

GRAVESHAM BOROUGH COUNCIL

CORPORATE RISK REGISTER

2021-2022

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

LIKELIHOOD	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						
	IMPACT						

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 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 significant although would not threaten the stability of the councils 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 may be financial impact on the authority and/or the cost of mitigating the risk could exceed the financial implications of the risk 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. There is no risk of this risk impacting on the councils reputation

All risks identified for 2021-2022 and their assessments are plotted in the Heat Map and are summarised in the table below:

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	Cyberattack resulting in data breach or corruption of data	16	12	9
5	Investment risk	15	10	9
6	Universal credit	15	6	9
7	Withdrawal of the United Kingdom from the European Union	6	6	6
8	Civil risk e.g. flooding, major disaster etc.	12	9	9
9	Digital transformation and remote working	4	2	2

The risks that have generated a “High Risk” score can be seen coloured in red and these have therefore been included in the 2021-2022 Corporate Risk Register.

Risk Heat Map (Residual Risk)

LIKELIHOOD	Very High	5			2,3	
	High	4			1,4	
	Medium	3		7	8	5
	Low	2		9	6	
	Very Low	1				
	Hig Risk		1	2	3	4
	Medium Risk		Negligible	Significant	Serious	Critical
Low Risk		IMPACT				

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 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

The Risk	Ongoing financial viability of the Council					Risk No.	1				
Assessment Date	January 2021										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	4	Score	20	Likelihood	4	Impact	3	Score	12

Cabinet Portfolio	Leader of the Executive (but affects all portfolios)
Risk Background	<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. The Council proactively responded to these financial challenges by implementing a programme of activity designed to increase income and reduce expenditure, successfully delivering £4.25m of base budget reduction by 2020.</p> <p>New financial challenges have arisen due to the Covid-19 pandemic. The Council has experienced immediate losses in-year against collection against key income lines such as council tax, business rates, car parking and investment income. These income lines are likely to take a period of time to recover and, in some instances, may take a significant time to recover to pre-covid levels.</p> <p>There also remains great uncertainty around the way in which local government will be funded in the future; many central government funding announcements have been put on hold this year due to parliamentary and government departmental time being diverted to responding to the Covid-19 pandemic and the end of the transition period of the UK leaving the EU. Local government finds itself once again being issued with a single year settlement, with no certainty of the mechanism by which local government will be funded in future years, making longer term planning extremely challenging.</p>
Consequences	<ul style="list-style-type: none"> • 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. • 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. • Council exposed to increased financial risk and volatility from changes to funding and any redesigned business rates scheme. • Unplanned cuts in services needed and/or drop in quality of delivery, potentially leading to damage to Council's reputation. • Financial savings not achieved. • Budgets exceeded and/or reserves depleted. • Problems stored up for the future. • Minimum working balance of £2 million is not maintained. • New legislative requirements not met. • Uncertainty over future large projects. • Potential for infrastructure to deteriorate. • Potential for the introduction of further statutory discounts for Business Rates payers without compensation from central

	government.				
Controls already in place	<ul style="list-style-type: none"> • Medium Term Financial Strategy in place • Medium Term Financial Plan in place • Robust budget monitoring arrangements in place 				
Key corporate documents and processes	Medium Term Financial Strategy Medium Term Financial Plan Budget monitoring process				
Risk Owner (s)	Director (Corporate Services); Assistant Director (Corporate Services)				
Additional actions required to further mitigate risk					
	Required Management Action		Lead Officer(s)		Target Date
	<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, Retained Business Rates Scheme design and other local government funding reform are known.</p>		Director (Corporate Services) Assistant Director (Corporate Services)		February 2022
	<p>Continued maintenance of the Medium Term Financial Plan.</p> <p>Modelling of the effects of the Fair Funding review, Retained Business Rates Retention Scheme and other local government funding reform once known.</p>		Director (Corporate Services) Assistant Director (Corporate Services)		Ongoing to March 2022
	<p>Continue the programme of development for the council's Financial Management System.</p> <p>Ensure adequate compliance with budget monitoring arrangements.</p> <p>Continue to proactively respond to central government consultations on funding for local government.</p>		Assistant Director (Corporate Services)		Ongoing to March 2022
Target for end of the 2021-2022 financial year					
Likelihood	3	Impact	3	Score	9

