

Medway Council Strategic Risk Register - Quarter 3 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 |
|-------|------|--|--|---------------------|--------------------|-------------------|-------------------------------|---|-----------------------------|----------------|
| SR09A | 4 | Meeting the needs of Older People and Working Age Adults | Director of People – Children and Adults Services | AI | BII | CII | → | L – high I – major | People | HASC |
| SR52 | 11 | A new severe pandemic, e.g. flu, Covid-xx, MERS or other, more serious than Covid-19 | Director of Public Health | BI | BI | BIII | NA → | L – high I – catastrophic | People | HASC |
| SR03B | 14 | Finances | Chief Finance Officer | AI | AI | CIII | → | L – very high I – catastrophic | All Values | BS |
| SR46 | 19 | Medway's Economic Recovery from Covid19 | Assistant Director Regeneration | BII | BII | CII | → | L – high I – major | All Values | BS |
| SR32 | 25 | Data and information | Chief Finance Officer, Director of People, Assistant Director Legal & Governance | BII | CII | DIII | → | L – significant I – major | All Values | BS |
| SR36 | 29 | Alternative service delivery models | Assistant Director Regeneration, Chief Finance Officer | BII | BIII | CIII | → | L – high I – moderate | All Values | BS |
| SR37 | 35 | Cyber Security | Chief Finance Officer | CI AI | CI AI | CI | ↑ | L – significant very high I – catastrophic | All Values | BS |

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|------|------|--|---|---------------------|--------------------|-------------------|-------------------------------|---|-----------------------------|----------------|
| SR02 | 45 | Business continuity and emergency planning | Director of Place and Deputy Chief Executive, Chief Finance Officer | CI | DII | DII | → | L – low I – major | All Values | BS |
| SR49 | 49 | Income Reduction due to Covid19 | Chief Finance Officer | AI | BI CII | CII | ↓ | L – high significant 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 | Red 03B, 37 |
| High likelihood B | Amber | Amber 36 | Red 46, 09A | Red 52 |
| Significant likelihood C | Green | Amber | Red 32, 49 | Red |
| 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: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS**RISK OWNER: DIRECTOR OF PEOPLE – CHILDREN AND ADULTS SERVICES****PORTFOLIO: ADULTS****Current Residual Risk Score BII (Likelihood – high. Impact – major)**

The Joint Strategic Needs Assessments states: Increasing life expectancy and a reduction in fertility is leading to an ageing of the population in England. Substantial changes in population structure have profound implications for the provision of health and social care services. Even though Medway has a slightly younger population than the national average, projections from 2016 to 2026 suggest that the number of people 65 years of age or over will increase by 22% to 52,400 and the number of people over 85 years will grow by 31% to 6,400. The numbers in other age groups are all expected to increase over the same period with the exception of the 20-29 and 45-54 age groups. Increasing numbers of older people mean that there will be increasing numbers of people developing chronic conditions who become intensive users of services (assuming age-specific rates remain constant). This ageing of the population is likely to result in a substantial increase in costs and pressures to the health and social care system. In addition, we have seen an increase in demand following the Covid19 pandemic and this will continue as people rehabilitate from this extremely debilitating virus. We must also consider the possibility that this will leave people with long term care needs. This will all, of course, result in additional pressure on Adult Social Care as people are living longer and have more complex needs.

Inherent Risk Score AI

There are challenges to the demand-led care services within Medway. The population of older people is set to dramatically increase and as is the complexity of need of working age adults including those that transition from Children's Services. There are notable pressures sourcing dementia, residential and nursing placements along with a lack of Positive Behavioural Specialist providers within the market. Mental Health partners are seeing an increase in the number of people needing support. This increase is highly likely to have an impact on Adult Social Care. Furthermore, at this time we do not know what the impact of long Covid19 will be on the division. The increase in demographic, in turn leads to an increase in debt raised, which will have an impact on debt owed to the council.

Target Residual Risk Score CII

Close working relationships with providers maintained to ensure financial stability.

Work with providers to ensure Covid19 positive patients are discharged home and appropriately isolated.

Develop a workforce strategy that will reduce vacancies and reliance on agency staffing.

We will continue to work with day care providers to ensure they are able to support our service users safely.

Workforce capital fund worth in excess of £300k has been distributed to providers to support additional pressures during Covid19.

We have introduced the use of CareCubed, a financial modelling software tool that supports the negotiation of prices for working age adult placements ensuring equitable prices across the market.

We are reviewing our processes, policies and structure to ensure sustainability and improve service delivery.

Work with colleagues in learning and development to upskill the workforce through the Adult Social Care (ASC) CPD (Continuing

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS

Professional Development) faculty which develops the training programme based on the needs of the service and in consultation with the workforce.

Transformation and improvement at the front door to reduce demand appropriately.

We are developing a preparing for adulthood pathway which will look to identifying improvements we can make to support the transition of young people into ASC.

We are developing an improved community based mental health offer to support working age adults who are suffering with ill mental health.

We are increasing the number of long-term Shared Lives carers.

We are increasing the uptake on direct payments to sustain people living independently in the community.

We have extended our supported employment scheme for those with a learning disability.

We have developed an action plan to focus on reducing debt.

Trigger

- The council is unable to address these issues with cost effective, innovative solutions.
- Increase in demand on the service.
- Increased demand to carry out Mental Health Act Assessments.
- Increased demand on Deprivation of Liberty Safeguards.
- Lack of permanent workers within the workforce will lead to the reliance on agency staff.
- Reduced provider capacity.
- Financial sustainability of the market, particularly after pressures encountered throughout the pandemic.
- Central government changes regarding Discharge 2 Assess Funding timescales.

Consequence

- Increased resources required to ensure the service is sustainable.
- Significant budget overspends.
- Savings are unachievable.
- Money drawn from other services.
- Costs spiral.
- Reductions in service level the council can offer.
- Revenue problems not resolved by capital investments.
- Adverse effect on staff morale.
- Adverse effect on assessments.
- The council may be required to make unpopular decisions.
- The council's finances are comprised.

