

## Medway Council Strategic Risk Register - Quarter 4 2020/21

Ref	Page	Risk	Owner	Inherent Risk Score	Current Risk Score	Target Risk Score	Move ment (since last qtr)	Definition (current score) (L-likelihood) (I-impact)	Council Priority/ Ways of Working (WOW)	O&S Com mittee
SR17	4	Delivering regeneration	Director of Place	<b>BII</b>	<b>BII</b>	<b>CII</b>	→	L - high I - major	Growth	RCE
SR47	11	Climate Change	AD Frontline Services	<b>AII</b>	<b>AII</b>	<b>DIII</b>	→	L – very high I - major	Place	RCE
SR50	14	Delivering £170m Housing infrastructure fund programme	AD Regeneration	<b>BII</b>	<b>CII</b>	<b>CII</b>	n/a	L - significant I - major	Growth	RCE
SRO3B	17	Finances	Chief Finance Officer	<b>AI</b>	<b>AI</b>	<b>CIII</b>	→	L – very high I - catastrophic	All/WOW	BS
SR46	22	Medway's Economic Recovery from Covid19	AD Regeneration (Recovery Lead Officer for Medway Council)	<b>BII</b>	<b>BII</b>	<b>CII</b>	→	L - high I - major	All/WOW	BS
SR32	27	Data and information	Chief Legal Officer	<b>BII</b>	<b>CII</b>	<b>DIII</b>	→	L - significant I - major	All/WOW	BS
SR36	30	Alternative service delivery models	Chief Legal Officer, Chief Finance Officer	<b>BII</b>	<b>BIII</b>	<b>CIII</b>	→	L - high I - moderate	All/WOW	BS
SR37	34	Cyber Security	Chief Finance Officer	<b>CI</b>	<b>CI</b>	<b>CI</b>	→	L - significant I – catastrophic	All/WOW	BS
SR02	39	Business continuity and	Director of Place	<b>CI</b>	<b>DII</b>	<b>DII</b>	→	L - low	All/WOW	BS

		emergency planning	Chief Finance Officer					I - major		
SR35	43	Homelessness	AD Culture and Community	<b>BII</b>	<b>CIII</b>	<b>DIII</b>	→	L - significant I - moderate	Growth	BS
SR49	49	Income Reduction due to Covid19	Chief Finance Officer	<b>AI</b>	<b>BII</b>	<b>CII</b>	→	L - high I - major	All/WOW	BS

## Strategic Risk Profile

### Key

Low risk/priority	Green
Medium risk/priority	Amber
High risk/priority	Red

	Minor impact IV	Moderate impact III	Major impact II	Catastrophic impact I
Very high likelihood A	Amber	Red	Red 47	Red 03B
High likelihood B	Amber	Amber 36	Red 17, 46, 49	Red
Significant likelihood C	Green	Amber 35	Red 48, 50, 32	Red 37
Low likelihood D	Green	Amber	Amber 02	Amber
Very low likelihood E	Green	Green	Amber	Amber
Almost impossible F	Green	Green	Amber	Amber

KEY | update

**STRATEGIC RISK: SR17 DELIVERING REGENERATION****RISK OWNER: DIRECTOR OF PLACE AND DEPUTY CHIEF EXECUTIVE****PORTFOLIO: INWARD INVESTMENT, STRATEGIC REGENERATION AND PARTNERSHIPS****Current Residual Risk Score BII (Likelihood – high. Impact – major)**

The Regeneration programme and in particular Innovation Park Medway and the flagship waterfront developments are managed at Member, officer and partner level through individual boards, and the projects are managed at a more operational level through officer groups and RCE DMT.

Those schemes funded through the LEP also have to adhere to a rigorous reporting process to ensure that they are on time and within budget.

The advent of Covid-19 will place additional pressures on delivery of capital projects and therefore funding deadlines.

**Inherent Risk Score BII**

Medway's regeneration plans seek to meet the needs of an anticipated population growth of 50,000 people in Medway, with up to 20,000 jobs and 29,000 new homes in the next 20 plus years.

There are challenges for the provision and maintenance of effective infrastructure. Particular areas of concern are flood protection, highways, health and water capacity.

It is vital the benefits are felt by the population of Medway, so that the new jobs are not only filled by people from outside the area, and trends of commuting out are addressed.

Economic uncertainty could delay regeneration and growth, impacting on strategic decisions and inward investment.

**Target Residual Risk Score CII**

Failure by the Council to deliver its ambitious regeneration plans would have a critical impact on Medway, by not delivering the housing, jobs and infrastructure required for its growing population. There is little that can be done to lessen this impact and so the focus must be on reducing the likelihood of failure to a more tolerable level.

Dialogue will be opened with funding providers such as SELEP and HE regarding funding envelopes and delays to programmes relating to Covid-19.

**Trigger**

- The Council fails to deliver its economic, skills and infrastructure regeneration programme.
- House/property building companies start to delay developments.
- Potential lack of companies wanting to locate in Medway.

**Consequence**

- Regeneration projects are not completed.
- Potential damage to the Council's reputation.

## STRATEGIC RISK: SR17 DELIVERING REGENERATION

- Not able to meet members', government's and the public's expectations.
- Deteriorating physical and infrastructure assets.
- Investment wasted.
- Young people are not catered for in the 'new world'.
- Low skills base among some residents remains.
- Disconnect between skills and employment opportunities.
- Maintenance of low aspiration culture.
- Increased commuting and pressure on transportation.
- Negative impact on community cohesion.

### Opportunities and the way forward

The current regeneration programme is large and is being supplemented by the programme of works planned by Medway Development Company Limited and the partnership with Norse Commercial Services. This means that the Council's capacity is already stretched, however the Council has demonstrated its appetite for a 'mixed economy' of approaches to deliver regeneration and new opportunities are being explored with other partners, including private sector organisations.

## Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.01: Outline infrastructure needs identified

**Lead Officer** Director of Place

### Desired Outcome: Expected Output

Identification of inward investment priorities.

Progressing key regeneration sites and the infrastructure plan jointly with KCC.

Production of the Infrastructure Delivery Plan (IDP) to support the Local Plan.

### Milestones

Secure funding.

20-year development programme.

Preparation of IDP to support submission of the Local Plan.

**Reviewed April 2021. No update required.**

### Progress Update. December 2020.

Medway's Housing Infrastructure Fund (HIF) bid was approved by central government (MHCLG) in November 2019 and the Grant Determination Agreement, securing £170m, was signed by Homes England and the Council in late July 2020. The secured funding will support the development of rail, road, and strategic environmental (SEMS) infrastructure to unlock the development of a possible 10,600 homes.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.01: Outline infrastructure needs identified**

Officers have been appointed to the key delivery posts for road, rail and SEMS, and a Scheme Manager has been appointed to support project management and monitoring. The first (of two) historic claims were submitted in August 2020. Subsequent claims will be made monthly.

HIF branding is now complete and will focus on the Future Hoo as a strapline.

Works across all three interventions continues with the Rail's GRIP 3 commenced Road moving on to RIBA stage 4. SEMS has had a Pre-App meeting for a new community parkland. Cashflow and Delivery Programmes have been revised to ensure delivery by March 2024.

Land Consenting strategies are being finalised with a view to commencing pre-application consultations between October and December 2020.

Land referencing works (of over 900 titles) is completed.

Monthly meetings now take place between the Hoo Consortium and the Council, with a Non-Disclosure Agreement supporting the development of a Collaboration Agreement. The same will be in place for Homes England's delivery arm.

Work continues on completing the evidence base to support the Draft Local Plan. This includes the Infrastructure Delivery Plan, viability assessment, sustainability appraisal, habitat regulations assessment, and strategic transport assessment. These will inform the Draft Local Plan and associated policies which is scheduled to be published in Spring 2021.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.02: Homes England) alerted to the impact of lack of funding and dialogue opened with External Partners**

**Lead Officer** Director of Place

**Desired Outcome: Expected Output**

Homes England confirm any funding commitment to projects and plans for their sites.

Funding identified to continue regeneration.

**Milestones**

Regeneration projects agreed with Members

**Reviewed April 2021. This mitigation will be removed next quarter since HIF bid has been approved. HIF now comes under risk SR50.**

**Progress Update. December 2020.**

No update required

**SEPTEMBER 2020**

Medway's Housing Infrastructure Fund (HIF) bid was approved by central government (MHCLG) in November 2019 and the Grant Determination Agreement, securing £170m, was signed by Homes England and the Council in late July 2020. The secured funding will support the development of rail, road, and strategic environmental (SEMS) infrastructure to unlock the development of a possible 10,600

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Monthly meetings now take place between the Hoo Consortium and the council, with a Non-Disclosure Agreement supporting the development of a Collaboration Agreement. The same will be in place for Homes England's delivery arm.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.03:** Regular meetings with stakeholders including developers to lever in external funding and bring forward transformational programmes

**Lead Officer** Director of Place

**Desired Outcome: Expected Output**

External financial arrangements to fund transformational programmes and deliver plans that are implemented on time and to budget. Investors come forward for regeneration sites.

**Milestones**

As detailed in individual delivery plans

**Reviewed April 2021. This mitigation will be removed next quarter since covered by SR17.06.**

**DECEMBER 2020**

Medway's Housing Infrastructure Fund (HIF) bid was approved by central government (MHCLG) in November 2019 and the Grant Determination Agreement, securing £170m, was signed by Homes England and the council in late July 2020. The secured funding will support the development of rail, road, and strategic environmental (SEMS) infrastructure to unlock the development of a possible 10,600 homes.

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Land Consenting strategies are being finalised with a view to commencing pre-application consultations between October and December 2020.

Land referencing works (of over 900 titles) is completed.

Monthly meetings now take place between the Hoo Consortium and the council, with a Non-Disclosure Agreement supporting the development of a Collaboration Agreement. The same will be in place for Homes England's delivery arm.

The Economy and Infrastructure Recovery Cell's Digital Inclusion sub-group is engaging with City Fibre to discuss potential support for digital inclusion programmes in Medway as part of their CSR initiatives linked to full fibre rollout.

Discussions are underway with potential investors in key sites within Medway, including the Debenhams building in Chatham, and IPM.

The Draft Local Plan, as a result of work on the Infrastructure Delivery Plan and viability assessments, will be supported by a review of the Developer Contributions Guide.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.04:** Working with the Local Enterprise Partnership to attract funds to Medway. Work with strategic funding bodies to maximise the impact and income from external funding opportunities, in particular the Levelling-Up Fund and Community Renewal Fund.

**Lead Officer** Director of Place

### **Desired Outcome: Expected Output**

External financial arrangements secured to fund transformational programmes and deliver plans that are implemented both on time and to budget. Create and protect long-term jobs in the private sector, and programmes which will deliver sustainable jobs and regeneration.

