

Q2 2023/24 SUMMARY OF STRATEGIC RISK PERFORMANCE

Key: Likelihood: A Very likely B Likely C Unlikely D Rare

Impact: I Catastrophic II Major III Moderate IV Minor.

Live or Managed risk	Risk Ref	Risk	Inherent Risk Score	Q2 22/23 Current Risk Score	Q3 22/23 Current Risk Score	Q4 22/23 Current Risk Score	Q1 23/24 Current Risk Score	Q2 23/24 Current Risk Score	Move ment	Definition (Current score) (L-likelihood) (I-impact)	Owner	Portfolio	Link to Council Plan
L	SR03B	Finances	A I	A I	A I	A I	A I	A I	→	L – very likely I – catastrophic	Chief Finance Officer	Leader	All Values
L	SR17	Delivering regeneration	B II	B II	B II	B II	B II	B II	→	L – likely I – major	Director of Place	Climate Change and Strategic Regeneration	Growth
L	SR46	Medway's Economic Recovery	B II	B II	B II	B II	B II	B II	→	L – likely I – major	Assistant Director Regeneration	Economic and Social Regeneration and Inward Investment	Growth
L	SR53	MedPay review	A I	NA	NA	B II	B II	B II	→	L – likely I – major	Chief Organisational Culture Officer	Business Management	All Values
M	SR37	Cyber Security	A I	A I	C I	C I	C I	C I	→	L – unlikely I – catastrophic	Chief Information Officer	Business Management	All Values
L	SR36A	Medway Development Company Ltd	B I	NA	NA	NA	C II	C II	→	L – unlikely I – major	Assistant Director Regeneration, Chief Operating Officer	Climate Change and Strategic Regeneration	Growth
L	SR54	Recruitment and Retention	B II	NA	NA	C II	C II	C II	→	L – unlikely I – major	Chief Organisational Culture Officer	Business Management	All Values
M	SR32	Data and information	B II	C II	C II	C II	C II	C II	→	L – unlikely I – major	Director of People, Assistant Director Legal & Governance, Chief Information Officer	Business Management	All Values
L	SR47	Climate Change	A II	A II	A II	A II	C III	C III	→	L – unlikely I – moderate	Deputy Director of Place	Climate Change and Strategic Regeneration	Place
L	SR36B	Kyndi Ltd	B II	NA	NA	NA	D II	D II	→	L – rare I – major	Chief Operating Officer	Deputy Leader	Place

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SR03B	Finances	AI	<p>There has long been an inherent risk around the council's ability to deliver a balanced budget, however this becomes more challenging every year. The government has failed to address the under-funding of statutory services and it has still not delivered the long-awaited fair funding review, which would see a redistribution of the overall resources in favour of local authorities such as Medway. The government's continued reliance on one-year settlements has increased uncertainty and made medium term planning almost impossible.</p> <p>Demographic pressures in adult social care (ASC), children's care and Special Educational Needs and Disabilities (SEND) remain the biggest issue, but this has been further exacerbated by the impact and aftermath of Covid19, the 'cost of living crisis' precipitated by the war in Ukraine and rising inflation and interest rates.</p> <p>The latest monitoring forecasts an overspend of around £17m in the current year, whilst the council's non-earmarked reserves have been reduced to just over £10m. The Medium-Term Financial Outlook (MTFO) identifies a potential budget gap of £38m for next year. If robust and immediate management action is not taken, the current financial position could precipitate a Section 114 report, which could result in intervention by the government.</p>	<p>SR03B.01: Need to ensure effective response to the spending review, but also lobbying for greater local powers to raise revenues.</p> <p>Q2 23/24 UPDATE: The council engages in joint lobbying through F20 and other peer groups, but more recently the Chief Executive Officer wrote directly to the Secretary of State.</p> <p>Q1 23/24 UPDATE: The government has made it clear that the sector should expect to see a continuation of single year settlements for some time yet.</p> <p>SR03B.02: Align priorities and activity of the council to resource availability through the MTFS process.</p> <p>Q2 23/24 UPDATE: The Draft Budget allocated all additional resource to making provision for pay, with the balance going wholly to fund pressures in Children and Adults directorate.</p> <p>Q1 23/24 UPDATE: The council agreed a balanced budget in February, underpinned by some risky assumptions and challenging targets, however the real issue is the overspend forecast for 2022/23, which is expected to make a significant dent in general reserves.</p> <p>SR03B.03: Create resources for investment priorities.</p> <p>Q2 23/24 UPDATE: The council is exploring opportunities for property rationalisation, with a view to releasing capital receipts to fund investment priorities.</p> <p>Q1 23/24 UPDATE: The council has availed itself of the flexible use of capital receipts to fund transformation and both the Children's and Adults improvement programmes, however the lack of a pipeline of capital receipts means this opportunity is drying up.</p> <p>SR03B.04: Delivery of digital transformation programme</p> <p>Q2 23/24 UPDATE: A complete 'digital road map' is being developed for sign-off by Members.</p> <p>Q1 23/24 UPDATE: A complete 'digital road map' is being developed for sign-off by the Transformation Board in the new financial year.</p>	AI	<p>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. Recent global events continue 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.</p>	CIII