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS

- High costs placements as providers will have no choice but to increase their fees.
- Availability of staff within the care market.

Opportunities and the way forward

Capital investment opportunities to help manage demand.

Service redesign in terms of outcomes.

Working with providers as we emerge from Covid19 – improving relationships etc.

Focus on staff wellbeing and engagement.

Work closely with the Clinical Commissioning Group (CCG) and partners regarding Discharge to Assess funding.

We will proactively work with individuals, families, and other agencies to help people who have experienced ill-health or crisis to recover as quickly as possible, reducing their ongoing needs and helping them return home.

We will increase independence and self-care for service users, which allows them to control their care through an increase in the use of Assistive Technology where appropriate.

An Adult Social Care Transformation & Improvement Programme has been introduced to drive the ASC Strategy's aims and objectives.

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS

Mitigating Action: SR09A.01: Recruit to workforce vacancies (both Adult Social Work teams and Business Ops and Provider Services)

Lead Officer: Head of Locality Services. Head of Business Operations and Provider Services

Desired Outcome: Expected Output

Appoint to all the vacant posts reducing the reliance on agency costs.

Progress update December 2021

There are national issues around recruitment to the care sector. We are working with partners to support the care sector with workforce capacity. There is also a regional retain and recruit campaign being led by Kent and Medway Local People's Board to assist. We will continue to maintain focus and are meeting weekly with Kyndi and Human Resources.

Progress update September 2021

There are challenges nationally with recruitment in Adult Social Care. We will continue to maintain a focus on recruitment and are working with Kyndi and Human Resources (HR) to ensure this is a priority.

There is an ongoing recruitment campaign focusing on recruiting permanent staff to the integrated discharge team.

The care sector workforce levels are monitored closely through the National Tracker and conversations with individual providers as part of business continuity planning. There is a national campaign to encourage recruitment in the Care Sector workforce which we are promoting.

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| STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS |
| Mitigating Action: SR09A.02: Working with strategic partners to establish integrated working |
| Lead Officer: Head of Locality Services. Head of Business Operations and Provider Services |
| Desired Outcome: Expected Output Delivery of a wraparound 7 day service. |
| Progress update December 2021 We do not know if there will be any additional funding in April 2022 and unfortunately, we won't know the impact of this until around May next year. We are working with providers to ensure set prices for block beds to reduce the costs. |
| Progress update September 2021 At the point of writing there is no clear guidance from central government of funding for hospital discharge from the end of September 2021 therefore, we are unclear exactly what this will be and the impact it will have on ASC budgets. We continue to encourage providers to facilitate 7-day admissions where required by the hospital. |
| STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS |
| Mitigating Action: SR09A.03: Maintain strong relationships with providers |
| Lead Officer: Head of Adults' Partnership Commissioning and Better Care Fund |
| Desired Outcome: Expected Output Improved communication across the system. Manage demand. |
| Progress update December 2021 We are working with providers passporting nationally sourced funding including Infection Control Fund and Workforce Development Fund. We are supporting providers as best we can who are facing financial difficulties. There is a financial risk for Care Providers as they are finding the challenges of responding to Covid19 difficult and we are supporting them through their business continuity plans. We are working towards the provider fee uplift for next year. |
| Progress update September 2021 We have a very strong relationship with the care sector through our embedded Care Sector Support programme which consists of: the Medway Care Portal, Provider Forums, dedicated redeployed ASC resource to review trackers daily, dedicated email inbox, and a weekly |

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS**Mitigating Action: SR09A.03:** Maintain strong relationships with providers

newsletter.

The Care Market is currently suffering significant pressures, which has an impact on ASC and residents eligible for adult social care and support and we are working across the system and locally to tackle those.

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS**Mitigating Action: SR09A.04:** Map and monitor intelligence across the market**Lead Officer:** Head of Adults' Partnership Commissioning and Better Care Fund**Desired Outcome: Expected Output**

Manage demand.

Progress update December 2021

As per the September update, we are continuing to monitor data and intelligence across the market.

Progress update September 2021

We have the following tools in place to ensure that we are monitoring data and intelligence across the market.

- Medway Care Portal.
- Provider Forums.
- Daily review of the tracker.
- Dedicated email inbox.
- Weekly newsletter.
- Collaborative relationships with specialist groups i.e. Complex Dementia, Care Home Group, Aging Well, Kent County Council (KCC) Commissioning teams, Integrated Care Partnership (ICP) Commissioners, and Association of Directors of Adult Social Services (ADASS) focus groups.
- Provider Portal funding for the purchase of and maintenance for the first year has been agreed. We are now planning implementation which is likely to take six months.

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS

Mitigating Action: SR09A.05: Review and adjust service levels and placement costs as appropriate

Lead Officer: Head of Locality Services. Head of Business Operations and Provider Services

Desired Outcome: Expected Output

All unspent Direct Payments are reclaimed.

Nursing and residential placements made during Covid19 are reviewed with a view to reducing current weekly spent to that of our band prices.

Amount of enablement is increased to better manage demand and discharge from hospital.

Better use of in-house mental health provision.

Progress update December 2021

As per the September update, we continue to use CareCubed to support negotiation to ensure placement costs are fair and affordable. Work is still ongoing with our community based mental health offer and accommodation options. We are continuing with our focus on enablement.

We have utilised the Better Care Fund (BCF) funding to recruit a locum agency to work alongside the home care providers to free up hours and look at the issues around packages of care.

Progress update September 2021

Continue to maximise direct payment reclaims.

We are continuing to use CareCubed to negotiate more fair and affordable placement costs.

The targeted review team are now part of the establishment and we are appointing to vacant posts. Longer term plans are to expand on the range of reviews that the team complete.

There is a continued focus on enablement to help us better manage demand, focusing on strengths, resources already available and providing equipment when needed.

Focus on accommodation options for service users with mental health issues.

We have concluded our consultation on our in-house mental health provision, and work is underway to establish a new community based mental health offer.

We are working with Kyndi and have increased the number of referrals sent to them for Assistive Technology.

