

Medway Council Strategic Risk Register - Quarter 1 2021/22

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/ Values	O&S Com mittee
SR17	4	Delivering regeneration	Director of Place, Deputy Chief Executive	BII	BII	CII	→	L – high I – major	Growth	RCE
SR47	8	Climate Change	AD Frontline Services	AII	AII	DIII	→	L – very high I – major	Place	RCE
SR50	13	Delivering £170m Housing infrastructure fund programme	Assistant Director Regeneration	BII	CII	CII	→	L – significant I – major	Growth	RCE
SRO3B	17	Finances	Chief Finance Officer	AI	AI	CIII	→	L – very high I – catastrophic	All Values	BS
SR46	22	Medway's Economic Recovery from Covid19	Assistant Director Regeneration (Recovery Lead Officer for Medway Council)	BII	BII	CII	→	L – high I – major	All Values	BS
SR32	29	Data and information	Chief Legal Finance Officer	BII	CII	DIII	→	L – significant I – major	All Values	BS
SR36	33	Alternative service delivery models	Chief Legal Officer, Chief Finance Officer	BII	BIII	CIII	→	L – high I – moderate	All Values	BS
SR37	38	Cyber Security	Chief Finance Officer	CI	CI	CI	→	L – significant I – catastrophic	All Values	BS

SR02	45	Business continuity and emergency planning	Director of Place Chief Finance Officer, Deputy Chief Executive	G1 CI	DII	DII	→	L – low I – major	All Values	BS
SR35	49	Homelessness	Assistant Director Culture and Community	BII	CIII	DIII	→	L – significant I – moderate	Growth	BS
SR49	53	Income Reduction due to Covid19	Chief Finance Officer	A1 AI	BII	CII	→	L – high I – major	All Values	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 46, 17, 49	Red
Significant likelihood C	Green	Amber 35	Red 32, 50	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 Regeneration, Culture and Environment (RCE) Directorate Management Team (DMT).

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

The advent of Covid19 will place additional pressures on the delivery of capital projects and therefore funding deadlines.

Inherent Risk Score BII

Medway's regeneration plans seek to meet the needs of 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 in 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 the South East Local Enterprise Partnership (SELEP) and Homes England (HE) regarding funding envelopes and delays to programmes relating to Covid19.

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 member, government 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 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: SR17.01: Outline infrastructure needs identified

Lead Officer: Director of Place

Desired Outcome: Expected Output

Identification of inward investment priorities.

Progressing key regeneration sites and infrastructure plan jointly with Kent County Council (KCC).

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

Milestones

Secure funding.

20-year development programme.

Preparation of the IDP to support the submission of the Local Plan.

Progress update July 2021

Medway's Housing Infrastructure Fund (HIF) bid was approved by central government (Ministry of Housing, Communities & Local 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 (Strategic

STRATEGIC RISK: SR17: DELIVERING REGENERATION**Mitigating Action: SR17.01:** Outline infrastructure needs identified

Environmental Management Scheme (SEMS)) infrastructure to unlock the development of a possible 10,600 homes.

A HIF team has been recruited to support the programme and the HIF delivery streams, Road, Rail and SEMS.

A monthly claim process to draw down the grant funding has been established with Homes England and is ongoing, along with monitoring of the programme, budget, cashflow and risks.

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

Works across all three interventions continues with Rail work on Governance for Railway Investment Projects (GRIP) 4 commenced, and Road Royal Institute of British Architects (RIBA) stage 4 commenced. SEMS phase 1 planning application was submitted in December 2021 and phase 2 design is underway.

Monthly meetings now take place between the Hoo Consortium and the council, with a Non-Disclosure Agreement supporting the development of a Collaboration Agreement.

Local Planning Authority work continues on completing the evidence base to support the submission of REG19 Draft Local Plan. This includes the IDP, 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 autumn 2021.

Medway's housing infrastructure fund is now managed under SR50: Delivering £170m housing infrastructure fund programme.

STRATEGIC RISK: SR17: DELIVERING REGENERATION**Mitigating Action: SR17.04:** 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 to fund transformational programmes and deliver plans that are implemented 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 July 2021

Reviewed but no update required this quarter.

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.

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.04: 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.

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 as outlined in the Local Development Scheme published in August 2020 but reflecting that the updated timeline now has Regulation 19 - publication of draft plan in October 2021; submission of Plan for examination spring 2022 and adoption still in December 2022.

Milestones

Publication of Draft Local Plan 2021.

Independent Examination of plan – 2022.

Progress update June 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 Local Planning Authorities (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, IDP, 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: SR17.08: Maintain 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 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 July 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.

The council maintains a successful track record of securing Local Growth Fund (LGF), Growing Places Fund (GPF) and Getting Building Fund (GBF). The remaining LGF and GPF programmes are significantly underway and are in the final year of delivery. The council has put forward a business case for additional GBF for the Innovation Park Medway project, feedback from the independent technical evaluator has been positive. A formal decision will be made at the July 2021 SELEP Accountability Board.

