cornerstone of the councils work.	<b>5</b>	<b>3</b> Mitigation factors include; <ul style="list-style-type: none"> <li>◆ H&amp;S Committee</li> <li>◆ Dedicated H&amp;S Team</li> <li>◆ Working relationships with regulatory agencies and meetings</li> <li>◆ Policies regularly reviewed and updated</li> <li>◆ Utilising technical expertise</li> <li>◆ Ensuring statutory compliance</li> <li>◆ Risk Assessments</li> <li>◆ Training</li> <li>◆ Adequate PPE</li> </ul>	<b>6</b>	<b>Monitoring of Emergency Planning Partnership arrangements</b>

## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
<b>N</b>	<b>Robust &amp; Effective HR Policies</b>	Staff are the councils main resource, as such the council needs to ensure that it has up to date, flexible yet robust policies in place to deal with all aspects of employee management and relations. The importance of which are ever more present when going through organisational change e.g. Street Scene Partnership and Local Government Reform.	<b>5</b>	<b>3</b> Mitigation factors include; <ul style="list-style-type: none"> <li>◆ HR expertise, tools and processes</li> <li>◆ Regular policy review</li> <li>◆ Employment committee</li> <li>◆ Constructive union relations</li> <li>◆ Ongoing and relevant dialogue with staff</li> </ul>	<b>5</b>	<b>N/A</b>
<b>O</b>	<b>Keeping pace with the Demographic, Social &amp; Economic Changes</b>	Keeping pace with the demographic and social changes and the impact this and decisions by other public sector bodies has on the Council. Understanding and reacting to the changing needs of the community. Particular challenges facing the Council include, but are not limited to: Leaving the European Union, Welfare Reform and the ageing population.	<b>5</b>	<b>4</b> Mitigation factors include; <ul style="list-style-type: none"> <li>◆ MTFS</li> <li>◆ Policy Reviews</li> <li>◆ Consultations</li> <li>◆ Housing Market Review</li> <li>◆ Service Review &amp; Design</li> <li>◆ Developing the capacity to be proactive</li> <li>◆ Staying relevant and looking forward</li> </ul>	<b>5</b>	<b>N/A</b>



## A3 - Appendix A

Risk Id.	Strategic Risk	Details	Risk Likelihood		Risk Impact	Actions to Improve Mitigation
			Gross	Residual		
P	Physical Assets	The Council needs to ensure that our physical assets are being used in a safe and efficient way to maximise their effectiveness in delivering outcomes.	3	2 Mitigation factors include; <ul style="list-style-type: none"> <li>◆ Stock Condition Survey</li> <li>◆ Relevant H&amp;S Assessments</li> <li>◆ Security</li> <li>◆ Appraise and Review</li> <li>◆ Planned Investment</li> <li>◆ Appropriate Rationalisation</li> </ul>	3	Ongoing review of Asset Utilisation
Q	Delivery of the Commercial Strategy	This includes seeking commercial investment opportunities, reviewing our fees and charges policy and being more commercially minded in our everyday processes to drive efficiencies.	5	3 Mitigation factors include; <ul style="list-style-type: none"> <li>◆ Technical expertise</li> <li>◆ Robust due diligence</li> <li>◆ Shared strategic vision</li> <li>◆ Staff engagement</li> <li>◆ Process reviews</li> </ul>	5	
R	Procurement	The appropriate and compliant purchase of goods and services is integral to all areas of the Council.	4	2 Mitigation factors include; <ul style="list-style-type: none"> <li>◆ Technical expertise</li> <li>◆ Statutory compliance</li> <li>◆ Contract Standing Orders</li> <li>◆ Staff knowledge</li> <li>◆ Effective Contract Management</li> <li>◆ Staff Training</li> <li>◆ Service Reviews</li> </ul>	4	

### Note on Local Government Reform

Local Government Reform (LGR) has the potential to impact multiple areas of the Strategic Risk Register and will be managed within the current risk framework. Where it is identified that LGR has the potential to have a more direct impact in individual areas then these have been highlighted in the Risk Register. The Risk Register will continue to be updated as these emerging risks become clearer and identified in more specific detail.