

# Woking Borough Council Strategic Risk Register May 2023

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 (January 2023 Executive)	Risk Owner	Target Date	Revised Probability	Revised Severity		Revised Score
1	Corporate Resources	Financial Risk - Moderate Appetite (up to 9)	<p><b>Risk that the Council is unable to bridge a budget shortfall of £9.5m.</b></p> <p>The Council's revenue budget is based on predicted levels of demand and need which has resulted in the identification of a budget shortfall of £9.5m for 2024/25. 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"> <li>Reduction/removal in service levels.</li> <li>Impact on staff.</li> <li>Adverse audit opinion.</li> <li>Political issues.</li> <li>Damaged reputation / adverse publicity.</li> <li>Reduction in resource available to maintain properties (HRA).</li> </ul>	<ul style="list-style-type: none"> <li>Integrated service and financial planning approach ensuring alignment of budgets to strategic priorities.</li> <li>Budget monitoring in green book.</li> <li>Ongoing update of Medium Term Financial Strategy.</li> <li>Mitigation strategies in place for income generation/cost reductions.</li> <li>Invest to save projects and other transformation and efficiency and saving initiatives (Fit For the Future).</li> </ul>	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> <li>Maintain current controls.</li> <li>Continue to review financial monitoring/forecasts.</li> <li>Continue to review Investment Programme.</li> <li>Explore income generation opportunities.</li> <li>Completion of the Strategic Asset Management Plan.</li> <li>Development of a clear approach to commercialisation, risk appetite, and investment as part of the MTFS.</li> <li>Seek different delivery models.</li> <li>Undertake a programme of service reviews, transformation and savings opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Company financial models reviewed and being incorporated into MTFS.</li> <li>Fit for the Future programme established and working on phase 3 to deliver corporate wide efficiencies and financial savings.</li> </ul>	Brendan Arnold	Ongoing	4: Probable	3: Moderate	12	NO
2	Corporate Resources	Financial Risk - Moderate Appetite (up to 9)	<p><b>Risk that the Council's large-scale investments and financial operations have led to, and continue to contribute towards, a deficit financial position of strategic dimensions which cannot be overcome without Government Support.</b></p> <p>As a result of a large scale and continued programme of investment in fixed assets, the Council is in a position where it relies heavily on the receipt of significant income/funding streams to sustain that investment. The Council is now facing challenges in organising its management and financial response to suitably manage the scale of investment, which has led to and continues to contribute to a financial deficit. Accordingly, a Financial Assurance exercise is being undertaken to crystallise the challenges facing the Council. As part of the Financial Assurance exercise, the Council will review the benefits and limitations of the funding mechanisms employed, the business model used to underpin acquisitions, and the extent to which loans advanced to Group Companies are recoverable.</p>	<ul style="list-style-type: none"> <li>The laying of one or more Section 114 notices.</li> <li>Engagement with Government to acquire financial support in the context of a Recovery Plan for the Council and the Borough.</li> <li>Potential disposal of property and other cost reduction initiatives.</li> <li>Reputational damage.</li> <li>Service review and possible reduction/removal.</li> </ul>	<ul style="list-style-type: none"> <li>The priority of building a Recovery Plan is underway.</li> <li>Deep review of financial and business management and property investment activities.</li> <li>Programme of work to eliminate and mitigate risk.</li> <li>Appointed a new Section 151 Officer.</li> </ul>	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> <li>The development of a revised Medium Term Financial Strategy</li> <li>Develop detailed recovery plans.</li> <li>Continued engagement with the Government.</li> <li>Continued Project Assurance to ensure that statutory requirements are being employed on an ongoing basis.</li> </ul>	n/a - new risk	CLT	Jan-24	3: Possible	4: High	12	NO