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SR17	Delivering regeneration	BII	<ul style="list-style-type: none"> • Regeneration projects are not completed. • 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. 	<p>SR17.01: Outline infrastructure needs identified.</p> <p>Q2 23/24 UPDATE: Initial discussions are underway with Homes England about funding opportunities for Medway to address the loss of the Housing Infrastructure Fund (HIF) grant and its impact on the development of infrastructure requirements more generally in Medway. Officers regularly meet with the Department for Levelling Up, Housing and Communities (DLUHC) to keep up to date with funding opportunities. Medway has been selected to take part in the Levelling Up Fund (LUF) Discovery Programme to work collaboratively with DLUHC to address any barriers to delivery and guide improvements to the funding process. Discussions have been opened with the South East Local Enterprise Partnership (SELEP) regarding the risk of possible repayment of the grant due to the withdrawal of the HIF grant leading to the non-delivery of Four Elms improvements. Officers have prepared a strong case to retain the funding and to identify a funding route to deliver improvements at Four Elms. SELEP is due to make a formal decision in January 2024.</p> <p>The funding routes for IPM are being reviewed to address the impact of inflation. A review of partnerships (e.g., Locate in Kent (LiK)) is underway and the impacts of the same are being quantified.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/23 UPDATE: The Local Plan continues to develop as per the Local Development Scheme published on the council website. Officers have started to review submissions made in response to the Call for Sites.</p> <p>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</p> <p>Q2 23/24 UPDATE: As above, conversations with Homes England, DLUHC and SELEP are continuing, to assess funding opportunities whilst ensuring current programmes remain fit for purpose. Business cases for additional Getting Building Funding for projects have been</p>	BII	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.	CII

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				<p>submitted to the Kent and Medway Economic Partnership (KMEP) for prioritisation. Officers are awaiting guidance on eligibility and criteria for LUF Round 3, with a view to ensure work on the LUF Round 2 submissions can be repurposed where possible. An announcement is expected by the autumn statement.</p> <p>Year 2 of the Shared Prosperity Fund (SPF) programme is underway, delivering on the Investment Plan as approved by DLUHC.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/23 UPDATE: The Levelling Up Fund (LUF) Round 2 bids for Gillingham Open Lines and Innovation Park Medway (IPM) were unsuccessful. Both bids have received written feedback and were rated strong in the overall Strategic Case for investment. A meeting to discuss the feedback is being arranged with the Department for Levelling Up, Housing and Communities (DLUHC) officers.</p> <p>The council's Investment Plan to access Medway's £1.8m Shared Prosperity Fund (SPF) allocation has been formally approved by government. Year 1 SPF 2022/23 allocation is £225k and delivery of Year 1 projects is underway. The SPF programme updated to March Overview and Scrutiny and will go to Cabinet in April for approval to proceed with Year 2 delivery.</p> <p>SR17.05: Working towards the adoption of the new Medway Local Plan</p> <p>Q2 23/24 UPDATE: The Regulation 18 consultation of the developing Local Plan was launched on Monday 18th September and will run for 6 weeks. The targets in the Local Development Scheme which sets the timeline for the development of the Local Plan continue to be met.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/23 UPDATE: The Local Plan continues to develop as per the Local Development Scheme published on the council website. Officers have started to review submissions made in response to the Call for Sites.</p> <p>SR17.08: Maintain a successful track record of delivery to optimise future chances of funding bid success. This includes Future High Streets Fund</p>			

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				<p>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</p> <p>Q2 23/24 UPDATE: Teams are focused on active delivery; drawing on positive engagement with colleagues, stakeholders, and funders to ensure that funding and community requirements are addressed. Where divergence is envisaged, this is raised early with funders to ensure negotiations are open and fluid. As above, active conversations are underway with Homes England, DLUHC and SELEP about future funding opportunities and constraints. Officers regularly meet with DLUHC to keep up to date with funding opportunities. Medway has been selected to take part in the LUF Discovery Programme to work collaboratively with DLUHC to address any barriers to delivery and guide improvements to the funding process.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/23 UPDATE: The council was unsuccessful in the LUF Round 2 submissions for Gillingham Open Lines and IPM. Written feedback was received from the Department for Transport (DfT) and DLUHC. Both bids were rated strong. A meeting to discuss verbally is being arranged. DLUHC has mentioned LUF Round 3. Once this is formally announced, the council will consider resubmission dependent on the criteria as set out by the government.</p>			
SR46	Medway's Economic Recovery	BII	<p>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:</p> <ul style="list-style-type: none"> 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 from ethnic minorities. 	<p>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)</p> <p>Q2 23/24 UPDATE: The Kent Economic Development Officers Group continues to meet at least monthly. Covid19 is no longer a topic of discussion.</p> <p>Q1 23/24 UPDATE: The Kent Economic Development Officers Group continues to meet at least monthly. Covid19 is no longer a topic of discussion other than in respect of the</p>	BII	<ul style="list-style-type: none"> 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. 	CII