Growing Places Fund (GPF):-

£4.4m Rochester Riverside;-

£2.99m Chatham Waterfront.-

£650K Innovation Park Medway-

Local Growth Fund (LGF):-

£41.7m Local Growth Funding from the Local Enterprise Partnership.-

Getting Building Fund (GBF):-

£1.99m awarded-

£778k allocated

### **Milestones**

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR 17.04:** Working with the Local Enterprise Partnership to attract funds to Medway. Work with strategic funding bodies to maximise the impact and income from external funding opportunities, in particular the Levelling-Up Fund and Community Renewal Fund.

Bid submission deadline for Levelling-Up and Community Renewal Funds – 18 June 2021

**Progress Update. March 2021.**

We are currently scoping projects for the Levelling Up Fund and have DMT and Cabinet dates secured in April and June to approve the final suite of projects we will put forward, across the government priority themes of transport, regeneration and town centres and culture.

We have launched a call for Community Renewal Fund projects, with Expressions of Interest requested by 28 April and full project applications by 14 May. Priorities for investment are skills; local business; communities and place and supporting people into employment.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR17.05:** Working towards the adoption of the new Medway Local Plan.

**Lead Officer** Director of Place

**Desired Outcome: Expected Output**

New Local Plan and Planning Policy Guidance adopted to guide Medway's sustainable growth.

To prepare the Medway Local Plan and as outlined in the Local Development Scheme published August 2020.

**Milestones**

Publication of Draft Local Plan 2021.

Independent Examination of plan – 2022.

**Progress Update. April 2021.**

Impacts of development pressures in neighbouring authorities. Gravesham and Maidstone are both proposing large development allocations on the borders of Medway in order to meet their development needs. If the LPAs cannot identify sufficient land, there is a risk of a request to Medway to accommodate unmet housing needs.

The Government has started a process of intervention in Local Plan preparation where councils have not made sufficient progress.

Medway is at risk of intervention as it has been identified as an authority with an out-of-date plan. A letter has been received from the housing minister and officers have met with representatives of the MHCLG and the Planning Advisory Service.

Implications of the Housing Delivery Test 2021 have placed further sanctions on Medway's local decision making on planning matters in that the presumption in favour of sustainable development now applies to all residential applications.

Work continues with completing the evidence base to support the issue of the draft Local Plan in Autumn 2021. This includes a Strategic Transport assessment, strategic flood risk assessment, Infrastructure Delivery Plan, viability assessment, sustainability appraisal, and habitat regulations assessment. This work will also inform a review of the Developer Contributions Guide.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR17.06:** To seek additional external funding opportunities.

**Lead Officer** Assistant Director Regeneration

**Desired Outcome: Expected Output**

Ensuring Medway's Regeneration programme is delivered.

Additional funding streams identified and secured.

**Milestones**

Secure funding for Council owned sites

**Reviewed April 2021. This mitigation will be removed next quarter since covered by 17.04**

**Progress Update. March 2021**

In January it was announced that we had been awarded £9.5m FHSF investment in Chatham High Street. In March SELEP invited us to bring forward a £778k business case for further investment in IPM.

-  
Details regarding the Levelling Up Fund and Community Renewal Fund were announced in the March budget, with significant new funding responsibilities and opportunities for Medway (a shift away from the SELEP who will no longer administer grant funding once LGF and GBF are fully spent). The Community Renewal Fund requires local authorities to take on the role of Accountable Body, inviting and assessing bids from local project promoters, and monitoring and quality assuring those that are successful.

Bids are under development for both funds, which share a deadline of 18 June 2021.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR17.07:** Submission of a successful Business Case for Housing Infrastructure Fund (HIF) funding for the peninsula.

**Lead Officer** Assistant Director Regeneration

**Desired Outcome: Expected Output**

Delivering major infrastructure improvements to unlock the potential of the Hoo peninsula.

£170m secured via a successful Business Case submission.

**This mitigation will be removed next quarter since HIF bid has been approved. HIF now comes under risk SR50.**

**Progress Update. December 2020.**

No update required

**Progress Update. September 2020**

The Grant Determination Agreement to unlock £170m HIF investment for the Hoo peninsula was signed in late July following Cabinet and Full Council approval in April.

**Strategic Risk SR17 Delivering regeneration Mitigating Action SR17.08:** Maintain a successful track record of delivery to optimise future chances of funding bid success. This includes Future High Streets Fund investment in Chatham, Heritage High Streets Action Zone investment at Chatham Intra, LGF, GBF and GPF investment at Innovation Park Medway and HIF delivery on the Hoo Peninsula (see SR50 below)

**Lead Officer** Director of Place

**Desired Outcome: Expected Output**

External financial arrangements secured to fund transformational programmes and deliver plans that are implemented both on time and to budget. Create and protect long-term jobs in the private sector, and programmes which will deliver sustainable jobs and regeneration.

**Milestones**

Bid submission deadline for Levelling-Up and Community Renewal Funds – 18 June 2021.

**Progress Update. April 2021.**

We are currently scoping projects for the Levelling Up Fund and have DMT and Cabinet dates secured in April and June to approve the final suite of projects we will put forward, across the government priority themes of transport, regeneration and town centres and culture.

We have launched a call for Community Renewal Fund projects, with Expressions of Interest requested by 28 April and full project applications by 14 May. Priorities for investment are skills; local business; communities and place, and supporting people into employment.

**STRATEGIC RISK: SR47 CLIMATE CHANGE**

**RISK OWNER: AD FRONTLINE SERVICES**

**PORTFOLIO: COMMUNITY SERVICES**

**Current Residual Risk Score All (Likelihood – very high. Impact – major)**

Climate change is a Council Plan programme for 2020/21.

Climate Change Action Plan needs to be produced. Currently waiting on consultants to finalise Medway Net Zero Carbon Baseline and Pathway report before work can commence on the Climate Change Action Plan. The Climate Change Co-ordinator is also still driving forward other Climate Change projects and thus there is a resourcing issue.

**Inherent Risk Score All**

- The council has signed up to the Kent and Medway Energy and Low Emissions Strategy which has the vision that ‘by 2050 the county of Kent has reduced emissions to Net-Zero and is benefiting from a competitive, innovative and resilient low carbon economy, where no deaths are associated with poor air quality’. There is a risk that this vision will not be achieved.
- If a Climate Change Action Plan is not produced and implemented by the Council there is a risk that the net zero target will not be reached by 2050.

## STRATEGIC RISK: SR47 CLIMATE CHANGE

- The success of the Climate Change Action Plan will require collaboration between all services, residents of Medway and the Climate Change Coordinator to meet the net zero target by 2050.
- There is a risk that the organisation as a whole does not have the capacity/funding to fulfil the requirements of the Climate Change Action Plan which will put the intended outcome of being net zero by 2050 in jeopardy.

### Target Residual Risk Score DIII

A draft Climate Change Action Plan has been produced and was presented to DMT on 18 February. The plan will be presented to CMT on 7 April 2021 and then approval sought from MAB (20 April 2021) and subsequently Cabinet approval (8 June 2021).

The current focus for the Climate Change Co-ordinator is finalising the Climate Change Action Plan as this underpins the whole project.

Resources have been sought for two Range 4 officers (Climate Change Support Officer and Climate Change Engagement Officer). Recruitment will commence in Q1 of 2021/22.

### Trigger

- The Climate Change Action Plan not produced and implemented.
- Funding is not available to implement the Climate Change Action Plan.
- The Council fails to deliver the Climate Change Action Plan and the vision set out in the Kent and Medway Energy and Low Emissions Strategy.
- Staffing resources are not available to implement/drive the Climate Change Action Plan forward.
- Lack of support for the climate change agenda.
- The project is impacted by Covid-19; staff being redeployed, and funding reduced.
- Brexit may have a negative impact on achieving the net zero target by 2050 – UK's exit from the single market may have an impact on trade for low-carbon goods.

### Consequence

- Potential damage to the Council's reputation.
- Not able to meet members', the government's and the public's expectations.
- Net zero by 2050 is not achieved.

### Opportunities and the way forward

Leading the way with Climate Change will give the council the opportunity to provide the local community with a clean, green, sustainable future and enhance the Medway area. Some of the options which will support climate change may also have the additional benefit of saving the council money in the longer term, such as has been seen by the conversion to LED lighting on street columns.

**Strategic Risk SR47 Climate Change Mitigating Action SR47.01** Finalisation of Medway Net Zero Carbon Baseline and Pathway report and Production of Climate Change Action Plan

**Lead Officer** Head of Environmental Services

**Desired Outcome: Expected Output**

Medway Net Zero Carbon Baseline and Pathway report and Climate Change Action Plan approved by MAB in February 2021 and signed off by cabinet in March 2021.

**Milestones**

Climate Change Members Advisory Board meetings, Climate Change Steering Group meetings and Council Plan quarterly reporting

**Progress update. March 2021.**

Medway Net Zero Carbon Baseline and Pathway report has been finalised by the consultant.

Draft Climate Change Action Plan has been presented to DMT. The plan will be presented to CMT on 7 April 2021, and then approval sought from MAB (20 April 2021) and subsequently Cabinet approval (11 May 2021).

**Strategic Risk SR47 Climate Change Mitigating Action SR47.02** Implementation of a five-year cross cutting Climate Change Action Plan setting out medium- and long-term outputs to achieve measurable change

**Lead Officer** Head of Environmental Services

**Desired Outcome: Expected Output**

Medway to achieve the net zero target by 2050.

Measures within the Climate Change Action Plan to be implemented and carbon savings measured.

Annual reporting on progress made towards the net zero target.

**Milestones**

Climate Change Members Advisory Board meetings, Climate Change Steering Group meetings and Council Plan quarterly reporting.

**Progress update. March 2021.**

Success will be measured by Emissions, Air Quality, Energy, Transport and Housing and Fuel Poverty.

**Strategic Risk SR47 Climate Change Mitigating Action SR47.03** Drive the Air Quality Action Plan forward to effect improvement in Air Quality across Medway

**Lead Officer** Head of Environmental Services

**Desired Outcome: Expected Output**

To monitor the 12 projects within the AQAP.

To collect data monthly from air quality monitoring sites.

**Strategic Risk SR47 Climate Change Mitigating Action SR47.03** Drive the Air Quality Action Plan forward to effect improvement in Air Quality across Medway

In real time collect data from two air quality monitoring stations and publish on Kentair.org.

Produce an annual status report (which includes updates on 12 projects & air quality data) & submit to Defra for validation by June each year.

**Milestones**

Annual air quality measures reported to Defra by June each year. Defra then publish validated data in August/Sept each year.

**Progress update. March 2021.**

The Annual Status report has been submitted to DEFRA and approved. The Defra appraisal team did not identify any areas for improvement and noted that Medway had a 'proactive and dedicated approach to improving air quality across Medway borough' and to 'continue their good and thorough work'. The report is available on the council and Kentair website.

The data from air quality monitoring stations is available on the Kentair.org website.

**STRATEGIC RISK: SR50 DELIVERING £170M HOUSING INFRASTRUCTURE FUND PROGRAMME**

**RISK OWNER: AD REGENERATION**

**PORTFOLIO: LEADER'S**

**Current Residual Risk Score CII (Likelihood – significant. Impact – major)**

The HIF programme is managed at Member, officer and partner level through individual boards, and managed at a more operational level through officer groups and RCE DMT.