3	Corporate Resources	Supplier, Contractor, Partnership Risk - High Appetite (up to 12)	<p><b>Risk that WBC Group Company(s) do not deliver to their approved business plans.</b></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"> <li>Failure to repay loans to WBC and meet liabilities.</li> <li>Extra stress on Council revenue.</li> <li>Impact on capital investment.</li> <li>Significant impact on service delivery.</li> <li>Extra capacity and resources required to manage the situation.</li> <li>Detracts capacity and resource from other key areas.</li> <li>Reputational.</li> </ul>	<ul style="list-style-type: none"> <li>Group Companies are subject to robust governance and are open and transparent.</li> <li>Staff capacity has been increased to underpin business.</li> <li>Companies are subject to robust financial reporting processes.</li> <li>Greater control of projects and business risks.</li> <li>Annual review of the Group Companies business plan has been undertaken.</li> <li>Undertaken a formal group company governance review.</li> </ul>	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> <li>Continue to monitor performance.</li> <li>Support increased business activities.</li> <li>Monitor/Deliver on identified FFF savings and develop corporate FFF programme.</li> <li>Progress work to consolidate company structure.</li> <li>Continued dialogue between company directors and WBC in respect of funding and ongoing concern matters.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing review of Thamesway and Victoria Square Business Plans.</li> <li>Company Governance arrangements reviewed and agreed to adopt national best practice principles.</li> <li>Additional resources approved to strengthen client side stakeholder advisory capacity and capability, and continued strengthening of this capacity throughout 2023.</li> </ul>	Kevin Foster	Ongoing	3: Possible	4: High	12	YES
4	Corporate Resources	Service Delivery Risk - Moderate Appetite (up to 9)	<p><b>Risk that workforce resilience will be negatively impacted if recruitment, retention, and succession planning is not actively managed.</b></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. The Council falling within the financial territory of laying a Section 114 notice might also impact the ability to retain and/or recruit staff.</p>	<ul style="list-style-type: none"> <li>Loss of corporate memory.</li> <li>Disrupts ability to operate.</li> <li>Further reliance on key people.</li> <li>Abdication / deferring of responsibility.</li> <li>Reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Regular team meetings and briefings to share information.</li> <li>Systems such as SharePoint and Contract Management in place to aid collection of information.</li> <li>Leadership Academy for senior managers has upskilled officers..</li> <li>SharePoint project is now complete.</li> </ul>	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> <li>Develop a Learning and Development Strategy.</li> <li>Continue to implement SharePoint and other information management initiatives to ensure that all information is recorded and is easily accessible.</li> <li>Develop resilience and knowledge between teams.</li> <li>Development of a People Strategy.</li> <li>Continued engagement with staff.</li> </ul>	<ul style="list-style-type: none"> <li>Pay Award and Pay Progression agreed for 2023/24.</li> <li>Investors in People reaccreditation.</li> <li>Work planned to develop a Recruitment and Retention Strategy as local and national pay awards are more likely to reduce our offer as an employer of choice.</li> <li>Considerable attention being given to staff communication in respect of budget shortfalls and mitigation measures.</li> </ul>	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	YES

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5	Corporate Resources	Service Delivery Risk - Moderate Appetite (up to 9)	<b>Risk that the capability and capacity of the Council is not sufficient to deliver the ambitions of the Woking for All Strategy.</b>  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.	<ul style="list-style-type: none"> <li>The objectives listed in the strategy will not be delivered.</li> <li>The outcomes and benefits for the community will not be realised.</li> <li>Reputational damage as the strategy is a public statement of intent.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Robust monitoring arrangements to regularly review the progress of all objectives have been developed.</li> </ul>	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> <li>Ensure that senior managers have a forum to escalate capability/capacity issues.</li> <li>Review the scope and number of objectives/actions in the strategy to ensure ambition aligns with Council capability and capacity.</li> </ul>	<ul style="list-style-type: none"> <li>A monitoring regime for the Woking For All Strategy has been developed and quarterly reports are submitted to the Executive - last report went to 2nd Feb Executive.</li> </ul>	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	YES