The council was successful in securing £170m HIF investment in infrastructure to support the sustainable development of housing on the Hoo Peninsula. Progress on the HIF programme continues across the Road, Rail and Environmental improvement interventions. The council work closely with Homes England to monitor the programme and to maintain a strong relationship with the funder MHCLG.

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 now a core Council Value.

STRATEGIC RISK: SR47: CLIMATE CHANGE

~~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.~~

Cabinet approved the Climate Change Action Plan in June 2021.

A Communications and Engagement Strategy needs to be produced to give a clear direction for the next stage of the project.

The Climate Change Action Plan needs to be implemented.

The 'Do It Now' actions within the Climate Change Action Plan need to be progressed.

The resourcing issues within the Climate Response team have been approved but recruitments need to be completed so that the Action Plan and Communications & Engagement Strategy can be progressed at speed.

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.
- 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 Directorate Management Team (DMT) on 18 February. The plan will be presented to Corporate Management Team (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.~~

The Climate Change Action Plan was approved by Cabinet on 8 June 2021.

The current focus for the Climate Change Co-ordinator is working with the Communications team to produce the Communications and Engagement Strategy. However, the engagement process has already started with presentations being given to a number of different stakeholders including Medway Place Board, Medway Learning Partnership, Medway Champions, Child Friendly Partnership Board, Medway on the Map, and Services Managers.

STRATEGIC RISK: SR47: CLIMATE CHANGE

Resources have been sought for two Range 4 officers (Climate Response Support Officer and Climate Response Engagement Officer). These posts are currently being recruited. Two Climate Response interns will be starting with the team for 12 weeks over the summer period.

A lead officer has been given ownership for each priority area within the action plan, and they have been tasked with setting up a subgroup for their priority area, to ensure that the actions are progressed. To date, subgroups have been set up for Priority areas 9 – Supporting Low Carbon Business, 10 – Communications, and 8 - Green Infrastructure.

Trigger

- Climate Change Action Plan not produced and implemented.
- Funding not available to implement 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 not available to implement/drive the Climate Change Action Plan forward.
- Lack of support for the climate change agenda.
- Project impacted by Covid19; 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', 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 Light-Emitting Diode (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

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

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 June 2021

Cabinet approved the Climate Change Action Plan in June 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 net zero target.

Milestones

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

Progress update June 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 (AQAP) 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.

STRATEGIC RISK: SR47: CLIMATE CHANGE**Mitigating Action: SR47.03:** Drive the Air Quality Action Plan (AQAP) forward to effect improvement in Air Quality across Medway.

To collect data monthly from air quality monitoring sites.

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

Produce annual status report (which includes updates on 12 projects and air quality data) and submit to Department for Environment, food & Rural Affairs (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/September each year.

Progress update June 2021

The Annual Status report has been submitted to DEFRA and we are awaiting feedback. 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: ASSISTANT DIRECTOR REGENERATION
PORTFOLIO: LEADER
Current Residual Risk Score CII (Likelihood – significant. Impact – major)
<p>The Housing Infrastructure Fund (HIF) programme is managed at Member, officer and partner level through individual boards, and managed at a more operational level through officer groups and Regeneration, Culture and Environment (RCE) Directorate Management Team (DMT).</p> <p>The HIF programme is funded by Homes England and must adhere to a rigorous reporting process to ensure that projects are progressing to deliver on time and within budget.</p>
<p><u>Threat / Inherent Risk</u></p> <p>Medway’s successful HIF bid was approved by central government (Ministry of Housing, Communities & Local 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.</p> <p>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.</p> <p>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.</p>
Inherent Risk Score: BII
<p>Target Residual Risk Score: CII</p> <p>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.</p>
<p>Trigger</p> <p>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 Governance for Railway Investment Projects (GRIP) stage 4 commenced, Road Royal Institute of British Architects (RIBA) stage 4 commenced, the planning application for SEMS Phase 1 submitted in December 2020 and design for SEMS Phase 2 is ongoing.</p>
Consequence

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

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 in 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 July 2021

Reviewed but no update required this quarter.

Progress update April 2021

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 full HIF programme, identify 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 July 2021 Reviewed but no update required this quarter.
Progress update April 2021 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 programmes 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 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 autumn 2021.
Progress update July 2021 Reviewed but no update required this quarter.

Progress update April 2021

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****Current Residual Risk Score AI (Likelihood – very high. Impact – catastrophic)**

Demographic pressures in adult social care, children's care and Special Educational Needs and Disabilities (SEND) remain a significant issue, but this has been further exacerbated by the impact of the Covid19 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 local government settlement confirmed earlier this year identified the resources available to local authorities, including further funding to address the continued impact of the pandemic in the 2021/22 financial 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.

The move away from central support from government and 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. The government's continued reliance on one-year settlements only serves to exacerbate the uncertainty.