The HIF programme is funded by Homes England and is governed by a rigorous reporting process to ensure that projects are progressing to deliver both on time and within budget.

**Threat / Inherent Risk**

Medway's successful Housing Infrastructure Fund (HIF) bid was approved by central government (MHCLG) in November 2019 and the Grant Determination Agreement (GDA) securing £170m, was signed by Homes England and the Council in late July 2020. The secured forward funding will significantly improve the Hoo Peninsula's transport connections and environmental infrastructure and will support sustainable housing growth of up to 10,600 homes on the Peninsula. Homes England require the £86m highways infrastructure, £64m rail intervention and £14m environmental improvements to be delivered by 31 March 2024.

There are challenges to the successful delivery of the HIF programme. A key risk is that it may not be possible to deliver all the required improvements within the £170m budget. The HIF GDA states that the first 1% (£1.7m) of any overspend must be funded by the Council. For any overspend beyond this, additional funding sources may be sought.

## STRATEGIC RISK: SR50 DELIVERING £170M HOUSING INFRASTRUCTURE FUND PROGRAMME

The HIF programme is required by Homes England to be delivered within the funding period. Delays to the programme may be caused at various stages for each of the delivery streams, which could potentially lead to slippage beyond the delivery deadline.

The HIF infrastructure will create significant benefits for the local area, however there is a risk that the HIF-funded infrastructure alone will not fully create the sustainable community that it aims to.

**Inherent Risk Score: BII**

**Target Residual Risk Score: CII**

Failure to deliver the HIF programme would have a critical impact in Medway, by not delivering the infrastructure required to enable housing for its growing population. There is little that can be done to lessen this impact, so the focus must be on reducing the likelihood of failure.

### Trigger

Each of the delivery streams: Rail, Road and Strategic Environmental Management Scheme (SEMS) are in the early stages of delivery. Work across all three interventions continues with Rail GRIP stage 4 commenced, Road RIBA stage 4 commenced, the planning application for SEMS Phase 1 submitted in December 2020 and design for SEMS Phase 2 is ongoing.

### Consequence

Various issues may arise during the detailed design process for each of the delivery streams. If for any reason, the projects are not able to deliver within the funding period or within the £170m budget, the HIF infrastructure and improvements to enable sustainable housing growth on the Peninsula, might not be delivered. This would mean the Council is unable to meet the housing requirement for population growth in Medway. It would also cause reputational damage to both the Council and funder Homes England.

### Opportunities and the way forward

The HIF-specific increase in S106 developer contributions provides a significant opportunity to deliver sustainable growth on the Peninsula, beyond the HIF rail, road and environmental interventions. There is the potential that S106 could fund further improvement on Hoo.

**Strategic Risk SR50 Delivering £170m Housing Infrastructure Fund Programme Mitigating Action: SR50.01** Value engineer across the delivery streams throughout the design process

**Lead Officer: Head of HIF and Regeneration Delivery**

### Desired Outcome: Expected Output:

Appoint appropriate consultants to ensure the HIF programme remains within budget and identify potential cost savings across the delivery streams where possible.

### Milestones

Rail GRIP 4 August 2021.  
 Road Planning Applications June 2021.  
 SEMS Phase 1 Planning Approvals May 2021, SEMS Phase 2 commence Planning August 2021.

**Progress update. April 21.**

Work is ongoing. Consultants have been appointed to undertake detailed design for each of the delivery streams and cost savings are to be identified where possible. Consultants will also undertake an audit of current designs and review of the budget at each stage, which will go through an approvals process.

Homes England require an updated cashflow to be submitted each month as part of the HIF monitoring, a contractual obligation in order to enable funding claims.

**Strategic Risk SR50 Delivering £170m Housing Infrastructure Fund Programme Mitigating Action: SR50.02** Reviewing the full HIF programme, and identifying where possible, processes to run in parallel

**Lead Officer: Head of HIF and Regeneration Delivery**

**Desired Outcome: Expected Output:**

Appoint appropriate consultants to ensure the HIF programme remains on schedule, and to identify potential time savings across the delivery streams where possible.

**Milestones**

Rail GRIP 4 August 2021.  
 Road Planning Applications June 2021.  
 SEMS Phase 1 Planning Approvals May 2021, SEMS Phase 2 commence Planning August 2021.

**Progress update. April 21.**

Work is ongoing. Consultants have been appointed to undertake detailed design for each of the delivery streams and programme time savings are to be identified where possible.

Homes England require an update on the programme to be submitted each month as part of the HIF monitoring, a contractual obligation in order to enable funding claims.

If completion of the delivery programme by 31 March 2024 is unattainable, the potential for an extension has been informally raised with the funder. The extension precedent has already been set for other HIF schemes.

**Strategic Risk SR50 Delivering £170m Housing Infrastructure Fund Programme Mitigating Action: SR50.03** Work with the Planning department to ensure growth on the Peninsula is delivered sustainably

**Lead Officer: Head of HIF and Regeneration Delivery**

**Desired Outcome: Expected Output:**

Work in sync with the Local Plan Policy team on the Hoo Development Framework, Infrastructure Delivery Schedule, Infrastructure Delivery Plan and developer contributions and obligations guidance. Wider S106 uplift developer contributions will be used to further ensure a sustainable community is built on the Peninsula.

**Milestones**

Draft local plan published Spring 2021.

**Progress update. April 21.**

Work continues on completing the evidence base to support the Draft Local Plan. This includes the Infrastructure Delivery Plan, viability assessment, sustainability appraisal, habitat regulations assessment, and Strategic Transport Assessment. These will inform the Draft Local Plan and associated policies.

Monthly meetings take place between the Hoo Consortium and the Council, with a Non-Disclosure Agreement supporting the development of a Collaboration Agreement. The same will also be in place for Homes England's delivery arm.

**STRATEGIC RISK: SR03B FINANCES****RISK OWNER: CHIEF FINANCE OFFICER****PORTFOLIO: LEADER'S****Current Residual Risk Score AI (Likelihood – very high. Impact – catastrophic)**

Demographic pressures in adult social care, children's care and SEND remain a significant issue, but this has been further exacerbated by the impact of the Covid-19 pandemic. The Government has moved swiftly to address the in-year pressures, both in terms of direct expenditure and losses of income, but it is still not certain that this will be enough. It has also put in place a generous package of support for businesses and vulnerable people, which for now has insulated the economy from the worst effects – business failure and unemployment. The provisional settlement announced in December was consistent with the Chancellor's one-year spending review in the Autumn. It identified the resources available to local authorities, including further funding to address the continued impact of the pandemic in the new year. Other than this, a major part of the increase in the Council's spending power came in the form of additional flexibility to raise additional council tax, through another round of the so-called 'adult social care precept'. The view across the sector, particularly upper tier authorities, is that the funding is still insufficient, and like Medway, many authorities have been compelled to call upon reserves to balance their 2021/22 budgets, with some continuing to highlight the risk of Section 114 notices. Against this challenging backdrop the residual risk remains at AI.

**Inherent Risk Score AI**

There continues to be a major risk over the Council's ability to deliver a balanced budget, whilst at the same time delivering good quality services to the people of Medway.

## STRATEGIC RISK: SR03B FINANCES

The move away from central support from the Government to a greater reliance on local taxation through council tax and retained business rates, whilst providing local authorities with the opportunity to benefit directly from growth, also brings with it significant risks to overall funding.

### Target Residual Risk Score CIII

The objective of the medium-term planning process is to forecast the budget 'gap' over several years, taking into account assumptions around demographic, inflationary and other pressures and projecting forward the future funding from council tax, business rates and Government grants.

Ultimately the aim would be to get to a position where the MTFs, through robust strategic plans, presents a balanced budget year-on-year, protecting and increasing reserves and providing assurance to the Council that its financial position is secure and sustainable.

There will always however be a significant residual risk, as the MTFs is based upon uncertain assumptions in respect of the Council's tax base, the Government's finances, demographic pressures, inflation, interest rates and the economic climate.

### Trigger

The years of austerity and annual reductions in central support from the Government, allied to the capping of council tax increases and culminating in the introduction of the business rate retention scheme. Allied with the demographic pressures in both adult social care and children's care, pressures in relation to homelessness and pressures on pay and prices, not least the national living wage, the outlook for local authority finance remains challenging, exacerbated by the impact of the Covid-19 pandemic.

### Consequence

- Very difficult decisions around funding allocation.
- Service cuts.
- Quality of service compromised.
- Cutback in staffing in an already lean organisation.
- VFM Judgement.
- Negative local publicity.
- Damage to reputation.

### Opportunities and the way forward

The key to improving the effectiveness of the Council's financial planning and management is to address the uncertainty around future funding and improve the forecasting of cost pressures. The failure of Central Government to articulate how it intends to ensure the sustainability of local government has made this task virtually impossible, however the Finance Management Team continue to work closely with colleagues within the Planning and Regeneration teams, with a view to more accurately projecting future council tax and business rates. The Covid-19 pandemic is likely to cause far-reaching impacts, not least on the Council's financial sustainability and has exacerbated how challenging it is to project future resources, however it has also offered an opportunity and impetus to radically review the types of services we offer and the way we provide them.

Finally, the Medium-Term Financial Strategy has, as its theme, financial resilience and sustainability, with a clear focus on managing and

**STRATEGIC RISK: SR03B FINANCES**

rebuilding reserves.

**Strategic Risk SR03B Finances Mitigating Action SR03B.01:** Need to ensure an effective response to the spending review, but also lobbying for greater local powers to raise revenues

**Lead Officer** Chief Finance Officer

**Desired Outcome: Expected Output**

Co-ordinate responses with members, brief MPs, agree media campaign, solicit support from peer authorities/partnerships.

Unmodified VFM opinion in respect of the adequacy of financial planning and effective budgetary control.

Increased devolution of tax raising powers to the Council.

The Covid-19 crisis has made meaningful longer-term planning impossible and so the sector continues to lobby for a meaningful long term spending review. Alas, the sector is expecting to see a continuation of single year settlements for some time yet.

**Progress Update. April 2021.**

The government announced the provisional settlement via a written statement on 17 December 2020. In previous years, the content of the provisional settlement has been largely known in advance; based on a technical consultation published after the Chancellor's Autumn Statement, both typically around October each year. This year the Chancellor did not deliver his one-year spending review until 25 November 2020 and there was no technical consultation in advance of the provisional settlement being published, limiting the opportunities for local authorities to engage in the process.

Since 2017 the government has been working towards the Fair Funding Review, aiming to set new baseline government funding allocations for local authorities through an up-to-date assessment of their relative needs and resources with opportunities for consultation and engagement with local authorities. The review was originally scheduled to conclude in 2019 but was deferred due to the UK's exit from the EU and was then scheduled to conclude in 2021. In April 2020 the government confirmed that the review would again be delayed due to Covid-19, a new date has yet to be confirmed.

In February 2021 alongside colleagues from finance teams across Kent, the Chief Finance Officer met with the Director of Local Government Finance at the Ministry of Homes, Communities and Local Government and representatives from both his department and the department of Business, Energy and Industrial Strategy and made representations for both improved funding of recognised pressures, and for more stability in the future funding of local authorities to enable better planning.

