

Corporate Risk Register

Risk ID	Risk Name	Risk Owner	Risk Description & Triggers	Actions in place	Pre-mitigation Score			Mitigation scheme (Tolerate, Treat, Transfer, Terminate)	Proposed Actions	Timeframe	Post mitigation Score		
					Likelihood	Impact	Total				Likelihood	Impact	Total
C1	Organisational Instability	Susan Priest (HoPS); Cllr David Monk (Leader)	High levels of staff turnover & loss of professional/organisational expertise in some key roles. Changes in political make-up of the Council, greater political complexity. Impact of Coronavirus on council services from staff issues.	Phase 1 & 2 Transformation completed & integrated into service. Phase 3 currently being consulted on until October '20. New Member training has been concluded & training continues in specific areas e.g. Scrutiny. Corporate Plan Working Group established, initial proposals discussed at O&S in July, timescale for Corporate Plan late 2020. Collaboration on Cabinet agreed with Green and Liberal Democrat parties. Three new Corporate Directors appointed. Emergency response well tested throughout pandemic, areas of strain within organisation but all key services maintained. Difficult job market likely to result in lower staff turnover.	2	2	4	Treat	Staff have all being undertaking behavioural assessments to develop bespoke training matrix. Public consultation to be undertaken to inform Corporate Plan during Autumn 20. Recovery Plan considers Councils Operations as a key theme.	December 20 & ongoing	2	2	4
C2	Shortage of skills to deliver agenda	Susan Priest (HoPS); Cllr David Monk (Leader)	Geographical location restricts available pool; shortage of specialist skills including project management, insight, business case preparation and evaluation, commercial appraisal. Emerging skills required at a time many organisations are looking due to national / international issues (such as Brexit Emergency Planning & Climate Emergency). Additional duties being placed on Local Authorities through COVID-19 pandemic	Alternative staff incentives on offer such as flexible working, F&H Rewards. Pay agreement has secured improved terms for existing and new staff. Currently key roles such as Climate Emergency, Brexit role and Case Team Leaders have been successfully recruited to.	3	3	9	Treat	Local Authorities were being asked to undertake additional duties during the initial COVID 19 response and now through the recovery role. In some instances these have come with additional funding and in others not. The Council has a recovery plan in draft and it will seek to address how the Council can adapt and respond to these requirements	Ongoing	1	2	2