Target Residual Risk Score CIII

The objective of the medium-term planning process is to forecast the budget 'gap' over a number of 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 Medium Term Financial Strategy (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 government, allied to the capping of council tax increases and 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 Covid19 pandemic.

Consequence

- Very difficult decisions around funding allocation.
- Service cuts.
- Quality of service compromised.
- Cutback in staffing within an already lean organisation.
- Qualified Value for Money (VFM) judgement by the external auditor.
- 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 Covid19 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 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 rebuilding reserves.

STRATEGIC RISK: SR03B: FINANCES

Mitigating Action: SR03B.01: Need to ensure 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 Members of Parliament (MPs), agree a media campaign, and 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 Covid19 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 July 2021

STRATEGIC RISK: SR03B: FINANCES

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

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.

Unfortunately, the indications are that local government will again receive a one-year settlement for 2022/23 and that it can expect at best a flat cash settlement. The extension and continuation of ongoing support in response the impact of the pandemic is welcome, but the piecemeal way it has been managed and extremely short-term nature of the funding does not support robust financial planning over the medium- and longer-term.

STRATEGIC RISK: SR03B: FINANCES

Mitigating Action: SR03B.02: Align priorities and activity of the council to resource availability through the MTFS process

Lead Officer: Corporate Management Team

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 a media campaign, solicit support from peer authorities.

Balanced budget with resources aligned to priorities, delivery of 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 July 2021

The Head of Finance Strategy and Head of Business Change have largely concluded their initial round of budget meetings with other heads of service and this process has helped to manage expectations around the budget and identify a range of opportunities to reduce expenditure. An updated transformation programme will be presented to Transformation Board at the end of July. 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 July 2021

The council's current capital programme includes the use of £3.275m of capital receipts to fund continuation of our transformation programme. In addition to this, officers have been very proactive in bidding for a range of grants made available by the government in seeking to ensure that the country recovers from the pandemic. In addition to the successful bids for the Housing Infrastructure Fund, Future High Streets Fund and successive rounds of the Local Growth Fund via the Local Enterprise Partnership, officers have also submitted bids to the Levelling Up Fund and worked with partners on Community Resilience Fund bids.

STRATEGIC RISK: SR03B: FINANCES**Mitigating Action: SR03B.04:** Delivery of 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 the delivery of council services.

Progress update July 2021

Reviewed but no update required this quarter.

Progress update April 2021

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

- **MTFS Review** – The Finance Strategy and Business Change teams will meet with all service managers to understand potential

STRATEGIC RISK: SR03B: FINANCES**Mitigating Action: SR03B.04: Delivery of digital transformation programme**

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 the Business Change team 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 COVID19**RISK OWNER: ASSISTANT DIRECTOR REGENERATION (RECOVERY LEAD OFFICER FOR MEDWAY COUNCIL)****PORTFOLIO: LEADER****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.

The Ministry of Housing, Communities & Local Government (MHCLG) stated throughout Covid19 that they will support local authorities to deliver an effective response to Covid19 and continue to provide core services and 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 business collapse 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 lockdown 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. Due to the spread of Covid19, 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 we have 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.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Consequence**

The Economy and Infrastructure Recovery Cell has produced an impact assessment outlining the main consequences of Covid19. 24 impact areas have been identified and some of the most acute include:

- A significant rise in unemployment with a disproportionate effect on young people, part-time and entry level roles, and those with insecure contracts, women, and people in Black and Minority Ethnic (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 the majority 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 (IPM) plans reshaped to support the post-Covid19 economy.
- Opportunity to significantly advance digital inclusion for workers, learners and service users across Medway.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19

Mitigating Action: SR46.01: 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 Kent Resilience Forum (KRF).
Oversee an effective multi-agency recovery plan for Medway.

Progress update July 2021

Reviewed but no update required this quarter.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19

Mitigating Action: SR46.01: Multi-agency Economy Cell and Infrastructure for Recovery established including liaison with the Kent Resilience Forum Economic Recovery Cell

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 focusing 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 COVID19

Mitigating Action: SR46.02: 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 July 2021

Reviewed but no update required this quarter.

Progress update April 2021

Since the beginning of the Covid19 restrictions, the council has delivered the following support to businesses (as at 19 March 2021):

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

We have therefore distributed more than £84m in financial support to businesses to date. Work to implement the latest round of

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.02:** Delivery of government-directed financial support to businesses and individuals

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 COVID19**Mitigating Action: SR46.03:** Reopening High Streets Safely**Lead Officer:** AD Culture & Community Assistant Director Regeneration, Assistant Director Frontline Services**Desired Outcome: Expected Output**

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

Progress update July 2021

Reviewed but no update required this quarter.

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. Communication messages were in place on all mediums.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.04:** Supporting Medway's businesses**Lead Officer:** AD Culture & Community Assistant Director Regeneration**Desired Outcome: Expected Output**

To encourage and help facilitate the growth of businesses in Medway.

