

**GRAVESHAM BOROUGH COUNCIL**

# **Corporate Risk Register**

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2020-2021

DRAFT

Gravesham’s Corporate Risk Register is the result of an annual strategic risk management exercise conducted to identify, analyse and prioritise those risks that may affect the ability of the council to achieve its corporate objectives. The key risks facing the council were identified through discussion with Cabinet Members, Finance and Audit Committee Members, Members, Directors, Assistant Directors, Service Managers and other senior managers.

The Corporate Risk Register outlines the key strategic risks facing the council, the controls currently in place to respond to these risks and any further action required by the council to properly manage these risks. The actions that the council has in place/needs to implement are assessed as one of the following:

- **Good** – actions in place will mitigate the risk and no further action is required.
- **Adequate** – whilst the action will help to mitigate the risk, there is still further work that can be undertaken to further mitigate the risk.
- **Inadequate** – the action is either not already in place or is not mitigating the risk and therefore further work is required.

The following matrix is utilised when assessing whether a risk is a high, medium or low risk for the council:

**The Risk Matrix**

<b>LIKELIHOOD</b>	Very High	5	5	10	15	20	
	High	4	4	8	12	16	
	Medium	3	3	6	9	12	
	Low	2	2	4	6	8	
	Very Low	1	1	2	3	4	
	High Risk		1	2	3	4	
	Medium Risk		Negligible	Significant	Serious	Critical	
	Low Risk						
	<b>IMPACT</b>						

**Guidance used for assessing Likelihood and Impact**

**Likelihood:**

Rating	Score	
Very High	5	On the evidence and knowledge of officers and members it is almost certain that this issue will occur sometime within the next year. The issue may have already occurred in previous years either at the council or elsewhere.
High	4	On the evidence and knowledge of officers and members it is very likely that this issue or event will occur in the coming year.
Medium	3	On the evidence and knowledge of officers and members the issue is more likely to occur than not in the coming year.
Low	2	On the evidence and knowledge of officers and members it is unlikely that this event will occur in the coming year. Occurrences of this risk have occurred in the past but occurrences are very few and far between.
Very Low	1	On the evidence and knowledge that this event would occur in either the coming year or in future years.

**Impact:**

Rating	Score	
Critical	4	The financial impact on the authority would critically threaten the council's financial stability. The delivery of service to the public could be affected either permanently or for a long duration and the council could not achieve its key objectives. There would be a seriously damaging impact on the council's reputation through poor media coverage.
Serious	3	The financial impact on the authority would be serious although would not threaten the stability of the council's financial position. Services would experience disruption with the delivery of services being affected for a number of days. Whilst the council's objectives would be met there would be significant delays in achieving them. The council would endure poor media coverage for a period of time affecting the council's reputation which would take some time to recover from.
Significant	2	There would be a financial impact on the authority however this would be manageable within the council's existing financial resources. There may be disruption to services and possibly delays in achieving the council's objectives. There may be poor media coverage which could affect the council in the long term.
Negligible	1	There is little or no financial impact of the risk to the authority. There would be no disruption to the delivery of the council's key objectives or frontline services. It is unlikely that this risk will impact on the council's reputation.

All risks identified for 2020-2021 and their assessments are plotted in the Heat Map and summarised in the table below:

**Table of Risks Assessed for 2020-2021**

Risk Ref	Risk Description	Inherent Risk	Residual Risk	Target Risk
1	On-going financial viability of the council	20	12	9
2	Changes in national priorities and legislation	20	15	12
3	Organisational capacity/resilience	20	15	12
4	Universal Credit	15	12	9
5	Cyberattack resulting in data breach or corruption of data	16	12	9
6	Investment Risk	15	10	9
7	Withdrawal of the United Kingdom from the European Union	--	--	--
8	Implementation of the Homelessness Reduction Act	15	9	6
9	Civil risk- major disaster	8	6	6
10	Increased exposure to risk to Gravesham Borough Council from shared services	9	6	6
11	Non-delivery of key developments	12	6	6

