

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
SR17	4	Delivering regeneration	Director of Place and Deputy Chief Executive	BII	BII	CII	→	L – high I – major	Growth	RCE
SR47	11	Climate Change	Assistant Director Frontline Services	All	All	DIII	→	L – very high I – major	Place	RCE
SR50	15	Delivering £170m Housing Infrastructure Fund (HIF) programme	Assistant Director Regeneration	BII	CII	CII	→	L – significant I – major	Growth	RCE
SR03B	18	Finances	Chief Finance Officer	AI	AI	CIII	→	L – very high I – catastrophic	All Values	BS
SR46	23	Medway's Economic Recovery from Covid19	Assistant Director Regeneration	BII	BII	CII	→	L – high I – major	All Values	BS
SR32	29	Data and information	Chief Finance Officer, Director of People, Assistant Director Legal & Governance	BII	CII	DIII	→	L – significant I – major	All Values	BS
SR36	33	Alternative service delivery models	Assistant Director Regeneration, Chief Finance Officer	BII	BIII	CIII	→	L – high I – moderate	All Values	BS
SR37	39	Cyber Security	Chief Finance Officer	CI AI	CI AI	CI	↑	L – significant very high I – catastrophic	All Values	BS

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
SR02	49	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
SR35	53	Homelessness	Assistant Director Culture and Community	BII	CIII	DIII	→	L – significant I – moderate	Growth	BS
SR49	58	Income Reduction due to Covid19	Chief Finance Officer	AI	BII 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 47	Red 03B, 37
High likelihood B	Amber	Amber 36	Red 46, 17	Red
Significant likelihood C	Green	Amber 35	Red 32, 49, 50	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
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STRATEGIC RISK: SR17: DELIVERING REGENERATION
RISK OWNER: DIRECTOR OF PLACE AND DEPUTY CHIEF EXECUTIVE
PORTFOLIO: INWARD INVESTMENT, STRATEGIC REGENERATION AND PARTNERSHIPS
Current Residual Risk Score BII (Likelihood – high. Impact – major)
<p>The Regeneration programme and in particular Innovation Park Medway and the flagship waterfront developments are managed at Member, officer and partner level through individual boards and the projects are managed at a more operational level through officer groups and Regeneration, Culture and Environment (RCE) Directorate Management Team (DMT).</p> <p>Those schemes funded through the Local Enterprise Partnership (LEP) also have to adhere to a rigorous reporting process to ensure that they are on time and within budget.</p> <p>The advent of Covid19 will place additional pressures on the delivery of capital projects and therefore funding deadlines.</p>
Inherent Risk Score BII
<p>Medway's regeneration plans seek to meet the needs of anticipated population growth of 50,000 people in Medway, with up to 20,000 jobs and 29,000 new homes in the next 20 plus years.</p> <p>There are challenges for the provision and maintenance of effective infrastructure. Particular areas of concern are flood protection, highways, health and water capacity.</p> <p>It is vital the benefits are felt by the population of Medway, so that the new jobs are not only filled by people from outside the area, and trends of commuting out are addressed.</p> <p>Economic uncertainty could delay regeneration and growth, impacting on strategic decisions and inward investment.</p>
Target Residual Risk Score CII
<p>Failure by the council to deliver its ambitious regeneration plans would have a critical impact in Medway, by not delivering the housing, jobs and infrastructure required for its growing population. There is little that can be done to lessen this impact and so the focus must be on reducing the likelihood of failure to a more tolerable level.</p> <p>Dialogue will be opened with funding providers such as the South East Local Enterprise Partnership (SELEP) and Homes England (HE) regarding funding envelopes and delays to programmes relating to Covid19.</p>
Trigger
<ul style="list-style-type: none"> • The council fails to deliver its economic, skills and infrastructure regeneration programme. • House/property building companies start to delay developments. • Potential lack of companies wanting to locate in Medway.
Consequence
<ul style="list-style-type: none"> • Regeneration projects are not completed.

STRATEGIC RISK: SR17: DELIVERING REGENERATION

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

Opportunities and the way forward

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

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.01: Outline infrastructure needs identified

Lead Officer: Director of Place

Desired Outcome: Expected Output

Identification of inward investment priorities.

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

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

Milestones

Secure funding.

20-year development programme.

