

Q1 & 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
Live	SR09A	Meeting the needs of Older People and Working Age Adults	AI	BII	BII	Static	Likely	Major	Director of People and Deputy Chief Executive	Deputy Leader	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	SR57	Adult Social Care Budget Pressure	AI	AI	AI	Static	Very likely	Catastrophic	Assistant Director Adult Social Care	Deputy Leader	Priority 1
Live	SR59	Local Government Reorganisation (LGR) and Devolution	BII	BII	CII	Decreased	Unlikely	Major	Head of Policy and Partnerships	Leader	

Q1 and 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	Q2 25/26 UPDATE: 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 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>	<p>settlement will be positive for Medway, but not sufficient to close the significant 'gap' identified in the MTFO and Draft Budget.</p> <p>Q1 25/26 UPDATE: The Government announced its Spending Review on 11 June 2025, setting out the first multi-year settlement for seven years. The SR sets out the spending limits for all government departments over the 2026/27 – 2028/29 period, which includes modest growth for Local Government primarily driven by Council Tax increases at the existing referendum limits. The Government has also announced it will reform the local government funding system radically changing how national grant sums are distributed between local authorities on the basis of needs, adjusted for area characteristics that impact the cost of service delivery. The Government is also consulting on the impact of the first reset of business rates baselines since 2013 in 2026/26. While we believe the reforms will ultimately result in a greater share of national funding being allocated to Medway, it is not possible to accurately estimate either the scale or timing of this impact over the SR period. The Government expects to publish a local government finance policy statement in the Autumn of 2025, followed by a Provisional Settlement in November. Work is underway to develop the Council's Medium Term Financial Outlook which will be presented to the Cabinet in August. Further updates will be incorporated into the Council's Draft Budget reported to the Cabinet in November</p>		<p>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>	

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				and in the Settlement report to the Cabinet in January 2026.			
SR09A	Meeting the needs of Older People and Working Age Adults	AI	We would not be meeting our statutory duties. Run the risk of reputational damage and challenge. Additional pressure on partner agencies such as health. More complaints.	Q2 25/26 UPDATE: We have seen an increase in the number of permanent staff being recruited; however we still have a large number of locum staff and vacancies. Managers continue to discuss moving to permanent posts, and while there have been some successes, a number of locum colleagues wish to continue as locums Q1 25/26 UPDATE: We continue to face challenges with recruitment, despite the Golden Hello, increase in salaries and skills payment for SW2. We have started to use agencies to support permanent recruitment and have started to see small successes. We have seen a small number of locum staff convert to permanent, but not enough to make a significant impact. HoS will be carrying out Temp to Perm events with support from HR.	BII	Capital investment opportunities to help manage demand. Service redesign in terms of outcomes. Focus on staff wellbeing and engagement. Work closely with the Kent and Medway Integrated Care Board, Medway and Swale Health and Care Partnership, and partners regarding Discharge to Assess funding. We proactively work with individuals, families, and other agencies to help people who have experienced ill-health or crisis to recover as quickly as possible, reducing their ongoing needs and helping them return home. We will increase independence and self-care for service users, which allows them to control their care through an increase in the use of Assistive Technology where appropriate. An Adult Social Care (ASC) Transformation & Improvement Programme has been introduced to drive the ASC Strategy's aims and objectives. Continue to work closely with providers who are working within contract rates.	CII
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.	Q2 25/26 UPDATE: Reviewed but no update required this quarter. There are no changes to current arrangements. Q1 25/26 UPDATE: Reviewed but no update required this quarter.	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	Q2 25/26 UPDATE: 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	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	CII

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			permanently lost. Potential damage to the council's reputation. Potential increase in costs to repair damage and restore systems.	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. Q1 25/26 UPDATE: Reviewed but no update required this quarter.		this risk remains on the council's strategic risk summary.	
SR53	MedPay review	AI	Financial. People, Project Delivery, Environmental	Q2 25/26 UPDATE: 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. Q1 25/26 UPDATE: Close monitoring of budget implications was undertaken by finance colleagues throughout 2024/25 and continued in Q1. We are now moving to implement the senior leadership layer and will be undertaking salary benchmarking as for some roles currently there are allowances in place to address the drift from the market	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 staff.	Q2 25/26 UPDATE: 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 acquire new skills and increase salary.	DIII

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			<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>Q1 25/26 UPDATE: Redeployment Policy and Process has now been implemented with Recruitment and ER meeting weekly to ensure full support of staff in the Redeployment Pool. 5% pay rise implemented from 01/04/2025</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>	
SR57	Adult Social Care Budget Pressure	AI	Financial impact, not manageable within existing funds.	<p>Q2 25/26 UPDATE: Savings and cost avoidance are being delivered, however external pressures such as S117 funding (Worcester judgement), CHC funding and hospital discharge (both Acute and MH) pressures are having a negative impact on the budget. The service continues to support residents with services at best value; however the care and support needs of some people require high levels of care which are costly.</p> <p>Q1 25/16 UPDATE: Budget monitoring delegated to HoS and Operations Managers to improve oversight. Planned changes to Best Practice Forum, to focus on specific types of care. Working towards a joint bed brokerage team with K&M ICB to support.</p>	AI	<p>Further improve timing and forecasting of placements' expenditure by closer work between Adult Social Care (ASC), the Finance team and Brokerage.</p> <p>Funding bid for increased Assistive Technology (includes artificial intelligence (AI) learning) to reduce/prevent/delay care.</p> <p>Complete review of ASC front door, to prevent/reduce/delay.</p> <p>Review available advice/guidance for self-funding residents to ensure funds are maximised.</p> <p>Kyndi is identifying Assistive Technology to trial that could be used 'instead of' some care calls. This can only be used where there is not a risk for the individual.</p>	All

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				New in-house Supported Living service begins on 1st July. ASC Transformation & Improvement Board chaired by AD provides oversight of projects aimed at improving service and creating efficiencies.			
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. 	<p>Q2 25/26 UPDATE: 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.</p> <p>Q1 25/26 UPDATE: Relations across the authorities remain strong but the recent political change at KCC means that the nature of their input into LGR is now unknown. Officer relations remain on track.</p>	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