STRATEGIC RISK: SR09A: MEETING THE NEEDS OF OLDER PEOPLE AND WORKING AGE ADULTS**Mitigating Action: SR09A.06:** Backlog of Court of Protection COP3 Mental Capacity Assessments**Lead Officer:** Head of Locality Services. Head of Business Operations and Provider Services**Desired Outcome: Expected Output**

The backlog will be cleared to enable the Client Financial Affairs team to act in accordance with the Court of Protection guidance in relation to the management of individuals' property and finances including but not exclusive to investment of capital.

Ensure that the service keep on top of demand.

Progress update December 2021

Significant progress has been made and there are approximately 20 mental capacity assessments outstanding. The applications should all be completed by the new financial year.

Progress update September 2021

Currently there are 93 Mental Capacity Assessments outstanding. We are allocating the work to a locum worker to carry out the assessments.

Once completed the Client Financial Affairs team will carry out any remedial action.

STRATEGIC RISK: SR52: A NEW SEVERE PANDEMIC, E.G. FLU, COVID-XX, MERS OR OTHER, MORE SERIOUS THAN COVID-19

RISK OWNER: DIRECTOR OF PUBLIC HEALTH

PORTFOLIO: ADULTS' SERVICES

Current Residual Risk Score BI (Likelihood – high. Impact – catastrophic)

The Covid19 pandemic has demonstrated that once a highly infectious disease enters the country it will be difficult to prevent it from reaching our population in Medway. Therefore, the likelihood with the current measures that Medway will be affected remains high (B). Our response to Covid19 has shown that measures taken locally can, however, limit the impact that it will have on the population and the economy. Measures include testing, contact-tracing, responding to outbreaks in specific settings, and providing a support hub for residents in need. However, if there was a future pandemic with a higher fatality rate, the current measures would be insufficient to reduce the impact of a catastrophic pandemic.

Inherent Risk Score: BI

We know now how to respond to an epidemic with a similar severity to Covid19, but it is entirely possible that we will face a more severe pandemic in the future. There have been a number of epidemics that have had a considerable effect on human populations through history. The most recent has been Covid19 which has led to an increase in deaths and considerable economic impact. As severe as Covid19 has been, the mortality rate has been relatively low. There have been previous pandemics that have resulted in much higher mortality rates; for example, the Black Death (bubonic plague) is estimated to have killed 30% to 60% of the European population, and the 1918 flu pandemic was atypically fatal to those aged 20–40 years. The case fatality rate of Covid19 was about 2% in the UK, whereas the fatality rate for MERS, another coronavirus which had outbreaks in 2012 and 2015, is about 35%. The population of the world is large and increasing, and there are increasing numbers of people living in densely-populated urban areas, which increases the chances of a novel infection developing and spreading. Also, until recently, there has been increased international travel, which increases the chances of infectious diseases spreading globally. It is therefore highly likely that at some point in the future there will be an outbreak of an infectious disease that is more fatal than Covid19, that may result in more deaths and greater economic harm than we have seen with Covid19. The likelihood of this happening at some point in the future is high, but the likelihood of it happening in any given year is probably low. The national risk assessment highlights the most likely pandemic to affect the UK will arise as a result of influenza, whether seasonal or a new novel strain.

Target Residual Risk Score: BIII

It is not possible for us in Medway to reduce the risk that this will happen at some point in the future, so the likelihood of the risk remains high (B). It may be possible to reduce the impact to moderate (III), however, this is dependent on the severity of a new pandemic. If there is a pandemic caused by a virus that is as infectious as Covid19 and has the fatality rate of MERS, it would be difficult to manage the impact. In such a case, immediate and extreme lockdown would be required until a vaccine has been developed. The definition of who is an essential worker would need to be considered very carefully. This would have implications for the provision of food and other essential supplies, especially for those who are vulnerable. The economic impact would be considerable, in the short-term through cessation of most economic activity, and in the longer-term through the loss of a significant proportion of the workforce.

STRATEGIC RISK: SR52: A NEW SEVERE PANDEMIC, E.G. FLU, COVID-XX, MERS OR OTHER, MORE SERIOUS THAN COVID-19**Trigger**

A new severe infectious disease pandemic with a high fatality rate (higher than or similar to, Covid19) for which we have no vaccine.

Consequence

- Increased mortality, leading to pressure on the death management system, in particular body storage and funerals.
- Inability to run essential services, including the provision of food supplies, social care and hospital care.
- Potential for disorder, violence and looting, if food and other supplies run low.
- Severe impact on the local economy.
- Potential severe impact on council finances if the government does not provide additional funding.

Opportunities and the way forward

- Medway Public Health set up a local test and trace contact-tracing team, in line with, and often influencing, national guidance. ~~Public Health England is being disbanded.~~ The primary body with a national lead to respond to infectious diseases that impact on human health ~~will sit with~~ is the UK Health Security Agency (UKSHA). There is currently a national and regional debate linked to developing resilience within local authorities to support health protection action at the local level. It is possible that local authorities will be asked (or told) to continue to run contact-tracing for outbreaks of all kinds. If this happens, it may be worth considering combining the Environmental Health team and related functions with Public Health.
- The risk to food supplies during a pandemic could be reduced by encouraging those who are able to maintain a four-week supply of tinned, frozen and dried food on an on-going basis pre-pandemic to do so. This would mean that in a severe pandemic the supply chain could focus on providing food for those who are not able to maintain such a store.
- The development of local networks and use of new technology to connect communities and support volunteers should be built on and harnessed for future local resilience.

STRATEGIC RISK: SR52: A NEW SEVERE PANDEMIC, E.G. FLU, COVID-XX, MERS OR OTHER, MORE SERIOUS THAN COVID-19

Mitigating Action: SR52.01: Ensure that council systems are able to produce a list of vulnerable people

Lead Officer: Consultant in Public Health. Assistant Director Adult Social Care.