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

Progress update January 2022

The council was successful in one of its three Levelling Up Fund (LUF) bids; the Chatham Package of cultural projects including the Brook Theatre, Docking Station and Fitted Rigging House. This is despite being a priority 2 area and an overall success rate of one in three

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

across national submissions. The Future High Street Fund (FHSF) Chatham projects continue to be progressed with a recent public consultation on Mountbatten House enabling works and the completion of the city centre public realm works. The physical delivery of Innovation Park Medway (IPM) continues with all public funding due to be spent by March 2022 and the marketing of the site for future tenants is ongoing. The Housing Infrastructure Fund (HIF) scheme is progressing with a second consultation now complete and the design stages for road and rail at RIBA 3 and GRIP 3 respectively. The deadline for delivery has been extended in consultation with Homes England (HE) and the Department for Housing, Levelling Up and Communities (DHLUC) to March 2025.

Progress update October 2021

Across all interventions, progress has been made with the Strategic Environmental Management Scheme (SEMS) Phase 1, Cockham Community Parkland, with planning being granted in July 2021. SEMS Phase 2 is working on a detailed design from the Wetlands area, shared use bridge, Deangate buffer and the HE lands at Lodge Hill. Following engagement from residents, Ward Councillors and other stakeholders, the Road team has revised designs taking views into account where possible and are working towards a design freeze across all six phases in January 2022. The rail solution continues to progress, we are working closely with Network Rail and Southeastern. The Environmental Impact Assessment (EIA) continues with a suite of surveys expected to be completed in November 2021, with the final statement due spring 2022.

STRATEGIC RISK: SR17: DELIVERING REGENERATION**Mitigating Action: SR17.04:** Work with strategic funding bodies to maximise the impact and income from external funding opportunities, in particular the Levelling-Up Fund and Community Renewal Fund.**Lead Officer:** Director of Place**Desired Outcome: Expected Output**

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

Milestones

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

Government announcement for Levelling-Up Round 2 submissions in 2022.

Progress update January 2022

The council submitted a bid to Levelling Up Fund (LUF) Round 1 in June 2021. In October it was announced that the council was successfully awarded £14.4m LUF across its Chatham package of three projects which aim to address the income, productivity and skills challenges Medway faces through investment in the cultural and creative industries, strengthening an existing cluster within Medway. The modernisation and refurbishment of the Brook Theatre, awarded £6.5m, will deliver affordable creative workspace to sit alongside digitally enhanced and

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.04: Work with strategic funding bodies to maximise the impact and income from external funding opportunities, in particular the Levelling-Up Fund and Community Renewal Fund.

upgraded accessible performance and rehearsal space. The Docking Station project, awarded £5.7m, will creatively repurpose an historic asset through delivering an innovative business incubation, research and teaching facility, and will promote collaboration between industry and academia, delivered by the University of Kent. The Fitted Rigging House, awarded £2.2m, is to be delivered by the Chatham Historic Dockyard Trust and is the second phase of a project that will bring back into use a Grade 1 listed building, to deliver a mix of larger format office floorplates, and aims to create a pathway for growth for creative industries to establish and upscale in Chatham. The three projects are progressing; a Programme Management Update document was submitted to the government and an inception meeting was held with the government in December 2021. Work on the funding agreement and Memorandum of Understanding is underway. Preparation has begun on a LUF Round 2 submission.

Despite Medway being a non-priority area, and with limited resource, the council submitted seven projects for Community Renewal Fund (CRF), two of which were successfully awarded funding. Kent and Medway Partnership for Enterprise, Food and Health is a joint project with Gravesham and Swale Borough Councils; Kent County Council is the lead authority and will be delivering the scheme. The project aims to build partnerships that strengthen local capacity to grow, process and use healthy food at affordable prices, and was awarded £540k. Medway Together is a joint project with the University of Greenwich that aims to create a tailored-made mentoring and a pilot approach that allows disadvantaged groups to gain real-world employment experience, specifically targeting individuals who are long-term unemployed, through developing people and businesses. The project was awarded £604k and is being delivered by the university with Medway Council as a partner. Funding agreements are being drawn up for both projects, alongside mirror agreements for partners. The funding announcement from the government was delayed, so the delivery period for projects has been extended to June 2022.

Progress update October 2021

Three bids, including a package bid, were submitted for the Levelling Up Fund (LUF) on 18 June, and funding decisions are expected in autumn 2021. We have one bid remaining which is intended to be submitted in round 2; officers are working to identify match-funding and progressing of enablement studies.