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			<ul style="list-style-type: none"> • 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. 	<p>desire for renewed grants to help businesses through the cost-of-living crisis.</p> <p>SR46.02: Delivery of government-directed financial support to businesses and individuals (Lead Officer: Chief Finance Officer) Q2 23/24 UPDATE: Grants from the UK Shared Prosperity Fund (SPF) are currently being awarded to community groups. The Partners for Growth Grants are being expanded to include green grants of up to £2,500. The Partners for Growth Grants continue to be awarded.</p> <p>Q1 23/24 UPDATE: Due to former government-directed financial support to businesses and individuals in Medway, the council now has an established platform to administer grants if they are announced again. There has been no sign yet that government-directed financial support to support recovery will be announced in the future. This has been used to streamline and expand the Partners for Growth Grant which is being used to support 34 Medway businesses in this quarter.</p> <p>SR46.03: Reopening High Streets Safely (Lead Officers: Assistant Director Regeneration, Assistant Director Frontline Services Deputy Director of Place) Q2 23/24 UPDATE: This programme is no longer operating, so this mitigating action shall be removed going forward.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/24 UPDATE: Government guidelines do not require mandatory social distancing measures and few town centres or establishments have any implemented.</p> <p>SR46.04: Supporting Medway's businesses (Lead Officer: Assistant Director Regeneration) Q2 23/24 UPDATE: Locate in Kent (LIK) continues to support businesses to expand within or move to Medway with added support for Innovation Park Medway and early discussions with Costco for example. The business support programmes in partnership with the Kent Invicta Chamber of Commerce continue to run and a series of workshops aimed at start-ups and growing businesses are scheduled through the next quarter.</p> <p>Q1 23/24 UPDATE: Locate in Kent (LIK) continues to support businesses</p>		<ul style="list-style-type: none"> • Opportunity to significantly advance digital inclusion for workers, learners and service users across Medway. • Design and build stage of the Innovation Hub to meet more localised working patterns to commence Q3 23/24. 	

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				<p>to expand within or move to Medway. There have been some personnel changes at LIK and reduced funding which has impacted on outputs for this quarter. Medway Council is closely monitoring this to ensure future target outputs are met for 2023/24, as well as deliver the Future Forward programme. The European Union (EU) business support programmes that LIK ran completed at the end of the quarter.</p> <p>The Economic Development team has been active in supporting Medway businesses via the multiple business support programmes being delivered including Growth Entrepreneur; Scale Up; High Street Digitalisation; I-teams; expanded and streamlined Partners for Growth Grant; improving networking opportunities and events, establishing the Business for Medway engagement group and supporting the development of future workspace provision in Medway.</p> <p>SR46.05: Supporting residents' skills and employability. Q2 23/24 UPDATE: Skills & Employability programmes continue to develop well. The 50+ employment programme has seen over 70 referrals, with eight people supported into work so far. The Kent & Medway Careers Hub recorded its best performance yet across the Gatsby benchmarks, measuring careers performance, and a new supported internship forum has been developed. Business engagement is also positive with over 150 businesses signed up to support education. Q1 23/24 UPDATE: The Growth Entrepreneur and Scale up programmes have commenced focusing on Medway's key growth priority areas with a focus on investment and high wage job creation and helping to improve the skills of business leaders and job creation. The Partners for Growth grant's expansion has highlighted that small to medium enterprises (SMEs) are still looking to grow, with a central theme of upskilling and increasing qualifications among directors and staff leading to increased workloads and increased employment.</p> <p>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 Officers: Corporate Management Team) Q2 23/24 UPDATE:</p>			