**Risk Heat Map (Residual Risk)**

<b>Likelihood</b>	<b>Very High</b>	<b>5</b>		<b>6</b>	<b>2,3</b>	
	<b>High</b>	<b>4</b>			<b>1,4</b>	
	<b>Medium</b>	<b>3</b>		<b>10, 11</b>	<b>8</b>	<b>5</b>
	<b>Low</b>	<b>2</b>			<b>9</b>	
	<b>Very Low</b>	<b>1</b>				
	<b>High Risk</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Medium Risk</b>		<b>Negligible</b>	<b>Significant</b>	<b>Serious</b>	<b>Critical</b>
	<b>Low Risk</b>		<b>IMPACT</b>			

The risks that have generated a “High Risk” score can be seen coloured in red and these have therefore been included in the 2020-2021 Corporate Risk Register.

Given that the council works in an ever-changing environment it will be necessary to conduct similar risk management exercises on a periodic basis. Progress against management actions recorded in the register will be reported to Cabinet on a quarterly basis and the register will be reviewed on a six-monthly basis by the Finance and Audit Committee.

As a contribution to good corporate governance, risk management also forms a part of the annual business planning process – each departmental business plan has a specific service risk register to identify the key risks facing that service. This reinforces the corporate risk management approach through each Service Manager giving proper formal consideration to both corporate and operational risks.

<b>The Risk</b>	<b>On-going financial viability of the Council</b>							<b>Risk No.</b>	<b>1</b>		
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>					<b>RESIDUAL RISK SCORE</b>						
<b>Likelihood</b>	5	<b>Impact</b>	4	<b>Score</b>	20	<b>Likelihood</b>	4	<b>Impact</b>	3	<b>Score</b>	12
<b>Cabinet Portfolio</b>	Leader of the Executive (but affects all portfolios)										
<b>Risk Background</b>	<p>Over the last decade Gravesham Borough Council, along with the rest of local government, has experienced significant and sustained cuts to its funding whilst demand on services has risen. By the end of 2019-20 the council will have experienced a cash reduction in government funding levels of some £5m (65%) since 2010-11 (excluding the funding derived from the New Homes Bonus Scheme).</p> <p>The council has faced these challenges head-on and followed a multi-faceted, proactive programme of activity to reduce its budget requirement and ensure a balanced budget which is based on sound assumptions for how planned expenditure will be met. This activity has been successfully delivered, resulting in the council being able to present a fully balanced budget for the current Medium Term Financial Plan which requires no additional savings to be delivered in the plan period to 2028-29.</p> <p>Central Government have released a Local Government Provisional Finance Settlement for one year only relating to 2020-21, with no certainty on the future of local government funding after this. The forthcoming year will see the 2020 Spending Review (setting the envelope of funding available to local government) and decisions being taken by Central Government on a number of other local government funding reforms that are planned for introduction from April 2021, including the Fair Funding Review and reforms to the current Business Rates Retention System. There is also significant uncertainty regarding the potential impacts on the economy after the UK leave the European Union.</p>										
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Inability to plan effectively due to the lack of clarity around the future level of government funding support and how the business rates retention scheme will operate in practice.</li> <li>• Potential for MHCLG to reduce the total funding available to the council (including retained business rates) beyond the levels projected in the MTFP to support other departmental funding pressures.</li> <li>• Council exposed to increased financial risk and volatility from changes to funding and any redesigned business rates scheme.</li> <li>• Unplanned cuts in services needed and/or drop in quality of delivery, potentially leading to damage to Council's reputation.</li> <li>• Financial savings not achieved.</li> <li>• Budgets exceeded and/or reserves depleted.</li> <li>• Problems stored up for the future.</li> <li>• Minimum working balance of £2.00 million is not maintained.</li> <li>• New legislative requirements not met.</li> <li>• Uncertainty over future large projects.</li> <li>• Potential for infrastructure to deteriorate.</li> </ul>										

