

Q3 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	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	SR09A	Meeting the needs of Older People and Working Age Adults	AI	BII	BII BIII	Decrease	Likely	Moderate	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	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	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

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	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.</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>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.</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>	
SR09A	Meeting the needs of Older People and Working Age Adults	AI	<p>We would not be meeting our statutory duties.</p> <p>Run the risk of reputational damage and challenge.</p> <p>Additional pressure on partner</p>	<p>While some teams have successfully recruited to permanent posts, others have not been able to do so. We remain heavily reliant on locum social workers, and there is still a significant</p>	BII BIII	<p>Capital investment opportunities to help manage demand.</p> <p>Service redesign in terms of outcomes.</p> <p>Focus on staff wellbeing and engagement.</p> <p>Work closely with the Kent and Medway</p>	CII

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			agencies such as health. More complaints.	vacancy rate across the service.		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.	
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	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.	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. 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	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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				<p>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 a robust and resilient ICT environment.</p>			
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). <p>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.</p>	DIII
SR57	Adult Social Care Budget Pressure	AI	Financial impact, not	As per Q2, savings and cost	AI	Further improve timing and forecasting of	All

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			manageable within existing funds.	avoidance continue to be delivered but the external factors, such as ordinary residence, complex care needs of people requiring care and support and people who have been self-funding care contacting the council as their capital has depleted is having a significant impact on the budget, causing the pressure to increase.		placements' expenditure by closer work between Adult Social Care (ASC), the Finance team and Brokerage. Funding bid for increased Assistive Technology (includes artificial intelligence (AI) learning) to reduce/prevent/delay care. Complete review of ASC front door, to prevent/reduce/delay. Review available advice/guidance for self-funding residents to ensure funds are maximised. 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.	
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 	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. 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>	All

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			<ul style="list-style-type: none"> • travel to alternative locations • 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. 	<p>Medway's LGR (option 4D) was 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>	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