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				<p>Medway's overarching Regeneration Place Strategy Medway 2037 is due to be refreshed in line with the Local Plan, Medway 2040. The draft previously approved by Cabinet in October 2022 is to be reviewed by the new administration. An initial strategy workshop with members took place in August. The document will drive Regeneration and Economic Development objectives going forward. This will be aided by grant funding from the Shared Prosperity Fund 2022-2025, retaining a level of flexibility to respond to a changing economic environment. Year 2 of the SPF programme is underway to deliver on the Investment Plan, as approved by the Department for Levelling Up, Housing and Communities (DLUHC).</p> <p>Q1 23/24 UPDATE: The Medway 2037 strategy was approved by Cabinet in October, giving a steer for Regeneration and Economic Development and objectives going forward. This will be aided by grant funding from the Shared Prosperity Fund (SPF) 2022-2025 retaining a level of flexibility to respond to a changing economic environment. The Investment Plan to access the SPF was approved by Government in late December, and recruitment for roles to support the SPF programme to deliver on the Medway 2037 objectives is underway. The Medway Town Centres Strategy and the Medway Innovation Strategy were completed.</p> <p>SR46.07: Continue to lobby government to maximise support and opportunities for Medway.</p> <p>Q2 23/24 UPDATE: The council regularly meets with DLUHC officers to keep up to date with opportunities for Medway. Medway has been selected by DLUHC to take part in the Levelling Up Fund (LUF) Discovery Programme to work collaboratively with DLUHC and guide improvements to the funding process. Senior officers at Home England recently visited to view key opportunity sites at Medway. The Investment Plan to access £1.8m SPF has been approved by Government; year 2 of the SPF programme is underway.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q4 22/23 UPDATE: The Investment Plan to access £1.8m SPF has been approved by Government with year 1 projects underway. Rural England Prosperity Fund £400k</p>			

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				allocation SPF addendum was submitted in December and awaits a response.			
SR53	MedPay review	AI			BII		CII
	<p>SR53.01 Funding: when undertaking market pay comparisons it could identify significant drift in current salaries that Medway pay versus the external market. Existing salary budgets will be insufficient and the scheme unaffordable.</p> <p>And market premia is pensionable, meaning employer contributions are higher.</p>	AI	Financial	<p>Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q1 23/24 UPDATE: Budgets to be built based on midpoint of salary range for accomplished, practised and developing. Financial appraisal (cost modelling) is being undertaken by an accountant that is assigned to the project.</p>	BII	<p>Financial appraisal presented to Corporate Management Team (CMT) for approval before implementation. Increase salaries in priority areas (hard to recruit/high turnover) first. The Medium-Term Financial Outlook (MTFO) process is used to identify budget pressures. Benchmark against comparators, not the whole market and identify the pay quartile (median) we are positioning ourselves at.</p>	CII
	<p>SR53.01A Funding: and/or on assessment, majority of role holders are deemed accomplished (C) making the pay model unaffordable.</p>	BI	Financial	<p>Q2 23/24 UPDATE: Review and compare career progression frameworks to ensure consistency across phase 1.</p> <p>Q1 23/24 UPDATE: Presenting briefings to service managers to ensure understanding of the model, engaging them in the setting of the levels. Budgets to be built at the midpoint of the salary range.</p>	BII	Train managers, ensure understanding of the three levels and definitions are clear for both managers and employees.	CII
	<p>SR53.02 Engagement: this change programme affects everyone across the</p>	BI	People	<p>Q2 23/24 UPDATE: The team is currently seeking feedback via a survey from phase 1 staff and managers. A regular MedPay newsletter and video will be launching in October 2023.</p> <p>Q1 23/24 UPDATE:</p>	BII	Need to test that the communication is reaching all levels of the organisation, obtain feedback and respond to questions and concerns.	CII

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	council and implementation will be staggered. Challenge to ensure everyone understands the change, everyone can see the reason and benefits of change, everyone implements the change consistently, and the change is perceived as fair and transparent now and in the future.			Established a communications and engagement group as part of the project. Utilise employee forums such as Medway Makers.		Ensure a variety of communication methods are adopted to ensure the greatest reach – Medspace (intranet) pages, briefing sessions, regular communication with corporate management team (CMT), service managers need to know, Employee Matters Committee (EMC) etc. Be open and transparent. MedPay Champions group.	
	SR53.06 Capacity of project team: project group members are not solely assigned to this project and are from across the council not just within Human Resources (HR). Demands from service areas to support with Business as Usual (BAU).	All	Project delivery	Q2 23/24 UPDATE: Additional resource was agreed for phase 2 and a Human Resources Business Partner (HRBP) and support staff have been recruited on a fixed term basis. However, there have been two failed recruitment campaigns for the additional Organisational Change Consultant. Q1 23/24 UPDATE: Funding secured for a designated project manager and project coordinator. Additional resource secured at Human Resources Business Partner (HRBP) level. Monitor demands such as organisational change on the HRBPs. Established a Strategic Working Group. Regular feedback loop into CMT.	BII	Reprioritise HRBP work to ensure project takes precedence. Review HRBP job description. Communicate the changes in priority of this role as required by the organisation to deliver this project. Review resource needs for phase 2 and phase 3 in a timely manner and ensure built into budget setting process. Additional fixed term posts for one year to support delivery of phase 2.	CIll
	SR53.09 Local Economy: downturn in the local economy could affect affordability and alter external	All	Environmental	Q2 23/24 UPDATE: Reviewed but no update required this quarter. Q1 23/24 UPDATE: MTFO processes in place.	BII	Ensure targets for financial resilience are in place in the Finance & Business Intelligence (FBI) Divisional plan. Procure a salary benchmarking system to enable comparison with the external market.	CIll