**Strategic Risk SR03B Finances Mitigating Action SR03B.02:** Align the priorities and activities of the Council to resource availability through the MTFS process

**Lead Officer** Corporate Management Team

**Strategic Risk SR03B Finances Mitigating Action SR03B.02:** Align the priorities and activities of the Council to resource availability through the MTFS process

**Desired Outcome: Expected Output**

Robust financial planning and management, ensuring financial risks are identified and managed effectively.

Identification and delivery of a range of savings and income-generating initiatives.

Co-ordinate responses with members, agree media campaigns and solicit support from peer authorities.

Balanced budget with resources aligned to priorities, and delivery of the VFM and savings to ensure financial sustainability in the medium-term.

Unqualified VFM Judgement - adequacy of financial planning, effective budget control, balanced budget and adequacy of reserves.

**Milestones**

Medium Term Financial Strategy in November.

Capital and Revenue budget agreed by Council in February.

**Progress Update. April 2021.**

Work to deliver the 2021 MTFS and Capital Strategy is underway, with the Finance Strategy and Business Change teams working with all services to identify both potential budget pressures and the opportunities for savings (including those delivered on an invest-to-save basis) to reduce the potential gap the MTFS presents. The MTFS and Capital Strategy will be presented to the Cabinet in September 2021.

**Strategic Risk SR03B Finances Mitigating Action SR03B.03:** Create resources for investment priorities

**Lead Officer** Corporate Management Team

**Desired Outcome: Expected Output**

Track funding opportunities.

Maximise capital receipts on asset disposal.

Prudential borrowing.

Revenue returns from investments and capital assets and appreciation in capital asset values.

**Progress update April 2021**

The 2015 Spending Round gave local authorities the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings. The Council's current capital programme includes £3.275million of capital receipts using this flexibility to fund continuation of our transformation programme. This funding includes a £1million transformation and innovation budget to fund further projects, £819,000 to deliver the Children's Services Improvement Plan and £500,000 to conduct feasibility studies and prepare business cases for a range of proposals that do not yet feature in the programme.

**Strategic Risk SR03B Finances Mitigating Action SR03B.04: Delivery of the digital transformation programme**
**Lead Officer** Transformation Board

**Desired Outcome: Expected Output**

Development of high-quality digital services.

Delivery of efficiency savings through enhanced processes.

High quality digital services and reduced service delivery cost.

Improved value for money in delivery of Council services.

**Progress update. April 2021.**

A revised list of priority areas for Business Change projects was presented to CMT/Cabinet on 29 March 2021 by the CFO, which focus on addressing the potential budget gap in 2022/23. The following areas have been identified:

- **MTFS Review** – Finance Strategy and Business Change will meet with all service managers to understand potential pressures and identify opportunities for reducing/removing them prior to being added to the MTFS for 2022/23.
- **Commissioning & Procurement** – The processes for commissioning and procurement will be reviewed and clearly defined to focus on reducing the placement costs across Children’s and Adults Social Care.
- **Data** – A programme of work is underway to transform Medway into a “data led” organisation. A pilot project implementing a “data lake” has been completed and a corporate data review has been commissioned for Q1 2021.
- **Adult Social Care Transformation & Improvement Programme** – A programme of projects specifically focused on Adult Social Care is being developed by the Business Change Team in partnership with the service. Extensive engagement with staff was carried out in March 2021 and the detailed programme will be presented to Transformation Board in May 2021.
- **Review of Discretionary Services** – The Business Change Team will continually audit the discretionary services currently offered by Medway Council to evaluate whether they should be continued or delivered differently.
- **Building Rationalisation & Asset Maximisation** – Projects to reduce the office footprint at Gun Wharf are currently underway, which will provide the opportunity to reduce costs (by reducing the number of separate leased buildings) and potentially generate income from leasing out areas of the building.
- **Climate Change** – The transformation programme is closely linked to the Council’s Climate Change Action Plan, with Business Change leading a range of projects to implement electric vehicles and charging infrastructure, reduce staff travel and reduce printing through digital transformation.

**STRATEGIC RISK: SR46 MEDWAY’S ECONOMIC RECOVERY FROM COVID-19**
**RISK OWNER: ASSISTANT DIRECTOR REGENERATION (RECOVERY LEAD OFFICER FOR MEDWAY COUNCIL)**
**PORTFOLIO: LEADER’S**

## STRATEGIC RISK: SR46 MEDWAY'S ECONOMIC RECOVERY FROM COVID-19

### Current Residual Risk Score BII (Likelihood – high. Impact – major)

While in many services the Council is still in response, focus is shifting towards an effective recovery. Strategic Planning is one of the three key workstreams in the Council's Strategic Recovery Plan, with a multi-agency cell for Medway's economy and infrastructure established and working closely with the Kent Resilience Forum equivalent.

The council is delivering direct support for individuals and businesses as funded by the Government and continues to review delivery of core services where they can be of benefit to supporting the wider economy.

The Council continues to lobby the Government for further support for local authorities, individuals and businesses.

### Inherent Risk Score BII

Mandatory closures and ongoing social distancing requirements have created an exceptionally challenging trading environment, resulting in significantly reduced trade, business failure, rising unemployment and reduced levels of disposable income.

MHCLG stated throughout Covid-19 that they will support local authorities to deliver an effective response to Covid-19 and continue to provide core services and providing substantial packages of support for individuals, businesses and the public sector but may not continue such funding throughout the recovery. Income from Business Rates is a fundamental income stream to Medway Council; businesses' failure to pay, or businesses collapsing leaving void properties may significantly reduce income available for the Council, hampering its ability to deliver core services and support the wider economy successfully.

There is a risk of further outbreaks which the Government has handed powers to manage to local authorities. The Council has developed a Local Outbreak Plan that may have to be mobilised and doing so would undoubtedly further impact on the Medway Economy.

### Target Residual Risk Score CII

The risk of further waves, or prolonged local lockdowns and the resultant adverse impact on Medway's economy cannot be avoided. Rather the Council's action plan is designed to support the economy through any such measures and to improve long term resilience and business growth.

### Trigger

On 23 March 2020 the Prime Minister announced the start of the first national lockdown. In early November 2020 a further national lockdown joined the Tier system (introduced in October) in increasing, rather than reducing restrictions. On 3 December 2020, Medway entered Tier 3 – the highest level of restriction outside of national lockdown. the spread of Covid-19, and all non-essential shops and businesses were ordered to close to the public. In January 2021, the start of the third national lockdown was announced, and from 8 March 2021 the UK has been following a roadmap to recovery, starting with the re-opening of schools and followed by a series of re-opening dates at five-week intervals in April, May and June 2021; enabling greater access to non-essential services, whilst maintaining a watching brief on the emerging picture as lockdown is eased.

### Consequence

The Economy and Infrastructure Recovery Cell has produced an impact assessment outlining the main consequences of Covid-19. 24 impact areas have been identified and some of the most acute include:

## STRATEGIC RISK: SR46 MEDWAY'S ECONOMIC RECOVERY FROM COVID-19

- Significant rise in unemployment with disproportionate effect on young people, part-time and entry level roles, and those with insecure contracts, women, and people in BAME communities.
- Decreased apprenticeship vacancies and industrial placements.
- Reduced strength of Medway's business base.
- Accelerated decline of town centres and street markets.
- Impact on supply chains.
- Decreased relevance of Medway Council's strategic bases.
- Digital inclusion / exclusion.
- Sustainability of higher and further education, and its impact on place.

Whilst most of the impact areas present risks to mitigate, there are some opportunities to be seized, as outlined below.

### Opportunities and the way forward

- Commercial moves out of London – Medway as an attractive place to locate and do business.
- Rise in working from home / associated decline in commuting means residents spend more leisure and social time and money locally.
- Innovation Park Medway plans reshaped to support the post-Covid-19 economy.
- Opportunity to significantly advance digital inclusion for workers, learners and service users across Medway.

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.01 Multi-agency Economy Cell and Infrastructure for Recovery established including liaison with the Kent Resilience Forum Economic Recovery Cell**

**Lead Officer** Assistant Director Regeneration

### Desired Outcome: Expected Output

Ensure Medway economy's objectives are adequately reflected at Kent and national level through the KRF.

Oversee an effective multi-agency recovery plan for Medway.

### Progress update. March 2021.

The Economy and Infrastructure Recovery Cell continues to meet regularly with a wide membership base, as do its two sub-groups (Commercial Moves from London, and Digital inclusion). It maintains an Impact Assessment and Action Plan and is now in the process of discharging actions to lead agencies, with 22 of the identified 24 impact areas discharged. The Cell receives regular updates on these impact areas.

The Cell is now focussing on mainstreaming recovery, and a managed exit from its current recovery-based responsibilities. This included an interim review of its Terms of Reference in February 2021.

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.02** Delivery of government-directed financial support to businesses and individuals

**Lead Officer** Chief Finance Officer

**Desired Outcome: Expected Output**

Support businesses to remain economically viable to reduce the number of business failures in Medway.

**Progress Update. April 2021.**

Since the beginning of the Covid-19 restrictions, the Council has delivered the following support to businesses (as at 19 March 2021):

- Expanded Business Rates Retail relief of £34.193million.
- Small Business grants of £22.020million.
- Retail, hospitality and leisure grants of £14.095million.
- Discretionary grants of £1.848million.
- Local Restrictions Grant (Closed) Addendum scheme (Lockdown 2) of £1.895million.
- Local Restrictions Support Grant (Sectors) of £1,517.
- Local Restrictions Support Grant (Closed) - Post 2 December 2020 of £393,287.
- Local Restrictions Support Grant (Closed) addendum - Tier 4 of £1.077million.
- Local Restrictions Support Grant (Closed) addendum - Post 5 January 2021 of £2.834million.
- Closed Businesses Lockdown Payment of £5.667million.
- Christmas Support Payment for wet-led pubs of £69,000.
- Additional Restrictions Grant of £138,068.

We have therefore distributed more than £84million in financial support to businesses to date. Work to implement the latest round of government support for businesses through the Restart Grant Scheme is underway, incorporating guidance required to do so published on 14 April 2021.

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.03** Reopening High Streets safely

**Lead Officer** AD Culture & Community

**Desired Outcome: Expected Output**

To support businesses in town centres to implement adequate social distancing measures to enable re-opening.

**Progress update. April 2021.**

The restarting and reopening of Council services, facilities and buildings plus the reopening of non-essential retail and hospitality on 12 April was overseen by Tactical Command (SILVER). Operational groups were established to plan and manage the activities to ensure that all necessary actions were meticulously planned and executed. Collaborative work was planned with the Police. Comms messages were in place on all mediums.