Seven bids were submitted for the UK Community Renewal Fund (UKCRF) on 17 June; the award for investment was due from 'late July onwards', however, ministerial delays have impacted the timeframe.

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.05: Working towards the adoption of the new Medway Local Plan.

Lead Officer: Director of Place

Desired Outcome: Expected Output

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

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

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.05: Working towards the adoption of the new Medway Local Plan.

still in December 2022 but noting that the timeframe as set out in the Local Development Scheme published in September 2021 needs to be updated.

Milestones

Publication of Draft Local Plan 2024 2022.

Independent Examination of plan – 2022-23.

Progress update January 2022

The council is continuing its work on the Local Plan and is completing its evidence base, with the aim of having a draft plan for consideration by our Counsel, the critical friend from the Planning Advisory Service (PAS), and an inspector, by spring 2022. This will then enable further discussion with members with the aim of presenting the draft plan to Full Council in late spring 2022. Subject to the agreement of Full Council, the Regulation 19 draft plan will then go out for a 12 week public consultation with the aim of reporting the plan and any modifications following consideration of the consultation comments to Full Council by late summer 2022. Submission to the Planning Inspectorate (PINS) could then take place with Examination In Public (EIP) starting and likely to run through the remainder of 2022 and into 2023, with potential adoption towards the end of 2023.

Officers have continued to liaise with representatives of the Department for Levelling Up Housing and Communities (DLUHC), the PAS and an advisory inspector with considerable experience in Local Plan examinations. The PAS has also had discussions at an all member briefing, with particular reference to the importance of getting a plan in place and the implications of not, particularly in relation to further speculative planning applications and resultant appeal decisions, along with the costs of defending those appeals. The critical friend appointed by the PAS to assist the council has provided initial comments on work undertaken so far and confirmed the good quality of that work.

Housing Delivery test 2022 has confirmed that Medway remains with the presumption in favour of sustainable development, despite an increase in housing delivery over the last two years.

Progress update October 2021

Reviewed but no update required this quarter.

Progress update June 2021

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

The government has started a process of intervention in Local Plan preparation where councils have not made sufficient progress. Medway is at risk of intervention as it has been identified as an authority with an out-of-date plan. A letter has been received from the housing minister and officers have met with representatives of the MHCLG and the Planning Advisory Service.

STRATEGIC RISK: SR17: DELIVERING REGENERATION

Mitigating Action: SR17.05: Working towards the adoption of the new Medway Local Plan.

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

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

STRATEGIC RISK: SR17: DELIVERING REGENERATION

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

Lead Officer: Director of Place

Desired Outcome: Expected Output

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

Milestones

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

Government announcement for Levelling-Up Round 2 submissions in 2022.

Progress update January 2022

The remaining live Local Growth Fund (LGF) projects include Strood Town Centre, Medway City Estate, Innovation Park Medway and Rochester Airport, all of which will have spent LGF funds by March 2022.

The Getting Building Fund (GBF) projects include Britton Farm Mall and additional funding secured for Innovation Park Medway. Both are on track to have spent GBF funds by March 2022.

Growing Places Fund (GPF) projects Rochester Riverside, Chatham Waterfront, Innovation Park Medway and Fitted Rigging House are all underway and repayment schedules are on track.

Future funding streams may include the Shared Prosperity Fund, but it has not yet been decided by the government whether this would be administered via Local Enterprise Partnerships similar to LGF, GPF and GBF.

The council was awarded £14.4m Levelling Up Fund (LUF) for Chatham Package which includes the Brook Theatre, the Docking Station and the Fitted Rigging House. An inception meeting was held with the government in December 2021.

Preparation work for LUF Round 2 submission has begun.

STRATEGIC RISK: SR17: DELIVERING REGENERATION

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

The council was successful in two Community Renewal Fund (CRF) applications, to be delivered by partners. Legal work on the funding agreements for each are underway.

Future High Streets Fund (FHSF) – The projects within the programme of works are progressing and the council continues to work closely with delivery partners, ensuring a holistic approach. A Cabinet paper requesting authorisation to compulsory purchase (CPO) a vacant unit on the high street will be submitted in February. Public engagement events have been undertaken regarding public realm design to accommodate public feedback into the finalised design, where possible. The projects are on track to be delivered within the allocated timeframe by March 2024.

