

Q2 2025/26 SUMMARY OF RISK PERFORMANCE

Appendix 2

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
Live	SR09B	Failure to meet the needs of children and young people	BII	BIII	BIII	Static	Likely	Moderate	Director of People and Deputy Chief Executive	Children’s Services	Priority 1
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	SR53	MedPay review	AI	BII	CII	Static	Likely	Major	Chief Organisational Culture Officer	Business Management	Values
Live	SR54	Recruitment and Retention	BII	CIII	CIII	Static	Unlikely	Moderate	Chief Organisational Culture Officer	Business Management	Values
Live	SR56	Children’s Social Care Budget Pressure	AI	All	All	Static	Very likely	Major	Director of People and Deputy Chief Executive	Children’s Services	Priority 1
Live	SR59	Local Government Reorganisation (LGR) and Devolution	BII	BII	CII	Decreased	Unlikely	Major	Head of Policy and Partnerships	Leader	

Q2 2025/26 RISKS

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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 increase income locally 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 settlement will be positive for	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 conversations are ongoing in case further	All

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			<p>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>	Medway, but not sufficient to close the significant 'gap' identified in the MTFO and Draft Budget.		EFS is required. 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.	
SR09B	Failure to meet the needs of children and young people	BII	<p>Failure to meet statutory responsibilities to safeguard children from harm.</p> <p>Failure to meet the needs of the children in our care.</p> <p>Escalating financial costs of placements and wrap-around support packages.</p>	Recruitment and retention continue to be a significant focus for senior leaders across children's services, and supported by our colleagues in HR. Permanent recruitment to AD and Heads of Service roles will support the stability across the service. Our focus on induction is	BIII	<p>Continue to focus on recruitment, retention and career development of our staff.</p> <p>Continue to further develop opportunities for career development across the whole workforce.</p> <p>Additional capacity invested in Strategic Workforce Development Lead and Workforce officer posts to drive actions in</p>	CII

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			Sustained negative local publicity and reputational risk.	achieving positive feedback from new starters, and we continue to learn from exit interviews. Fortnightly Keeping in Touch meetings with AD and PSW, now achieve a regular attendance of 50 practitioners. A new recruitment campaign will go live end of October. Quality Assurance and audit active continues to provide oversight of the quality of practice. An enhanced focus on the quality of audit, supervision, assessment and plans is taking place between September and December with additional mandatory training in place.		<p>the plan.</p> <p>Recruitment campaign to attract new social worker (SW) candidates to Medway.</p> <p>Refreshed governance workforce board and subgroups.</p> <p>Additional Human Resources (HR) resource to proactively target sickness absence and performance management.</p> <p>Increased focus on retention including stay and exit interviews.</p> <p>Simplify practice expectations – focus on children’s lived experiences and on promoting quality and consistency of recording to evidence purposeful planning and intervention.</p> <p>Continue our evaluation work in respect of the application of thresholds so that we can be confident that children are supported at the right level.</p> <p>Continue the work already underway to strengthen the effectiveness of our intervention with children in need.</p> <p>Implement our plans to improve our response to neglect, ensure robust implementation of the use of the graded care profile, and ownership by our partners, and evaluate the difference this makes to children’s lives.</p> <p>Continue the work to improve the quality of plans for children in need of protection. Fully implement the strategy in relation to contextual safeguarding for adolescents who are at risk outside the home/family and take time to reflect on themes from Return Home Interviews (RHIs), to create effective safety plans.</p> <p>Support frontline managers to oversee and reflect on practice to improve quality of plans and interventions.</p> <p>Focus on areas for improvement identified in the recent inspecting local authority children's services (ILACS) inspection report.</p> <p>Continue to focus on recruitment and retention of staff to avoid unfilled vacancies</p>	

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						and therefore unmanageable caseloads. Implementing the project to re-open Eden House residential provision. The project is progressing, with opening estimated April 2024.	
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
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
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	Lack of experienced staff with specialist skills. Low staff morale. Loss of productivity through quiet quitting. Industrial action impacting service delivery/performance. Reliance on interim and agency	Category Management changing Procurement Platform with immediate effect, may affect agency supply. We are closely monitoring this. PPP & Recruitment working together to roll out new interview processes, including revised comprehensive guidelines for Recruiting Managers	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 Full rollout of MedPay Review (by 31/03/2025). Benchmarked pay for all roles aligned to profession with the ability to move to	DIII

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			<p>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>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>		<p>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 development diamond).</p> <p>Revised market allowance framework.</p> <p>Revised policies to manage sickness and capability.</p> <p>Annual staff engagement and annual review of the employee engagement strategy.</p> <p>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).</p> <p>Annual pay uplift strategy/medium term uplift plans.</p>	
SR56	Children's Social Care Budget Pressure	AI	Financial impact, not manageable within existing funds.	Ongoing oversight and themed reviews of children's placements, ensure that care planning is robust and placement spend is in line with identified need. Mosaic financial processes continue to develop, most recently with the funding form going live in October. Numbers of UASC continue to rise, and placements are identified timely to ensure incentive payments are received. Eden house has now been registered for one year and as at end of October 2025, it is home to 4 young people. Building work is now under way on our second children's home with the aim for this work to be completed in Spring 2026.	All	<p>Continue to improve timing and forecasting of placements' expenditure by closer work between Children's Social Care (CSC), the Finance team and the Access to Resources Team (ART). Development work to take place in Mosaic to support financial recording at child level - to include breakdown of all elements of the child's care package - to support effective forecasting. Ensure action is taken to secure further Department for Education (DfE) funding if the opportunity arises.</p> <p>Effective forecasting of unaccompanied asylum-seeking children (UASC) placement expenditure and careful management of pressures related to additional staffing and associated running costs.</p> <p>The first of the extended in-house residential provision (Eden House) is being mobilised and we are working towards Ofsted registration.</p>	BIII
SR58	Gun Wharf building closure	AI	Workforce unable to access Gun Wharf site or	Reviewed for the quarter - no change - no update required.	AI	Silver command to agree priority for use of the safe working spaces at Gun Wharf.	AIII

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			<p>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 • postage • room hire. - Compliance with insurance requirements so that cover is not impacted. 			<p>Safe routes and safe exits throughout the building to be reviewed. Building safe areas to be shared with officers. Priority for ICT support to be agreed. MedSpace pages updated to inform and support the workforce.</p>	
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 	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

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			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.				