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C3	Failure to deliver Otterpool Park development	John Bunnett (Strategic Director); Cllr David Monk (Leader)	Delivery of a Garden Town which will present complex planning issues, financial exposure risks and require new connections to be established with key partners to enable delivery e.g.inward Investment required to facilitate infrastructure	Experienced dedicated projects team with embedded Legal & Financial representation on working group. Connections with Homes England and MHCLG have been made. Legal, Financial and Commercial advisors in place. Financial model has been developed. Full Council decision to earmark funds for project to commence and control of all major landholdings / options achieved. Further grant funding bid made to Homes England. LLP to develop the site has been established and Directors appointed with broad range of skills applicable to the project. Internal Corporate Oversight Group established.	2	3	6	Treat	Continue to engage specialist advice where required. Specific advice has been commissioned to develop the LLP's first Business Plan, due to be considered alongside the Strategic Land Agreement in early 2021. Funding options will need to be assessed ahead of commencement of delivery of project. Ensure adequate Planning resources and access appropriate specialist advice.	Ongoing	1	3	3
C4	Medium Term Financial Uncertainty	Charlotte Spendley (S151 Officer) Cllr David Monk (Leader)	Fair funding review will fundamentally change LG funding but detail unknown at present. Will need to plan with within climate of uncertainty. Lack of certainty on Business Rates Localisation/Retention and other funding streams. COVID 19 has placed an additional financial burden within 2020/21 which is likely to also impact on at least 2021/22.	Officers regularly attending briefings on future LG funding. Updated MTFS was considered by Cabinet/Council in October and Budget Strategy considered in November. S151 Officer part of Kent Finance Officers Group. Balanced budget for 2020/21.	4	3	12	Treat	Officers will continue to attend briefings on LG Funding and brief members. Fundamental review of Councils MTFS currently underway. Assessment of impact in 2020/21 undertaken and revised budget to be proposed in Autumn. Recovery Plan to also consider Financial position of Council.	Ongoing	2	2	4
C5	Brexit & Wider Market Conditions	Andy B (Housing & Operations Director)/ Ewan Green (Place); Cllr D Monk (Leader) / Cllr Wimble (Economy)	Recession. Labour issues (most relevant to Housing Responsive Repairs & Waste contracts). Volatility of housing market (Impact on key Strategic Project delivery). Economic risk to district of Brexit due to key infrastructure links to Europe eg M20/Eurotunnel/Stack. Major disruption to Kent road network. Issues with ability to carry out essential and statutory services during Brexit implementation.	Project plans in place for retender of Responsive Repairs & Waste Contracts. Key Strategic Projects modelled with tolerances for market volatility. Attending local and regional contingency planning meetings on Brexit. Further multi-agency planning exercise undertaken during September (third desk top exercise). FHDC working closely with KRF and other stakeholders to ensure plans are effective. Key staff have received tactical and strategic training. Business continuity plans have been updated. Impact on staff reduced due to continued home-working.	3	3	9	Treat	Continue working closely with KRF and other Key Stakeholders. Clear communication through the South East Chief Execs group and central Gov. Attendance / dial in with strategic and tactical meetings as required. Progress with Strategic Projects, ensure market conditions evaluated at full business case appraisal stage. Model scenarios of economic impact within revision to MTFS. Development of Recovery Plan with Economic theme.	Ongoing	2	3	6

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C6	Capacity to deliver competing demands	Susan Priest (HoPS); Cllr David Monk (Leader)	Balance between business as usual activity and aspiration including emerging agendas (including High Streets fund, Climate Change Emergency, Governance Review, Pesticides motion) leading to stretched resource base (staffing & financial). Additional pressures placed on LA's during pandemic.	Corporate Plan Working Group established, work progressing well, O&S considered draft proposals in July. Recovery Plan being drafted alongside new Corporate Plan.	3	3	9	Treat	Public consultation to be undertaken to inform Corporate Plan. Recovery Plan being drafted to identify lessons learnt & future plans	December 20 & Ongoing	2	2	4
C7	Capacity & Financial Resilience of key partners	Susan Priest (HoPS); Cllr J Hollingsbee (Communities); Cllr Godfrey (Housing)	Pressures faced by many public services impact upon our ability and capacity to deliver against Corporate Plan including Police who are key to ASB duties; "Health Matters"links to NHS & GP issues locally, coastal district with natural & historic sites so Appearance matters outcome partially reliant on other agencies. Outsourced Landlord service difficulties (see C13). Issues exasperated by impact of COVID-19 on all public service providers. Financial difficulties for some providers such as leisure trusts.	Key Strategic Partnerships established including Folkestone & Hythe Community Safety Partnership, Local Children's Partnership Group and South Kent Coast Health and Wellbeing Board. Regular close liaison with EKH Chief Executive, EK Chief Executives now act as Board of EKH. Housing service to be returned in house on 1 October. Links to community and voluntary sector strengthened during response to initial COVID-19 peak. Creation of Housing project team to manage transition. Appointment to all key housing roles	4	3	12	Treat	Revision of Corporate Plan; creation of Recovery Plan; continue to liaise with partners to support where feasible	Ongoing	3	1	3
C8	Failure to deliver Transformation change including key components of ICT & People Strategy	Susan Priest (HoPS); Cllr David Monk (Leader), Cllr Field (Transformation)	Transformational change is not delivered by the agreed timescales, to agreed budget, project objectives or fails to make required savings. IT delivered is not customer focused or fit for the future (as well as current requirements). The People Strategy does not deliver cultural change required to support new operating model.	Transformation Board established to track project progress against milestones and budget. IT Strategy agreed and implementation commenced. Experienced Project Manager appointed to lead transformation. Implementation of Phase 1 & 2 completed, phase 3 currently out to consultation. Skype for Business, new Customer Contact Centre, Staff Hub, Built Environment and launch of My Account & Customer Access Strategy all completed.	1	3	3	Treat	Phase 3 consultation underway; Phase 4 scheduled to be completed by March 21. Continued work on Customer Access Strategy to be undertaken by cross departmental Officer Group. Further phases of My Account roll out planned for 2020 and 2021. Transformation Board continue to have oversight.	Mar-21	1	3	3