The Risk	Changes in national priorities and legislative change						Risk No.	2			
Assessment Date	January 2021										
INHERENT RISK SCORE				RESIDUAL RISK SCORE							
Likelihood	5	Impact	4	Score	20	Likelihood	5	Impact	3	Score	15
Cabinet Portfolio	All Portfolios										
Risk Background	<p>Good governance requires that the council is fully informed of legislation, national priorities including Nationally Significant Infrastructure Projects (NSIP) to ensure that it is best placed to respond to any implications for its operations or the Borough more widely.</p> <p>The last year has created new challenges in responding to the council in responding to government policy announcements, particularly at short notice as Central Government led the national response to the Covid-19 pandemic. As the country enters the recovery phase, further policy guidance and legislation is expected from this, in addition to legislative changes to respond to the end of the transition period of the UK exiting the EU. 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>In respect of NSIP, current proposals that are being progressed include:</p> <ul style="list-style-type: none"> • Lower Thames Crossing (in Gravesham) • Thurrock Flexible Generation Plant (Tilbury) • London Resort (in Dartford/Gravesham) <p>The council will need to ensure it has access to sufficient and appropriate resources to enable it to effectively respond to these proposals as further information is released.</p>										
Consequences	<ul style="list-style-type: none"> • Change of strategic direction for the council. • Breakdown in governance controls and processes. • New legislative and regulatory duties not met and the potential for legal challenge. • Severe financial position, challenging the council's ability to deliver the corporate objectives and policy commitments within the Corporate Plan. • Logistical challenges to the delivery of council services and effectiveness of the council's supply chain. • Sustained levels of service underperformance, resulting in a failure to meet community needs and expectations. • Additional costs/workload pressures for staff impacting morale, sickness absence and future recruitment and retention. • Increased scrutiny from Members, agencies, media and community stakeholders / reputational damage. • The council may need to redirect resources to enable responses to consultations and other processes quickly 										

Controls already in place	<ul style="list-style-type: none"> • Timely policy insight. • Informing government policy. • Engagement with partner agencies. • Business continuity planning. • Member training and development. • Proactive briefing and information sharing arrangements between council departments, Members and staff. 				
Key corporate documents and processes	Corporate Plan 2019-2023 Medium Term Financial Strategy and Medium Term Financial Plan				
Risk Owner (s)	Chief Executive and Management Team				
Additional actions required to further mitigate risk					
	Required Management Action		Lead Officer(s)		Target Date
	Circulation of monthly policy briefings and timely legislative updates.		Corporate Performance Manager		March 2022
	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		Ongoing to March 2022
	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		Ongoing to March 2022
	Business Continuity Plans to be reviewed and updated to ensure they remain fit for purpose.		Wider Management Team		March 2022
	Member Training and Development Plan prepared and delivered to provide ongoing support all Members.		Committee Services Manager/Wider Management Team		March 2022
	Develop effective working practices between departments to enable information sharing and coordination of responses on behalf of the council. Put in place a mechanism which enables regular updates to be provided to Members.		Director (Planning & Development)		March 2022
Target for end of the 2021-2022 financial year					
Likelihood	4	Impact	3	Score	12

The Risk	Organisational capacity/resilience					Risk No.	3				
Assessment Date	January 2021										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	4	Score	20	Likelihood	5	Impact	3	Score	15

