

Q3 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	Q2 25/26 Previous Risk Score	Q3 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	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	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	CII	CII	Static	Unlikely	Major	Head of Policy and Partnerships	Leader	

Q3 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	The MHCLG's Policy Statement was released on 20 November, and the Provisional Settlement was announced on 17 December. Along with a consultation which ends on 14 January. Overall the settlement is positive for Medway and is the first multiyear settlement in around a decade which gives more certainty to levels of funding for future years.	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,	All

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			<p>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. 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. 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>However, when compared to our draft budget assumptions the settlement represents an £8m worsening of our budget position. Officers continue to work with MHCLG, and CIPFA around the existing capitalisation directions and conversations are ongoing in case further EFS is required.</p>		<p>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>	
SR09B	Failure to meet the needs of children and young people	BII	<p>Failure to meet statutory responsibilities to safeguard children from harm. Failure to meet the needs of the children in our care. Escalating financial costs of</p>	<p>Permanent recruitment and retention to senior roles across children's services is positive, However this remains fragile for frontline practitioners, with a number of social work positions in some services</p>	BIII	<p>Continue to focus on recruitment, retention and career development of our staff. Continue to further develop opportunities for career development across the whole workforce. Additional capacity invested in Strategic</p>	CII

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			<p>placements and wrap-around support packages. Sustained negative local publicity and reputational risk.</p>	<p>being filled by interim practitioners. All Permanent Heads of Service will be in post by January which will support the stability across the service. Most inductions for staff are positive, and we continue to learn from exit interviews. Visible leadership is having a positive impact on culture fortnightly Keeping in Touch meetings with AD and PSW, have a consistently good attendance. Our recruitment campaign will campaign has gone live and candidates at interview are reporting that Medway has a good reputation and practitioners are wanting to come and work here.</p>		<p>Workforce Development Lead and Workforce officer posts to drive actions in the plan. Recruitment campaign to attract new social worker (SW) candidates to Medway. Refreshed governance workforce board and subgroups. Additional Human Resources (HR) resource to proactively target sickness absence and performance management. 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. 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. Continue the work already underway to strengthen the effectiveness of our intervention with children in need. 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. 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. Support frontline managers to oversee and reflect on practice to improve quality of plans and interventions. Focus on areas for improvement identified in the recent inspecting local authority children's services (ILACS) inspection report.</p>	

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						Continue to focus on recruitment and retention of staff to avoid unfilled vacancies 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.	The current arrangements continue to remain in place. No further 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	<p>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>	<p>Following the high-severity technical risks identified during the annual IT Health Check, the ICT team has successfully completed all remediation activities. We are now preparing to submit the results to the Cabinet Office as part of the council's Public Services Network (PSN) Code of Connection renewal.</p> <p>In addition to completing all remediation activities, the council has strengthened its core infrastructure by upgrading its Certificate Services. This enhancement improves the security and integrity of authentication and encryption processes across the organisation, ensuring compliance with modern standards and reducing the risk of credential-related vulnerabilities.</p> <p>Furthermore, the domain functional level has been raised, unlocking advanced Active Directory features that support better security controls, streamlined management, and futureproofing for upcoming technology initiatives.</p> <p>These upgrades represent a significant step forward in maintaining</p>	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

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				a robust and resilient ICT environment.			
SR54	Recruitment and Retention	BII	<p>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.</p>	MedSpace pages updated to reflect Recruitment & Resourcing changes, and this is ongoing to ensure pages become more informative and supportive	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. 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. 	DIII
SR56	Children's Social Care Budget Pressure	AI	Financial impact, not manageable within existing funds.	Currently 95% of FIT savings have been achieved, and regular budget monitoring continues across all of children's ensuring overspend is at a minimum. Ongoing oversight and themed reviews of children's placements, ensure that care planning remains robust and placement spend is in line with identified need. Children in Care including UASC continue to rise, and placements are identified timely. Eden house continues to be home to four young people, and fifth	All	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. Effective forecasting of unaccompanied asylum-seeking children (UASC) placement	BIII

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				placement will be made early 2026. Building work is due to be completed on our second children's home in Spring 2026.		expenditure and careful management of pressures related to additional staffing and associated running costs. The first of the extended in-house residential provision (Eden House) is being mobilised and we are working towards Ofsted registration.	
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 • postage • room hire. - Compliance with insurance requirements so that cover is not impacted. 	Reviewed for the quarter but 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	Medway's LGR (option 4D) was	CII	The current strong collaboration will need to	CIII

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			<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>submitted to government on 28 November 2025 along with 4 other options including the 4UA 'base case'.</p> <p>Work is underway to project plan for the next steps across three stages from now until decision and then into shadow arrangements and vesting day and to draw up a checklist of requirements to ensure we are 'day one safe and legal' We are currently awaiting confirmation of the start date for the statutory government consultation. The team are currently engaging with other policy and LGR delivery teams across the country as well as membership bodies such as the LGA to share learning, good practice to help manage risk and ensure quality of delivery.</p> <p>Whilst politically sensitive ongoing collaboration, information sharing and co-production remains a key part of the process including mitigating associated risk through silo working</p>		<p>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.</p>	