Progress update July 2021

Reviewed but no update required this quarter.

Progress update March 2021

The council continues to contract Locate in Kent who have adjusted their working practices to support those businesses that have been adversely affected by Covid19 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 Covid19 Business Advice line by phone and Webchat.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.04:** Supporting Medway's businesses

Rent deferrals were agreed for businesses in council-owned workspaces including the Innovation Centre Medway (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 5 November to 2 December 2020 national lockdown. 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 Economic Development (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 Assistant Director (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.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.05:** Supporting residents' skills and employability

Lead Officer: AD Culture & Community Assistant Director Regeneration

Desired Outcome: Expected Output

Increasing high value businesses, high quality employment and creating jobs and inward investment.

Progress update July 2021

Reviewed but no update required this quarter.

Progress update March 2021

The majority of Skills & Employability projects have resumed, notably the Supported Employment Programme in August and Apprenticeship Advice Service in September, 2020. 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 government, encouraging the flexible use of the Adult Education Budget and an event encouraging businesses to use their apprenticeship 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 Human Resources (HR) and Medway Adult Education.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.05:** Supporting residents' skills and employability

The Skills & Employability plan will be reviewed in light of Covid19, 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 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 COVID19**Mitigating Action: SR46.06:** 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 July 2021

Reviewed but no update required this quarter.

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 IPM in the light of Covid19, 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 the South East Local Enterprise Partnership (SELEP) regarding the impact of Covid19 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 COVID19**Mitigating Action: SR46.07:** Continue to lobby government to maximise support and opportunities for Medway**Lead Officer:** Corporate Management Team**Desired Outcome: Expected Output**

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.07:** Continue to lobby government to maximise support and opportunities for Medway

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

Progress update July 2021

Reviewed but no update required this quarter.

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 FINANCE 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.

The council has a Kent and Medway information sharing agreement.

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 an 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 NHS Data Security and Protection Toolkit annual submission; however, opportunities to improve the council’s position with respect to the IG toolkit requirements submission 2021 have been identified will be identified and an improvement plan developed. 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.

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 implemented and accountability for future improved performance identified.

Information sharing is commonplace and well managed.

Trigger

- Budget pressures.
- The Information Commissioner’s Office (ICO) audit reveals areas for improvement.

STRATEGIC RISK: SR32: DATA AND INFORMATION

- Digital Strategy.
- Big Data project with academics.
- Annual information governance toolkit NHS Data Security and Protection Toolkit submission.

Consequence

- Data loss leads to damage to reputation, fines, claims for damages and enforcement notices from the regulator.
- 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 (KRF).

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 Senior Information Risk Owner (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).

Data Protection Impact Assessments (DPIAs).

Information Sharing Agreements (ISAs) and Standards Operating Procedures (SOPs) Record of Sharing also exists detailing roles and responsibilities.

Progress update July 2021

Reviewed but no update required this quarter.

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 the SIRO and Caldicott Guardian.

STRATEGIC RISK: SR32: DATA AND INFORMATION**Mitigating Action: SR32.02:** Information Sharing Agreement (ISA) for Kent and Medway**Lead Officer:** Senior Information Risk Owner (Chief Legal Officer)**Desired Outcome: Expected Output**

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

Progress update July 2021

Reviewed but no update required this quarter.

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 KRF.

STRATEGIC RISK: SR32: DATA AND INFORMATION**Mitigating Action: SR32.03:** Security and Information Governance Group (SIGG)**Lead Officer:** Chief Legal Finance 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 Business Support, Public Health, Regeneration, Culture and Environment (RCE) and Children & Adults (C&A) departments.

Progress update July 2021

Medway Council achieved Level 2 of the NHS Data Security and Protection Toolkit annual submission on 30 June 2021; opportunities to improve the council's position with respect to the toolkit submission 2021 will be identified by members of the SIGG and an improvement plan developed.

The SIGG are overseeing a project to automate Freedom of Information Requests using an online form. This form will also promote the Open Government License for the reuse of council data.

STRATEGIC RISK: SR32: DATA AND INFORMATION**Mitigating Action: SR32.04:** Meetings between Senior Information Risk Officer (SIRO) and Caldicott Guardian on specific risks**Lead Officer:** Senior Information Risk Owner (Chief Legal Officer)

STRATEGIC RISK: SR32: DATA AND INFORMATION

Mitigating Action: SR32.04: Meetings between Senior Information Risk Officer (SIRO) and Caldicott Guardian on specific risks

Desired Outcome: Expected Output

Good regular engagement to discuss risk areas.

DPIAs, ISAs and SOPs ROSs co-signed where relevant.