<b>Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.04 Supporting Medway's businesses</b>
<b>Lead Officer</b> AD Culture & Community
<b>Desired Outcome: Expected Output</b> To encourage and help facilitate the growth of businesses in Medway.
<b>Progress Update. March 2021.</b> The council continues to contract Locate in Kent who have adjusted their working practices to support those businesses that have been adversely affected by Covid-19 and encourage continued inward investment from businesses outside Medway. The Kent and Medway Growth Hub (led by Kent Invicta Chamber of Commerce) have introduced a Covid-19 Business Advice line by phone and Webchat. Rent deferrals were agreed for businesses in Council-owned workspaces including the ICM and the Pentagon Centre and are now being reclaimed over the next 12 months. The Council have developed a policy for the Additional Restrictions Grant (ARG) to support businesses during national lockdown. The ARG grant application, assessment and monitoring process was developed and launched in November 2020 to support businesses that were impacted by the national lockdown between 5 November and 2 December 2020. ARG2 was launched in January 2021 to respond to the third national lockdown. The take-up of grants has been slow and to date just over £500k has been granted to support businesses. Additional work needs to be undertaken to determine and develop the business support element of the ARG policy. Due to limited ED resources, there is a lack of capacity to undertake the majority of the ED workstreams and an on-going list of those affected is being maintained and reported to the AD/Director since November 2020. A request for additional posts to support the ARG programme delivery and to scope and procure the ARG Business Support programme has been made to help alleviate the current significant resourcing pressures and impact on the delivery of the ED function.
<b>Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.05 Supporting residents' skills and employability</b>
<b>Lead Officer</b> AD Culture & Community
<b>Desired Outcome: Expected Output</b> Increasing high value businesses, high quality employment and creating jobs and inward investment
<b>Progress Update. March 2021.</b> Most Skills & Employability projects have resumed, notably the Supported Employment Programme in August and Apprenticeship Advice Service in September. The Scaffolding project has received a funding extension and will be delivered in 2021. Medway are heavily involved in the Kent and Medway Employment Taskforce which is responding to a growing employment crisis. The Taskforce action plan has been signed off and delivered against. To date, as part of the Taskforce action plan, Kickstart is being promoted and coordinated; lobbying letters have been sent to the government encouraging the flexible use of the Adult Education Budget and an event encouraging businesses to use their apprenticeship

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.05** Supporting residents' skills and employability

levy was held recently in Medway.

Medway Council has led by example taking on Kickstart placements. 50 vacancies have been created, with 37 advertised in the first tranche. The placements and wrap-around support are being delivered in partnership with HR and Medway Adult Education.

The Skills & Employability plan will be reviewed considering Covid-19, when data from the ending of furlough can be analysed.

Medway Adult Education has remained operating during lockdown, by delivering online. It is scheduled to reopen on the 6 April. Online learning continues to be well received, and the programme for 2021/22 will incorporate both online, and face-to-face, learning.

The redevelopment of Britton Farm Mall into a new Skills, Employment & Learning Hub continues to progress well and is on schedule.

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.06** Review Medway Council's Strategy base, and resultant regeneration and other programmes to ensure clarity of focus on delivery of economic growth

**Lead Officer** Corporate Management Team

**Desired Outcome: Expected Output**

Effective focus of Council resources and activities that support the delivery of economic growth in Medway.

**Progress Update. December 2020.**

Work is ongoing within Medway's Economy and Infrastructure Recovery Cell and its Kent counterpart to establish a rounded understanding of recovery requirements, including the establishment of an evidence base (due to be updated in early 2021). This will be reflected in the forthcoming update to Medway 2035 (working title *Medway 2037*).

Consultants SQW, in partnership with Oxford Innovation, were commissioned to review proposals for the Gateway Building at Innovation Park Medway in the light of Covid-19, to ensure they remain appropriate for the next economic context. The outline findings are that the Gateway Building and wider IPM will be a useful tool in Medway's economic recovery. A series of recommendations were made and are being implemented.

We remain in regular dialogue with SELEP regarding the impact of Covid-19 on Medway's £40m programme of Local Growth Fund (LGF) and Growing Places Fund (GPF) investment, with no major impediments to delivery identified to date.

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.07** Continue to lobby the government to maximise support and opportunities for Medway

**Lead Officer** Corporate Management Team

**Strategic Risk SR46 Medway's economic recovery from Covid-19 Mitigating Action SR 46.07** Continue to lobby the government to maximise support and opportunities for Medway

**Desired Outcome: Expected Output**

Sustainable funding for Medway Council and an improved business rates regime to support businesses.

**Progress Update. April 2021.**

In February 2021, alongside colleagues from finance teams across Kent, the Chief Finance Officer met with the Director of Local Government Finance at the Ministry of Homes, Communities and Local Government and representatives from both his department and the department of Business, Energy and Industrial Strategy, and made representations for both improved funding of recognised pressures, and for more stability in the future funding of local authorities to enable better planning.

**STRATEGIC RISK: SR32 DATA AND INFORMATION**

**RISK OWNER: CHIEF LEGAL OFFICER**

**PORTFOLIO: RESOURCES**

**Current Residual Risk Score CII (Likelihood – significant. Impact – major)**

The Council has a Senior Information Risk Officer (SIRO) and a Caldicott Guardian.

The Council has a Data Protection Officer.

The Council manages information risk through a Security and Information Governance Group (SIGG).

The Council has a suite of information governance policies.

The Council has information sharing agreements and protocols in place.

The Council has taken part in a “Big Data” project without any risks materialising.

Training to all officers and to Members is being rolled out successfully.

**Inherent Risk Score BII**

Our Transformation Programme involves an increased reliance on digital technology both for customers and the Council. This brings with it increased information risk particularly regarding personal and health data.

Conversely, not sharing information with partners and others minimises the Council's ability to improve service delivery and reduce costs. There is also a duty to share information in the interests of client care (Caldicott 2 Report).

Local Authorities are required to achieve Level 2 on the Information Governance toolkit. However, opportunities to improve the Council's position with respect to the IG toolkit requirements have been identified. Failure to achieve Level 2 will mean that Medway Council will lose its trusted partner status with respect to the Kent and Medway information sharing agreement.

Greater flexibility for the workforce using digital tools brings risk.

Greater availability of information from the Council brings risk.

## STRATEGIC RISK: SR32 DATA AND INFORMATION

### Target Residual Risk Score DIII

Human error is completely eradicated from data and information scenarios.

Data breaches are very rare and when they occur corrective action is taken quickly, learning is implemented and accountability for future improved performance is identified.

Information sharing is commonplace and well managed.

### Trigger

- Budget pressures.
- ICO Audit reveals areas for improvement.
- Digital Strategy.
- Big Data project with academics.
- Annual information governance toolkit submission.

### Consequence

- Data loss leads to damage to reputation.
- Not achieving cost efficiencies through Digital Strategy changes.
- Failing to achieve Members' expectations.
- Failing to find new innovations.
- Failing to deliver good quality care for residents of Medway.

### Opportunities and the way forward

Data and information sharing has been a key part of the pandemic response with partners across the Kent Resilience Forum.

**Strategic Risk SR32 Data and Information Mitigating Action SR32.01:** The Council has a Senior Information Risk Owner (Chief Legal Officer) and a Caldicott Guardian (Director of People), and in time for the General Data Protection Regulation also a Data Protection Officer (the Information Governance Manager)

**Lead Officer** Chief Legal Officer

### Desired Outcome: Expected Output

To ensure that appropriate organisational safeguards are in place for sharing information.

Information governance policies and procedures are available on the Intranet. Privacy Impact Assessments (PIAs)

ISAs and Standards Operating Procedures (SOPs) also exists detailing roles and responsibilities

### Progress update. April 2021.

The Information Governance Team has been augmented by posts to enable a focus on risks related to Children's Services data to support

**Strategic Risk SR32 Data and Information Mitigating Action SR32.01:** The Council has a Senior Information Risk Owner (Chief Legal Officer) and a Caldicott Guardian (Director of People), and in time for the General Data Protection Regulation also a Data Protection Officer (the Information Governance Manager)

the SIRO and Caldicott Guardian.

**Strategic Risk SR32 Data and Information Mitigating Action SR32.02:** Information Sharing Agreement (ISA) for Kent

**Lead Officer** Chief Legal Officer

**Desired Outcome: Expected Output**

Provides the basis for ISAs within Kent organisations and outside PIAs, ISAs and SOPs and where appropriate Data Licence Agreements.

**Progress update. April 2021.**

Project specific ISAs etc. have continued to be used during the pandemic. Care will be taken as the emergency response starts to diminish and the recovery element increases. Work with partner organisations under the Civil Contingencies Act through the Kent Resilience Forum.

**Strategic Risk SR32 Data and Information SR32.03:** Security and Information Governance Group (SIGG)

**Lead Officer** Chief Legal Officer

**Desired Outcome: Expected Output**

Providing a corporate overview of all information risk across projects and initiatives.  
Minutes of SIGG meetings attended by representatives from Public Health, RCET and C&A Departments.

**Progress update. April 2021.**

SIGG has continued to meet during the pandemic and provides the corporate overview of all affected risk areas.

**Strategic Risk SR32 Data and Information SR32.04:** Meetings between the Senior Information Risk Officer (SIRO) and Caldicott Guardian on specific risks

**Lead Officer** Chief Legal Officer

**Desired Outcome: Expected Output**

Good regular engagement to discuss risk areas.  
PIAs, ISAs and SOPs co-signed where relevant.

**Strategic Risk SR32 Data and Information SR32.04:** Meetings between the Senior Information Risk Officer (SIRO) and Caldicott Guardian on specific risks

**Progress update. April 2021.**

The SIRO and the Caldicott Guardian have continued to operate as part of the Council's Gold Command as part of the pandemic response. They have been able to consider and raise any issues to ensure that any risks have been mitigated and service delivery has continued particularly to our most vulnerable residents. A Caldicott Guardian audit took place which reported in March 2021 with several suggested improvements.

**STRATEGIC RISK: SR36 ALTERNATIVE SERVICE DELIVERY MODELS**

**RISK OWNER: CHIEF LEGAL OFFICER AND CHIEF FINANCE OFFICER**

**PORTFOLIO: LEADER'S**

**Current Residual Risk Score BIII (Likelihood – high. Impact – moderate)**

All alternative delivery models are required to produce business cases that are considered by the Corporate Management Team and then by Cabinet.

The performance of these models is regularly reviewed by Cabinet and scrutinised by the relevant Overview and Scrutiny Committee.

Where issues arise these can also be discussed by the Corporate Management Team, where this is a standing agenda item.

Underperformance is identified by client-side officers or Members and mitigating action is taken or expected.

The effect of the action to date has been to develop a smooth transition and improve working relationships, and clarify and confirm savings and consequences. This policy change has been a challenge to both parental expectations and operational processes and responses.

**Inherent Risk Score BII**

A growing number of council services are operated through alternative delivery models including outsourcing/insourcing, trusts, joint ventures, Local Authority Traded Companies, partnerships and shared services and joint commissioning.

The primary driver for entering into such models is typically to reduce costs while protecting service delivery and building resilience.

A lack of robust management of these delivery models can lead to underperformance. The new models have increased and more complex governance arrangements than traditional in-house delivery.

Weak or ineffectual oversight/management/monitoring by the council as expertise is transferred to the new delivery model.