	<ul style="list-style-type: none"> <li>Potential for the introduction of further statutory discounts for Business Rates payers without compensation from central government.</li> </ul>				
<b>Controls already in place</b>	<ul style="list-style-type: none"> <li>Medium Term Financial Strategy in place.</li> <li>Medium Term Financial Plan in place.</li> <li>Robust Budget Monitoring arrangements in place.</li> </ul>				
<b>Key corporate documents and processes</b>	<p>Medium Term Financial Strategy.  Medium Term Financial Plan.  Budget monitoring process.</p>				
<b>Risk Owner (s)</b>	Director (Corporate Services)				
<b>Additional actions required to further mitigate risk</b>					
<b>Required Management Action</b>			<b>Lead Officer(s)</b>		<b>Target Date</b>
<p>Continue to review reserves and working balance annually to assess financial sustainability and appropriateness of working balances and reserves as a means to manage cash flow, future requirements and unexpected events.</p> <p>Continue the council's financial strategy objectives and the core principles that underpin these.</p> <p>Development of a new Medium Term Financial Strategy for the council once the outcomes of the Fair Funding Review and Retained Business Rates Scheme design are known.</p>			<p>Director (Corporate Services)  Assistant Director (Corporate Services)</p>		<p>Feb 2021</p>
<p>Continued maintenance of the Medium Term Financial Plan.</p> <p>Modelling of the effects of the Fair Funding review and Retained Business Rates Retention Scheme once known.</p>			<p>Director (Corporate Services)  Assistant Director (Corporate Services)</p>		<p>On-going to March 2021</p>
<p>Continue the programme of development for the council's Financial Management System.</p> <p>New performance measure implemented to assess compliance with budget monitoring arrangements.</p> <p>Continue to proactively respond to central government consultations on funding for local government.</p>			<p>Assistant Director (Corporate Services)</p>		<p>On-going to March 2021</p>
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	4	<b>Impact</b>	3	<b>Score</b>	12

<b>The Risk</b>	<b>Changes in national priorities and legislation</b>						<b>Risk No.</b>	<b>2</b>			
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>				<b>RESIDUAL RISK SCORE</b>							
<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>4</b>	<b>Score</b>	<b>20</b>	<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>3</b>	<b>Score</b>	<b>15</b>
<b>Cabinet Portfolio</b>	All Portfolios										
<b>Risk Background</b>	<p>Good governance requires that the council is fully informed of developments in national priorities and Government legislation to ensure that it is best placed to respond to any statutory changes or logistical challenges it may face.</p> <p>Following the General Election in December 2019, the Queen's Speech introduced the government's formal programme of prospective legislation. Alongside key policy announcements, prospective legislation that impacts upon local government service provision include:</p> <ul style="list-style-type: none"> <li>• Domestic Abuse Bill.</li> <li>• Employment Bill.</li> <li>• Serious Violence Bill.</li> <li>• Sentencing Bill.</li> <li>• Environment Bill.</li> <li>• Telecommunications Infrastructure Bill.</li> <li>• Renters' Reform Bill.</li> <li>• Fire Safety Bill, Building Safety Bill.</li> <li>• Armed Forces (Legal Protections) Bill.</li> <li>• European Union (Withdrawal Agreement) Bill.</li> </ul> <p>On enactment of relevant legislation, the council will potentially face new statutory duties, responsibilities or standards with which to adhere, potentially challenging existing services and working practices.</p> <p>Additionally, in January 2020 the European Withdrawal Agreement Bill was enacted by parliament. Whilst the broader social and economic uncertainty associated with delivery of 'Brexit' has subsided, there remains inherent risk relating to the transition period and the next phase of withdrawal. The Government's trade negotiations, both in terms of timescale and final content, present risks in terms of further legislative developments and, more directly, the potential to cause financial instability to council income and investments via national economic uncertainty.</p>										
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Change of strategic direction for the council.</li> <li>• Breakdown in governance controls and processes.</li> <li>• New legislative and regulatory duties not met and the potential for legal challenge.</li> <li>• Severe financial position, challenging the council's ability to deliver the corporate objectives and policy commitments within the Corporate Plan.</li> <li>• Logistical challenges to the delivery of council services and effectiveness of the council's supply chain.</li> </ul>										