Progress update July 2021

Improvement actions from the Caldicott Guardian audit in March 2021 are being progressed. A draft Caldicott Guardian Plan has been developed and circulated to Senior Managers for feedback. Training for appropriate staff has been identified and will be booked imminently.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**RISK OWNER: CHIEF LEGAL OFFICER CHIEF FINANCE OFFICER****PORTFOLIO: LEADER****Current Residual Risk Score BIII (Likelihood – high. Impact – moderate)**

All alternative delivery models are required to produce business cases that are considered by 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 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.

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. As a result of more new models, governance arrangements are more complex.

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

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 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.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS

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

Opportunities and the way forward

A Covid19 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, and 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 July 2021

Reviewed but no update required this quarter.

Progress update April 2021

A report was provided to Cabinet updating the branding change from Medway Commercial Group (MCG) to Kyndi and providing the latest Business Plan for consideration and approval. A recent Medway Development Company (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.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.02:** Project management approach to implementation**Lead Officer:** Relevant Assistant Director for each Service**Desired Outcome: Expected Output**

Clear agreed milestones for implementation in agreed timescale.
Smooth transition into the new delivery model.

Progress update July 2021

The Chief Finance Officer has now taken over the Kyndi client liaison role for the council and has attended his first board meeting. The same is true of MDC with the Assistant Director for Regeneration and Housing Infrastructure Fund (HIF) taking over the liaison role.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.03:** Communication and stakeholder management**Lead Officer:** Relevant Assistant Director for each Service**Desired Outcome: Expected Output**

Stakeholders informed / consulted.
Smooth transition into the new delivery model.

Progress update July 2021

Regular Cabinet Reporting, Scrutiny and appropriate communications from both the council as shareholder and the companies on specific projects and initiatives enables good engagement.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.04:** Sound legal and procurement advice on chosen delivery model**Lead Officer:** Chief Legal Officer**Desired Outcome: Expected Output**

Robust agreements / contracts with clarity over responsibilities.
Smooth operation of services, and effective dispute resolution.

Progress update July 2021

Legal and procurement advice sometimes commissioned from external experts continues to be taken on all significant transactions.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.05:** Robust scrutiny / oversight mechanisms to ensure clear corporate understanding**Lead Officer:** Corporate Management Team**Desired Outcome: Expected Output**

The delivery model and council are 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.

Progress update July 2021

The regular updates continue to be taken to Cabinet for Medway Norse, Kyndi Ltd and MDC Ltd, comprising a covering report written from the perspective of the council as client and accompanied by a balanced scorecard style report written from the perspective of the company.

An assurance report was provided to Audit Committee on 24 June 2021 on how risk is managed between the council and its Local Authority Trading Companies (LATCOs); MDC and Kyndi.

Both MDC and Kyndi (the new name of Medway Commercial Group) follow the council's approach to risk management based on best practice industry standards including the International Standard in Risk Management – ISO: 31000:2018(E).

To provide Member assurance when Medway LATCOs are held to account in the future and in line with the council's Risk Strategy, all risks above the council's tolerance level of CII (Likelihood Significant and Impact Major) will be presented with treatment actions as part of their reports to Cabinet.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.06:** Reporting from and on delivery models with clear outcomes**Lead Officer:** Relevant Assistant Director for each Service**Desired Outcome: Expected Output**

Effective performance management.

High or improving performance of delivery model.

Progress update July 2021

The regular updates continue to be taken to Cabinet for Medway Norse, Kyndi Ltd and MDC Ltd, comprising a covering report written from the perspective of the council as client and accompanied by a balanced scorecard style report written from the perspective of the company.

An assurance report was provided to Audit Committee on 24 June 2021 on how risk is managed between the council and its LATCOs,

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.06:** Reporting from and on delivery models with clear outcomes

MDC and Kyndi.

Both MDC and Kyndi (the new name of Medway Commercial Group) follow the council's approach to risk management based on best practice industry standards including the International Standard in Risk Management – ISO: 31000:2018(E).

To provide Member assurance when Medway LATCOs are held to account in the future and in line with the council's Risk Strategy, all risks above the council's tolerance level of CII (Likelihood Significant and Impact Major) will be presented with treatment actions as part of their reports to Cabinet.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.07:** Business continuity arrangements**Lead Officer:** Chief Finance Officer**Desired Outcome: Expected Output**

The delivery model and council both have clear roles and responsibilities in the event of any business continuity incident to enable continuity of service.

Progress update July 2021

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.

STRATEGIC RISK: SR37: CYBER SECURITY
RISK OWNER: CHIEF FINANCE OFFICER
PORTFOLIO: RESOURCES
<p>Current Residual Risk Score CI (Likelihood – significant. Impact – catastrophic)</p> <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 (PSN) 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 UK government’s National Technical Authority for Information Assurance).</p> <p>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 PSN compliance. All required certifications / accreditations are in place and being constantly reviewed.</p>
<p>Inherent Risk Score CI</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>Target Residual Risk Score CI</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>Trigger</p> <p>A cyber security incident leading to partial or total loss of system integrity.</p>
Consequence

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 Covid19 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 and 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.