Progress on the Housing Infrastructure Fund (HIF) programme continues across the Road, Rail and Environmental improvement interventions. The council continue to work closely with Homes England to monitor the programme and to maintain a strong relationship with the funder, the Ministry of Housing, Communities & Local Government (MHCLG). An additional year to the funding delivery window for HIF to March 2025 was granted by MHCLG.

Progress update October 2021

An additional £778k has been awarded to IPM and this will be used to help deliver the runway park. This spend will be complete by March 2022. Medway has submitted funding applications across a number of schemes, with approximately £35m applied for across all schemes. A decision is pending.

STRATEGIC RISK: SR47: CLIMATE CHANGE
RISK OWNER: ASSISTANT DIRECTOR FRONTLINE SERVICES
PORTFOLIO: COMMUNITY SERVICES
Current Residual Risk Score All (Likelihood – very high. Impact – major)
<p>Climate change is now a core Council Value.</p> <p>Cabinet approved the Climate Change Action Plan in June 2021.</p> <p>A Communications and Engagement Strategy needs to be produced to give a clear direction for the next stage of the project.</p> <p>The Climate Change Action Plan needs to be implemented.</p> <p>The ‘Do It Now’ actions within the Climate Change Action Plan need to be progressed.</p> <p>The resourcing issues within the Climate Response team have been approved but recruitments need to be completed so that the Action Plan and Communications & Engagement Strategy can be progressed at speed.</p>
Inherent Risk Score All
<ul style="list-style-type: none"> • The council has signed up to the Kent and Medway Energy and Low Emissions Strategy which has the vision that ‘by 2050 the county of Kent has reduced emissions to Net-Zero and is benefiting from a competitive, innovative and resilient low carbon economy, where no deaths are associated with poor air quality’. There is a risk that this vision will not be achieved. • If a Climate Change Action Plan is not produced and implemented by the council, there is a risk that the net zero target will not be reached by 2050. • The success of the Climate Change Action Plan will require collaboration between all services, residents of Medway and the Climate Change Coordinator to meet the net zero target by 2050. • There is a risk that the organisation as a whole does not have the capacity/funding to fulfil the requirements of the Climate Change Action Plan which will put the intended outcome of being net zero by 2050 in jeopardy.
Target Residual Risk Score DIII
<p>The Climate Change Action Plan was approved by Cabinet on 8 June 2021.</p> <p>The current focus for the Climate Change Co-ordinator is working with the Communications team to produce the Communications and Engagement Strategy. However, the engagement process has already started with presentations being given to a number of different stakeholders including Medway Place Board, Medway Learning Partnership, Medway Champions, Child Friendly Partnership Board, Medway on the Map, and Services Managers.</p> <p>Two Climate Response interns were hosted during the summer period, with one of the interns being successfully appointed during this time to the post of Climate Response Engagement Officer. The other intern completed their 12 week posting and contributed to a review of the Climate Change Action Plan. A Climate Response Support Officer was also successfully appointed and has started in post.</p> <p>A lead officer has been given ownership for each priority area within the action plan, and they have been tasked with setting up a subgroup for their priority area, to ensure that the actions are progressed. To date, subgroups have been set up for Priority areas 9 – Supporting Low Carbon Business, 10 – Communications, and 8 - Green Infrastructure.</p>

STRATEGIC RISK: SR47: CLIMATE CHANGE**Trigger**

- Climate Change Action Plan not produced and implemented.
- Funding not available to implement Climate Change Action Plan.
- The council fails to deliver the Climate Change Action Plan and the vision set out in the Kent and Medway Energy and Low Emissions Strategy.
- Staffing resources not available to implement/drive the Climate Change Action Plan forward.
- Lack of support for the climate change agenda.
- Project impacted by Covid19; staff being redeployed, and funding reduced.
- Brexit may have a negative impact on achieving the net zero target by 2050 – UK's exit from the single market may have an impact on trade for low-carbon goods.

Consequence

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

Opportunities and the way forward

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

STRATEGIC RISK: SR47: CLIMATE CHANGE

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

Lead Officer: Head of Environmental Services

Desired Outcome: Expected Output

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

Milestones

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

Progress update December 2021

STRATEGIC RISK: SR47: CLIMATE CHANGE

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

This action has been completed and will be removed next quarter.

Progress update October 2021

Reviewed but no update required this quarter.

Progress update June 2021

Cabinet approved the Climate Change Action Plan in June 2021.