	<ul style="list-style-type: none"> <li>• Sustained levels of service underperformance, resulting in a failure to meet community needs and expectations.</li> <li>• Additional costs/workload pressures for staff impacting morale, sickness absence and future recruitment and retention.</li> <li>• Increased scrutiny from Members, agencies, media and community stakeholders / reputational damage.</li> </ul>				
<b>Controls already in place</b>	<ul style="list-style-type: none"> <li>• Timely policy insight.</li> <li>• Commitment to informing government policy.</li> <li>• Proactive engagement with partner agencies.</li> <li>• Planning for Business Continuity.</li> <li>• Establishment of new Member training development plan.</li> </ul>				
<b>Key corporate documents and processes</b>	Corporate Plan 2019-23. Medium Term Financial Strategy and Medium Term Financial Plan.				
<b>Risk Owner (s)</b>	Chief Executive and Management Team				
<b>Additional actions required to further mitigate risk</b>					
<b>Required Management Action</b>	<b>Lead Officer(s)</b>	<b>Target Date</b>			
Circulation of monthly policy briefings and timely legislative updates.	Corporate Performance Manager	Monthly until March 2021			
Working alongside partner agencies (LGA etc.), deliver proactive responses to formal consultations and policy papers from central government to ensure Gravesham's strategic position is effectively represented.	Wider Management Team	On-going to March 2021			
Ensure a strong commitment to the council's partnership working arrangements and sustaining Gravesham's involvement with key stakeholder agencies and working groups on a national and local basis including (but not exclusive to): - Local Government Association. - District Councils Network. - Kent Finance Officers Group. - Kent Resilience Forum.	Wider Management Team	On-going to March 2021			
Business Continuity Plans to be reviewed and updated to ensure they remain fit for purpose.	Wider Management Team	March 2021			
Develop a Member Induction Programme to support all Members elected and continue to deliver a training and development plan to Members.	Committee Services Manager/Wider Management Team	March 2021			
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	5	<b>Impact</b>	3	<b>Score</b>	15



<b>The Risk</b>	<b>Organisational capacity/ resilience</b>						<b>Risk No.</b>	<b>3</b>			
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>						<b>RESIDUAL RISK SCORE</b>					
<b>Likelihood</b>	5	<b>Impact</b>	4	<b>Score</b>	20	<b>Likelihood</b>	5	<b>Impact</b>	3	<b>Score</b>	15
<b>Cabinet Portfolio</b>	Deputy Leader (but affects all portfolios)										
<b>Risk Background</b>	<p>The council's Management Team have put in place a number of arrangements to help the effective direction of the council's finite staffing resources, including approval of all new appointments and the cessation of temporary staff contracts and non-contractual overtime (except in exceptional circumstances). This is intended to reduce the risk of key person dependency and poor resilience by recognising and improving organisational capacity and resilience where needed, identifying critical tasks, working flexibly across departments and developing the skills and abilities of key leaders and staff.</p> <p>In developing its working arrangements the council will also need to manage the aging operational buildings from which it delivers services to ensure these remain fit for purpose and capable of supporting its ways of working and the methods of access preferred by service users.</p> <p>The council also needs to ensure that it has plans in place to cope with other potential impacts on capacity which may result from severe weather, building damage or pandemic to ensure that key services can continue to be delivered.</p>										
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Council unprepared for changes resulting in pressure being placed on resources, this in turn could lead to the council struggling to meet changes in demand for services.</li> <li>• Services areas with reduced staff will suffer a greater impact which in turn will add pressures on already stretched resources.</li> <li>• Increased organisational stress can negatively impact productivity, which in turn can reduce staff motivation, create low morale and increase sickness and stress levels.</li> <li>• The council will be required to provide additional help and support to overcome the problems that result from increased organisational stress.</li> <li>• Increases in liability claims and weaknesses in internal controls could result due to there being insufficient staff resources to carry out essential roles and responsibilities.</li> <li>• Cuts in services and a potential drop in service quality is also possible.</li> </ul>										
<b>Controls already in place</b>	<p>Effective allocation of resources.</p> <p>Flexible working arrangements.</p> <p>Provision of training and support.</p> <p>Workforce Support.</p> <p>Operational Building Management.</p>										
<b>Key corporate documents and processes</b>	<p>Corporate Plan 2019-23.</p> <p>Workforce Development Plan.</p>										