6	Place	Business Continuity / Resilience Risk - Moderate Appetite (up to 9)	<b>Risk that an emergency or business continuity event occurs and the Council fails to respond effectively.</b>  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"> <li>Confusion.</li> <li>Mixed messages internally and externally.</li> <li>Impact on key services.</li> <li>Service failure.</li> <li>Impact on vulnerable people.</li> <li>Potential health and safety issues.</li> <li>Possible corporate manslaughter.</li> <li>Drop in standards.</li> <li>Possible breach of contract.</li> </ul>	<ul style="list-style-type: none"> <li>Emergency plan procedures are in place.</li> <li>Regular training and exercises are provided to staff.</li> <li>Enhanced forecasting of weather emergencies.</li> <li>Mutual aid agreements with other organisations are in place.</li> <li>Emergency 4x4 vehicles are available.</li> <li>Minimum 12 Incident Liaison Officers have been trained.</li> <li>All caretakers at WBC Centres have keys to access all premises.</li> <li>Business Continuity procedures in place with annual updates / monitoring.</li> </ul>	3: Possible	3: Moderate	9	Treat	<ul style="list-style-type: none"> <li>Continue to develop partnerships.</li> <li>Maintain existing controls.</li> <li>Continue to explore collaboration opportunities with SCC to increase resilience.</li> </ul>	<ul style="list-style-type: none"> <li>SCC Emergency Planning resource has been seconded to support the Council.</li> <li>Additional staff have been identified/trained to support emergency planning response.</li> <li>Annual Business Impact Analysis (BIA) has been undertaken to identify critical Council functions.</li> <li>Zurich (the Council's insurer) has been appointed to undertake a detailed audit of Business Continuity arrangements at no cost to the Council.</li> </ul>	Beverley Kuchar	Ongoing	2: Unlikely	3: Moderate	6	YES
7	Corporate Resources	Cyber Risk - Low Appetite (up to 4)	<b>Risk that the Council's ICT is significantly compromised due to cyber-attack resulting in material business disruption.</b>  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"> <li>Systems not available.</li> <li>Loss of data.</li> <li>Inability to process data accurately and in a timely way.</li> <li>Possible inability to make correct payments, recover monies, provide advice and (self) service on time and in accordance with customer expectations.</li> <li>Loss of income.</li> <li>Loss of reputation.</li> <li>Key business areas throughout the Council may not be able to work which could have a knock on effect for customers, residents and partners.</li> <li>Possibility of financial cost in terms of purchasing new IT equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Anti-virus software installed on servers, PCs and laptops.</li> <li>Intruder protection software in place on the network.</li> <li>Mobile devices protected with device management software.</li> <li>Firewalls in place to protect access to the network.</li> <li>Access to PC's and network is password controlled and permissions managed by Active Directory.</li> <li>Restrictions and policies in place on removable devices.</li> <li>Emails and web traffic scanned for malicious sites / content.</li> <li>Data is backed up overnight.</li> <li>Back up data retained off site which would enable data &amp; key systems to be restored.</li> <li>Remote access to network requires 2 factor authentication.</li> <li>Servers are virtualised and replicated at second data centre.</li> <li>Maintain ICT security policies to ensure secure systems are implemented.</li> </ul>	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> <li>Comprehensive review of ICT Policies.</li> <li>Establish a departmental risk register.</li> <li>A new cyber security module will be rolled out to all staff as mandatory training.</li> <li>Update all cyber security policies.</li> <li>Consider cyber security specialist as part of wider organisation review of capability.</li> <li>Actions from the LGA Cyber Security Stocktake are to be reviewed and updated in line with current best practice to mitigate areas of risk.</li> </ul>	<ul style="list-style-type: none"> <li>Mazars have completed a Cyber security review. Four of the nine recommendations have already been delivered. These include: <ul style="list-style-type: none"> <li>A Cyber Security Working Group has been established.</li> <li>Domain admin accounts adjusted.</li> <li>Access management reviewed.</li> <li>Schedule weekly scans moved to mid week.</li> <li>Leavers process revised, accounts locked after 30 days of non use.</li> <li>Digital Strategy action plan is complete.</li> <li>Vast majority of WBC owned laptops now using M365 build.</li> </ul> </li> </ul>	Adam Walther	ongoing	2: Unlikely	3: Moderate	6	NO