Desired Outcome: Expected Output

Early on in the Covid19 pandemic the Public Health team set up a hub to support vulnerable people with food deliveries and to determine if they have other needs. Vulnerable people were identified from council housing data (those aged 70 and above on housing benefit or council tax reduction), and a second set of clinically vulnerable people was identified by the National Health Service (NHS). Social care clients can be identified from Mosaic, and would normally be followed up by social workers, but in a very severe pandemic with a very high fatality rate in people of working age, it may not be possible to provide care for all clients, e.g. if social care workers are reluctant to leave home and risk infection. It will therefore be important to be able to produce a list of clients from Mosaic who need daily social care visits, and to be able to determine the minimum frequency that clients can be visited over a four-week period.

STRATEGIC RISK: SR52: A NEW SEVERE PANDEMIC, E.G. FLU, COVID-XX, MERS OR OTHER, MORE SERIOUS THAN COVID-19

Mitigating Action: SR52.01: Ensure that council systems are able to produce a list of vulnerable people

The option to utilise NHS information systems to ensure triangulation with NHS colleagues on vulnerable lists.

Progress update December 2021

Reviewed but no update required this quarter.

Progress update September 2021

Reviewed but no update required this quarter.

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 moved swiftly to address the in-year pressures, both in terms of direct expenditure and losses of income and during 2020/21 it was enough to cover these pressures. It 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 current 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 government has still failed to address the inherent under-funding of both adult social care and services for children and it is this that remains the most significant risk to the sustainability of upper tier authorities.

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. To date, the government's continued reliance on one-year settlements has exacerbated uncertainty and made planning difficult. However, the government have confirmed that on 27 October 2021, the Autumn Statement will outline a three-year local government finance settlement.

Target Residual Risk Score CIII

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

Ultimately the aim would be to get to a position where a 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. In previous years an MTFS has been prepared for the Cabinet in autumn. However, the ongoing effects of the pandemic continue to impact on both expenditure and income and as the government is not set to announce its Spending Review until 27 October 2021, it was not possible to produce meaningful projections across the medium term at this stage. Instead, a Financial Outlook 2022/23 Report was presented to Cabinet in September and from February 2022 our medium term projections will be reported to Cabinet

alongside the final budget presented to its meeting in February of each year.

There will always however be a significant residual risk, as the MTFs/Financial Outlook projections are 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 continues 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.

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.

Positive conclusion following external audit work on Value for Money in respect of the adequacy of financial planning and effective

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

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 December 2021

The Chancellor's Autumn Statement did indeed outline departmental expenditure limits for the next three years, however this did not then manifest in a three year provisional settlement. The settlement has in part responded to the pressures in Adult Social Care, but still falls a long way short of providing the funding that upper tier local authorities have been lobbying for.

Progress update October 2021

The Covid19 crisis has made longer-term planning impossible and so the sector continues to lobby for a meaningful long term spending review. The Chancellor has hinted that his Autumn Statement on 27 October will address some of this uncertainty, by outlining the overall resources available for the next three years.

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.

Positive conclusion following external audit work on Value for Money in respect of the adequacy of financial planning, effective budget control, balanced budget and adequacy of reserves.

Milestones

Medium Term Financial Strategy (replaced by Financial Outlook 2022/23 for 2021) in November.

Capital and Revenue budget agreed by council in February.

Progress update December 2021

STRATEGIC RISK: SR03B: FINANCES

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

The work that was undertaken principally within the Finance and Business Improvement division, but with input from the service directorates, has significantly reduced the 'gap' in next year's revenue budget down to a level that feels achievable, but unless further savings are identified in advance of the council's Annual Budget Meeting, it is unlikely that the council will be able to set a budget without recourse to reserves.

Progress update October 2021

Following detailed work with all heads of service and directorate management teams, the scale of the financial challenge facing the council has been determined. The pressures confronting us are not unique and are being experienced by every upper tier local authority in the country. Whilst work has already begun in earnest to address these pressures, until the Chancellor outlines his proposals in October and addresses some of the uncertainty over the resources available to local authorities, it makes any attempt to formulate a clear medium term financial strategy impossible. On 28 September, Cabinet were presented with a Financial Outlook report, which reported an increase in the budget requirement of £33m for the 2022/23 financial year.

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 December 2021

Whilst the council has enjoyed a couple of successful years, in terms of generating capital receipts, it's unlikely that these will be sufficient to fund all of the requirements identified in the Capital Strategy. The administration is currently considering how to prioritise its limited capital receipts between actual capital schemes and the need to use its flexibilities to fund transformational projects and the council's ongoing improvement programmes.

Progress update October 2021

In addition to the council's recent success in bidding for funds to support regeneration, there is likely to be a modest amount of capital receipts available to fund transformation and whilst long-term interest rates remain low, borrowing to invest in infrastructure continues to be a viable option.

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 December 2021

With the support of the Business Change team, service directorates have a number of major efficiency work streams in progress that have helped to close the budget gap for next year. As referenced above, it is likely that the administration will continue to avail itself of the flexibility around the use of capital receipts, in order to continue this work.

Progress update October 2021

Work has continued on a range of business change projects discussed with Corporate Management Team (CMT) and portfolio holders in March and the savings that these projects are expected to make will be reflected in the Draft Budget, when it is presented to Cabinet in November.

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**RISK OWNER: ASSISTANT DIRECTOR REGENERATION****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 January 2022

The group has met since October and have agreed to maintain contact, monitor the economic situation and meet as appropriate and if needed.

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 October 2021

The Economy and Infrastructure Cell were able to stand down from the formal recovery function, having ensured that risks and opportunities presented by Covid19, as set out in the impact assessment, were appropriately mitigated and focused upon by identified Business As Usual (BAU) groups and organisations. Whilst the group has ended their formal recovery function, a new 'Strategy Reference and Revenue Pipeline Group' has been created and had a preliminary meeting to discuss the future direction of economy and infrastructure recovery.

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 January 2022

Since the beginning of the Covid19 restrictions, the council has delivered the following support to businesses:

- Additional Restrictions Grant of £3,216,191.37

Progress update October 2021

Reviewed but no update required this quarter.

