

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	SR17	Delivering regeneration	BII	BII	BII	Static	Likely	Major	Director of Place	Climate Change and Strategic Regeneration	Priority 2
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	SR35	Homelessness	BII	All	All	Static	Very likely	Major	Assistant Director Culture and Community	Housing & Property	Priority 5
Live	SR36A	Medway Development Company Ltd	BI	CII	CII	Static	Unlikely	Major	Assistant Director Regeneration, Chief Operating Officer	Climate Change and Strategic Regeneration	Priority 5
Managed	SR37	Cyber Security	AI	CI	CI	Static	Unlikely	Catastrophic	Chief Information Officer	Business Management	Principles
Live	SR46	Medway’s Economic Recovery	BII	BII	BII	Static	Likely	Major	Assistant Director Regeneration	Economic and Social Regeneration and Inward Investment	Priority 2
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	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	The expected Government announcements have all been pushed back, with the local government finance policy statement	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	All

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>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 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. 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</p>	<p>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 Medway, but not sufficient to close the significant 'gap' identified in the MTFO and Draft Budget.</p>		<p>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 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.</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)
			will be required in 2026/27.				
SR17	Delivering regeneration	BII	<p>Regeneration projects are not completed.</p> <p>Potential damage to the council's reputation.</p> <p>Not able to meet member, government, and the public's expectations.</p> <p>Deteriorating physical and infrastructure assets.</p> <p>Investment wasted.</p> <p>Young people are not catered for in the 'new world'.</p> <p>Low skills base among some residents remains.</p> <p>Disconnect between skills and employment opportunities.</p> <p>Maintenance of low aspiration culture.</p> <p>Increased commuting and pressure on transportation.</p> <p>Negative impact on community cohesion.</p>	<p>Planning - Working towards the adoption of the new Medway Local Plan. Consultation on Draft Local Plan ran from 30 June - 11 August 2025. The consultation programme included staffed exhibitions (which attracted 330 people) and presentations to stakeholder and community groups, and online materials, including a detailed podcast on the local plan proposals with the Chief Planning Officer and Portfolio Holder for Climate Change and Strategic Regeneration as well as video comments from Stakeholders. Around 540 individual responses were received to the consultation. The Planning Service is preparing the plan for submission for examination in November 2025. The Council has signed a SLA with the Planning Inspectorate, commissioned the services of an experienced Programme Officer to work on the examination and has had an Advisory Visit with a Planning Inspector in September in preparation for submission.</p> <p>The outputs as agreed by Cabinet in March for IPM are being progressed and the two new capital budgets have been created, reflecting the reduced and refined costs. For IPM North a development partner will be procured to bring the site forward under a development agreement. For Southern site a report went to Cabinet July 2025 to determine the feasibility of delivering a Medway owned and run care home on IPM South, which will help meet the complex and increasing care needs of Medway residents, it was also agreed to expand the scope to</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