Failures in governance that expose untreated risk.

**Target Residual Risk Score CIII**

Ultimately as these alternative delivery models embed, the Council will be looking for increased revenue income and higher levels of performance.

**Trigger**

## STRATEGIC RISK: SR36 ALTERNATIVE SERVICE DELIVERY MODELS

Weak options appraisals/businesses cases; opportunities overstated as commercial markets are not realised, and risks understated. Failure to effectively manage (staffing, relationships, agreements/contracts) the transition between the council and the service delivery model.

Limited due diligence conducted on a new service provider or key individuals in that provider.

Weak or unclear agreements/contract and governance arrangements.

Failure of a provider, risking failure to deliver services.

### Consequence

- Failure to meet statutory responsibilities to residents.
- Unexpected costs from the new delivery model.
- The delivery model is not sustainable; responsibility for delivery of the function unexpectedly transfers back to the council.
- Reputation of the council is damaged by activities of the delivery model.
- The Council or delivery model expectations are not met by new arrangements.
- No option to renegotiate terms if circumstances change.
- Reduced influence/control of the council.
- The delivery model operates at a loss with the deficit met from local taxation.

### Opportunities and the way forward

A 'Covid-19 lessons learned' exercise has been carried out, and this included identifying opportunities for the alternative delivery models.

**Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.01:** Robust options appraisals, detailed business cases prepared

**Lead Officer** Relevant Assistant Director for each Service

### Desired Outcome: Expected Output

Ensure effective decision making.

The council only enters into arrangements that are beneficial to the service and/or budget and are sustainable.

### Milestones

Cabinet considers all business cases prior to any alternative arrangements being agreed.

### Progress update. April 2021.

A report was provided to Cabinet updating the branding change from MCG to Kyndi Board and providing the latest Business Plan for consideration and approval. A recent MDC report provided Members with a confidential cashflow that indicates the level of risk (and reward) the Council as shareholder is taking during the currency of live projects. This was in response to requests from Audit Committee Members.

<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.02:</b> Project management approach to implementation
<b>Lead Officer</b> Relevant Assistant Director for each Service
<b>Desired Outcome: Expected Output</b> Clear agreed milestones for implementation in agreed timescale. Smooth transition into the new delivery model.
<b>Progress update. April 2021.</b> The Cabinet reporting and the role the Chief Legal Officer plays as liaison officer to Kyndi (which will be taken on by the Chief Finance Officer from May 2021 in addition to his role as liaison officer for Medway Norse) enables clear reporting and transparent project management. The same is true of MDC with the Assistant Director for Regeneration and HIF taking over the liaison role.
<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.03:</b> Communication & stakeholder management
<b>Lead Officer</b> Relevant Assistant Director for each Service
<b>Desired Outcome: Expected Output</b> Stakeholders are informed/consulted. Smooth transition into new delivery model.
<b>Progress update. April 2021.</b> Regular Cabinet Reporting, Scrutiny and appropriate communications from both the Council as shareholder and the companies on specific projects and initiatives enables good engagement.
<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.04:</b> Sound legal and procurement advice on chosen delivery model
<b>Lead Officer</b> Chief Legal Officer
<b>Desired Outcome: Expected Output</b> Robust agreements/contracts with clarity over responsibilities. Smooth operation of services, and effective dispute resolution.
<b>Progress update. April 2021.</b> Legal and procurement advice sometimes commissioned from external experts continues to be taken on all significant transactions.

<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.05:</b> Robust scrutiny / oversight mechanisms to ensure clear corporate understanding
<b>Lead Officer</b> Corporate Management Team
<p><b>Desired Outcome: Expected Output</b></p> <p>The delivery model and council held accountable for quality and cost of service. The Council are able to rely on financial information for robust financial planning. High performance. Financial resilience.</p>
<p><b>Progress update. April 2021.</b></p> <p>In the last quarter there has been reporting to Cabinet.</p>

<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.06:</b> Reporting from, and on, delivery models with clear outcomes
<b>Lead Officer</b> Relevant Assistant Director for each Service
<p><b>Desired Outcome: Expected Output</b></p> <p>Effective performance management. High or improving performance of the delivery model.</p>
<p><b>Progress update. April 2021.</b></p> <p>In the last quarter there has been reporting to Cabinet.</p>

<b>Strategic Risk SR36 Alternative service delivery models Mitigating Action SR36.07:</b> Business continuity arrangements
<b>Lead Officer</b> Chief Finance Officer
<p><b>Desired Outcome: Expected Output</b></p> <p>The delivery model and council both have clear roles and responsibilities in the event of any business continuity incident and Continuity of service.</p>
<p><b>Progress update. April 2021.</b></p> <p>All Council companies have continued to trade and provide services through the pandemic. Kyndi has rebranded and provided an updated Business Plan. Medway Norse have excelled in their support to the Council's response to the pandemic. MDC have handed over their first completed residential site (White Road) during the last quarter.</p>

<b>STRATEGIC RISK: SR37 CYBER SECURITY</b>
<b>RISK OWNER: CHIEF FINANCE OFFICER</b>
<b>PORTFOLIO: RESOURCES</b>
<b>Current Residual Risk Score CI (Likelihood – significant. Impact – catastrophic)</b>
<p>The council manages cyber security risk, along with general information security risk, by having robust policies and procedures in place. These policies and associated actions are audited internally and externally with the result reported to appropriate council committees. In addition, the council is accredited against the Public Service Network code of connection criteria that provides assurances that the ICT infrastructure is managed and monitored using methods commensurate with recognised good practice and the guidance issued by CESG. The recent ICT structure has put in place a dedicated ICT Network and Cyber Security Manager. This has ensured that ICT has a senior manager responsible for security who is constantly monitoring the system for potential threats and ensuring PCN compliance. All required certifications/accreditations are in place and being constantly reviewed.</p>
<p><b>Inherent Risk Score CI</b></p> <p>As there are no mitigations that are completely effective against malware infection, we should develop a defence-in-depth strategy for the organisation. This consists of multiple layers of defence with several mitigations at each layer. This will improve resilience against malware without disrupting the productivity of services. These layers will also have multiple opportunities to detect malware, and then stop it before it causes real harm to the organisation. Accepting the fact that some will get through will help plan for the day when an attack is successful, and minimise the damage caused.</p> <p>When building defences against malware, it is recommended that mitigations are developed in each of the following three layers:</p> <p>Layer 1: preventing malicious code from being delivered to devices.</p> <p>Layer 2: preventing malicious code from being executed on devices.</p> <p>Layer 3: increasing resilience to infection, and to enable rapid response should an infection occur.</p>
<p><b>Target Residual Risk Score CI</b></p> <p>The cyber security risk is omnipresent and only by constantly maintaining the information security environment at levels accredited by CESG (PSN CoCo certification) can the council afford a degree of confidence that all that can be done is being done to mitigate this risk. The Council needs to consistently complete external auditing and security internal and external penetration testing on an annual basis to keep target residual risk to CI levels.</p> <p>Since all appropriate actions are being taken to maintain cyber security, the risk has been managed to as low as possible. However, this will remain on the strategic risk register in view of the inevitability of a cyber-attack.</p>
<p><b>Trigger</b></p> <p>Cyber security incident leading to partial or total loss of system integrity.</p>
<b>Consequence</b>

## STRATEGIC RISK: SR37 CYBER SECURITY

- Reduced service delivery across multiple departments over an extended period.
- Data Leaks.
- Financial loss.
- Reputational damage.
- Held to Ransom.

### Opportunities and the way forward

Work commenced in preparing for the pre-requisites to obtain Cyber Essential Plus accreditation. Due to Covid-19, this work has been paused as it is not an essential requirement to obtain this accreditation, however the work in improving cyber security has continued. This position will be reviewed after April 2021.

The ICT Network & Cyber Security Manager has specific responsibilities for the security of the network, overseeing user privileges & security policies, and user education and awareness.

System monitoring software tools are being reviewed to determine whether there are solutions that will further strengthen the cyber security measures already in place.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.01 Secure configuration:** Remove or disable unnecessary functionality from systems, and to quickly fix known vulnerabilities

**Lead Officer** Head of ICT

### Desired Outcome: Expected Output

Patch Management regime is in place to treat known vulnerabilities.

### Milestones

Certified PSN compliance – May 2021.

### Progress update. April 2021.

NTA has performed the security scan. ICT is busy with remediating the vulnerabilities detected. Submission to PSN is projected to meet May 2021 target.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.02 Network security:** Create and implement policies and appropriate architectural and technical responses, thereby reducing the chances of attacks succeeding

**Lead Officer** Head of ICT

### Desired Outcome: Expected Output

Network policies are in place to prevent attacks.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.02 Network security:** Create and implement policies and appropriate architectural and technical responses, thereby reducing the chances of attacks succeeding

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

NTA has performed the security scan. ICT is busy with remediating the vulnerabilities detected. Submission to PSN is projected to meet May 2021 target.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.03 Managing user privileges:** All users should be provided with a reasonable (but minimal) level of system privileges and rights needed for their role. The granting of highly elevated system privileges should be carefully controlled and managed

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

User policies are in place to ensure system privileges meet role requirements.

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

This is being reviewed as part of the preparation for the Council's 2021/22 PSN certification.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.04 User education and awareness:** Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programmes and training that deliver security expertise as well as helping to establish a security-conscious culture

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

Information and cyber security training is available to all system users. Staff induction references cyber security risks and user responsibilities for risk treatment.

**Milestones**

Certified PSN compliance – May 2021.

Bid for funds against LGA cyber security budget.

**Progress update. April 2021.**

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.04 User education and awareness:** Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programmes and training that deliver security expertise as well as helping to establish a security-conscious culture

First GDPR policy was released in March 2021. Next batch of cyber security awareness content to be released to staff in April 2021

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.05 Incident management:** All organisations will experience security incidents at some point. Investment in establishing effective incident management policies and processes will help to improve resilience, support business continuity, improve customer and stakeholder confidence and potentially reduce any impact

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

ICT security policies in place and regularly reviewed. Any recognised cyber security incident is reported to appropriate board.

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

This is being reviewed as part of the preparation for the Council's 2021/22 PSN certification. An additional review on IM policies was performed by the NCC Group as part of work with the NCSC and Central Government.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.06 Malware prevention:** Malicious software, or malware, is an umbrella term to cover any code or content that could have a malicious, undesirable impact on systems. Any exchange of information carries with it a degree of risk that malware might be exchanged, which could seriously impact systems and services. The risk may be reduced by developing and implementing appropriate anti-malware policies as part of an overall 'defence in depth' approach

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

Policies are in place to monitor and capture known malicious code.

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

Systems were reviewed in March 2021 and are continually reviewed on a monthly basis.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.07 Monitoring:** System monitoring provides a capability that aims to detect actual or attempted attacks on systems and business services. Good monitoring is essential in order to effectively respond to attacks. In addition, monitoring allows you to ensure that systems are being used appropriately in accordance with organisational policies. Monitoring is often a key capability needed to comply with legal or regulatory requirements

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

Security Incident and event management (SIEM) systems are in place.

