

Q2 2025/26 SUMMARY OF RISK PERFORMANCE

Risk Overview

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	Q1 25/26 Previous Risk Score	Q2 25/26 Current Risk Score	Movement	Likelihood	Impact	Owner	Portfolio	Link to Council Plan
Live	SR03B	Insufficient budget funding	AI	All	All	Static	Very likely	Major	Chief Finance Officer	Leader	Principles
Managed	SR32	Data and information	BII	CII	CII	Static	Unlikely	Major	Director of People and Deputy Chief Executive, Assistant Director Legal & Governance, Chief Information Officer	Business Management	Values
Managed	SR37	Cyber Security	AI	CI	CI	Static	Unlikely	Catastrophic	Chief Information Officer	Business Management	Principles
Live	SR54	Recruitment and Retention	BII	CIII	CIII	Static	Unlikely	Moderate	Chief Organisational Culture Officer	Business Management	Values
Live	SR47	Climate Change	All	CIII	CIII	Static	Unlikely	Moderate	Assistant Director Culture and Community	Climate Change and Strategic Regeneration	Priority 3
Live	SR53	MedPay review	AI	BII	CII	Static	Likely	Major	Chief Organisational Culture Officer	Business Management	Values
Live	SR58	Gun Wharf building closure	AI	AI	AI	Static	Very likely	Catastrophic	Assistant Director Regeneration	Housing and Property	Principles
Live	SR59	Local Government Reorganisation (LGR) and Devolution	BII	BII	CII	Decreased	Unlikely	Major	Head of Policy and Partnerships	Leader	

Q2 2025/26 RISKS

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
SR03B	Insufficient budget funding	AI	While demand and cost pressures on the council's statutory services have soared in recent years, the Institute of Fiscal Studies (IFS) has reported that across local government, core funding per resident fell 26% in the 2010s, and that increases in funding since the Covid19 pandemic have to date undone just one third of the cuts. Meanwhile, councils' ability to	The expected Government announcements have all been pushed back, with the local government finance policy statement now confirmed for late October 2025, alongside the conclusions from the Fair Funding consultation. The Chancellor's Autumn Budget is set for 26 November, with the provisional settlement likely a few days before Christmas, as previously. Early indications are that the	All	Until the 2026/27 provisional settlement is published, it will not be possible to plan with any confidence for the next three years. The Finance team continues to improve the monitoring of council tax and business rates to enhance the accuracy of budget projections and has developed an approach to monitor the council's balance sheet and financial resilience more broadly. Officers continue to work with MHCLG, CIPFA and the external auditors around the existing capitalisation directions and	All

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			<p>increase income locally to compensate has been largely capped at 5% by the continuation of the council tax referendum limits.</p> <p>The government's Spending Review 2024 resulted in the seventh consecutive one-year funding settlement for local government, severely limiting the ability of councils to plan for future resource levels.</p> <p>Since 2016, government departments have been consulting on proposals to implement the fair funding review; aiming to distribute funding more equitably based on relative needs and resources, which would result in increased funding for Medway. Whilst no material changes have been implemented to date, it is hoped that these will be enacted in the form of a three year settlement for 2026/27 onwards and initial estimates look positive for Medway.</p> <p>It was necessary to seek government support through the Exceptional Financial Support (EFS) scheme, with the Ministry of Housing, Communities and Local Government (MHCLG) confirming ministers were 'minded to' agree capitalisation directions for both the 2024/25 and 2025/26 financial years. The MTFO indicates that further EFS will be required in 2026/27.</p>	settlement will be positive for Medway, but not sufficient to close the significant 'gap' identified in the MTFO and Draft Budget.		<p>conversations are ongoing in case further EFS is required.</p> <p>Officers and Cabinet members will continue to lobby government for more and fairer funding, including submitting robust responses to available surveys and consultations around the Settlement.</p>	
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.	Reviewed but no update required this quarter. There are no changes to current arrangements.	CII	Review support for information governance within the organisation. Appoint a Deputy Senior Information Risk Officer (SIRO).	DIII

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SR37	Cyber Security	AI	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.	Several high-severity technical risks were identified in our annual IT health check. The ICT team has been working hard to remediate these and aims to have all issues resolved ahead of the council's Public Services Network Code of Connection submission to the Cabinet Office at the end of October 2025. In addition, the council has successfully upgraded 3,200 end user devices to Windows 11, enhancing security and support. The organisation has also migrated from the legacy DirectAccess VPN to a modern AlwaysOn VPN solution, providing improved connectivity and resilience for remote access.	CI	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.	CII
SR47	Climate Change	All	Potential damage to the council's reputation. Not able to meet member, government, and the public's expectations. Net zero by 2050 is not achieved.	The refreshed Climate Change Action Plan has been endorsed by the Cabinet and is now published on the Council's website. The plan was also presented to the Health and Wellbeing Board to encourage discussion among representatives about their commitment to climate action and overcoming challenges. A new reporting system has been set up to enable collation of quarterly updates for presenting to the Climate Oversight and Implementation Board (COIB) - Q3 updates will be reported at Q4 meeting. A report on Domestic Retrofit in Medway was presented to COIB, resulting in a recommendation to further explore council-led and private sector retrofit pathways. The Community Working Group met and shared examples and challenges of climate action in their communities with each other. The Climate Team have continued to support the Community Energy Working Group with preparing to promote a volunteer	CIII	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. Sufficient staffing is assigned to the tasks required in the plan.	DIII