<b>Risk Owner (s)</b>	Chief Executive and Management Team				
<b>Additional actions required to further mitigate risk</b>					
<b>Required Management Action</b>		<b>Lead Officer(s)</b>		<b>Target Date</b>	
<p>Management Team to continue to receive all requests to fill vacant posts.</p> <p>Management Team to continue to receive periodic information regarding staff resourcing costs v budget, which includes information on vacancies to enable discussion on this.</p> <p>Annual review of vacant positions within the authority.</p> <p>Annual review of the delivery of existing shared services to confirm that these continue to work well, provide resilience and offer career opportunities for staff.</p> <p>Continue to develop and use technology where possible to free up resources that could be allocated to other tasks.</p>		Management Team		On-going to March 2021	
<p>Consider ways in which the workforce can work more flexibly, including shared services, work patterns, appropriate remote working and use of available technology.</p> <p>Continue to offer apprenticeship positions that focus on ensuring that, at the end of the training contract, apprentices are 'job ready'. Seek to train apprentices in areas where the council may be having difficulties in recruitment.</p>		Management Team		On-going to March 2021	
<p>Retain a specific budget for supporting staff training and development.</p> <p>In line with the Investors In People (IIP) Action plan, ensure annual appraisals are carried out for all staff to identify training needs, alongside periodic one to one meetings to monitor performance and identify any further training needs.</p> <p>Continue to offer all employees e-learning and face to face training opportunities via the HRA Shared Service iShare training system.</p>		Director Communities		On-going to March 2021	
<p>Continue to operate the Joint Staff forum to update the workforce on key issues regarding the Council and give employees the opportunity to raise any concerns they may have.</p> <p>Deliver the IIP action plan.</p> <p>Continue to actively proactively and positively engage with Trade Unions.</p> <p>Continue communication to promote Occupational Health, the Employee Assistance Programme and the Mental Health Champions as further confidential support services for staff.</p>		Director Communities		January 2021	
<p>Asset Management Group to maintain oversight of the operational buildings used to deliver council services.</p>		Director Communities		January 2021	
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	5	<b>Impact</b>	3	<b>Score</b>	15

<b>The Risk</b>	<b>Universal Credit</b>					<b>Risk No.</b>	<b>4</b>				
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>					<b>RESIDUAL RISK SCORE</b>						
<b>Likelihood</b>	5	<b>Impact</b>	3	<b>Score</b>	15	<b>Likelihood</b>	4	<b>Impact</b>	3	<b>Score</b>	12
<b>Cabinet Portfolio</b>	Performance & Administration (PA)										
<b>Risk Background</b>	<p>Gravesham adopted Universal Credit 'Live' service in its most basic form on the 18 May 2015 for single residents only in prescribed circumstances. The impact was minimal and did not produce a risk score. Universal Credit live service was closed to new claims from 31 December 2017.</p> <p>Universal Credit 'Full' service commenced in May 2018 and was available for all types of claimant with the exception of a few categories.</p> <p>The Department for Work and Pensions (DWP) had overall responsibility for implementing Universal Credit, although the Council has a key role in providing Universal Support to residents who wish to claim.</p> <p>From 1 April 2019 the DWP sub contracted Citizens Advice to do the Assisted Digital Support and Personal Budgeting Support directly to residents. Implementation of additional analytical software to support the Housing Income Team, along with regular income collection performance monitoring, review of income collection procedures and audits and early intervention to support tenants has assisted in dealing with this risk adequately.</p> <p>The Work and Pensions Secretary announced Feb 2020 that the full roll-out of Universal Credit has been delayed from Dec 2023 to Sept 2024, as data now suggests that natural migration over to Universal Credit through changes to people's circumstances, is happening less frequently than previously predicted.</p>										
<b>Consequences</b>	<p>There remains much uncertainty as to the exact direct and indirect consequences of the changes upon the authority, particularly whether resources to support the scheme will still be required to be retained by the council (and at what level) once administration of Universal Credit is taken over by the Department for Work and Pensions in its entirety. The latest announcement (Feb 2020) has again delayed managed migration this time to Sept 2024. This makes it difficult to predict the resourcing requirements of the benefits service.</p> <p>Data shows that, Full service caseload is continuing to reduce and the number of new claims received is starting to reduce however, the workload has actually increased as a result of the number of notifications that the DWP JCP send through on a daily/weekly basis. Direct consequences are;</p> <ul style="list-style-type: none"> <li>• A reduction in HB caseload.</li> <li>• A reduction in council dwelling rental income and increase in rent arrears as payments will be made direct to the tenant, rather than direct to the rent account as they are now.</li> <li>• Increase in workload for Housing Team.</li> <li>• Increases in evictions/homelessness/voids.</li> </ul>										