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

The NCC Group completed an audit on council systems in March 2021. Next steps are to introduce the LME service from NCSC.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.08 Removable media controls:** Removable media provide a common route for the introduction of malware and the accidental or deliberate export of sensitive data. You should be clear about the business need to use removable media and apply appropriate security controls to its use

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

Removable media policies are in place with security controls on users' devices.

**Milestones**

Certified PSN compliance – May 2021.

**Progress update. April 2021.**

Submission to the PSN is projected to meet May 2021 target.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.09 Home and mobile working:** Mobile working and remote system access offers great benefits but exposes new risks that need to be managed. You should establish risk-based policies and procedures that support mobile working or remote access to systems that are applicable to users, as well as service providers. Train users on the secure use of their mobile devices in the environments they are likely to be working in

**Lead Officer** Head of ICT

**Desired Outcome: Expected Output**

Policies are in place to ensure mobile working devices are managed and monitored for security breaches. Two factor authentication (2FA) policies are in place to manage remote access to systems.

**Strategic Risk SR37 Cyber Security Mitigating Action SR 37.09 Home and mobile working:** Mobile working and remote system access offers great benefits but exposes new risks that need to be managed. You should establish risk-based policies and procedures that support mobile working or remote access to systems that are applicable to users, as well as service providers. Train users on the secure use of their mobile devices in the environments they are likely to be working in

#### **Milestones**

Certified PSN compliance – May 2021.

#### **Progress update. April 2021.**

Submission to PSN is projected to meet May 2021 target.

## **STRATEGIC RISK: SR02 BUSINESS CONTINUITY AND EMERGENCY PLANNING**

### **RISK OWNER DIRECTOR OF PLACE AND DEPUTY CHIEF EXECUTIVE**

### **PORTFOLIO: BUSINESS MANAGEMENT (CROSS CUTTING)**

#### **Current Residual Risk Score DII (Likelihood – low. Impact – major)**

The Emergency Plan is subject to rigorous testing on a regular basis both internally and externally with the plan continually refined as a result to meet the ever-changing needs of the council and local area.

An annual presentation on Business Continuity is included at a meeting of all council Service Managers.

Assistant Directors are responsible for ensuring that the testing of business continuity plans has taken place. Testing to date has been completed during live incidents.

The Corporate Business Continuity Plan is currently being refreshed and is aligned to the Emergency Plan.

#### **Inherent Risk Score CI**

Duties under the Civil Contingencies Act require councils to have an Emergency Plan. The Emergency Management and Response Structure may not be robust enough to respond to a major emergency.

Every business activity is at risk of disruption from a variety of threats, which vary in magnitude from catastrophic through to trivial, and include pandemic flu, fire, flood, loss of utility supplies and accidental or malicious damage of assets or resources.

The change of council assets/responsibilities going to either commissioned or third-party contractors, Medway Norse or Medway Commercial Group also provides unique challenges to the established roles and responsibilities during planning and response to emergency events.

#### **Target Residual Risk Score DII**

The Council will never be able to reduce the risk further as it is impossible to completely mitigate unforeseen adverse events.

The Council needs to consistently complete hard and soft testing of its business continuity plans to ensure it achieves and maintains the DII risk scoring.

## STRATEGIC RISK: SR02 BUSINESS CONTINUITY AND EMERGENCY PLANNING

### Trigger

A significant adverse event occurs and the Council is found wanting or negligent in its planning and/or operational response.

### Consequence

- Response to the event is not rapid, adequate nor effective.
- Lack of clear communication lines.
- Essential service priorities are not clearly understood.
- Communication between agencies and the public is poor.
- There is a perception by residents that the Council does not have a visible presence at the incident.
- Residents expect more from their Council.
- Local press are quick to seize issue.
- Comparisons made with other local authorities and resilience groups.
- A death, or deaths, in the community.
- Legal challenge under the 'Civil Contingencies Act 2004'.

### Opportunities and the way forward

As a result of COVID19 the Corporate Business Continuity Plan and BC training will be reviewed to include best practice, lessons learnt, and observations made from the Council's response and recovery plans.

The Cabinet received a paper on the Council's Covid response on 7 July 2020 and Covid recovery on 25 August 2020.

Council services refreshed their business continuity plans in October 2020 in preparation for the Covid19 pandemic second wave and EU Exit on 31 December 2021.

Business Support Overview and Scrutiny received a paper on 28 January 2021 on the risk environment to consider the wider risk environment facing the Council, including the differences between the Corporate Risk Register, business continuity and emergency planning.

The Cabinet and Business Support Overview and Scrutiny received a paper on 30 March 2021 on the Council's Covid19 Response and Recovery actions and plans.

**Strategic Risk SR02 Business continuity and emergency planning Mitigating Action SR 02.01:** Continued review and development of the Council's Major Emergency Plan (MEP) including any lessons identified

**Lead Officer** Director of Place

### Desired Outcome: Expected Output

A revised plan is agreed by the Corporate Management Team.

Continued engagement with the Kent Resilience Forum.

**Strategic Risk SR02 Business continuity and emergency planning Mitigating Action SR 02.01:** Continued review and development of the Council's Major Emergency Plan (MEP) including any lessons identified

Staff are trained in emergency response management at all levels.

A sustainable and robust on-call rota in place at all levels.

An existing plan is in place.

A programme of on-going review of COMAH plans.

An emergency response operations room is in place.

An on-call rota is in place covering all roles and responsibilities 24/7.

**Milestones**

A draft plan is in place.

Call out arrangements are in place covering all roles and responsibilities 24/7 (Blue Card) (enhanced during LA stand down periods).

Reduced relevant staff training during 2020.

**Progress Update. April 2021.**

No update required

**Progress update. August 2020.**

The COVID-19 crisis has proven that Medway's Council's emergency process is fit for purpose, focused, prioritised and effective in dealing with this large scale national major incident. The Major Emergency Plan gave structure and was flexible enough to bend and evolve with the complexities of this emergency.

There are several concerns:

- Training/exercises have been kept to an absolute minimum due to budgetary pressures.
- The Kent Resilience Forum is developing, and an increase in subscription is expected if current plans within the Kent Resilience Team are realised.
- The Blue Card system of callout requires attention by CNT to identify new staff members to replace those who have left.

Over the COVID-19 period the Blue card system of response would have worked, however the staff needed to carry out the operational functions may not have been available.

- Basic functions of Safe place emergency REST Centre provision were also suspect due to 4 types of evacuee with use of limited staff.
- The increasing "Working from Home" call post the COVID-19 crisis places an undue pressure on immediate during working hours response and therefore business continuity. Simply put, unknown staff available, longer response times, more detailed coordination of staff to support our Category one responsibilities.
- I believe it was proven that the working from home ('Do not go into work' guidance) has significant challenges in relation to managers release staff to be redeployed in other critical services during the COVID-19 crisis.

A full Lessons Identified process will be undertaken in the post COVID-19 response phase.

Medway Council's MEP is now due for review during the 21/22 period.

**Strategic Risk SR02 Business continuity and emergency planning Mitigating Action SR 02.02:** Business continuity plans completed to implement the actions

**Lead Officer** Director of Place

**Desired Outcome: Expected Output**

All services will have an up-to-date and tested Business Continuity Plan.

The Business Continuity Management Policy is agreed.

Business Continuity Management principles and training provided to divisional management teams across the Council is ongoing.

IT Recovery Plan in place.

**Milestones**

Plans tested.

Business Continuity Audit 2017 actions completed in 2018.

**Progress Update. April 2021.**

No update required

**Progress update.**

Reviewed 29 September 2020 no update required.

A dashboard to monitor the refresh of business continuity plans by April each year is overseen by the Strategic Risk Management Group and reported six-monthly to the Corporate Management Team as part of the Corporate Risk Register. Assistant Directors are responsible for ensuring that the testing of plans has taken place. An annual presentation on Business Continuity is included at Service Managers Meeting in September each year. Service Managers are responsible for making staff aware of their Service Business Continuity Plan and their roles and responsibilities within it. This also forms part of the induction for all new staff.

**STRATEGIC RISK: SR35 HOMELESSNESS**

**RISK OWNER: ASSISTANT DIRECTOR CULTURE AND COMMUNITY**

**PORTFOLIO: DEPUTY LEADER AND HOUSING AND COMMUNITY SERVICES**

**Current Residual Risk Score CIII (Likelihood – significant. Impact – moderate)**

The Council continues to undertake a proactive approach to tackling homelessness. Issues beyond the Council's control continue to be the dominating factor in relation to the demand placed on the service. These include increasing rents in the private sector, reductions in

## STRATEGIC RISK: SR35 HOMELESSNESS

the delivery of affordable housing and the impact of welfare reform initiatives.

### Inherent Risk Score BII

An increasing demand in relation to the Council's duty to provide temporary accommodation under S188/193 of HA 1996 caused by continuing high levels of homelessness and a lack of affordable housing supply.

Reductions in the level of income achieved due to welfare reform increasing the risk of overspend on the council's budget.

Increase in the rough sleeping population in the Medway area.

Changes to legislative frameworks placing greater demand on services.

### Target Residual Risk Score DIII

In order to manage the overall level of risk, the Council continues to develop preventative services to tackle homelessness. The risk of further increases to temporary accommodation should decrease, however this still stands to be influenced by the external factors identified within the current residual risk.

### Trigger

- An increase in the number of households residing in temporary accommodation.
- A reduction in the council's ability to maximise prevention opportunities.
- A lack of appropriate temporary accommodation stock.
- A reduction in the availability of permanent affordable housing.
- Reductions in staffing levels to sustain levels of service.

### Consequence

- An increasing and unsustainable overspend of the allocated budget.
- Poorer outcomes for children and vulnerable adults.
- An increased legal challenge and penalty from the LGO.
- Reputational Damage.
- Failing to achieve Members' expectations.

### Opportunities and the way forward

Mobilise all new aspects of the NSAP funding for 2020/21.

Further opportunities could be explored to diversify the type of temporary accommodation needed for use by the Council. This will need capital investment but would limit the amount of funding lost to the private sector.

Opportunities may be available to increase the amount of prevention of homelessness support offered by the Council by utilising the existing temporary accommodation budget.

**Strategic Risk SR35 Homelessness Mitigating Action SR35.01:** Increase the prevention activity undertaken including opportunities for joint working across directorates as well as with other organisations such as DWP

**Lead Officer** Assistant Director Culture and Community Regeneration/Head of Housing

**Desired Outcome: Expected Output**

Opportunities to prevent homelessness are maximised via service delivery and through the development of joint working/referral protocols with other services/organisations.

An increase in the amount of successful prevention cases.

Dedicated resources to tackle prevention of homelessness.

**Progress update. March 2021.**

Approaches for assistance in relation to homelessness have recovered through the year to finish the year at a similar level to 2019/20. This is despite, on average, evictions from the private sector being 33% lower compared to previous years, due to the cessation of evictions brought about by the pandemic.

The overall rate of homelessness prevention remains high at 58% of all cases that trigger a duty.