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

Mitigating Action: SR46.03: Reopening High Streets Safely

Lead Officer: 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 January 2022

Reviewed but no update required this quarter

Progress update October 2021

The Town Centre team continue to support Medway's Town Centre Forums as they develop and work with local businesses and communities in partnership on the regeneration and management of the town centres. The Rochester, Chatham, and Gillingham Town

STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19**Mitigating Action: SR46.03: Reopening High Streets Safely**

Centre Forums have now returned to physical meetings. Newsletters are currently being developed for Strood and Rainham with businesses to be kept informed on developments on town centre issues.

Medway Council has been allocated £246,396 from the Welcome Back Fund (WBF). This £56m national programme of European Regional Development Funding is administered by the Ministry of Housing, Communities and Local Government (MHCLG). The WBF aims to assist councils across England to support the return to High Streets safely and build back better from the pandemic.

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

Lead Officer: Assistant Director Regeneration

Desired Outcome: Expected Output

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

Progress update January 2022

The council continues to contract Locate in Kent to encourage continued inward investment from businesses outside Medway.

The council's Partners for Growth (PFG) scheme continues to be delivered by the Kent and Medway Growth Hub (led by Kent Invicta Chamber of Commerce) and work is underway on establishing a revised business support specification to enable a new contract is procured by quarter 1 2022/23. As well as the PFG scheme, the Growth Hub also offers business support to Medway residents such as one-to-one support and business plans for start-ups.

The Economic Development (ED) team continues to support businesses and respond to business enquiries via the Business and Skills inbox. The ED team have created a new system to capture and record the number of assists to businesses and individuals through the Business and Skills inbox. Previously, these figures were not considered.

Progress update October 2021

Throughout the period a key priority for the Economic Development Team continues to be the development and administration of Medway Council's Additional Restrictions Grant (ARG) scheme. Through the ARG scheme, Central Government allocated Medway Council £8,045,547 to support businesses through future national lockdowns from December 2020 to March 2022. As of 30 June 2021, 436 businesses have been supported through this scheme, totalling £2,219,300.81.

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| STRATEGIC RISK: SR46: MEDWAY'S ECONOMIC RECOVERY FROM COVID19 |
| Mitigating Action: SR46.05: Supporting residents' skills and employability |
| Lead Officer: Assistant Director Regeneration |
| Desired Outcome: Expected Output Increasing high value businesses, high quality employment and creating jobs and inward investment. |
| Progress update January 2022 The Skills Additional Restrictions Grant (ARG) continues to be distributed; the training grant went live in December 2021. Also, the Medway Adult Education business plan was adopted by Cabinet in December 2021. The Skills & Employability plan for Medway is currently being refreshed and scheduled to be ready by March 2022. All projects have been resumed, although with the current increased risk of Covid19, projects are being reviewed for best method of delivery. The construction project has been delivered, Kickstart is continuing to thrive in Medway, although the national scheme is coming to an end. The Kent & Medway Employment Taskforce continues to meet. |
| Progress update October 2021 Medway Council has also utilised over £1m Additional Restrictions Grant money to create a new Skills & Employment Grants Scheme, funding businesses to access employment initiatives. The relaunch of the Medway Skills Stakeholder Board has been arranged for mid-October 2021 and work is underway to ensure that there is a diverse range of members including education, local businesses and local advocates. |

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| 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 January 2022 The council's current regeneration strategy Medway 2035 is being refreshed to align with the emerging Local Plan, to become Medway 2037. It will encompass a suite of documents with deliverable action plans and will build upon existing and proposed strategies including the Skills and Employability Plan, Innovation Strategy, Town Centres Strategy, and River Strategy and align with other relevant strategies such as the Climate Change Action Plan, Culture Strategy, Tourism Strategy, and Sport Strategy. Priorities include destination and placemaking, town centres, inward investment, business accommodation and digital connectivity, sector growth and improving employability. Cross cutting themes include climate change and net zero, innovation, and growth for all. SQW have been appointed as lead consultants to deliver the documents by spring 2022. An External Investment Officer is working with SQW to look at oven ready bids/business cases for the prioritised projects and interventions and create a pipeline in preparation for future funding opportunities. |

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

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. Projects are on track to spend LGF and GBF funds within the delivery period, by March 2022.

Progress update October 2021

Reviewed but no update required this quarter.

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

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

Progress update January 2022

Council officers have met with the Levelling Up Fund (LUF) team and had positive discussions exploring opportunities to expand on the current funding criteria. The team are considering capacity funding to prepare projects throughout the year ready for funding opportunities and are also expanding on non-monetised benefits weighting in the assessment of bids.

Progress update October 2021

Reviewed but no update required this quarter.

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.

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| STRATEGIC RISK: SR32: DATA AND INFORMATION |
| RISK OWNER: CHIEF FINANCE OFFICER, DIRECTOR OF PEOPLE , ASSISTANT DIRECTOR LEGAL & GOVERNANCE |
| PORTFOLIO: RESOURCES |
| <p>Current Residual Risk Score CII (Likelihood – significant. Impact – major)</p> <p>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 information sharing project which have included Data Protection Impact Assessments (DPIAs) and risk treatment actions. The council has a Kent and Medway information sharing agreement. Training to all officers and to Members is being rolled out successfully.</p> |
| <p>Inherent Risk Score BII</p> <p>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 NHS Data Security and Protection Toolkit annual submission; opportunities to improve the council’s position with respect to the toolkit submission 2022 will be identified and an improvement plan developed. Failure to achieve level 2 will mean that Medway Council will lose its trusted partner status. Greater flexibility for the workforce using digital tools brings risk. Greater availability of information from the council brings risk.</p> |
| <p>Target Residual Risk Score DIII</p> <p>Human error is 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.</p> |
| <p>Trigger</p> <ul style="list-style-type: none"> • Budget pressures. • The Information Commissioner’s Office (ICO) audit reveals areas for improvement. |

STRATEGIC RISK: SR32: DATA AND INFORMATION

- Digital Strategy.
- Annual NHS Data Security and Protection Toolkit submission.
- Review of data protection impact assessments and data sharing agreements.