Endpoint device protection (protecting the end user devices) – areas have been found for improvement to ensure that should an individual's machine be infected with ransomware; the ransomware could potentially manoeuvre laterally within that network segment.

Reviews of solutions to address this issue have taken place and some indicative costs have been received. This is to be reflected on ICT's Medium Term Financial Strategy (MTFS) strategy to address how the solution could be funded.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.01: Secure configuration: Remove or disable unnecessary functionality from systems, and to quickly fix known vulnerabilities.

Lead Officer: Head of ICT

Desired Outcome: Expected Output

A Patch Management regime is in place to treat known vulnerabilities.

Milestones

Certified PSN compliance – May 2021.

Progress update July 2021

PSN submission took place in the first week of July 2021. There was a delay due to implementing resolutions to some of the critical findings by NTA. ICT is awaiting the response from the PSN submissions team.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.02: 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.

Milestones

Certified PSN compliance – May 2021.

Progress update July 2021

PSN submission took place in the first week of July 2021. There was a delay due to implementing resolutions to some of the critical findings by NTA. ICT is awaiting the response from the PSN submissions team.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.03: 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 July 2021

During the NTA scan and work with the NCC Group (company appointed by the Ministry of Housing, Communities & Local Government (MHCLG)) we had a review of how those permissions were managed and the recommended changes were implemented.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.04: 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 the Local Government Association (LGA) cyber security budget.

Progress update July 2021

Several training courses have been delivered and we are seeing an adoption rate of 26% now. However, we are seeing this figure grow week-on-week. We are expecting this to start entering the 80 percentiles as the courses start to reach the mandatory completion date.

Cyber security blogs have been added to Meta Compliance to offer users and members useful information around latest threats and trends.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.05: 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 are in place and regularly reviewed. Any recognised cyber security incident is reported to the appropriate board.

Milestones

Certified PSN compliance – May 2021.

Progress update July 2021

Some recommendations and adjustments have been recommended by NCC Group. ICT will be working with MHCLG to discuss next

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.05: 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.

steps to address the recommendations.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.06: 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 your 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 July 2021

Systems were reviewed in March 2021.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.07: 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.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.07: 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

Progress update July 2021

Some recommendations and adjustments have been recommended by NCC Group. ICT will be working with MHCLG to discuss next steps to address the recommendations.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.08: 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 user devices.

Milestones

Certified PSN compliance – May 2021.

Progress update July 2021

PSN submission took place in the first week of July 2021. There was a delay due to implementing resolutions to some of the critical findings by NTA. ICT is awaiting the response from the PSN submissions team.

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.09: 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)

STRATEGIC RISK: SR37: CYBER SECURITY

Mitigating Action: SR37.09: 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.

policies are in place to manage remote access to systems.

Milestones

Certified PSN compliance – May 2021.

Progress update July 2021

PSN submission took place in the first week of July 2021. There was a delay due to implementing resolutions to some of the critical findings by NTA. ICT is awaiting the response from the PSN submissions team.

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.

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 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 quick to seize issue.

STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING

- 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 Business Continuity (BC) training will be reviewed to include best practice, lessons learnt, and observations made from the council's response and recovery plans.

Cabinet received a paper on the Council's Covid19 response on 7 July 2020 and Covid19 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 by 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.

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: SR02.01: Continued review and develop the Council's Major Emergency Plan (MEP) including any Lessons Identified

Lead Officer: Director of Place

Desired Outcome: Expected Output

Revised plan agreed by Corporate Management Team.

Continued engagement with Kent Resilience Forum.

Staff trained in emergency response management at all levels.

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

Existing plan in place.

Programme of on-going review of Control of Major Accident Hazards (COMAH) plans.

Emergency response operations room in place.

On call rota in place covering all roles and responsibilities 24/7.

Milestones

Draft plan in place.

STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING

Mitigating Action: SR02.01: Continued review and develop the Council's Major Emergency Plan (MEP) including any Lessons Identified

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

Reduced relevant staff training during 2020.

Progress update July 2021

The COMAH Plans are being rewritten in line with COMAH Regulations and are looking good for hitting the target of being published in December 2021 with a confirmatory Exercise (Ex Combine 22) taking place end of April 2022.

The Medway Council Major Emergency Plan (MEP) will be reviewed and republished taking in all relevant lessons identified by April 2022.

Lessons Identified process has been carried out for the Covid19 First & Second Waves with a separate Identified lessons for Covid19 Lateral Flow Device (LFD) Testing.

As mentioned previously available staff for responding to a Just now incident is a concern; working from home staff have asked to be taken off many Emergency Contacts also. Now a real concern with reference to a large-scale emergency.

STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING

Mitigating Action: SR02.02: 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.

Business Continuity Management Policy agreed.

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

Corporate Recovery Plan in place.

IT Recovery Plan in place.