Whilst the service remains busy, the number of households in TA has continued to decrease from a high in September 2020 of 370 households to close to 300 households.

**Strategic Risk SR35 Homelessness Mitigating Action SR35.02:** Increase opportunities of affordable housing supply

**Lead Officer** Assistant Culture and Community/Head of Housing

**Desired Outcome: Expected Output**

Ensure that the need for affordable rented housing is recognised across the organisation enabling an increase in the amount of affordable homes delivered in line with the Planning Policy.

Increased provision of affordable housing.

Take forwards plans for the Council to intervene in the market to provide affordable housing.

**Progress update. March 2021.**

Over the short term, the delivery of affordable homes has surpassed the target set at 204 in 2019/20 and will again in 2020/21.

The overall landscape remains challenging and increased challenges on smaller s106 sites will continue to feature.

**Strategic Risk SR35 Homelessness Mitigating Action SR35.03:** Establish a strategic group to assess the scale of rough sleeping in Medway and lead on the development of interventions to reduce the issue

**Lead Officer** Assistant Culture and Community/Head of Housing

**Desired Outcome: Expected Output**

A clear, cross-sector commitment to the way that rough sleepers in the Medway area are assisted to secure alternative accommodation. Reduction to the amount of visible rough sleeping activity in the area and relating complaints and media attention. Clear strategy in place for tackling cold weather provision and associated issues.

**Milestones**

Ongoing outcome reporting to be established through strategic group.

**Progress update. March 2021.**

Rough sleeping activity remains comparatively low when compared with pre-pandemic levels as the majority of the cohort have been provided with accommodation.

The Council continues to accommodate those that were part of the “everyone in” initiative and a significant number of people accommodated during colder weather. Negotiation around future funding for these groups is ongoing, at a minimum it is expected that RSI money will be received at the same level as 2020/21. Therefore, the service will be looking to taper the provision of accommodation with a view to ending it at the end of June 2021 at the latest. This will once again increase the visibility of rough sleepers in the community.

**Strategic Risk SR35 Homelessness Mitigating Action SR35.04:** Ensure that options for the provision of temporary accommodation are transparent and reviewed in light of grant funding changes rather than subsidy to ensure that Medway is providing cost effective accommodation options

**Lead Officer** Assistant Culture and Community/Head of Housing

**Desired Outcome: Expected Output**

The adoption of a Dynamic Purchasing System (DPS) for the Council to secure accommodation in the Private Sector. Effective/Accurate Budget Monitoring. Further increase options for lower cost TA provision. Implement a “tenancy management” type structure for management of TA – Maximising the income achieved via Housing Benefit. Minimise a rise in price for TA units in the private sector. Emergency use only for TA Provision that is outside of usual pricing structure.

**Progress Update. March 2021.**

Performance in relation to temporary accommodation has improved considerably through Q3 and Q4 2020/21 with households in

**Strategic Risk SR35 Homelessness Mitigating Action SR35.04:** Ensure that options for the provision of temporary accommodation are transparent and reviewed in light of grant funding changes rather than subsidy to ensure that Medway is providing cost effective accommodation options

temporary accommodation reducing from 370 at the end of September to close to 300 at the end of March 2021.

An assessment of new models of providing temporary accommodation is underway with a view to bringing forward proposals in Q1 of 2021/22.

A number of households who are not currently owed a duty are accommodated as a result of the pandemic and to reduce pressure on Children's Services. Proposals will be brought to CMT to formalise this arrangement in May 2021.

## **STRATEGIC RISK: SR49 NEW INCOME REDUCTION DUE TO COVID19**

**RISK OWNER: CHIEF FINANCE OFFICER**

**PORTFOLIO: LEADER'S**

### **Current Residual Risk Score BII (Likelihood – high. Impact – major)**

The government have confirmed that the sales, fees and charges income compensation scheme in operation during 2020/21 will continue in Q1 of 2021/22 and that the government will continue to support local authorities to manage pressures arising from the pandemic in the coming financial year. This compensation scheme requires local authorities to absorb the first 5% of any losses, but then pays 75p for every £1 of income lost. Income losses considered commercial are not covered by the scheme.

### **Threat / Inherent Risk**

Following substantial falls in direct government grants from 2010-11 onwards, locally generated income from sales, fees and charges, and through more commercial investment activity has become a fundamental element of the Council's budget.

Frontline services including leisure, parking and cultural services are budgeted to produce in excess of £13million of revenue income. The Council has experienced financial pressures from falling income in recent years, particularly in leisure services following the introduction of budget gyms in the sector whose charging structures are difficult to compete with, and in parking income as shopping and working habits have changed.

Medway Council's investment activity is primarily delivered to support the regeneration of the area, while also being budgeted to contribute more than £1million to the Council's revenue budget. Regulatory bodies in the sector have highlighted that commercial activities and investments bring exposure to volatility in terms of revenue rental income and on any reductions in asset values on the balance sheet. The Council's exposure to investments is limited to property investments, both directly and through managed property funds however where the asset value of managed property funds falls, accounting standards now require any loss to be reflected in the I&E, meaning for Medway this would be a cost to the general fund. A temporary statutory override is currently in place but this expires at the end of the 2022/23 financial year.

<b>STRATEGIC RISK: SR49 NEW INCOME REDUCTION DUE TO COVID19</b>
The restrictions brought in to control the spread of Covid-19, and the resultant economic impact have resulted in significant shortfalls in income across all services throughout 2020/21, along with increased risk around income from property investments.
<b>Inherent Risk Score: AI</b>
<b>Target Residual Risk Score: CII</b>
<p><b>Trigger</b></p> <p>The restrictions in place to reduce the spread of Covid-19 require the closure of income generating facilities, and/or where facilities are open social distancing measures reduce the number of visitors.</p> <p>Events impacting the economy (such as the Covid-19 pandemic) may result in business failures, and thus impacting rental income.</p> <p>The statutory override granted on accounting for property funds ends before the council's property fund investments break-even or turn a profit.</p>
<p><b>Consequence</b></p> <ul style="list-style-type: none"> <li>• A reduction in/loss of rental income creating budget pressures.</li> <li>• A negative impact on satisfaction ratings and high levels of complaints.</li> <li>• Services are not provided at an acceptable level/facilities lack investment.</li> <li>• Accreditation impacts.</li> <li>• Long-term loss of business.</li> <li>• A reduction in asset value of managed property funds.</li> <li>• Criticism from regulatory bodies including external audit.</li> </ul>
<p><b>Opportunities and the way forward</b></p> <p>Services are currently prioritising ensuring the safe ongoing/return to operation following the latest restrictions.</p>

<b>Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.01</b> Priority is being given to structuring our operations to provide customers with confidence about returning to COVID-19 compliant facilities and events. The focus is on restoring income levels in 2021/22 once the current lockdown restrictions are eased. This will require ongoing support from the marketing and communications team
<b>Lead Officer: AD Culture and Community</b>
<p><b>Desired Outcome: Expected Output:</b></p> <p>The outcome from this is dependent on the speed at which the lockdown is eased and consideration of the restrictions that may remain in place throughout 2021/22 . Milestone: 22nd February – new Government guidance.</p> <p>High levels of awareness will be maintained amongst residents about new regulations and service provision as we move out of lockdown.</p> <p>Milestone: TBC in response to new Government guidance.</p>

**Progress update. April 2021.**

Planning for recovery is underway across the service. Phased reopening plans have been developed including for Libraries and Community Hubs, Theatres and Events and Festivals. Reopening to pre-Covid levels, and therefore income levels, is dependent on a combination of government restrictions, public confidence and external commercial operations (e.g. theatre tour promoters).

A marketing recovery campaign is being developed.

The Sport Leisure, Tourism and Heritage service continues to evolve post-lockdown recovery plans. These include adapted activity and event programmes such as online classes, the development of outdoor sporting activities (likely to be encouraged by the Government as an early post-lockdown measure) and use of digital media to promote attractions and activities.

A focus needs to be placed on extensive marketing and promotional activity to encourage visitors to return to Medway's heritage attractions and to encourage residents to use Medway's sports centres to improve individual physical activity. This needs to be developed in conjunction with marketing and communications colleagues, ensuring opportunities are maximised at the earliest opportunity post-lockdown.

**Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.02** Medway's cultural programme and events losses will be minimised by developing new models for delivery

**Lead Officer: AD Culture and Community**

At some point in 2021/22 we will be able to deliver an alternative theatre and events programme that is COVID compliant. Milestone: 22nd February – new Government guidance

**Progress update. March 2021.**

An alternative theatre and events programme is being developed and no new financial commitments are made until the alternative plan is agreed.

During lockdown, Medway's heritage team has made use of digital media extensively, ranging from educational history talks to Dickens 150 celebrations. This will continue alongside an improved heritage events and exhibitions programme, focusing more effectively on telling compelling stories of Medway's heritage.

**Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.03** Alternative uses will be identified for leisure centres and car parks during the pandemic e.g. testing centres, vaccination centres etc. To attract income or minimise any additional costs to Medway Council

**Lead Officer: AD Culture and Community**

Medway facilities are already being used for alternative purposes and this will continue for the foreseeable future. Milestone: Until COVID requirements change or facilities can revert to business as usual.

**Progress update. March 2021.**

Alternative uses are already in operation and are being kept under review.

**Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.04** In the next financial year, a smart parking pilot will be implemented

**Lead Officer: AD Frontline Services**

This will hopefully attract more motorists into the key town centre car parks to pay by card or to take advantage of frictionless options i.e., to set up an account.

Pilot to start April 2021

**Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.05** Enhanced promotion of our frontline trading services e.g. weddings and green space sports (tennis, pitch and put, football pitches).

**Lead Officer: AD Frontline Services**

Promotion activity will encourage usage once restrictions are lifted.

People will book and re-book weddings to increase income once restrictions are lifted.

**Progress update. March 2021.**

The Government's roadmap to the easing of restrictions, is gradually providing the Council with opportunities to recover their previous revenue position.

Parking – as well as the upgrading of P7D machines in all main sites the Council is currently rolling out pilots in SMART Parking in four locations. These are aimed at encouraging people to easily pay for parking, extend stays etc. and so making it a much nicer experience to visit Medway. The Brook car park has already been refitted with an ANPR system and is undergoing a refurbishment.

The ability to plan for larger weddings will hopefully encourage bookings. New venues have been licenced including the luxury The Vines Hotel in Rochester. It is envisaged that the Princes Hall will also attract smaller wedding parties. The newly refurbished Corn Exchange will also draw people in and the service is taking part in wedding planning events for that venue.

**Strategic Risk SR49: New Income Reduction Mitigating Action: SR49.06 Adults' Social Care**

**Lead Officer: AD Adult Social Care**

**Desired Outcome: Expected Output: Milestones**

There is an increase in debt because of social care clients being unable to access bank/post office due to shielding. All debt is recorded and pursued through the ASC debt recovery process. However, debt recovery officers are unable to visit clients to establish repayment plans.

**Progress update: April 2021.**

Debt recovery processes have recommenced however, this is with a light touch due to current restrictions in relation to Covid.