STRATEGIC RISK: SR47: CLIMATE CHANGE

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

Lead Officer: Head of Environmental Services

Desired Outcome: Expected Output

Medway to achieve the net zero target by 2050.

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

Annual reporting on progress made towards net zero target.

Milestones

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

Progress update December 2021

Work has commenced on the refresh of the Climate Change Action Plan to ensure that the measures within the plan are fit for purpose, have the appropriate resources, timescales and any additional measures are incorporated. The refresh of the action plan will be completed in Q4.

Progress update October 2021

Reviewed but no update required this quarter.

Progress update June 2021

Success will be measured by - Emissions, Air Quality, Energy, Transport and Housing and fuel poverty.

STRATEGIC RISK: SR47: CLIMATE CHANGE

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

Lead Officer: Head of Environmental Services

Desired Outcome: Expected Output

To monitor the 12 projects within the AQAP.

To collect data monthly from air quality monitoring sites.

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

Produce annual status report (which includes updates on 12 projects and air quality data) and submit to Department for Environment, Food & Rural Affairs (DEFRA) for validation by June each year.

Milestones

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

Progress update December 2021

The annual status report has been approved by DEFRA and the council received positive feedback on the report.

Progress update October 2021

Reviewed but no update required this quarter.

Progress update June 2021

The Annual Status report has been submitted to DEFRA and we are awaiting feedback. The data from air quality monitoring stations is available on the Kentair.org website.

STRATEGIC RISK: SR50: DELIVERING £170M HOUSING INFRASTRUCTURE FUND (HIF) PROGRAMME
RISK OWNER: ASSISTANT DIRECTOR REGENERATION
PORTFOLIO: LEADER
Current Residual Risk Score CII (Likelihood – significant. Impact – major)
<p>The Housing Infrastructure Fund (HIF) programme is managed at Member, officer and partner level through individual boards, and managed at a more operational level through officer groups and Regeneration, Culture and Environment (RCE) Directorate Management Team (DMT).</p> <p>The HIF programme is funded by Homes England and must adhere to a rigorous reporting process to ensure that projects are progressing to deliver on time and within budget.</p>
<p><u>Threat / Inherent Risk</u></p> <p>Medway's successful HIF bid was approved by central government (Ministry of Housing, Communities & Local Government (MHCLG)) in November 2019 and the Grant Determination Agreement (GDA) securing £170m, was signed by Homes England and the council in late July 2020. The secured forward funding will significantly improve the Hoo Peninsula's transport connections and environmental infrastructure and will support sustainable housing growth of up to 10,600 homes on the Peninsula. Homes England require the £86m highways infrastructure, £64m rail intervention and £14m environmental improvements to be delivered by 31 March 2024. There are challenges to the successful delivery of the HIF programme. A key risk is that it may not be possible to deliver all the required improvements within the £170m budget. The HIF GDA states that the first 1% (£1.7m) of any overspend must be funded by the council. For any overspend beyond this, additional funding sources may be sought. The HIF programme is required by Homes England to be delivered within the funding period. Delays to the programme may be caused at various stages for each of the delivery streams, which could potentially lead to slippage beyond the delivery deadline. The HIF infrastructure will create significant benefits for the local area, however, there is a risk that the HIF-funded infrastructure alone will not fully create the sustainable community that it aims to.</p>
Inherent Risk Score: BII
<p>Target Residual Risk Score: CII</p> <p>Failure to deliver the HIF programme would have a critical impact in Medway, by not delivering the infrastructure required to enable housing for its growing population. There is little that can be done to lessen this impact, so the focus must be on reducing the likelihood of failure.</p>
<p>Trigger</p> <p>Each of the delivery streams – Rail, Road and Strategic Environmental Management Scheme (SEMS) – are in the early stages of delivery. Work across all three interventions continues with Rail Governance for Railway Investment Projects (GRIP) stage 4 commenced, Road Royal Institute of British Architects (RIBA) stage 4 commenced, the planning application for SEMS Phase 1 submitted in December 2020 and design for SEMS Phase 2 is ongoing.</p>
Consequence

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

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

Opportunities and the way forward

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

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

Mitigating Action: SR50.01: Value engineer across the delivery streams throughout the design process.

