

Appendix 2

Q4 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	Q3 25/26 Previous Risk Score	Q4 25/26 Current Risk Score	Movement	Likelihood	Impact	Owner	Portfolio	Link to Council Plan
Live	SR03B	Insufficient budget funding	AI	All	BII	Decrease	Likely	Major	Chief Finance Officer	Leader	Principles
Live	SR09A	Meeting the needs of Older People and Working Age Adults	AI	BIII	BII	Increase	Likely	Major	Director of People and Deputy Chief Executive	Deputy Leader	Priority 1
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
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	SR47	Climate Change	All	CIII	CIII	Static	Unlikely	Moderate	Assistant Director Culture and Community	Climate Change and Strategic Regeneration	Priority 3
Live	SR54	Recruitment and Retention	BII	CIII	BII	Increase	Likely	Major	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	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	CI	Decrease	Unlikely	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	

Q4 2025/26 RISKS

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SR03B	Insufficient budget funding	AI	<p>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 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</p>	<p>The 2026/27 three-year provisional settlement has made it possible to plan for the medium term with a greater degree of confidence, and we have set a balanced budget for 2026/27, albeit with recourse to £10.1million of additional exceptional financial support, in line with our original predictions in early 2024.</p>	BII	<p>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 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>	All

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			(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.				
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.	While recruitment has been positive, there continues to be a number of locum staff and vacant posts. Some staff are reluctant to apply for promotions due to the £1 difference in salary, loss of skills shortage/retention payment and dedicated user for a number of posts, meaning staff will be financially worse off	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
SR09B	Failure to meet the needs of children and young people	BII	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 placements and wrap-around support packages. Sustained negative local publicity and reputational risk.	Since mid-January, senior roles across children's services (HOS and SM) are now filled permanently. This will support consistency in leadership across the service and the ongoing recruitment and retention drive of frontline practitioners. The retention of frontline practitioners remains a priority for the service however some performance management is impacting upon this is areas. Recruitment activity remains	BIII	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 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	CII

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				robust, with a positive working relationship with colleagues in our recruitment service. Staff inductions remain positive; we continue to learn from exit interviews and CSC visibility on social media remains positive.		<p>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. Continue to focus on recruitment and retention of staff to avoid unfilled vacancies and therefore unmanageable caseloads.</p> <p>Implementing the project to re-open Eden House residential provision. The project is</p>	

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						progressing, with opening estimated April 2024.	
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 Reg 22 draft Plan submitted to Inspectorate on 18 December 2025. Two Inspectors appointed. This is not unusual and is either because the inspectors have different areas of expertise or one is learning from the other. Received initial response from Inspectors on 27 March, with number of questions, points of clarification, and issues to address. We have met with our two very experienced Barristers who have assured us that nothing in inspectors' letter is unusual. We have agreed initial plan of action to prepare for initial response to inspectors by 27 April</p> <p>In October 2025 Ground Control Ltd were appointed as the principal contractor to begin the development of Deangate Community Parkland. The phase 1 works will include improvements to the car park, new pathways, fencing, various planting and a new viewpoint. The phase 1 works began in early 2026 and are due to be completed in Autumn 2026.</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
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.	No changes to the current arrangement, and no update for this quarter. The risk remains the same.	CII	Review support for information governance within the organisation. Appoint a Deputy Senior Information Risk Officer (SIRO).	DIII
SR35	Homelessness	BII	<p>Increasing and unsustainable overspend of the allocated budget.</p> <p>Poorer outcomes for children and vulnerable adults.</p> <p>Increased legal challenge and penalty from the Local Government and Social Care</p>	SR35.01 The risk remains as the end of quarter average approaches have increased to 364, with an overall annual increase of 11%. Kingsley House is operational between 10-3pm Monday - Friday giving residents access to housing & homelessness	All	<p>Continue to deliver outcomes attached to funding from the Department for Levelling Up, Housing and Communities (DLUHC) to support existing activity around rough sleeping.</p> <p>Begin to design models for the cessation of funding as there is currently no more committed from 2025.</p>	DIII

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			<p>Ombudsman (LGO). Reputational damage. Failing to achieve Members' expectations.</p>	<p>advice, domestic abuse advice and welfare & benefits advice. 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 [Medway Development Company delivery] remains behind schedule following a number of delays including a change in contractor and main utility connection, expected handover has now been postponed to May 2026. [44 flats]. Partner delivery for Q4 has consisted of 12 new homes, 8 let at social rent and 4 being offered as shared ownership. All rented homes are allocated via Homechoice. The council's HRA delivered 24 new homes including a property supporting ASC. SR35.04 Nightly paid TA remains at a monthly average of 512 households, with the continuing use of approximately 65 HRA properties, 12 corporate properties and an increase from 43-66 TA owned properties over the last quarter. Acquisitions continue to progress with the Rochester site having delayed handover following balcony works, first block due for handover in April including a temporary site office. OML continues to procure fully managed properties [40] and have secured homes to support</p>		<p>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.</p>	
SR36A	Medway Development Company Ltd	BI	<p>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</p>	<p>Block A has been released and is now 52% let. Block E will be leased to the Council to help respond to its increasing TA numbers and is expected to commence in April following lease negotiations. We are still seeing demand from the market,</p>	CII	<p>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</p>	DIII