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). Phase one of the Kent and Medway shared care record has been completed and phase two is currently being planned. This project will enable data to be shared between the council and Public Service Partners.

Further opportunities for data and information sharing are being investigated between the Police, Further Education providers and Medway Council.

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.
Data Protection Impact Assessments (DPIAs).
Information Sharing Agreements (ISAs) and Record of Sharing also exists detailing roles and responsibilities.

Progress update December 2021

Reviewed but no update required this quarter.

Progress update October 2021

Reviewed but no update required this quarter.

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)

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 ROSs.

Progress update December 2021

Reviewed but no update required this quarter.

Progress update October 2021

Reviewed but no update required this quarter.

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.

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| STRATEGIC RISK: SR32: DATA AND INFORMATION |
| Mitigating Action: SR32.03: Security and Information Governance Group (SIGG) |
| Lead Officer: Chief Finance Officer |
| <p>Desired Outcome: Expected Output</p> <p>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.</p> |
| <p>Progress update December 2021</p> <p>Reviewed but no update required this quarter.</p> |
| <p>Progress update October 2021</p> <p>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 2022 will be identified by members of the SIGG and an improvement plan developed.</p> <p>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. The form went live in July 2021 for both Freedom of Information requests (FOIs) and Subject Access Requests (SARs) and customers are being redirected to the form on all council publications. The form is providing a standard format for requests which is assisting customers by providing additional guidance and information.</p> |
| 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) |
| <p>Desired Outcome: Expected Output</p> <p>Good regular engagement to discuss risk areas. DPIAs, ISAs and ROSs co-signed where relevant.</p> |
| <p>Progress update December 2021</p> <p>Reviewed but no update required this quarter.</p> |
| <p>Progress update October 2021</p> <p>Actions from the internal audit into the role of Caldicott Guardian in March 2021, have been progressed. A draft Caldicott Guardian Plan has been developed and circulated to Senior Managers for feedback. Training for appropriate staff has been undertaken and noted on Human Resources (HR) files. A dedicated channel for Caldicott decisions has now been set up and is visible to the public using Medway Council's website.</p> |

STRATEGIC RISK: SR32: DATA AND INFORMATION

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

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS

RISK OWNER: ASSISTANT DIRECTOR REGENERATION, 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.

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

- Failure to meet statutory responsibilities to residents.
- Unexpected costs from the new delivery model.
- The delivery model is not sustainable; responsibility for delivery of 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 January 2022

Reviewed but no update required this quarter.

Progress update October 2021

As no new alternative delivery models are planned no updates are required.

Progress update July 2021

Reviewed but no update required this quarter.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.01:** Robust options appraisals, and detailed business cases prepared**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 January 2022

The Assistant Director for Regeneration continues to meet regularly with the Medway Development Company and update portfolio members where applicable through mediums such as the Corporate Strategic Property Board.

Progress update October 2021

The Assistant Director for Regeneration and Housing Infrastructure Fund (HIF) continues to meet regularly with Medway Development Company (MDC).

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 January 2022

An update report was presented to the Overview and Scrutiny Committee in Q3.

Progress update October 2021

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.03:** Communication and stakeholder management

An MDC update report is currently being prepared for presentation at the Regeneration, Culture and Environment (RCE) Overview and Scrutiny Committee in November.

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 December 2021

As no new alternative delivery models are planned no updates are required.

Progress update October 2021

As no new alternative delivery models are planned no updates are required.

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 January 2022

As the programme of housing developments being undertaken by Medway Development Company (MDC) Ltd. has moved beyond the business case stage and into implementation, the level and frequency of scrutiny being exercised by both the Board and officers at the

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.05:** Robust scrutiny / oversight mechanisms to ensure clear corporate understanding

council continues at an increased frequency.

Progress update October 2021

As the programme of housing developments being undertaken by Medway Development Company (MDC) Ltd. has moved way beyond the business case stage and into implementation, the level and frequency of scrutiny being exercised by both the Board and officers at the council has increased significantly. All schemes appear to be on track to deliver on time and within the budgets set.

The Chief Finance Officer attends all board meetings of Kyndi Ltd. and is impressed by the level of scrutiny and challenge being applied by board members, who are closely involved in formulating business plans.

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 January 2022

Regular updates continue to be taken to Cabinet for 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. The most recent six-monthly update report was taken to Cabinet on 16 November 2021.

Progress update October 2021

MDC Ltd. board meetings consider a detailed dashboard for each active scheme, combining activity and financial data, to provide a comprehensive update on progress.

Similarly, the Kyndi Ltd. board receives a detailed report from the Chief Executive at every meeting, which looks at each business unit in turn and analyses activity, costs and turnover against the budgeted levels and detailed profit forecasts. The reports also deal with business growth and new market opportunities, as well as staff turnover and sickness and analysis and management of debt.

An MDC update report is currently being prepared for presentation at the RCE Overview and Scrutiny Committee in November.

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 December 2021

Reviewed but no update required this quarter.

Progress update October 2021

The Head of Corporate Insight, Performance and Information Governance has recently met with senior management at all of our alternative delivery models and been satisfied that they have in place effective risk management strategies to inform their business continuity arrangements. Her conclusions were recently reported to Business Support Overview and Scrutiny Committee.

STRATEGIC RISK: SR37: CYBER SECURITY**RISK OWNER: CHIEF FINANCE OFFICER****PORTFOLIO: RESOURCES****Current Residual Risk Score G| AI (Likelihood – significant very high. Impact – catastrophic)**

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).

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.

Inherent Risk Score G| AI

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.

When building defences against malware, it is recommended that mitigations are developed in each of the following three layers:

Layer 1: preventing malicious code from being delivered to devices.

Layer 2: preventing malicious code from being executed on devices.

Layer 3: increasing resilience to infection, and to enable rapid response should an infection occur.

Target Residual Risk Score CI

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.

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.

PSN CoCo compliance is going to be coming to an end in the forthcoming years. In preparation of this Medway Council is going to start the journey to be Cyber Essential Plus certified.