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	market forces dramatically.						
	SR53.11 Dual pay systems: capacity of the HR & Payroll system and the Payroll, and HR & Payroll Systems teams to deliver two pay processes.	All	Operational	Q2 23/24 UPDATE: A working group has been set up with Payroll and Systems team colleagues who meet regularly. New pay tables have been built in Resourcelink. Q1 23/24 UPDATE: Resourcelink has the ability to run different pay systems. Vacancies are being recruited to and the induction/training plan is in place. Scoping of new processes is required in order to inform a specification for the ICT and HR & Payroll Systems teams.	BII	Sub-group of Strategic Working Group to be established to ensure work programming is in place. Options appraisal required to ascertain cost/benefits of in-house processes as opposed to off-the-shelf solution from Resourcelink or other providers. Work with the Head of HR, ensuring that this work is built into the payroll and HR Systems workplan.	CIII
	SR53.14 Timescale for implementation: a lot of processes, frameworks, governance, systems etc to establish in phase 1 within a tight timeframe	BI	Project delivery	Q2 23/24 UPDATE: Tools and templates have now been developed but they will continue to be reviewed and feedback sought as applicable. Q1 23/24 UPDATE: Project plan roadmap, action log and risk summary. Recruiting to vacant posts.	BII	Identify support required from other 'experts' across the council and secure their commitment to the project via CMT and Finance and Business Improvement (FBI) Senior Management Team (SMT).	CII
	SR53.15 Staff Absence impacting upon capacity to deliver the project: Sickness absence and planned holidays of project team members and wider contributors to the project creating delays in project delivery	All	Operational / project delivery	Q2 23/24 UPDATE: Staff have returned from long term sickness absence and peak summer holidays are over. Q1 23/24 UPDATE: Workload plans reviewed regularly, and work reallocated to others in the team.	BII	In the case of wider contributors such as finance support and job evaluation, back-up arrangements will need to be identified.	CIII
SR37	Cyber Security	AI			CI		CI

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		AI	<ul style="list-style-type: none"> • Unauthorised access to council systems and data. • Potential for data breaches. • Loss of access to council systems and data for staff. • Cyber security/ransomware attack may mean data is permanently lost. • Potential damage to the council's reputation. • Potential increase in costs to repair damage and restore systems. 	<p>SR37.01: Secure configuration: Unnecessary functionality has been removed from systems or disabled.</p> <p>Q2 23/24 UPDATE: The latest annual security scan (July 2023) report performed by a third party has shown an improvement in the potential vulnerabilities on the council network. Remediation on identified risks are being carried out.</p>	CI CII	<p>SR37.01: Secure configuration: Unnecessary functionality has been removed from systems or disabled. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI CII
		AI		<p>SR37.02: Network security: Appropriate architecture and policies are in place.</p> <p>Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.02: Network security: Appropriate architecture and policies are in place. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI
		AI		<p>SR37.03: Managing user privileges: System privileges are being carefully controlled and managed.</p> <p>Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.03: Managing user privileges: System privileges are being carefully controlled and managed. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI
		AI		<p>SR37.04: User education and awareness: Measures have been taken to establish a security-conscious culture.</p>	CI	<p>SR37.04: User education and awareness: Measures have been</p>	CI

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				Q2 23/24 UPDATE: Cyber Awareness month for council staff is being planned for November 2023.		taken to establish a security-conscious culture. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.	
		AI		SR37.05: Incident management: Effective incident management policies and processes are in place. Q2 23/24 UPDATE: Reviewed but no update required this quarter.	CI	SR37.05: Incident management: Effective incident management policies and processes are in place. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.	CI
		AI		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 our systems and services. Anti-malware policies and procedures have been implemented. Q2 23/24 UPDATE: Reviewed but no update required this quarter.	CI	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 our systems and services. Anti-malware policies and procedures have been implemented. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-	CI

