

Woking Borough Council Strategic Risk Register November 2022

Identification and Classification of Risk									Controlling / Managing the Risk						Risk within agreed appetite level?		
Risk No	Directorate	Risk Classification and Appetite	Threat (Cause)	Consequence	Controls in place	Probability	Severity	Risk Score	Approach	Recommendation / Mitigation	Comment/update on progress since last review (August 2022)	Risk Owner	Target Date	Revised Probability		Revised Severity	Revised Score
1	Corporate Resources	Financial Risk - Moderate Appetite (up to 9)	<p>Risk that the Council is unable to set a balanced budget without significant negative impact to, and reduction of, service delivery.</p> <p>The Council's revenue budget is based on predicted levels of demand and need. There are significant financial challenges in the budget due to a range of issues outside of the Council's control. These include national/global challenges resulting from inflation, cost of living, and uncertainty surrounding Ukraine, as well as Council specific issues such as recovery of commercial and fees and charges income post Covid, timing of investment by group companies, levels of government grant settlements, changes in Government policy e.g. HRA rents, removal of funding by SCC and other agencies for services, increased demand/changing arrangements for services and the impact of the Councils Investment Programme. There is also uncertainty on future Government policy regarding Business Rates and the potential impact, including any additional responsibilities.</p>	<ul style="list-style-type: none"> Impact on income. Curtailment of services. Alternative means of provision needed. Reprioritise services. Potential cuts in services. Impact on staff. Adverse audit opinion Political issues Damaged reputation / adverse publicity Reduction in resource available to maintain properties (HRA). 	<ul style="list-style-type: none"> Integrated service and financial planning approach ensuring alignment of budgets to strategic priorities. Budget monitoring in green book. Ongoing update of medium term financial strategy. Mitigation strategies in place for income generation/cost reductions. Invest to save projects and other transformation and efficiency and saving initiatives (Fit For The Future). 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Maintain current controls. Continue to review financial monitoring/forecasts. Continue to review Investment Programme. Explore income generation opportunities. Completion of the Strategic Asset Management Plan. Development of a clear approach to commercialisation, risk appetite, and investment as part of the MTFS. Review staffing levels. Seek different delivery models. Undertake a programme of service reviews, transformation and savings opportunities 	<ul style="list-style-type: none"> MTFS reports to March and July Council. Update to November Executive Company financial models reviewed and being incorporated into MTFS. Financial resilience framework developed and reported as an integral part of the MTFS. Fit for the Future programme established and working on phase 2 savings Engaged and supporting work with DLUHC review of the Councils debt levels and financial position. Established finance capacity support arrangement with SCC. 	Leigh Clarke	Ongoing	3: Possible	4: High	12	NO
2	Corporate Resources	Supplier, Contractor, Partnership Risk - High Appetite (up to 12)	<p>Risk that WBC Group Company(s) do not deliver to their approved business plans.</p> <p>The Council has made significant long term investments in a number of Group Companies. The Council's medium term budget is more heavily dependent on the performance of the Group Companies given the scale of recent investment. Should any of the Companies fail for whatever reason, the ability to repay loans to the Council may be compromised, as will any projected income that the Council might have received.</p>	<ul style="list-style-type: none"> Failure to repay loans to WBC and meet liabilities. Extra stress on Council revenue. Impact on capital investment. Significant impact on service delivery. Extra capacity and resources required to manage the situation. Detracts capacity and resource from other key areas. Reputational. 	<ul style="list-style-type: none"> Group Companies are subject to robust governance and are open and transparent. Staff capacity has been increased to underpin business. Companies are subject to robust financial reporting processes. Greater control of projects and business risks. Annual review of the Group Companies business plan has been undertaken. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Continue to monitor performance. Support increased business activities. Monitor/Deliver on identified FFF savings and develop corporate FFF programme. Progress work to consolidate company structure. Undertake a formal group company governance review. 	<ul style="list-style-type: none"> Thamesway Business Plan will be presented to the December Council. Company Governance arrangements reviewed and agreed by July Council to adopt national best practice principles. Additional resources approved to strengthen client side stakeholder advisory capacity and capability. VSWL performance report to the November Executive. Developed a scope for additional support and review from SCC. 	Kevin Foster	Ongoing	3: Possible	4: High	12	Yes