Cyber Essentials Plus involves an audit of your system by one of our highly trained assessors. The aim of the assessment is to confirm that all controls that have been declared in Cyber Essentials are implemented on the organisation's network. By undertaking and

STRATEGIC RISK: SR37: CYBER SECURITY

completing Cyber Essentials Plus you can declare publicly that your organisation has been proven to meet baseline security standards set out by Cyber Essentials.

The key elements of a Cyber Essentials Plus audit can be summarised as follows:

An assessor will pick a sample of computers at your organisation and perform an audit to ensure that the devices are configured as per the scheme.

A vulnerability scan will be performed on these machines to confirm patching and basic configuration is at an acceptable level

An external port scan of your internet facing IP addresses will be conducted to ensure no clear and obvious misconfigurations or vulnerabilities can be identified.

A test will be conducted on your default email/internet browser to confirm how well configured they are to prevent execution of fake malicious files.

Screenshots will be taken as evidence that the system is Cyber Essentials compliant.

Should there be any issues identified that require remediation, there is an extended period of 30 days with this package. Failure to complete remediation in this time will result in a fail. (Please see Cyber Essentials Plus Extra if more time is required)

On successful certification of your organisation, you will be provided with a certificate that is valid for 12 months from the pass date.

Optionally, you may be added to a list of Cyber Essentials certified companies, and you can henceforth advertise your organisation's compliance to the Cyber Essentials Scheme.

Trigger

A cyber security incident leading to partial or total loss of system integrity.

Consequence

- 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.

STRATEGIC RISK: SR37: CYBER SECURITY

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.

Immutable backups – There have been several councils hit by ransomware recently and one of the key lessons learned from those events is that the recovery process could have been drastically improved if the councils had immutable copies of the backup data. What this means is that the disks and the data are not able to be encrypted by a ransomware attack.

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.

Cyber Essentials Plus certification.

Progress update January 2022

PSN certification was received. Expiry is September 2022.

ICT is in preparation for PSN 2022 scan starting in March 2022. ICT is currently reviewing systems to improve the visibility and ability to mitigate threats imposed to end user devices. We are looking into having the ability to monitor devices both off-net and on-net due to the increased number of staff working from home.

ICT has begun to configure a new SIEM (Security information Event Management) server provided by the National Cyber Security Centre (NCSC).

Logging Made Easy can:

- Tell you about software patch levels on enrolled devices.
- Show where administrative commands are being run on enrolled devices.
- See who is using which machine.
- In conjunction with threat reports, it is possible to query for the presence of an attacker in the form of Tools, Techniques and

STRATEGIC RISK: SR37: CYBER SECURITY

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

Procedures (TTPs).

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

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~~.

Cyber Essentials Plus certification.

Progress update January 2022

Certified PSN compliance – valid until September 2022.

ICT has procured new Core firewalls to upgrade the existing perimeter firewalls. This programme will be completed by April 2022.

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

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.

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.

Milestones

Certified PSN compliance —May 2021.

Cyber Essentials Plus certification.

Progress update January 2022

Certified PSN compliance – valid until September 2022.

Reviewed latest security guidelines and the minimum password length should be 14 characters. ICT is working out on a migration plan to change the minimum password length.

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

Progress update September 2021

Preparation has begun in reviewing privileges in readiness for PSN scan in December 2021.

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.~~

Improvement in adoption of Meta compliance across all service areas.

Progress update January 2022

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

The cyber awareness 2022/23 campaign programme is currently getting authored to start delivery in April 2022. The key items to be delivered are as follows:

1. Introduction to Cyber Security
2. Ransomware
3. Secure Remote working
4. Phishing awareness
5. Social Media Awareness
6. Physical Security
7. Email Essentials
8. Password Safety
9. Everyday threats
10. Am I a target?
11. Privacy/General Data Protection Regulation (GDPR)
12. Social Engineering regarding the holidays

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

Progress update September 2021

Meta compliance is in place to deliver training to staff. Quarterly campaigns are getting set up for delivery to staff.

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

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.

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~~.

Cyber Essentials Plus.

Progress update January 2022

A review is required to align all the service areas Business Continuity Plans (BCPs) to an ICT service recovery plan. We have identified that Medway Council needs to create a priorities list of services that need to be recovered in the event of an incident and the ICT service recovery plan must be designed around these priorities.

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

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~~.

Cyber Essentials Plus.

Progress update January 2022

The Fortimail malware protection has performed well over the last year and mitigated 529 critical malware virus outbreaks.

The summary figures for the last 12 months are as follows:

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.

- Not Spam messages delivered = 21.9% (26,110,809 of 119,185,536 messages)
- Spam Messages blocked = 78.0% (93,014,691 of 119,185,536 messages)
- Virus infected messages blocked = 0.1% (60,036 of 119,185,536 messages)

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

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.

Progress update January 2022

ICT has begun to configure a new Security information Event Management (SIEM) server provided by the National Cyber Security Centre (NCSC).

Logging Made Easy can:

- Tell you about software patch levels on enrolled devices.
- Show where administrative commands are being run on enrolled devices.
- See who is using which machine.
- In conjunction with threat reports, it is possible to query for the presence of an attacker in the form of Tools, Techniques and Procedures (TTPs).

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 October 2021

Certified PSN compliance – Valid until September 2022.

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 January 2022

Certified PSN compliance – valid until September 2022

Policy and controls were reviewed in December 2021.

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

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

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

Milestones

Certified PSN compliance – May 2021.

Progress update January 2021

Certified PSN compliance – valid until September 2022

Review of the ICT Security policy took place in December 2021. The policy is still in draft as it is getting ratified.