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						present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.	
		AI		<p>SR37.07: Monitoring: Robust system monitoring takes place. Q2 23/24 UPDATE: The latest annual security scan (July 2023) report performed by a third party has shown an improvement in the potential vulnerabilities on the council network. Remediation on identified risks are being carried out.</p>	CI CII	<p>SR37.07: Monitoring: Robust system monitoring takes place. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI CII
		AI		<p>SR37.08: Removable media controls: Appropriate security controls are in place around removable media. Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.08: Removable media controls: Appropriate security controls are in place around removable media. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI
		AI		<p>SR37.09: Home and mobile working: Under hybrid working, officers are made aware of device security measures. Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.09: Home and mobile working: Under hybrid working, officers are made aware of device security measures. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains</p>	CI

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
						on the council's strategic risk summary.	
		AI		<p>SR37.10. Robust policies and procedures in place: The council is accredited against the Public Service Network (PSN) code of connection criteria. Q2 23/24 UPDATE: The latest annual security scan (July 2023) report performed by a third party has shown an improvement in the potential vulnerabilities on the council network. Remediation on identified risks are being carried out. The team is preparing for Public Services Network (PSN) certification in April 2024.</p>	CI	<p>SR37.10. Robust policies and procedures in place: The council is accredited against the Public Service Network (PSN) code of connection criteria. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI
		AI		<p>SR37.11. Overall Backup Design & Backup Security. In the event of a cyber incident (e.g., Ransomware) the council must have the ability to recover data from backups. It is important that the backups are protected from being encrypted in the event of a ransomware attack. Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.11. Overall Backup Design & Backup Security. In the event of a cyber incident (e.g., Ransomware) the council must have the ability to recover data from backups. It is important that the backups are protected from being encrypted in the event of a ransomware attack. This risk has been managed to a target level of acceptable risk and all mitigating actions have been implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.</p>	CI
		AI		<p>SR37.12. Server Operating Systems and Hypervisors. The operating systems (e.g., Server 2012 R2) should be on a version that is supported by Microsoft. Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p>	CI	<p>SR37.12. Server Operating Systems and Hypervisors. The operating systems (e.g., Server 2012 R2) should be on a version that is supported by Microsoft. This risk has been managed to a target level of acceptable risk and all mitigating actions have been</p>	CI

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
						implemented and so it is proposed that this risk be classified as a 'managed risk'. Due to the ever-present threat of cyber-attacks, and a rapidly changing environment, it is proposed that this risk remains on the council's strategic risk summary.	
SR36A	Medway Development Company Ltd	BI	The business cases for the three main sites being developed by Medway Development Company (MDC) were agreed prior to the war in Ukraine and the subsequent economic volatility. These factors have led to high inflation impacting the cost and availability of both labour and materials. This in turn caused the Bank of England to increase interest rates. As well as affecting the cost of these developments, the resultant 'cost of living crisis' has affected the housing market.	<ul style="list-style-type: none"> • SR36A.01: Implement private rented sector (PRS) delivery to de-risk schemes. Q2 23/24 UPDATE: It is a tried and tested practice for housing developers to let units' short term during a depressed housing market. Later, when the market picks up, the units can either be sold or retained to provide a longer-term revenue stream. MDC has a subsidiary to manage private sector rentals. • SR36A.02: Review Business Plan cashflow and revenue expectations Q2 23/24 UPDATE: The Managing Director of MDC recently gave a presentation to the Chief Operating Officer (COO) regarding the overall programme, to demonstrate the company's continued profitability. The COO has requested refreshed business cases for all live schemes, to understand the current viability and risks associated with each scheme. The company will present an updated Business Plan to the newly formed Shareholder Board by December 2023, which will also set out private rented sector (PRS) viability and short-term loan requirements. • SR36A.03: Pre-plan and pre-order materials Q2 23/24 UPDATE: MDC took the opportunity to pre-order materials when the markets first started to worsen and secured off-site storage to ensure availability. • SR36A.04: Target Grant Funding Opportunities Q2 23/24 UPDATE: The company continues to work with colleagues within the Regeneration service to bid for grant funding and recently secured funding through the Brownfield Land Release Fund. Significant funding has been levered in: Local Authority Accelerated Construction (LAAC) - £732K, Get Building Fund - £750K, First Homes - £10m+, Future High Streets Fund (FHSF) - £2.9m. We 	CII	Changes in the housing market brought about by increasing costs and higher interest rates have led to much more uncertainty with sales generally, however there are opportunities for Medway Development Company (MDC) Ltd. As house prices become out of reach for first time buyers looking to purchase in and around London, they may turn their attention to less expensive areas with good links to the city, such as Medway. Furthermore, we are seeing an increase in the private rented market and the company is proactively set-up to take advantage of this opportunity, which was agreed by Cabinet. By adjusting to private rented, the company can de-risk projects, but also generate long term revenue streams or sell homes at a later date, when values have increased – this is expected to happen in Chatham, as the regeneration uplift builds, however, this is likely to take time. The other key opportunity is that the company is also able to lever in grants and work with the council to identify opportunities to help unlock projects. The company has been particularly successful in levering in grants and this focus should continue to capitalise on future opportunities.	DIII