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			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.	which reinforces the decision to implement a switch from private sale to PRS. With Block E secured we will be 75% occupied across the entire portfolio and with steady demand, we expect this to reach stabilisation within the next three months.		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 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	Unauthorized 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.	The Cabinet Office have approved the Council's Public Services Network (PSN) application, which has passed assessment to confirm that Medway Council meets the requirements of connecting to the PSN. The PSN Customer and Service Provision Compliance Certificate has been issued, with a new authorisation date of 17/03/26. Further work has been undertaken to improve the cyber security posture of the Council, including the routine patching of software and systems, upgrading servers, and the decommissioning of legacy systems.	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
SR46	Medway's Economic Recovery	BII	The Economy and Infrastructure Recovery Cell have produced an impact assessment outlining the main consequences of Covid19. 24 impact areas have been identified and some of the	Business confidence has remained positive with a more stable feeling that budgetary pressures will remain unchanged going forward, with modest business rate increases understood better than initially communicated. However the situation	BII	Commercial moves out of London – Medway as an attractive place to locate and do business. Rise in working from home / associated decline in commuting means residents spend more leisure and social time and	CII

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			<p>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, women, and people from ethnic minorities. • 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. 	in the Strait of Hormuz may alter this 2026/27 Q1 as prices rise.		<p>money locally. Innovation Park Medway (IPM) plans reshaped to support the post-Covid19 economy. Opportunity to significantly advance digital inclusion for workers, learners and service users across Medway.</p>	
SR47	Climate Change	All	<p>Potential damage to the council's reputation. Not able to meet member, government, and the public's expectations. Net zero by 2050 is not achieved.</p>	<p>Reporting on the first year of progress against the four-year action plan has been taken to DMT and will now go to COIB and CMT this month (April). A revised COIB structure is being implemented from this month to provide more effective monitoring of progress</p>	CIII	<p>Leading the way with Climate Change will give the Council the opportunity to provide the local community with a clean, green, sustainable future and enhance the Medway area. Some of the options which will support climate change may also have the additional benefit of saving the council money in the longer term. Sufficient staffing is assigned to the tasks required in the plan.</p>	DIII
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</p>	<p>No update from service this quarter. CMT (29 April 2026) agreed that the current risk score should be increased to BII. MedSpace pages updated to reflect Recruitment & Resourcing changes, and this is ongoing to ensure pages become more informative and supportive</p>	BII	<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.</p>	DIII

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			<p>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>			<p>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>	
SR56	Children's Social Care Budget Pressure	AI	Financial impact, not manageable within existing funds.	By the end of Q4, 115% FIT savings were achieved in 2025/26, Regular budget monitoring continues across all of children's services, ensuring narrative for any overspend is known and action can be taken to reduce. Access to resource panels as well as regular oversight and themed reviews of children's placements remain in place to manage support packages and ensure robust care planning is in line with children and young peoples identified need. Eden house is now home to 5 young people. Building work is near completion of our second children's home which aims to support some children being able to return to Medway and reduce use of external residential provision.	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. Effective forecasting of unaccompanied asylum-seeking children (UASC) placement 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.</p>	BIII
SR57	Adult Social Care Budget Pressure	AI	Financial impact, not manageable within existing funds.	Savings and cost avoidance have been delivered but not in totality. As documented at CMT, ASC Partnership Board and Cabinet - savings that are not delivered	AI	<p>Further improve timing and forecasting of placements' expenditure by closer work between Adult Social Care (ASC), the Finance team and Brokerage. Funding bid for increased Assistive</p>	All

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				will have an impact on the year end outturn, creating additional pressures for the council.		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 • travel to alternative locations • postage • room hire. - Compliance with 	<p>RAAC remediation works completed Staff/Teams informed of new areas to move to in Internal Staff Newsletter and FAQ's Gun Wharf relocation project begins from 17 April to move teams from areas in Gun Wharf to GWL2/Pembroke Court/Compass House Gun Wharf Refurbishment starting from 8 May</p>	CI	<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>	AIII

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			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. 	Government consultation on all five proposals closed on 26 March 2026 and we are awaiting decision which is expected in July 2026. PMO arrangements for Medway are well under development and there is ongoing collaboration across Kent and Medway. 11 Priority Activity Groups have been established to coordinate key activities that need a pan-Kent programme management approach in this pre-decision phase, and a Programme Director has recently been appointed. There is no change to risks, with planning in place to anticipate and prepare for next steps.	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