3	Corporate Resources	Service Delivery Risk - Moderate Appetite (up to 9)	<p>Risk that workforce resilience will be negatively impacted if recruitment, retention, and succession planning is not actively managed.</p> <p>As with any organisation, the Council is reliant on a workforce that can demonstrate a range of particular skills and/or an understanding of key processes, systems and projects. The Council has big ambition, and a dependable/stable workforce is key to future success. Given current national challenges outside of the Council's control (inflation, cost of living, recruitment, upward pressures on costs etc.), there is a risk that workforce resilience will be impacted if recruitment, retention, and succession planning is not actively managed. This might have specific impact on staff in lower paid roles who might seek career change for higher wages.</p>	<ul style="list-style-type: none"> Loss of corporate memory. Disrupts ability to operate. Further reliance on key people. Abdication / deferring of responsibility. 	<ul style="list-style-type: none"> Regular team meetings and briefings to share information. Systems such as SharePoint and Contract Management in place to aid collection of information. Leadership Academy for senior managers has upskilled officers.. SharePoint project is now complete. 	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> Develop a Learning and Development Strategy. Continue to implement SharePoint and other information management initiatives to ensure that all information is recorded and is easily accessible. Develop resilience and knowledge between teams. Development of a People Strategy. Engagement with staff in February 2022. 	<ul style="list-style-type: none"> Appointment of Strategic Director for Corporate Resources. Pay Award agreed for 2022/23. Investors in People reaccreditation commenced. Need to progress a recruitment and retention strategy as local and national pay awards are more likely to reduce our offer as an employer of choice - this risk is moving outside of our risk appetite if further progress is not made. Targeting a recruitment and retention strategy for February 2023. 	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	Yes
4	Corporate Resources	Business Continuity / Resilience Risk - Moderate Appetite (up to 9)	<p>Risk that the capability and capacity of the Council is not sufficient to deliver the ambitions of the Woking for All Strategy.</p> <p>The Council has adopted an ambitious Corporate Strategy called 'Woking For All'. The strategy runs from 2022 to 2027, and sets a clear vision of what we want to achieve over the next five years. Woking for All sets a number of clear objectives for every part of the Council, but there is a risk that these will not be achieved if the necessary capability and capacity is not in place to deliver it.</p>	<ul style="list-style-type: none"> The objectives listed in the strategy will not be delivered. The outcomes and benefits for the community will not be realised. Reputational damage as the strategy is a public statement of intent. 	<ul style="list-style-type: none"> The introduction of the Corporate Programme Board has provided a forum to which progress can be monitored and senior managers can escalate capability/capacity issues. 	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> Develop robust monitoring arrangements to regularly review the progress of all objectives. Ensure that senior managers have a forum to escalate capability/capacity issues. Introduction of a new CLT structure to streamline / strengthen capacity across the Council. 	<ul style="list-style-type: none"> Woking for All supplementary priorities developed in response to a change in administration. A monitoring regime for the Woking For All Strategy has been developed and work is now underway to report to CLT and Executive. Something about enhanced focus on partnership working i.e. County Deal, voluntary sector - Partnership report going to the November Executive. New high level partnership governance structure and partnership working being reported to November Executive – incorporating initial response to SCC County Deal proposal. 	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	Yes

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5	Place	Business Continuity / Resilience Risk - Moderate Appetite (up to 9)	Risk that a sustained emergency or business continuity situation occurs and the Council fails to respond effectively. The Council has adopted an Emergency Plan and a Business Continuity Plan. Despite procedures in place, there is always a risk that appropriate resources cannot be mobilised within a sufficient timeframe to deal with a sustained emergency or business continuity situation. Emergency situations, as highlighted by flooding and issues resulting from climate change, are likely to become more frequent. From a business continuity perspective, there is a risk that possible energy blackouts throughout winter may impact on the delivery of critical Council functions.	<ul style="list-style-type: none"> Confusion. Mixed messages internally and externally. Impact on key services. Service failure. Impact on vulnerable people. Potential health and safety issues. Possible corporate manslaughter. Drop in standards. Possible breach of contract. 	<ul style="list-style-type: none"> Emergency plan procedures are in place. Regular training and exercises are provided to staff. Enhanced forecasting of weather emergencies. Mutual aid agreements with other organisations are in place. Emergency 4x4 vehicles are available. Minimum 12 Incident Liaison Officers have been trained. All caretakers at WBC Centres have keys to access all premises. Business Continuity procedures in place with annual updates/monitoring. 	3: Possible	3: Moderate	9	Treat	<ul style="list-style-type: none"> Continue to develop partnerships. Maintain existing controls. Continue to explore collaboration opportunities with SCC to increase resilience. 	<ul style="list-style-type: none"> SCC Emergency Planning resource has been seconded to support the Council. Additional staff have been identified/trained to support emergency planning response. Annual Business Impact Analysis (BIA) has been undertaken to identify critical Council functions. Business Continuity Action Cards, including response to possible blackouts, have been developed for all critical functions. 	Giorgio Framaliccio	Ongoing	2: Unlikely	3: Moderate	6	Yes