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C9	Failure to deliver Strategic Projects due to complexity	Andy B (Housing & Operations Director; Cllr David Godfrey (Housing, Transport & Special Projects)	Ambitious Strategic Development & housing development projects agenda identified of a complex nature presenting planning risks, financial exposure risks and require new connections to be established with key partners to enable delivery e.g.inward Investment required to facilitate infrastructure	Experienced dedicated Strategic Development projects team. Work has commenced building connections with Homes England and MHCLG with some funding already agreed. Engaging specialist advice where required.	2	3	6	Treat	Stakeholder map to be drafted to identify connections that exist and need to be built. Detailed Business cases to be developed and considered by Cabinet ahead of project commencement. Continue to engage specialist advice where required.	Ongoing	1	3	3
C10	Risk of non compliance	Susan Priest (HoPS); Cllr David Monk (Leader)	FHDC operates in a complex regulatory and legislative environment. Risk of challenge over Planning decisions (Secretary of State or Judicial Review) or potential intervention into Core Strategy Review and Places and Policies Local Plan that would delay projects and landlord statutory obligations. Issues arising from landlord statutory functions.	Legal support embedded in project teams for key projects. External Advice sought where required. LGSR arrangements procured and commissioned and service being delivered and monitored. LGSR activity now fully compliant with other key compliance areas being actioned. Voluntary undertaking with Housing regulator agreed. Compliancy resource identified and recruited to within new Housing Service. Local Plan adopted by Full Council in September 2020.	3	4	12	Treat	Continued External Advice sought when required. Use of professional specialists (Legal, Finance, Procurement) in key projects (e.g. Waste Contract, Strategic Development). Ongoing monitoring and regular reporting on compliancy built into CLT monitoring reporting from day 1 of new Housing service. Risk of challenge to Examination in Public (EIP) to be managed through appointment of experienced barrister.	Ongoing	1	3	3
C11	Reputational Risks	Susan Priest (HoPS); Cllr David Monk (Leader)	Failure to deliver key Corporate objectives and Financial plans. Key contracts to deliver (2020/21 Waste & Recycling and Housing Responsive Repairs) risks include procurement challenge, Member agreement to proposals, effective shared working with EK Councils/EKH, financial impact. Reputational risks associated with implementation of Strategic Projects. Customer satisfaction falls during Transformation changes and / or through COVID-19 operational changes. Risk of partner / service failure, referral / investigation from regulatory body.	Quarterly KPI monitoring and exception reporting to CLT, OSC and Cabinet. Internal Audit reporting quarterly to Audit & Governance. Working Groups established early to progress key contract delivery by agreed timeframes. Procurement expertise on working group with external advice being sought as required. Application for Judicial Review on Princes Parade rejected but is subject to oral appeal. Local Plan adopted by Full Council in September 2020. Staff survey undertaken to assess impact on customers of COVID-19 operational changes.	3	3	9	Treat	Project Governance and oversight of key contracts to be agreed with CLT. Housing project plan for transition of service on 1 October well progressed with ket resources in place and induction programme agreed.	Ongoing	2	2	4