	<ul style="list-style-type: none"> <li>Rise in level of corporate debt.</li> <li>Customers may suffer hardship.</li> </ul> <p>Indirect consequences are also expected, with increased costs of cash handling through the shift away from rebating benefit to cash transactions.</p>	
<b>Controls already in place</b>	<ul style="list-style-type: none"> <li>Regular meetings planned to take place with JCP Senior Officers.</li> <li>Customers support with claiming Universal Credit and managing finances.</li> <li>Contact with residents as well as social and private landlords to establish impact of Universal Credit.</li> <li>Maintain briefing arrangements for Members and staff and provide regular updates of any changes.</li> </ul>	
<b>Key corporate documents and processes</b>	<p>Corporate Plan 2019-23.  Revenues &amp; Benefits Business Plan.  HRA Business Plan.</p>	
<b>Risk Owner (s)</b>	Director (Corporate Services) Service Manager Revenues & Benefits.	
<b>Additional actions required to further mitigate risk</b>		
<b>Required Management Action</b>	<b>Lead Officer(s)</b>	<b>Target Date</b>
<p>Relevant departmental officers to continue to liaise and meet with representatives from Citizens Advice Bureau and Job Centre Plus (JCP).  Continue to proactively take part in meetings to improve the customer experience, hosted by the Department for Work &amp; Pensions.  Take part in Job Shadowing exercises to enable JCP staff to spend time at the Civic Centre with Housing Benefit, Housing Income and Housing Options staff, with a reciprocal arrangement for Local Authority staff to attend the Jobcentre.</p>	<p>Head of Revenues and Benefits  Assistant Revenues and Benefits Manager</p>	<p>On-going to March 2020</p>
<p>Citizens Advice (CA) now provides Help to Claim Service which is funded directly by the DWP. This support is given in the early stages of the Universal Credit claim, from application through to first payment. It is a dedicated service which is free to the claimant, independent, confidential and impartial. CA do attend our meetings and regularly keep us informed of any issues they may encounter. As well as providing a service out of the Civic Centre, they do also have a presence in the Jobcentre where appointments are scheduled.</p>	<p>Head of Revenues and Benefits  Housing Income Manager</p>	<p>On-going to March 2020</p>
<p>Signposting of customers to the CAB Help to Claim Service, JCP and GOV.UK as and when appropriate. Continue to work alongside JCP to provide scheduled appointments for customers.  Review and update correspondence issued to claimants where necessary to advise on claiming Universal Credit.</p>	<p>Head of Revenues and Benefits  Housing Income Manager</p>	<p>On-going to March 2020</p>

<b>Required Management Action</b>			<b>Lead Officer(s)</b>	<b>Target Date</b>	
Continue to provide briefings for staff on a regular basis through Team Meetings and Staff bulletins. Delivery of briefings and reports to members of the Performance & Administration Committee. Inclusion of training sessions as appropriate through the Member Training Programme.			Head of Revenue and Benefits Housing Income Manager	On-going to March 2020	
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	4	<b>Impact</b>	3	<b>Score</b>	12