Lead Officer: Head of HIF and Regeneration Delivery

Desired Outcome: Expected Output

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

Milestones

- Rail GRIP 4 August 2021 June 2022.
- Road Planning Applications June 2021.
- SEMS Phase 1 Planning Approvals May 2021, SEMS Phase 2 commence Planning August 2021.

Progress update January 2022

The work on the Housing Infrastructure Fund (HIF) programme is continuing at pace, with GRIP3 submitted for consideration in December 2021. This is a significant step forward. The team completed a six-week consultation process from 29 November 2021 until 10 January 2022, the results of which will now be analysed.

Progress update October 2021

The HIF team are preparing for a second stage public consultation process in November 2021. This will provide a response to issues raised at the last consultation whilst also providing residents and stakeholders a further opportunity to review the HIF proposals.

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

Mitigating Action: SR50.02: Reviewing full HIF programme, identify where possible, processes to run in parallel.

Lead Officer: Head of HIF and Regeneration Delivery

Desired Outcome: Expected Output

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

Milestones

- Rail GRIP 4 ~~August 2021~~ June 2022.
- Road Planning Applications June 2021.
- SEMS Phase 1 Planning Approvals May 2021, SEMS Phase 2 commence Planning August 2021.

Progress update January 2022

The work on the HIF programme is continuing at pace, with GRIP3 submitted for consideration in December 2021, this is a significant step forward. The team completed a six-week consultation process from 29 November 2021 until 10 January 2022, the results of which will now be analysed.

Progress update October 2021

Work continues to be completed at pace with the design of the roads, rail and SEMS schemes being progressed. A report setting out the council's Acquisition Strategy was approved by Cabinet in September alongside the extension of the HIF programme until March 2025. The stage 2 consultation is programmed to commence in November 2021.

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

Mitigating Action: SR50.03: Work with Planning department to ensure growth on the Peninsula is delivered sustainably.

Lead Officer: Head of HIF and Regeneration Delivery

Desired Outcome: Expected Output

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

Milestones

- Draft Local Plan published autumn 2021.

Progress update January 2022

Reviewed but no update required this quarter

Progress update October 2021

The HIF team continue to work with the Local Plan Policy team to ensure that development brought forward in the Hoo Peninsula is well planned and focuses on quality sustainable development.

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

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

authorities / partnerships.

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

Increased devolution of tax raising powers to the council.

The Covid19 crisis has made meaningful longer-term planning impossible and so the sector continues to lobby for a meaningful long term spending review. Alas, the sector is expecting to see a continuation of single year settlements for some time yet.

Progress update 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.

STRATEGIC RISK: SR03B: FINANCES

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

Capital and Revenue budget agreed by council in February.

Progress update December 2021

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

STRATEGIC RISK: SR03B: FINANCES**Mitigating Action: SR03B.03:** Create resources for investment priorities

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.

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

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

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.

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.

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

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

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.

STRATEGIC RISK: SR32: DATA AND INFORMATION**RISK OWNER: CHIEF FINANCE OFFICER, DIRECTOR OF PEOPLE , ASSISTANT DIRECTOR LEGAL & GOVERNANCE****PORTFOLIO: RESOURCES****Current Residual Risk Score CII (Likelihood – significant. Impact – major)**

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

The council has a Data Protection Officer.

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

The council has a suite of information governance policies.

The council has information sharing agreements and protocols in place.

The council has taken part in a 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.

Inherent Risk Score BII

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

Conversely, not sharing information with partners and others minimises the council's ability to improve service delivery and reduce costs.

There is also a duty to share information in the interests of client care (Caldicott 2 Report).

Local authorities are required to achieve Level 2 on the 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.

Target Residual Risk Score DIII

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.

Trigger

- 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.

STRATEGIC RISK: SR32: DATA AND INFORMATION**Mitigating Action: SR32.03:** Security and Information Governance Group (SIGG)**Lead Officer:** Chief Finance Officer**Desired Outcome: Expected Output**

Providing a corporate overview of all information risk across projects and initiatives.

Minutes of SIGG meetings attended by representatives from Business Support, Public Health, Regeneration, Culture and Environment (RCE) and Children & Adults (C&A) departments.

Progress update December 2021

Reviewed but no update required this quarter.

Progress update October 2021

Medway Council achieved Level 2 of the NHS Data Security and Protection Toolkit annual submission on 30 June 2021; opportunities to improve the council's position with respect to the toolkit submission 2022 will be identified by members of the SIGG and an improvement plan developed.