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C12	Non-compliance with ESIF regulations for the Folkestone Community Works (FCW) programme	Katharine Harvey (Chief officer) & Cllr Wimble (Economy)	FHDC is the accountable body with management responsibilities for the FCW programme. As a result it forward funds approved project spend and recoups quarterly from DWP and MCHLG, as the managing authorities for ESF and ERDF. Any non-compliance could result in financial risk to the council	In-depth scrutiny of ability and systems of project lead organisations to undertake EU compliant projects; FHDC decision panel to scrutinise assessments of lead organisations and projects prior to approval; robust Grant Funding Agreements with project lead organisations; regular quarterly monitoring by the programme management team and oversight by the LAG; LAG to regularly monitor the more detailed operational risk register for the FCW programme	3	2	6	Treat	Ensure that the mechanisms in place to reduce the risk are operationalised by undertaking checks. PMT resources increased to include a Project Support Officer, to ensure project compliance. Quarterly claim checks by Managing Authorities ensure satisfactory processes and evidence in place. Managing Authorities are satisfied with process during annual On the Spot Inspection Visits.	Ongoing	1	2	2
C13	Landlord Service Failure	Susan Priest (HoPS); Cllr David Monk (Leader) & Cllr Godfrey (Housing) & Cllr Collier (Estates & Assets)	The council is a landlord and has tenants in its own buildings, in those owned by Oportunitas, and its social landlord functions are managed by East Kent Housing Ltd, a jointly owned Council company. Significant statutory compliancy issues have been identified with EKH, in addition to issues being identified with contract management within the organisation. The issues present legal & moral issues for the Council in its role as landlord, in addition to potential financial issues, reputational damage. Discharging all landlord functions appropriately is necessary, as is acting immediately to reports of non-compliance across a variety of health and safety issues.	The Council has designed and recruited to a new Housing Management structure with experience across all housing asset based functions. Robust estate and asset management functions for properties managed by the council are being put in place. Contractual arrangements are in place for asset management functions for our social housing stock, Oportunitas and our corporate estate. Following our submission of a voluntary undertaking to the regulator of social housing to address identified recognised weaknesses an action plan was developed with the support of Penningtons, a specialist housing consultancy. This is being adhered to and ongoing liaison with the Housing Regulator takes place.	3	4	12	Treat	The new staffing structure will be fully embedded within the council over the next 12 months. This will flex and change depending upon the needs of the service embracing continuous improvement. A new asset management framework will be designed and implemented in the following 12 months from transition of the service along with a new stock condition survey. New policies and procedures are being put in place to cover all areas of compliance and housing management. Work is underway to split the EKH single system to provide the Council with the latest cloud based version of Northgate which will receive further upgrades of full compliance modules within the next 12 months.	Ongoing	1	2	2

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C14	COVID 19 - Organisational Instability	Susan Priest (HoPS); Cllr David Monk (Leader)	There has been a substantial escalation of the Coronavirus and this has had an impact on the district, its residents, economy, as well as council services & finances. There is a current risk of a second wave.	Regular online staff and manager briefings undertaken by Cex and CLT. Regular staff surveys. Staff requests for equipment fulfilled. Additional IT resource put in place. Regular communications messages. Community Hubs supported (financially and resources) during height of first wave of pandemic. Resources deployed to priority areas e.g. Area Offices, Environmental Protection Officers etc. Business Continuity Plans.	3	3	9	Treat	Update to MTFS to be undertaken. Recovery Plan work underway with lessons learnt & steps for future. Revision to 2020/21 Budget. Cashflow monitoring.	March 20 & ongoing	2	2	4

Matrix - Corporate Risk Register

Likelihood	Very Likely (4)			C4 - Financial Uncertainty C7 - Key Partner Capacity	
	Likely (3)		C12 - FCW ESIF regulations	C2 - Shortage of Skills C5 - Brexit C6 - Competing demands C11 - Reputational Risks C14 - COVID -19	C10 - Non-Compliance C13 - Landlord Service Failure
	Unlikely (2)		C1-Organisational Instability	C3 - Otterpool Park delivery C9 - Complexity of Projects	
	Rare (1)			C8 - Transformation	
		Minor (1)	Moderate (2)	Significant (3)	Severe (4)
	Impact				