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				<p>opportunity to expand membership of the group. The Member Working Group meet three times a year, next meeting in Q3. The Climate Response Engagement Officer has left and is not currently being replaced adding resourcing strain on the remaining team. Tasks are being reprioritised to focus on key actions in the plan.</p> <p>SR47.03: Drive the Air Quality Action Plan (AQAP) forward to effect improvement in Air Quality across Medway.</p> <p>SR47.03: Q2 update The 2025-30 Air Quality Acton Plan was approved by Cabinet on 7 July 2025. Updates on progress with action plan measures will be provided in the Annual Status Report which is next due for submission to DEFRA by the end of June 2026.</p>			
SR53	MedPay review	AI	Financial. People, Project Delivery, Environmental	Children's social worker roles are on pause for implementation. All roles range 1-8 have been budgeted at the mid-point of salary. The salary benchmarking for senior leader roles is in progress.	CII		CII
SR54	Recruitment and Retention	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</p>	<p>Category Management changing Procurement Platform with immediate effect, may affect agency supply. We are closely monitoring this.</p> <p>PPP & Recruitment working together to roll out new interview processes, including revised comprehensive guidelines for Recruiting Managers and documents to support and reflect the new CPF Framework.</p> <p>All MedSpace pages being reviewed and updated once complete the relevant information will be added to the web landing page to encourage applications.</p>	CIII	<ul style="list-style-type: none"> Updated web and MedSpace paged by 31/10/2025 Revised policies to support new CPF/PPP Recruitment guidance being prepared <p>Full rollout of MedPay Review (by 31/03/2025).</p> <p>Benchmarked pay for all roles aligned to profession with the ability to move to acquire new skills and increase salary.</p> <p>Career pathways to support progression within the council.</p> <p>Revised performance management approach to ensure skills assessments and career conversations take place.</p> <p>Introduction of a talent management tool to identify future talent and single points of failure within the workforce (9 box</p>	DIII

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			service delivery. Impact on delivery of projects to expected timescales. Reputational damage.			development diamond). Revised market allowance framework. Revised policies to manage sickness and capability. Annual staff engagement and annual review of the employee engagement strategy. New council jobs site giving the ability to more creatively promote our teams and services and job/career opportunities is being built, as part of the Onboarding Project (January 2025). Annual pay uplift strategy/medium term uplift plans.	
SR58	Gun Wharf building closure	AI	<p>Workforce unable to access Gun Wharf site or considerable parts of the site.</p> <ul style="list-style-type: none"> - Unable to access essential equipment remaining on site. This includes ICT equipment and access to work equipment. - Workforce does not have ICT equipment to work from home. - Some processes can only be undertaken on site at Gun Wharf (GW) or an alternative location (not from home). • Post – franking machine • Printing – urgent printing obligations • ICT – support and maintenance <p>Could cause loss of income because we'll be unable to send penalty notices (parking) and unable to give notice of direct debits (adults). Damage to reputation.</p> <ul style="list-style-type: none"> - Unable to access files and paperwork. May delay court hearings (schools). - Financial – costs may be incurred for: <ul style="list-style-type: none"> • extra equipment • travel to alternative locations 	Reviewed for the quarter - no change - no update required.	AI	<p>Silver command to agree priority for use of the safe working spaces at Gun Wharf.</p> <p>Safe routes and safe exits throughout the building to be reviewed.</p> <p>Building safe areas to be shared with officers.</p> <p>Priority for ICT support to be agreed.</p> <p>MedSpace pages updated to inform and support the workforce.</p>	AIII

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			<ul style="list-style-type: none"> • postage • room hire. - Compliance with insurance requirements so that cover is not impacted. 				
SR59	Local Government Reorganisation (LGR) and Devolution	BII	<ul style="list-style-type: none"> '- Breakdown of relationships with neighbouring local authorities. - Delay in progressing LGR could affect our standing with Government. - Councillors and officers could be distracted from business as usual and the Council's wider ambitions. - Reduced morale due to uncertainty, resulting in staff exodus and difficulty in recruitment. - Public apathy and disengagement from democracy. - Additional unfunded costs associated with LGR falling to the council tax payer. 	Relationships and collaboration across the fourteen local authorities remain strong, despite there being five options (including the Medway option 4d) progressing through to a full business case. The test will be if this continues once the final geographies are determined.	CII	The current strong collaboration will need to continue after the Government has made its decision over the shape of local government across Kent and Medway and the governance structures will need to evolve at each stage of the process through to the election of shadow councils and on to vesting day and beyond.	CIII