<b>The Risk</b>	<b>Cyberattack resulting in data breach or corruption of data</b>					<b>Risk No.</b>	<b>5</b>				
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>						<b>RESIDUAL RISK SCORE</b>					
<b>Likelihood</b>	4	<b>Impact</b>	4	<b>Score</b>	16	<b>Likelihood</b>	3	<b>Impact</b>	4	<b>Score</b>	12
<b>Cabinet Portfolio</b>	Leader										
<b>Risk Background</b>	<p>As more reliance grows on IT Systems the risks surrounding a cyberattack disrupting those systems becomes more important. Whilst there is no specific targeted threat to local government (confirmed by the National Cyber Security Centre), criminal activity via Cyber methods remains the most likely motivation. The "Official 2019 Annual Cybercrime Report," by Cybersecurity Ventures lists Cyber Crime as the world's biggest criminal growth industry.</p> <p>Whilst technical and non-technical controls can be put in place to reduce the ease at which an IT Infrastructure can be attacked, unknown vulnerabilities (zero day threats) and / or a determined attacker can defeat even the most secure systems.</p> <p>The target dates specified for controls are marked as ongoing since constant management action is required to ensure we do not slip backwards with our arrangements and defences.</p> <p>Alongside protecting systems should be a well-practiced incident response plans.</p>										
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Unavailability of systems for normal use in service delivery.</li> <li>• Destruction of systems and data.</li> <li>• Theft of data for criminal use.</li> <li>• Financial loss.</li> <li>• Reputational damage.</li> <li>• Extended period to recover council services to usual business.</li> </ul>										
<b>Controls already in place</b>	<ul style="list-style-type: none"> <li>• Technical security controls.</li> <li>• Backup arrangements in place.</li> <li>• Participation with relevant warning bodies.</li> <li>• Engagement with Cyber bodies.</li> <li>• Improvements to existing controls.</li> <li>• Business Continuity planning.</li> <li>• Engagement with Local Reliance Partnership.</li> <li>• Cyberattack exercise scenario.</li> </ul>										
<b>Key corporate documents and processes</b>	Business Continuity Plans.										
<b>Risk Owner (s)</b>	Director (Corporate Services)										

<b>Additional actions required to further mitigate risk</b>					
<b>Required Management Action</b>			<b>Lead Officer(s)</b>	<b>Target Date</b>	
Maintain existing security control arrangements. Replace the existing firewall with a device that also provides email and web filtering capabilities, reducing the footprint in the IT server room, upgrade the log monitoring system.			Assistant Director (Transformation & IT)	On-going to March 2020	
Maintain offsite backup arrangements. Implement enhancements to arrangements for recovery site (estimated to be complete by summer 2020).			Assistant Director (Transformation & IT)	On-going to March 2020	
Continue to be part of the Kent Warning, Advice and Reporting Points (WARP) Group. Continue to actively attend briefing events held by the National Cyber Security Centre.			Assistant Director (Transformation & IT)	On-going to March 2020	
Continue to engage with the National Cyber Security Centre and make use of their Active Cyber defence tools. Continue to be active participants on the LGA Cyber Technical Advisory Group whose purpose is to promote best practice and awareness of cyber issues to the local government sector.			Assistant Director (Transformation & IT)	On-going to March 2020	
Continue to proactively maintain arrangements to upgrade council devices and maintain the patch management solution (ensuring computers can be kept up to date with software updates), as well as the Mobile Device Management (MDM) and Secure Email solutions to better protect mobile devices. Implement further enhancements to MDM and USB device control.			Assistant Director (Transformation & IT)	On-going to March 2020	
Update departmental business continuity plans to include a realistic recovery time objective for services. Review the IT disaster recovery plan during 2020 to take account of changes in storage infrastructure.			Assistant Director (Transformation & IT)	On-going to March 2020	
Take an active role with the Kent Resilience Team to develop an incident response plan for the county which will provide a structure for managing a cyber incident based upon existing protocols (using JESIP - Joint Emergency Services Interoperability Principles).			Assistant Director (Transformation & IT)	On-going to March 2020	
Continue to participate in cyberattack workshops as these become available. Undertake further activities during 2020 with the National Cyber Security Centre "exercise in a box" service.			Assistant Director (Transformation & IT)	On-going to March 2020	
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	3	<b>Impact</b>	4	<b>Score</b>	12