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

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)**Desired Outcome: Expected Output**

Good regular engagement to discuss risk areas.

DPIAs, ISAs and ROSs co-signed where relevant.

Progress update December 2021

Reviewed but no update required this quarter.

Progress update October 2021

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.

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.

Consequence

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS

- 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.

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

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

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

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 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

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS

Mitigating Action: SR36.05: Robust scrutiny / oversight mechanisms to ensure clear corporate understanding

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.

STRATEGIC RISK: SR36: ALTERNATIVE SERVICE DELIVERY MODELS**Mitigating Action: SR36.07:** Business continuity arrangements**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 GI 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 GI 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)****Current Residual Risk Score DII (Likelihood – low. Impact – major)**

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

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

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

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

Inherent Risk Score CI

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

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

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

Target Residual Risk Score DII

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

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

Trigger

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

Consequence

- Response to the event is not rapid, adequate nor effective.
- Lack of clear communication lines.
- Essential service priorities not clearly understood.
- Communication between agencies and the public is poor.
- There is a perception by residents that the council does not have a visible presence at the incident.
- Residents expect more from their council.
- Local press quick to seize issue.

STRATEGIC RISK: SR02: BUSINESS CONTINUITY AND EMERGENCY PLANNING

- Comparisons made with other local authorities and resilience groups.
- A death, or deaths, in the community.
- 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: SR35: HOMELESSNESS**RISK OWNER: ASSISTANT DIRECTOR CULTURE AND COMMUNITY****PORTFOLIO: DEPUTY LEADER AND HOUSING AND COMMUNITY SERVICES****Current Residual Risk Score CIII (Likelihood – significant. Impact – moderate)**

The council continues to undertake a proactive approach to tackling homelessness. Issues beyond the council's control continue to be the dominating factor in relation to the demand placed on the service. These include increasing rents in the private sector, reductions in the delivery of affordable housing and the impact of welfare reform initiatives.

Given the robust actions in place to manage homelessness this risk shall be removed from the strategic risk register from next quarter.

Inherent Risk Score BII

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

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

Increase in the rough sleeping population in the Medway area.

Changes to legislative frameworks placing greater demand on services.

Target Residual Risk Score DIII

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

Trigger

- Increase in the number of households residing in TA.
- Reduction in the council's ability to maximise prevention opportunities.
- Lack of appropriate TA stock.
- Reduction in the availability of permanent affordable housing.
- Reductions in staffing levels to sustain levels of service.

Consequence

- Increasing and unsustainable overspend of the allocated budget.
- Poorer outcomes for children and vulnerable adults.
- Increased legal challenge and penalty from the Local Government and Social Care Ombudsman (LGO).
- Reputational damage.
- Failing to achieve Members' expectations.

Opportunities and the way forward

Mobilise all new aspects of the Rough Sleeper Initiative (RSI) funding for 2021/22.

STRATEGIC RISK: SR35: HOMELESSNESS

Move forwards with proposals for providing TA in a different way subject to agreement from Corporate Management Team (CMT).
Continue to maximise prevention opportunities and joint working to reduce the strain on households in TA.

STRATEGIC RISK: SR35: HOMELESSNESS

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

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

Desired Outcome: Expected Output

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

Increase in the amount of successful prevention cases.

Dedicated resource to tackle prevention of homelessness.

Progress update December 2021

The council continues to ensure that the opportunities for the prevention and relief of homelessness are maximised for Medway residents. This includes through joint prevention working arrangements with internal partners such as Children's Services, and externally with local landlords and housing providers, to seek to sustain the tenancies of tenants who are at risk of eviction.

Prevention and Relief activities continue to be fundamental to the service provided by the Housing Solutions & Reviews team. The team have enjoyed sustained success in these activities. Currently 67% of all applicants were accepted with a homeless duty having their homelessness successfully prevented or relieved. This has been reflected in the significant reduction (comparative to recent years) of households requiring temporary accommodation (TA). Underpinning this is the joint working with both internal and external partners, including Medway Revenue and Benefits Service (MRBS), Early Help, Children and Adult Services, the Leaving Care team, and social and private landlords. Joint working activities continue to include working through the Children's Service's finance panel and Multi Agency Safeguarding Hub (MASH), leaving care panel, joint prevention working/appointments with MHS Homes, London & Quadrant (L&Q) and Orbit, Landlord Hotline and Landlord forum which resumed in October. The team are also dealing with many landlord queries made directly to the Private Rented Sector team. The team continue to work in conjunction with our new Tenancy pack. The service is planning to create an online tenancy training module.