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
				were recently awarded £2.7m through the Brownfield Land Release Fund R2. (Total over £17m).			
SR54	<p>Recruitment and Retention</p> <p>A skilled, qualified, and experienced workforce is essential to deliver services, including statutory services.</p> <p>However, attracting, and retaining staff continues to be a challenge across directorates.</p> <p>National skills shortages in key areas, including social care, planning, legal, and building control means increased competition between employers and a contribution to difficulties in filling vacancies.</p> <p>Medway's proximity to London, with higher salary and remuneration packages, challenges Medway's packages.</p>	BII	<p>Lack of experienced staff with specialist skills.</p> <p>Low staff morale.</p> <p>Loss of productivity through quiet quitting.</p> <p>Industrial action impacting service delivery / performance.</p> <p>Reliance on interim and agency staff.</p> <p>Budget pressures due to use of agency staff and contractors to fill roles.</p> <p>Inability to perform statutory functions.</p> <p>Inability to meet service demands.</p> <p>Inability to develop and improve service delivery.</p> <p>Impact on delivery of projects to expected timescales.</p> <p>Reputational damage.</p>	<p>Q2 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>Q1 23/24 UPDATE: 10% MedPay Pilot review to:</p> <ul style="list-style-type: none"> • align historical pressures and ensure competitive pay. • retain a talented workforce. • attract and recruit a skilled workforce. • support career progression. <p>Apprenticeship Academy offering:</p> <ul style="list-style-type: none"> • alternative route to employment. • opportunities for development and career progression. <p>Regular engagement with workforce and trade unions.</p> <p>Medway's values, behaviours and culture embedded by managers.</p> <p>Annual staff survey to understand staff priorities and inform Engagement Strategy.</p> <p>Promotion of the council's Employee Value Proposition (Our People Promise) highlighting to staff the holistic picture of our full staff reward and benefits package.</p>	CII	<ul style="list-style-type: none"> • Full rollout of Medpay Review (18 months). • Benchmarked pay for all roles aligned to profession with the ability to move to acquire new skills and increase salary. • Career pathways to support progression within the council. • Introduction of an additional band (R8) to ensure career opportunities and professional pay levels. • Revised performance management approach to ensure skills assessments and career conversations. • Introduction of a talent management tool to identify future talent and single points of failure within the workforce (9 box grid). • Revised market allowance framework. • Leadership and management training for all existing managers and new managers. • Revised policies to manage sickness and capability. • Review of the onboarding process to ensure speed and quality. • Recruitment Strategy. • Retention Strategy. • Annual Staff engagement and annual review of the employee engagement strategy. • New council jobs site giving the ability to creatively promote our teams and services and job/career opportunities. • Annual pay uplift strategy/medium term uplift plans. 	DIII

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
	<p>Medway staffing establishment is lean in comparison to other Unitary Authorities and roles are broad. These factors are making it more difficult to attract and retain staff.</p> <p>Remote working offers the workforce increased flexibility and choice of workplace.</p> <p>Results of September 2022 staff survey:</p> <ul style="list-style-type: none"> • 58% of colleagues want to stay for at least the next three years. • 29% want to stay for at least the next year. • 8% want to leave within the next 12 months. • 4% want to leave as soon as possible. <p>Staff turnover data 30% in last 12 months</p>						