<b>The Risk</b>	<b>Investment Risk</b>					<b>Risk No.</b>	<b>6</b>				
<b>Assessment Date</b>	January 2020										
<b>INHERENT RISK SCORE</b>					<b>RESIDUAL RISK SCORE</b>						
<b>Likelihood</b>	5	<b>Impact</b>	3	<b>Score</b>	15	<b>Likelihood</b>	5	<b>Impact</b>	2	<b>Score</b>	10
<b>Cabinet Portfolio</b>	Leader										
<b>Risk Background</b>	<p>As part of its strategy to respond to a decade of significant and sustained cuts, over the last four years the council has increased its exposure to investment risk and commercial risk through the diversification of its investment activity and Property Acquisition Strategy.</p> <p>The council holds £20m of investments in Multi-Asset Funds and Property Funds; this provides greater opportunities for the council to generate investment yields beyond those offered by traditional banks and building societies, but also greater exposure to fluctuations in the capital value of the investments held.</p> <p>To date, the Property Acquisition Strategy has secured interests in seven commercial property holdings valued at £22m, generating some £1.5m in rental income per annum. The strategy does, however, expose the council to risks around movements in commercial property values and the strength of financial standing of the tenants of these properties.</p>										
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Investments do not perform as expected e.g. due to economic downturn, which impacts on the balance sheet value of assets.</li> <li>• Greater exposure to risk of void periods and loss of income if commercial tenants fail or hand back premises when their lease allows.</li> <li>• Landlord responsibilities on commercial properties exceed anticipated levels e.g. due to increased void periods and associated outgoings such as empty rates, utility, maintenance and refurbishment costs.</li> <li>• Spending plans are based on levels of commercial rental income and investment income that are not achieved, affecting core council service delivery.</li> <li>• Balance sheet value of assets is eroded.</li> <li>• Negative impact on council reputation.</li> </ul>										
<b>Controls already in place</b>	<ul style="list-style-type: none"> <li>• Treasury and Investment Framework.</li> <li>• Monitoring and review of treasury activity.</li> <li>• Financial protection.</li> <li>• Professional advice and support.</li> </ul>										
<b>Key corporate documents and processes</b>	<ul style="list-style-type: none"> <li>• Treasury Management Strategy.</li> <li>• Capital Strategy.</li> <li>• Property Acquisition Strategy.</li> </ul>										
<b>Risk Owner (s)</b>	Director (Corporate Services)										



<b>Additional actions required to further mitigate risk</b>					
<b>Required Management Action</b>			<b>Lead Officer(s)</b>	<b>Target Date</b>	
Continue to maintain the Treasury Management Strategy Statement, Capital Strategy and Property Acquisition Strategy to formalise the agreed parameters for investment.			Assistant Director (Corporate Services)	Ongoing to March 2020	
Continue to provide and develop quarterly monitoring of treasury and commercial investment activity, to both officers and Members, to report and review performance of the diversified investment portfolio.			Assistant Director (Corporate Services)	Quarterly to March 2020	
Maintain the commercial income protection reserve, the balance of which is set at 15% of investment income in any year. Continue the close working relationship between Financial Services and Property Services to enable early identification of any risks or opportunities from the council's commercial property portfolio.			Assistant Director (Corporate Services)	Ongoing to March 2020	
Ensure that ongoing advice and support is sought from the council's Treasury and Economic advisors and other experts as required. Ensure that any new activity is subject to appropriate due diligence, including seeking advice and support from external experts as required.			Assistant Director (Corporate Services)	Ongoing to March 2020	
<b>Target for end of the 2020-2021 financial year</b>					
<b>Likelihood</b>	5	<b>Impact</b>	2	<b>Score</b>	10