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
				include all of the site. Opportunities to bid for funding to deliver a Medway owned and operated care home will be explored, however these will only be taken forward if there is no impact to the delivery programme.			
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
SR35	Homelessness	BII	Increasing and unsustainable overspend of the allocated budget. Poorer outcomes for children and vulnerable adults. Increased legal challenge and penalty from the Local Government and Social Care Ombudsman (LGO). Reputational damage. Failing to achieve Members' expectations.	SR35.01 The risk remains, approaches remain steady at a monthly average of around 300, with a peak in July of 353 approaches. Kingsley House remains operational between 10-3pm, a customer experience review has been undertaken and amendments to the service provision are underway. Data analysis is underway with support from the Data Team to deep dive in the on-going consistent approaches for assistance beyond the HCLIC legal requirements. SR35.02 HRA Phase 5 are both on site and moving forward within their build programmes with Lennoxwood [19 houses] expected May 2026 and Aburound [18 flats] expected July 2026. Phase 6 is nearly completion following delays due to change in contractor and main utility connection, expected handover October/November 2025. [44 flats]. 12 new houses are due to handover by the end of October under a turnkey solution in Borstal. Pending legal contracts, a 30-home section 106 site has been secured in Rochester with expected delivery early 2027. Ingram Court block B has completed which will provide 9 additional homes, in Gillingham.	All	Continue to deliver outcomes attached to funding from the Department for Levelling Up, Housing and Communities (DLUHC) to support existing activity around rough sleeping. Begin to design models for the cessation of funding as there is currently no more committed from 2025. Continue to purchase temporary accommodation (TA) units in line with the decision and borrowing approved by Council in January 2023. Monitor and evaluate success to create the case for further investment, should the evaluation justify it. Explore other alternatives for the provision of TA. Continue to maximise prevention opportunities and joint working to reduce the strain on households in TA.	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>Partner delivery for Q2 has consisted of 11 homes for affordable rent and 4 homes for shared ownership via West Kent Housing Association's Phase 2 development in Cliffe Wood. All affordable rented homes will be allocated via Homechoice.</p> <p>SR35.04 Nightly paid TA remains at approximately 500 households, with the continuing use of approximately 65 HRA properties which will be increased again over Q3 as tenants move on. 14 TA owned properties in use with 11 corporate properties in use. Out of area placements has increased to 12% however 93% of these placements are due to domestic abuse and require OOA placements. Acquisitions continue to progress with the two large blocks expected November, new team structure to support these changes is in consultation and will be in place around handover. OML continue to procure fully managed properties and have secured 25 family homes to support move on from TA.</p>			
SR36A	Medway Development Company Ltd	BI	The business cases for the three main sites being developed by Medway Development Company (MDC) Ltd 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.	The first PRS block (71 homes) is now 86% let. We have also released a second smaller apartment block and have let 67%, so demand is still forthcoming. We have a phased delivery plan for releasing blocks and Block A is now being released to the market, following which Block E will be released which is the final phase. We are still seeing a steady demand from the market, which reinforces the decision to implement a switch from private sale to PRS.	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	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)
						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 leveraging in grants and this focus should continue to capitalise on future opportunities.	
SR37	Cyber Security	AI	<p>Unauthorised access to council systems and data.</p> <p>Potential for data breaches.</p> <p>Loss of access to council systems and data for staff.</p> <p>Cyber security/ransomware attack may mean data is permanently lost.</p> <p>Potential damage to the council's reputation.</p> <p>Potential increase in costs to repair damage and restore systems.</p>	<p>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.</p> <p>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.</p>	CI	<p>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>	CII
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, 	<p>Situation largely unchanged on the national level. Slight uptick in property inquiries and investment in new business but will likely slow due to the liquidation of Visit Kent and Locate in Kent but a solution is being worked on with KCC.</p>	BII	<p>Commercial moves out of London – Medway as an attractive place to locate and do business.</p> <p>Rise in working from home / associated decline in commuting means residents spend more leisure and social time and money locally.</p> <p>Innovation Park Medway (IPM) plans reshaped to support the post-Covid19 economy.</p> <p>Opportunity to significantly advance digital inclusion for workers, learners and service users across Medway.</p>	CII

Risk Ref	Risk	Inherent risk (before controls)	Impact	Current Controls	Current risk (after controls)	Proposed / Further Controls / Treatment Action	Target risk (after further action)
			women, and people from ethnic minorities. <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. 				
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 staff. Budget pressures due to use of agency staff and contractors to fill roles. Inability to perform statutory functions. Inability to meet service demands. Inability to develop and improve service delivery. Impact on delivery of projects to expected timescales. Reputational damage.	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 and documents to support and reflect the new CPF Framework. All MedSpace pages being reviewed and updated once complete the relevant information will be added to the web landing page to encourage applications.	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. Career pathways to support progression within the council. Revised performance management approach to ensure skills assessments and career conversations take place. Introduction of a talent management tool to identify future talent and single points of failure within the workforce (9 box development diamond). Revised market allowance framework. Revised policies to manage sickness and capability. Annual staff engagement and annual review of the employee engagement strategy.	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)
						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. <p>May delay court hearings (schools).</p> <ul style="list-style-type: none"> - 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. 	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
SR59	Local Government Reorganisation (LGR) and Devolution	BII	'- Breakdown of relationships with neighbouring local	Relationships and collaboration across the fourteen local authorities	CII	The current strong collaboration will need to continue after the Government has made its	CIII

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>authorities.</p> <ul style="list-style-type: none">- 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>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>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.</p>	