Cabinet Portfolio	Deputy Leader (but affects all portfolios)
Risk Background	<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, particularly in light of the current coronavirus outbreak.</p> <p>The council's workforce, particularly those office based staff, have needed to adapt to working practices due to the Covid -19 pandemic and there is an increase in the level of work completed remotely.</p>
Consequences	<ul style="list-style-type: none"> • 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. • Services areas with reduced staff will suffer a greater impact which in turn will add pressures on already stretched resources. • Increased organisational stress can negatively impact productivity, which in turn can reduce staff motivation, create low morale and increase sickness and stress levels. • The council will be required to provide additional help and support to overcome the problems that result from increased organisational stress. • 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. • Cuts in services and a potential drop in service quality is also possible
Controls already in place	<p>Effective allocation of resources</p> <p>Flexible working arrangements</p> <p>Provision of training and support</p> <p>Workforce Support.</p>

Key corporate documents and processes	Corporate Business Plan 2019-2023 Workforce Development Plan	
Risk Owner (s)	Chief Executive and Management Team	
Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
<p>All requests for filling of vacant posts are reviewed by Management Team and in addition posts that have been vacant for over a year are reviewed on an annual basis.</p> <p>The shared service arrangements are reviewed on an annual basis to ensure that they continue to meet our objectives.</p> <p>Due to Covid-19 existing staff have been allocated to new tasks and others areas of work, this work is on-going.</p>	Management Team	Ongoing to March 2022
<p>A Task and Finish working group has been established to consider Homeworking/Flexible working arrangements going forward.</p> <p>Any necessary action plans identified by the working group, will be implemented to inform and shape future working arrangements and updates will be made to HR policies and procedures to support this.</p> <p>A full review of Apprenticeships and work experience is currently being reviewed and taken forward at the current time.</p> <p>Currently a large number of office based staff are home working, with a skeleton staff coming into the offices. We continue to review our working practices to ensure that our staff welfare is being considered during this unsettling times, but also that the service we provide to our residents remain unaffected.</p>	Management Team	Ongoing to March 2022
<p>Training at the moment continues to be undertaken virtually and the support of our employees remains a priority, so we continue to respond to issues and provide new equipment during this time. In addition we also remain committed to our employee's mental health during these unsettling times and ensure that all managers are communicating on a regular basis. In addition the Chief Executive sends out to all staff a weekly letter which contains all council and Covid-19 updates, this has proven to be very popular and effective.</p> <p>All staff are being encouraged to attend for regular testing at the no-symptom centres and majority of staff are being tested on a 2 weekly basis.</p>	Director (Communities)	Ongoing to March 2022

Required Management Action			Lead Officer(s)	Target Date	
<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)	Jan 2022	
<p>A small group of staff continue to lead on the Covid compliant plans for all Civic Buildings. Regular checks are carried out to ensure compliance and we continue to adjust and change our working practices to ensure compliance with government advice. Our good working practices include additional screens, an enhanced cleaning regime, one way systems, virtual meetings and reduced occupancy in office environments to deal with the one metre distancing rules.</p>			Director (Communities)	Jan 2022	
<p>Plans have been updated in line with Covid-19 changes and are currently being reviewed in line with the County approach to the Brexit withdrawal arrangements.</p>			Management Team	Ongoing March 2022	
Target for end of the 2021-2022 year					
Likelihood	4	Impact	3	Score	12

The Risk	Cyberattack resulting in data breach or corruption of data					Risk No.	4				
Assessment Date	January 2021										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	4	Impact	4	Score	16	Likelihood	3	Impact	4	Score	12
Cabinet Portfolio	Leader										
Risk Background	<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. Since the onset of the Covid-19 pandemic there has been a significant increase in cybercrime as noted in the NCSC Annual Review 2020.</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>										
Consequences	<ul style="list-style-type: none"> • Unavailability of systems for normal use in service delivery. • Destruction of systems and data. • Theft of data for criminal use. • Financial loss. • Reputational damage. • Extended period to recover council services to usual business 										
Controls already in place	<ul style="list-style-type: none"> • Technical security controls • Back up arrangements in place • Participation with relevant warning bodies • Direct engagement with cyber bodies • Improvements to existing controls • Expansion of Business Continuity Plan • Engagement with Local Resilience Partnership • Conduct cyberattack exercise scenario 										
Key corporate documents and processes	Business Continuity Plans										
Risk Owner (s)	Director (Corporate Services)										