6	Corporate Resources	Cyber Risk - Low Appetite (up to 4)	Risk that the Council's ICT is significantly compromised due to cyber-attack resulting in material business disruption. For the Council to operate effectively, the stable and consistent access to ICT is essential. ICT underpins everything the Council does and the network, telephony, infrastructure and application data is required at all times if the Council is to function. Despite best efforts, there is always a risk that ICT might suffer significant compromise due to a cyber-attack that would result in material business disruption.	<ul style="list-style-type: none"> Systems not available. Loss of data. Inability to process data accurately and in a timely way. Possible inability to make correct payments, recover monies, provide advice and (self) service on time and in accordance with customer expectations. Loss of income. Loss of reputation. Key business areas throughout the Council may not be able to work which could have a knock on effect for customers, residents and partners. Possibility of financial cost in terms of purchasing new IT equipment. 	<ul style="list-style-type: none"> Anti-virus software installed on servers, PCs and laptops. Intruder protection software in place on the network. Mobile devices protected with device management software. Firewalls in place to protect access to the network. Access to PC's and network is password controlled and permissions managed by Active Directory. Restrictions and policies in place on removable devices. Emails and web traffic scanned for malicious sites / content. Data is backed up overnight. Back up data retained off site which would enable data & key systems to be restored. Remote access to network requires 2 factor authentication. Servers are virtualised and replicated at second data centre. Maintain ICT security policies to ensure secure systems are implemented. 	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> Comprehensive review of ICT Policies. Establish a departmental risk register. A new cyber security module will be rolled out to all staff in January 2023 with mandatory training. All laptops on M365 build by February 2023. Update all cyber security policies by 31 December 2022. Appoint a cyber security specialist by May 2023. Actions from the LGA Cyber Security Stocktake are to be reviewed and updated in line with current best practice to mitigate areas of risk. 	<ul style="list-style-type: none"> Mazars have completed a Cyber security review. Four of the nine recommendations have already been delivered. These include: <ul style="list-style-type: none"> A Cyber Security Working Group has been established. This reports to an Information Governance Group of senior officers. Domain admin accounts adjusted. Access management reviewed. Schedule weekly scans moved to mid week. Leavers process revised, accounts locked after 30 days of non use. Digital Strategy action plan is complete. 	Adam Walther	ongoing	2: Unlikely	3: Moderate	6	No
7	All	Service Delivery Risk - Moderate Appetite (up to 9)	Risk that Government policy will impact on the long to medium term strategic planning of the Council. The Government is introducing (or considering to introduce) a number of key initiatives and making changes to existing policy/legislation. These changes will have a significant impact on Local Government across a range of functions such as: housing, business rates, MRP (Minimum Revenue Provision), planning etc. but the specifics are not yet know. There is a risk that Government change will impact on the long to medium term strategic planning of the Council.	<ul style="list-style-type: none"> Lack of clarity regarding direction of travel. Financial uncertainty resulting from policy change, devolution etc. Not able to plan with any certainty for long term strategic vision. 	<ul style="list-style-type: none"> Engaged in conversation with politicians to try to influence change. Working with existing Council and Local Government networks. 	3: Possible	4: High	12	Tolerate	<ul style="list-style-type: none"> Strengthen policy resources within the Council to enable proactive 'horizon scanning' of Government initiatives. It is recommended that the Council remains flexible to deal with issues as and when they arise. Continue to engage in Delivery Board (Leaders and Chief Execs) on regular basis to pursue joint activities. 	<ul style="list-style-type: none"> Appointment of Corporate Resources Strategic Director to enhance capacity in this area. 	Julie Fisher	Ongoing	3: Possible	4: High	12	NO