Progress update October 2021

Certified PSN compliance – Valid until September 2022.

| |
|--|
| STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING |
| RISK OWNER: DIRECTOR OF PLACE AND DEPUTY CHIEF EXECUTIVE, CHIEF FINANCE OFFICER |
| PORTFOLIO: BUSINESS MANAGEMENT (CROSS CUTTING) |
| <p>Current Residual Risk Score DII (Likelihood – low. Impact – major)</p> <p>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.</p> <p>An annual presentation on Business Continuity is included at a meeting of all council Service Managers.</p> <p>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.</p> <p>The Corporate Business Continuity Plan is continually being refreshed and is aligned to the Emergency Plan.</p> |
| <p>Inherent Risk Score CI</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <p>Target Residual Risk Score DII</p> <p>The council will never be able to reduce the risk further as it is impossible to completely mitigate unforeseen adverse events.</p> <p>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.</p> |
| <p>Trigger</p> <p>A significant adverse event occurs, and the council is found wanting or negligent in its planning and/or operational response.</p> |
| <p>Consequence</p> <ul style="list-style-type: none"> • 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.
- Community cohesion issues.
- Disruption to critical services.
- Review of Civil Contingency expectations nationally.
- 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.

A complete project is required to fully understand the effects of new ways of working and as per lessons identified the Civil Contingency Category 1 responder roll is required to be emphasised at induction and reminders placed in all employment contracts. This has now been recognised by Operation Phoenix and a full internal recruitment drive is about to start.

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 and Deputy Chief Executive

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.

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

Emergency response operations room in place.

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

Milestones

Draft plan in place.

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 2020/21 2021/22.

Progress update January 2022

Reviewed but no update required this quarter.

Progress update October 2021

Reviewed. No update required.

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:** Chief Finance Officer**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.

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

Corporate Recovery Plan in place.

IT Recovery Plan in place.

Reminder of the Civil Contingencies Category 1 Response roll is placed in all employment contracts.

Emergency Planning and Business Continuity emphasised at new staff Corporate Induction.

Project required to scope the full effects of the Agile/Hybrid Working from Home policy on EP (Emergency Planning) and BC (part of this will be delivered by Project Phoenix).

Milestones

Plans tested.

Business Continuity Audit 2017 actions completed in 2018.

Progress update January 2022

Reviewed but no update required this quarter.

Progress update October 2021

Reviewed. No update required.

Progress update July 2021

Reviewed but no update required this quarter.

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: SR49: INCOME REDUCTION DUE TO COVID19**RISK OWNER: CHIEF FINANCE OFFICER****PORTFOLIO: LEADER'S****Current Residual Risk Score BII CII (Likelihood – high significant, Impact – major)**

The government's sales, fees and charges income compensation scheme remained in operation during the first quarter of 2021/22. 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. Beyond this date, the scheme ceases.

Since the current residual risk score matches the target residual risk score, the SRMG recommendation is that this risk is removed from strategic monitoring and returns to directorate monitoring.

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 to ensure 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~~ 2022/23, as the council and local economy recovers from the effects of the pandemic. 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 restrictions are 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 December 2021

The current indications suggest that income generating activities are recovering well and as we learn more about the latest Coronavirus variant, the likelihood of further serious restrictions is reducing. The income budgets for next year are being reset at historic levels with a significant degree of confidence and consideration should be given to reporting this action as discharged.

Progress update October 2021

Libraries, theatres and venues are now fully open and delivering income generating events and activity. Customer confidence is slowly

returning with an increasing number booking in advance. Further restrictions could reverse this progress and the government are currently consulting on the use of Covid19 Passports for high-volume high-density indoor and outdoor activity which again may increase the running costs and stifle income generation.

The 2021/22 budget reflected the continued impact of Covid19 on income generating services and assumed that there would be a shortfall in income generated compared to budget of around £9m. The pace of recovery in these services is far faster than initially anticipated, and the second round of revenue budget monitoring forecasts a shortfall of less than £3.5m. We will continue to closely monitor these services to ensure the 2022/23 budget assumptions are robust.

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 December 2021

Alternatives were developed and implemented, whilst the risk of further serious restrictions has reduced. This action could be considered discharged.

Progress update October 2021

In late summer 2021 an alternative Covid19-safe events programme was delivered. No income targets were set for these events. The winter events programme was also agreed with pre-pandemic income targets attached. A proposal refreshing the approach to the annual programme of events is being considered in October via the Putting Medway on the Map board.

Theatres reopened 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 December 2021

As the risk of further serious restrictions has reduced and our facilities have been reopened for the original purposes, this action could be considered discharged.

Progress update October 2021

Rochester Castle, Guildhall Museum, Upnor Castle and the Visitor Information Centre reopened to the public. Eastgate House is to reopen at the end of October. The coach park remains a testing centre until the end of the financial year, with the lease agreement organised by the council's Property team.

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 December 2021

The early indications are that the smart parking pilot has been a success. Although limited evidence at this stage, the breakdown of payments at the Rochester multi-story during the first week of December was as follows: Card 69.5%, Contactless 19.2%, 'Go Mobon' Mobile App 9.4%, Cash 1.3% and Autopay 0.6%, which suggests that 'cashless' car parks could definitely work. Generally, our car park income has recovered well. Further rollout in Rochester is expected by the end of the financial year.

Progress update October 2021

Reviewed but no update required this quarter.

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 / Assistant Director Culture and Community

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 December 2021

The service has been working closely with Communications and Marketing colleagues on a programme to increase take-up and generate more income.

Progress update October 2021

Rochester Corn Exchange reopened in July after its £0.5m refurbishment and new marketing and promotions assets including a new website, social media channels and rebranding. There has already been an uplift in enquiries which the team are converting into sales.

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 December 2021

Continuing with our light touch approach to debt recovery, we have reviewed outstanding debt, and some has been progressed to be written off. Visits continue to be difficult due to the pandemic.

Adult social care contributions is one of a number of areas of focus for the newly constituted Corporate Debt Forum and work will be taking place to improve processes for monitoring and collection income.

Progress update October 2021

Debt recovery processes have recommenced however, this is with a light touch due to current restrictions in relation to Covid19.

The Information, Advice and Guidance (IAG) team have highlighted risks associated with the collection of debt. Where the person's finances are being managed on a voluntary basis we are in breach of GDPR rules. We are seeking legal advice as this could have a significant impact on recovering debt.