Milestones

Plans tested.

Business Continuity Audit 2017 actions completed in 2018.

Progress update July 2021

Reviewed but no update required this quarter.

STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING**Mitigating Action: SR02.02:** Business continuity plans completed to implement the actions**Progress update April 2021**

Reviewed. No update required.

Progress update.

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 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's 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
<p>Current Residual Risk Score CIII (Likelihood – significant. Impact – moderate)</p> <p>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 the delivery of affordable housing and the impact of welfare reform initiatives.</p>
<p>Inherent Risk Score BII</p> <p>An increasing demand in relation to the council’s duty to provide temporary accommodation (TA) under S188/193 of the Housing Act (HA) 1996 caused by continuing high levels of homelessness and lack of affordable housing supply.</p> <p>Reductions in the level of income achieved due to welfare reform increasing the risk of overspend on the council’s budget.</p> <p>Increase in the rough sleeping population in the Medway area.</p> <p>Changes to legislative frameworks placing greater demand on services.</p>
<p>Target Residual Risk Score DIII</p> <p>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 TA should decrease, however this still stands to be influenced by the external factors identified within the current residual risk.</p>
<p>Trigger</p> <ul style="list-style-type: none"> • Increase in the number of households residing in TA. • Reduction in the council’s ability to maximise prevention opportunities. • Lack of appropriate TA stock. • Reduction in the availability of permanent affordable housing. • Reductions in staffing levels to sustain levels of service.
<p>Consequence</p> <ul style="list-style-type: none"> • Increasing and unsustainable overspend of the allocated budget. • Poorer outcomes for children and vulnerable adults. • Increased legal challenge and penalty from the Local Government and Social Care Ombudsman (LGO). • Reputational damage. • Failing to achieve Members’ expectations.
<p>Opportunities and the way forward</p> <p>Mobilise all new aspects of the Rough Sleeper Initiative (RSI) funding for 2021/22.</p> <p>Move forwards with proposals for providing TA in a different way subject to agreement from Corporate Management Team (CMT).</p>

STRATEGIC RISK: SR35: HOMELESSNESS

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

~~Further opportunities could be explored to diversify the type of TA 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 TA 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.

Increase in the amount of successful prevention cases.

Dedicated resource to tackle prevention of homelessness.

Progress update June 2021

Approaches for assistance in relation to homelessness have recovered to normal levels since the low level seen during the first national lockdown in the spring of 2020. The service remains assured that the level of approaches will remain high this year with the impact of the cessation in evictions likely to be a gradual increase as opposed to sudden rise in cases.

The overall rate of homelessness prevention remains high at 69% of all cases that trigger a duty, for the year-to-date, which is excellent.

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 278 households at the end of May 2021. This number is expected to increase through the year, usually peaking in September or October.

STRATEGIC RISK: SR35: HOMELESSNESS

Mitigating Action: SR35.02: Increase opportunities of affordable housing supply

Lead Officer: Assistant Director Culture and Community/ Head of Housing

Desired Outcome: Expected Output

STRATEGIC RISK: SR35: HOMELESSNESS**Mitigating Action: SR35.02:** Increase opportunities of affordable housing supply

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 June 2021

Over the short term, the delivery of affordable homes is again expected to surpass the target of 204 units in 2021/22.

The overall landscape remains challenging and increased challenges on smaller S106 sites will continue to feature. In addition to this the introduction of the “First Homes” initiative is likely to detract away from the delivery of traditional affordable housing contributions seen through the S106 process. The Housing service continues to work with the Planning service to assess the likely impact.

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 Director 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 the strategic group.

Progress update June 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 has worked to move on those that were accommodated under the initial “everyone in” instruction that was issued by the government at the beginning of the pandemic. Five cases remain in a hotel and will be moved into Business As Usual (BAU) function if they are unable to be moved on from hotel provision by the time that restrictions end (currently 19 July 2021). The council received a good proportion of its required funding under the year 4 rough sleeping initiative, funded by the Ministry of Housing, Communities & Local Government (MHCLG). This has allowed for the continuation of services that have supported Medway’s reduction in rough sleeping

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

prevalence since 2018. A risk remains, beyond 2021/22, around the long-term funding position for these services as and when funding is withdrawn.

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 Director Culture and Community/ Head of Housing

Desired Outcome: Expected Output

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 the management of TA – Maximising the income achieved via Housing Benefit.

Minimise 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 June 2021

Performance in relation to TA has improved considerably through the latter parts of 2020/21. At the end of May 2021 there were 278 households in TA.

Proposals in relation to the future provision of TA are being presented to senior management team with a view to securing the long-term position for the council as well as reducing revenue pressure and improving outcomes for families.

Households that are no longer owned a housing duty will continue to be accommodated by the Housing service as opposed to being referred on to the upper tier, Children’s or Adults Social Care teams. This is also likely to lead to an increase in those families that are accommodated by the Housing service for a longer period of time.