Incidences of evictions post the lifting of restrictions and approaches due to domestic abuse (DA) continue to be monitored monthly, with a sustained increase in approaches for both reasons being identified, with there being a high incidence of evictions for rent arrears in particular. To meet this increase in demand, the team continues to be proactive in using prevention funds and Discretionary Housing Payments (DHPs) to sustain or secure new tenancies and has successfully recruited a dedicated DA Housing Officer who will work with survivors of DA to ensure successful outcomes.

STRATEGIC RISK: SR35: HOMELESSNESS

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

Progress update October 2021

Approaches in relation to homelessness have increased to levels above those seen in 2020/21 and 2019/20. This increase is primarily driven by changes in legislation, most notably changes in the Domestic Abuse Act which have led to increases in large families with British nationality that have recently left Afghanistan, and the lifting of the cessation of evictions. Overall rates of prevention remain high with 67% of all cases that trigger a duty being prevented or relieved. These increases have ultimately led to an increase in people that are accommodated in TA, although this number is lower than numbers in previous years.

STRATEGIC RISK: SR35: HOMELESSNESS

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

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

Desired Outcome: Expected Output

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

Increased provision of affordable housing.

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

Progress update December 2021

Reviewed but no update required this quarter

Progress update October 2021

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

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

The Housing Revenue Account continues to explore options to maximise the development of new Council Housing with 28 units currently on site and a further two sites being purchased to provide more homes.

STRATEGIC RISK: SR35: HOMELESSNESS

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

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

Desired Outcome: Expected Output

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

Milestones

Ongoing outcome reporting to be established through the strategic group.

Progress update December 2021

The council has successfully mobilised all aspects of this year's funding allocation with services providing support to those that are or may be at risk of rough sleeping. Continuing risks are the overall supply of accommodation, resilience of staffing models and access to essential service to address the root cause of vulnerabilities such as mental health support.

Numbers of those rough sleeping remains relatively stable, although significantly low numbers from 2020/21 have not been sustained, and the official count for 2021/22 has returned 11 rough sleepers, increasing from three. All rough sleepers were being provided with accommodation in 2020/21 via the everyone in initiative, the funding for which has since ceased.

Progress update October 2021

The council has successfully mobilised all aspects of this year's funding allocation with services providing support to those that are or may be at risk of rough sleeping. Continuing risks are the overall supply of accommodation and access to essential service to address the root cause of vulnerabilities such as mental health support. The long term funding position for services remains unclear with MLUHC only tending to agree annual funding settlements.

The overall number of those rough sleeping remains lower than pre-pandemic levels, however this will be clarified in the annual street count due to take place in Q3 2021/22.

STRATEGIC RISK: SR35: HOMELESSNESS

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

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

Desired Outcome: Expected Output

STRATEGIC RISK: SR35: HOMELESSNESS

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

Adoption of a Dynamic Purchasing System (DPS) for the council to secure accommodation in the Private Sector.

Effective/Accurate Budget Monitoring.

Further increase options for lower cost TA provision.

Implement a “tenancy management” type structure for the management of TA – Maximising the income achieved via Housing Benefit.

Minimise rise in price for TA units in the private sector.

Emergency use only for TA Provision that is outside of usual pricing structure.

Progress update December 2021

The number of households in TA remains relatively low compared with previous years, however this number has risen through Q2 (303 at Q2 end) of 2021/22 to 310 households as of 14 December 2021. Demographic pressure, as well as other external factors mean that this number will likely increase further. Housing Services is also providing accommodation to families that would usually be accommodated under the Children Act as well as generally accommodating more households due to changes in the Domestic Abuse Act and increased approaches from British nationals arriving from Afghanistan.

Given the continued high level of approaches it is highly likely that the number of households in TA will increase.

Progress update October 2021

The number of households in TA remains relatively low compared with previous years, however this number has risen through Q2 of 2021/22 to 303 households as of 25 September 2021. Demographic pressure, as well as other external factors mean that this number will likely increase further. Housing Services is also providing accommodation to families that would usually be accommodated under the Children Act as well as generally accommodating more households due to changes in the Domestic Abuse Act and increased approaches from British nationals arriving from Afghanistan.

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.