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
SR32	Data and information	BII	Poor management and protection of data and information can lead to financial and reputational risks for the council. There are also safeguarding concerns that would be raised by regulators.	<p>SR32.01: The council has accountability and governance in place for data protection and data security.</p> <p>Q2 23/24 UPDATE: Further to the Q1 23/24 update, the Security and Information Governance Group (SIGG) has used the Information Commissioner's Office's (ICO) accountability framework to assess the gaps in meeting compliance to the UK general data protection regulation (GDPR) and Data Protection Act 2018. An action plan has been agreed with Assistant Directors along with a timeline to complete the actions as noted in the accountability framework. This will be an ongoing activity over 18-24 months.</p> <p>Q1 23/24 UPDATE: All designated roles (Senior Information Risk Owner, Caldicott Guardian, Data Protection Officer) remain in place.</p> <p>The council submitted its 2023/24 DSP Toolkit submission by the deadline of 30 June 2023. The Security and Information Group (SIGG) refreshed and relaunched and continues to meet. Membership has been revised to ensure pan-council focus by the SIRO supported by the Caldicott Guardian.</p> <p>SR32.05: Staff are supported in understanding their obligations under the National Data Guardian's Data Security Standards</p> <p>Q2 23/24 UPDATE: To meet the requirements of DSP Toolkit for 2023-24, the council will be undertaking Training Needs Analysis for all staff. Based on the Training Needs Analysis document, a training programme will be delivered to all staff.</p> <p>The Training Needs Analysis document is a mandatory evidential item to be submitted for DSP Toolkit 2023-24.</p> <p>Q1 23/24 UPDATE: Medway Council appropriate staff are asked to undertake training on Data Protection annually, and as part of the induction for new starters. 95% of appropriate staff received training in Data Protection as a requirement of the NHS DSP Toolkit.</p> <p>The Head of Technology is booked onto the (ISC)2 Certified Information Systems Security Professional (CISSP) in May 2023 and is anticipated to take their examination for July 2023.</p>	CII	Review support for information governance within the organisation. Audit the council's Caldicott Guardian function. Audit the council's Data Security and Protection (DSP) Toolkit submission internally to ensure continual improvement. Appoint a Deputy Senior Information Risk Officer (SIRO). Seeking Public Services Network (PSN) Compliance.	DIII

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
				<p>SR32.06: Appropriate policies and procedures are in place to support good information management and security.</p> <p>Q2 23/24 UPDATE: The Data Protection Policy was revised and ratified by SIGG members in July 2023. A new Subject Access Request Policy has been introduced – this was ratified at the SIGG meeting in July 2023.</p> <p>Q1 23/24 UPDATE: A policy review was started in March 2023 led by the Information Governance Manager, as part of a self-assessment. Data protection policies are also available to staff through the website. The Medway Council Digital Accessibility Policy has been added to the Meta Compliance system for staff to review, alongside mandatory accessibility training. Acknowledgement of the policy and completion of the training will be monitored by the ICT team.</p>			
SR47	Climate Change	All	<ul style="list-style-type: none"> Potential damage to the council's reputation. Not able to meet members', government, and the public's expectations. Net zero by 2050 is not achieved. 	<p>SR47.02: Implementation of a five-year cross cutting Climate Change Action Plan setting out medium- and long-term outputs to achieve measurable change.</p> <p>Q2 23/24 UPDATE: The new engagement groups with Members and the community are being developed.</p> <p>Q1 23/24 UPDATE: Reviewed but no update required this quarter.</p> <p>SR47.03: Drive the Air Quality Action Plan (AQAP) forward to effect improvement in Air Quality across Medway</p> <p>Q2 23/24 UPDATE: The anti-idling project is completed. Engagement has been undertaken with the community on the project and workshops have been held with local secondary schools and the community, to develop a community sign with a local message which can be tested as part of the project. The University of Kent has created a project report with the data collected in Q1 23/24. The project analysis will continue in Q3 23/24. The Four Elms Department for Environment, Food & Rural Affairs (DEFRA) air quality project is continuing through the procurement phase, and the implementation plan is progressing.</p> <p>Q1 23/24 UPDATE:</p>	CIII	<p>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.</p> <p>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.</p> <p>Sufficient staffing is assigned to the tasks required in the plan.</p>	DIII

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
				<p>The anti-idling project is nearly completed. Engagement has been undertaken with the community on the project and workshops have been held with local secondary schools and the community, to develop a community sign with a local message which can be tested as part of the project. The University of Kent has supported the council with the engagement work. Volunteers have been recruited to undertake the data gathering part of the project and the data collected in Q1 2023/24. The project analysis will continue in Q2 2023/24.</p>			
SR36B	Kyndi Ltd	BII	<p>Over the last few years, a new board and management team has stabilised the company and returned it to profitability. However, the decision to bring the recruitment agency back in-house represents a risk to the long-term sustainability of the company.</p>	<ul style="list-style-type: none"> • SR36B.01: Business Governance Controls Q2 23/24 UPDATE: Governance controls within the company have been strengthened and the board now receives a suite of quarterly monitoring data which facilitates much better decision making. The establishment of a shareholder sub-committee will further strengthen governance and protect the shareholder's interests. • SR36B.02: Business Profitability Q2 23/24 UPDATE: The company has returned profits in each of the last three financial years and is set to do so again. • SR36B.03: Business Growth Q2 23/24 UPDATE: Growth has been slow; however, a new substantive Chief Executive Officer presents an opportunity to re-evaluate the company's business objectives and set a new business plan for the medium- and longer-term. 	DII	<p>There are clear growth opportunities for Kyndi centred around its core trading activities of telecare and monitoring. Shareholder representatives are working proactively with the Kyndi Board to secure targeted business growth that will be presented to Cabinet for approval, as shareholder, at the appropriate time.</p>	DIII