Additional actions required to further mitigate risk		
Required Management Action	Lead Officer(s)	Target Date
<p>Due to other commitments the new web and email filtering capability has not been progressed, but existing control systems have been arranged to remain in place for a further year.</p> <p>The log monitoring system has been updated and the configuration reviewed.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>The existing offsite arrangements continue. The enhancements have been delayed by approximately six months. This is due to the physical delivery and installations not being possible due to the governments Covid-19 restrictions being in place at the time.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>Continue to be part of the Kent Warning, Advice and Reporting Points (WARP) Group.</p> <p>Continue to actively attend briefing events held by the National Cyber Security Centre.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>Continue to engage with the National Cyber Security Centre and make use of their Active Cyber defence tools.</p> <p>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.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>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.</p> <p>Implement further enhancements to MDM and USB device control.</p> <p>In light of the shift to working from home, additional enhancements have been made to our antivirus and end point management software to better serve users wherever they are located.</p> <p>Enhancements have also been made to our email system configuration to better protect the reputation and brand of our email domain, preventing use by unauthorised users. In a recent survey conducted of all local government email domains, Gravesham are in the top 1% for steps taken to protect our reputation.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>A new business continuity environment has now been built at Brookvale depot. Hardware is in place and the software to replicate systems is in the final stages of commissioning. The corporate move to the cloud based Microsoft 365 suite of products has also enabled additional business continuity resilience to be set up in the cloud.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022
<p>The Kent Resilience Forum have deferred this work due to the level of resources being required for Covid-19 response.</p>	Assistant Director (Transformation & IT)	Ongoing to March 2022

Required Management Action		Lead Officer(s)	Target Date		
Following on from deploying staff awareness training in July, an email phishing simulation is being planned for delivery in February 2021.		Assistant Director (Transformation & IT)	Ongoing to March 2022		
Target for end of the 2021-2022 financial year					
Likelihood	3	Impact	3	Score	9

The Risk	Investment risk					Risk No.	5				
Assessment Date	January 2021										
INHERENT RISK SCORE					RESIDUAL RISK SCORE						
Likelihood	5	Impact	3	Score	15	Likelihood	5	Impact	2	Score	10
Cabinet Portfolio	Leader										
Risk Background	<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> <p>The Covid-19 pandemic has realised these risks, affecting investment and commercial rental returns. Whilst the impact is assessed as significant, it has not yet seriously impacted the council's financial position and ability to deliver services. The financial impacts may be felt, however, for a number of years as the economy recovers.</p>										
Consequences	<ul style="list-style-type: none"> • Investments do not perform as expected. E.g. due to economic downturn, which impacts on the balance sheet value of assets. • Greater exposure to risk of void periods and loss of income if commercial tenants fail or hand back premises when their lease allows. • 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. • Spending plans are based on levels of commercial rental income and investment income that are not achieved, affecting core council service delivery. • Balance sheet value of assets is eroded. • Negative impact on council reputation 										
Controls already in place	<ul style="list-style-type: none"> • Treasury and Investment Framework. • Monitoring and review of treasury activity. • Financial protection. • Professional advice and support. 										
Key corporate documents and processes	<ul style="list-style-type: none"> • Treasury Management Strategy. • Capital Strategy. • Property Acquisition Strategy. 										
Risk Owner (s)	Director (Corporate Services)										

Additional actions required to further mitigate risk					
Required Management Action			Lead Officer(s)	Target Date	
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 2022	
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 2022	
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 2022	
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 2022	
Target for end of the 2021-2022 financial year					
Likelihood	3	Impact	3	Score	9