8	Place	Financial Risk - Moderate Appetite (up to 9)	Risk that the economic vitality of Woking is not sustained. Woking Town Centre is of key strategic importance to the economic viability of the Borough. Economic development is a priority of the Council and significant investment has been made in the town centre, with enhancements to Wolsey Place, the public realm in general and flagship projects such as the Victoria Square development. These developments are designed to attract businesses and customers into the town and increase income via business rates, car parking etc. Given the current economic climate and external pressures, there is an ongoing risk that the economic viability of the town is not sustained.	<ul style="list-style-type: none"> Uncertainty in the local economy. Businesses move away from the town and business rates decrease. Vacant premises in town centre. Negative impact on Woking pride of place. Loss of income. Loss of reputation. Council priority of economic development will not be met. 	<ul style="list-style-type: none"> Development of the town centre to enhance the surroundings and make area attractive to business/customers. Economic development strategy written and adopted and action plan agreed (autumn 2021) Consulting with businesses to develop partnerships i.e. McLaren, WWF. Digital Strategy has been written and adopted. 	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> Continue to apply existing controls. Deliver the Economic development action plan. Continue to invest to enhance the quality of the town centre. Work is underway to diversify the town centre economy i.e. exploring other/new uses that are complimentary to town centre activities that will encourage visitors to the town. 	<ul style="list-style-type: none"> Commencement of the Town Centre Master Plan. Economic development strategy written and adopted and action plan agreed. Transport improvements in the town centre nearly complete (WITP project). Victoria Place opened to the public in March 2022. Victoria Place progress report will go to November Executive. Saturday parking tariff has been trialled from September to attract footfall. Develop a Destination Woking brand. Digital Strategy has been written and adopted. 	Giorgio Framaliccio	Ongoing	3: Possible	3: Moderate	9	Yes

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9	Corporate Resources	Reputational Risk - Low Appetite (up to 4)	<p>Risk that renewed commitment to community engagement does not improve public perception of the Council.</p> <p>High profile initiatives in the borough have received a mix of negative publicity and/or representation from residents and wider stakeholders. Feedback, both formal and anecdotal, suggests that a proportion of Woking residents have a reduced confidence in the Council's commitment to be representative and act in the best interests of the community. There is a risk that the renewed commitment to community engagement does not improve public perception of the Council.</p>	<ul style="list-style-type: none"> Distrust of Council officers, councillors. Planning application being overturned. Reputational damage. Stakeholder disengagement. 	<ul style="list-style-type: none"> Resident Panel has been re-established to see the views of the local community. Community Engagement work underway - roadshows across the borough. Development of a long term Corporate Plan. Implementation of transparent governance arrangements. 	3: Possible	3: Moderate	9	Treat	<ul style="list-style-type: none"> Continue to maintain/implement recent controls that have been put in place. 	<ul style="list-style-type: none"> Community engagement strategy drafted and prospectus being developed. Woking community forum further established as the key focal point for all key community engagement activity. Developed an enhanced consultation strategy for the Town Centre Masterplan. 	Kevin Foster	Ongoing	2: Unlikely	3: Moderate	6	No
10	Communities	Service Delivery Risk - Moderate Appetite (up to 9)	<p>Risk that cost of living pressures for Woking residents will lead to increased demand on Council service that cannot be met within existing resources.</p> <p>The national cost of living crisis (resulting from high inflation, high energy and food costs, global uncertainty etc.) will have a direct impact on the residents and communities of Woking. As more residents are impacted many will look to the Council for additional support. There is a risk that this increased demand on Council services will not be able to be met from within existing resources.</p>	<ul style="list-style-type: none"> Residents unable to pay rent, potentially leading to homelessness. Households falling into fuel poverty. Households seeking additional assistance from the voluntary, community and faith sectors which are also facing challenging times. Council might need to rationalise/prioritise services to focus on the needs of residents. 	<ul style="list-style-type: none"> Partnership working with the VCFS sector is well established. the Woking for All Strategy has set clear priorities for the Council with the focus on supporting residents. Efficient processes are in place for the distribution of Government relief funds. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Develop a clear Medium Term Financial Strategy to ensure the Council is financially ready and able to assist where able. Implement the cost of living action plan resulting from the Cost of Living Summit with key partners. Clearly sign-post available support and Council services to residents online and in the Woking Magazine. Maintain an up-to-date cost of living website. 	<ul style="list-style-type: none"> Cost of Living summit with partners held in September 2022. Dedicated cost of living webpage in place. Autumn 2022 Woking Magazine focussed on Cost of Living feature. Action plan developed and progress reported regularly to the Executive. Voluntary sector offer promoted to the public through the "Working Together for Woking" Voluntary Sector Fair held in November 2022. 	Louise Strongitharm	Ongoing	4: Probable	3: Moderate	12	NO