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19**RISK OWNER: CHIEF FINANCE OFFICER****PORTFOLIO: LEADER****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.

Front line services including leisure, parking and cultural services are budgeted to produce in excess of £13m 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 £1m to the council's revenue budget. Regulatory bodies in the sector have highlighted those 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 Income & Expenditures (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.

The restrictions brought in to control the spread of Covid19, 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.

Inherent Risk Score: AI**Target Residual Risk Score: CII****Trigger**

Restrictions in place to reduce the spread of Covid19 require the closure of income generating facilities, and/or where facilities are open social distancing measures reduce the number of visitors.

Events impacting the economy (such as the Covid19 pandemic) may result in business failures, impacting rental income.

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19

The statutory override granted on accounting for property funds ends before the council's property fund investments break even or turn a profit.

Consequence

- Reduction in / loss of rental income creating budget pressures.
- Negative impact on satisfaction ratings, and high levels of complaints.
- Services not provided at an acceptable level / facilities lack investment.
- Accreditation impacts.
- Long-term loss of business.
- Reduction in asset value of managed property funds.
- Criticism from regulatory bodies including external audit.

Opportunities and the way forward

Services are currently prioritising ensuring the safe ongoing / return to operation following the latest restrictions.

STRATEGIC RISK SR49: INCOME REDUCTION DUE TO COVID19

Mitigating Action: SR49.01: Priority is being given to structuring our operations to provide customers with confidence about returning to Covid19 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 Communications and Marketing team.

Lead Officer: Assistant Director Culture and Community

Desired Outcome: Expected Output

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.

High levels of awareness will be maintained amongst residents about new regulations and service provision as we move out of lockdown.
Milestone: 19th July in response to new government guidance.

Progress update July 2021

Reviewed but no update required this quarter.

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-Covid19 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 suite of marketing recovery campaigns are 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 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 led by communications and marketing colleagues, ensuring opportunities are maximised at the earliest opportunity post-lockdown.

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19

Mitigating Action: SR49.02: Medway's cultural programme and events losses will be minimised by developing new models for delivery.

Lead Officer: Assistant Director Culture & Community

Desired Outcome: Expected Output

At some point in 2021/22 we will be able to deliver an alternative theatre and events programme that is Covid19 compliant.

Milestones

22nd February – new government guidance.

Progress update June 2021

A financial commitment was made to a new alternative Covid19-safe programme of events that will be delivered in line with government guidance in late summer 2021.

If government guidance allows, theatres will reopen its professional theatre programme in mid-September 2021.

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19

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: Assistant Director Culture and Community

Desired Outcome: Expected Output

Medway facilities are already being used for alternative purposes and this will continue for the foreseeable future. Milestone: July 2021: Upnor Castle hoping to reopen, and Visitor Information Centre seeking to reopen fully. October 2021 scheduled reopening of Eastgate House. The Coach park will remain a testing centre for the remainder of the financial year until Covid19 requirements change or facilities can revert to business as usual.

Progress update June 2021

Sports centres returned to operational activities in April 2021, in line with the government roadmap

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19

Mitigating Action: SR49.04: In the next financial year, a smart parking pilot will be implemented.

Lead Officer: Assistant Director Frontline Services

Desired Outcome: Expected Output

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.

Progress update July 2021

Reviewed but no update required this quarter.

Progress update March 2021

Pilot to start April 2021.

STRATEGIC RISK: SR49: INCOME REDUCTION DUE TO COVID19

Mitigating Action: SR49.05: Enhanced promotion of our Front-Line trading services e.g. weddings, green space sports (tennis, pitch and put, football pitches)

Lead Officer: Assistant Director Frontline Services

Desired Outcome: Expected Output

Promotion activity will encourage usage once restrictions are lifted.

People will book and re-book weddings; this shall increase income once restrictions are lifted.

Progress update July 2021

Reviewed but no update required this quarter.

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 Pay & Display (P&D) 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. so making it a much nicer experience to visit Medway. The Brook car park has already been refitted with an Automatic Number-Plate Recognition (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 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: INCOME REDUCTION DUE TO COVID19

Mitigating Action: SR49.06: Adults' Social Care

Lead Officer: Assistant Director Adult Social Care

Desired Outcome: Expected Output

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 Adult Social Care (ASC) debt recovery process. However, debt recovery officers are unable to visit clients to establish repayment plans.

Progress update June 2021

The pandemic has had an impact on debt in ASC, with a significant increase in the amount of debt owed. An action plan has been developed and analysis is being carried out to identify the most appropriate approach of contact, to ensure Care Act compliance is met.

The Breathing Space legislation may have an impact on debt collection.

A risk has been raised by Information Governance regarding ASC's current procedure of contacting representatives of deceased clients to pursue debt when those people do not have the appropriate authority. Should the outcome be that we cannot continue with our approach, there is likely to be a significant impact on the collection of debt.