

Cabinet Sub-Committee
(Kyndi Ltd Shareholder Board)

14 November 2024

Review of the Company's Risk Register

Portfolio Holder: Councillor Teresa Murray, Deputy Leader of the Council

Report from / author: Phil Watts, Chief Operating Officer (Section 151 Officer)

Summary

This report covers the quarterly update of the strategic risk register for Kyndi Ltd. The risk register itself is attached as an appendix.

1. Recommendations

- 1.1. The Sub-Committee is asked to note the contents of the report and its Exempt Appendix.

2. Suggested reasons for decision

- 2.1. In order to fulfil its role as shareholder, on behalf of the Council, the Sub-Committee must be regularly updated regarding the risks affecting the company and its activity and the action being undertaken to manage those risks.

3. Budget and policy framework

- 3.1. Medway Council is the sole shareholder of Kyndi Ltd. and its subsidiaries, with the exercise of the shareholder's powers and responsibilities being an executive function of the Cabinet. Cabinet has delegated these powers and responsibilities to this Cabinet Sub-Committee.

4. Background

- 4.1. At its meeting on 24 November 2015, the Cabinet agreed the business case for the establishment of a 100% Council owned trading company to deliver the services provided by the Council's control centre, including the CCTV partnership, telecare and out-of-hours services on a commercial basis.
- 4.2. The company was incorporated in December 2015 and has now completed its eighth full year of trading, although the company's name was changed to Kyndi Ltd. in March 2021.

5. Key points to note

- 5.1. The risk register attached at Exempt Appendix 1 has been prepared by the company, albeit in a slightly different format to that adopted by the Council. Where the Council model refers to 'likelihood' and 'impact', the Kyndi register talks in

terms of 'likelihood' and 'consequence' and adopts a different scoring methodology, however it is one that still allows risks to be ranked and prioritised.

- 5.2. The risk register is comprehensive, including those where mitigating action has been completed and the risk is being managed under 'business as usual', in addition to those which require further management action.
- 5.3. Significant work has been undertaken to mitigate those risks categorised as 'high' in previous reports, however a new risk has escalated:
 - Risk 1, Workforce – a series of anonymous e-mails to the Board's Non-Executive Directors and to Members of the Council have been received and this looks to be part of a continuing campaign. There is no evidence to support the allegations contained within these e-mails, but they risk destabilising the workforce, affecting the management team and resulting in reputational damage to the company.

6. Risk management

- 6.1. The mitigating action is all clearly set out in the Exempt Appendix.

7. Consultation

- 7.1. The risk register is regularly reviewed by the Board, comprising two non-executive directors who both have experience and expertise in a commercial environment.

8. Financial implications

- 8.1. There are no financial implications arising directly from the contents of this report.

9. Legal implications

- 9.1. There are no legal implications arising directly from the contents of this report.

10. Conclusions

- 10.1. The company takes risk management seriously and maintains a comprehensive strategic risk register, as well as detailed risk registers for individual schemes. The scoring reflects management action and this appears to be successful in managing the risks identified.

Lead officer contact

Phil Watts, Chief Operating Officer, Gun Wharf, 01634 334411,
phil.watts@medway.gov.uk

Appendices

Exempt Appendix 1 – Kyndi Ltd. Risk Register

Background papers

None