8	All	Service Delivery Risk - Moderate Appetite (up to 9)	<b>Risk that Government policy will impact on the long to medium term strategic planning of the Council.</b>  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"> <li>Lack of clarity regarding direction of travel.</li> <li>Financial uncertainty resulting from policy change, devolution etc.</li> <li>Not able to plan with any certainty for long term strategic vision.</li> </ul>	<ul style="list-style-type: none"> <li>Engaged in conversation with politicians to try to influence change.</li> <li>Working with existing Council and Local Government networks.</li> </ul>	3: Possible	3: Moderate	9	Tolerate	<ul style="list-style-type: none"> <li>Strengthen policy resources within the Council to enable proactive 'horizon scanning' of Government initiatives.</li> <li>It is recommended that the Council remains flexible to deal with issues as and when they arise.</li> <li>Continue to engage in Delivery Board (Leaders and Chief Execs) on regular basis to pursue joint activities.</li> </ul>	<ul style="list-style-type: none"> <li>Regular contact / engagement with DLUHC throughout the year.</li> </ul>	Julie Fisher	Ongoing	3: Possible	3: Moderate	9	YES

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9	Place	Financial Risk - Moderate Appetite (up to 9)	<p><b>Risk that the economic vitality of Woking is not sustained.</b></p> <p>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 Wolsley 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.</p>	<ul style="list-style-type: none"> <li>• Uncertainty in the local economy.</li> <li>• Businesses move away from the town and business rates decrease.</li> <li>• Vacant premises in town centre.</li> <li>• Negative impact on Woking pride of place.</li> <li>• Loss of income.</li> <li>• Loss of reputation.</li> <li>• Council priority of economic development will not be met.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the town centre to enhance the surroundings and make area attractive to business/customers.</li> <li>• Economic development strategy written and adopted and action plan agreed.</li> <li>• Consulting with businesses to develop partnerships i.e. McLaren, WWF.</li> <li>• Digital Strategy has been written and adopted.</li> </ul>	3: Possible	3: Moderate	9	Treat	<ul style="list-style-type: none"> <li>• Continue to apply existing controls.</li> <li>• Deliver the Economic development action plan.</li> <li>• Continue to invest to enhance the quality of the town centre.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic development strategy written and adopted and action plan agreed.</li> <li>• Transport improvements in the town centre nearly complete (WITP project).</li> <li>• A Place branding proposition for Woking is being developed.</li> <li>• A Place board comprised of key stakeholders including local businesses to be established in 2023.</li> </ul>	Kevin Foster	Ongoing	2: Unlikely	3: Moderate	6	YES
10	Corporate Resources	Reputational Risk - Low Appetite (up to 4)	<p><b>Risk that the Council's financial position will lead to reputational damage with residents, staff, partners, and other stakeholders.</b></p> <p>The current financial challenge facing the Council is attracting local and national press coverage. Significant effort is being made to proactively and transparently address the financial challenges, and work continues on a daily basis to deliver core services to our residents. However, there is a risk that the reputational damage will impact on relationships with residents, staff, partners, and other stakeholders which will hinder the ability to introduce necessary change across the organisation.</p>	<ul style="list-style-type: none"> <li>• Distrust of Council officers, councillors.</li> <li>• Partners unwilling to engage/work with the Council.</li> <li>• Negative impact on staff morale.</li> <li>• Reputational damage.</li> <li>• Stakeholder disengagement.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of transparent governance arrangements.</li> <li>• The initiation of the Fit For The Future programme is underway which will drive efficiencies and savings across the organisation.</li> <li>• CLT working closely with DLUCH, CIPFA, LGA and other key partners to manage/mitigate current financial challenges.</li> </ul>	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> <li>• Continue to maintain/implement recent controls that have been put in place.</li> <li>• Prepare detailed position statement as part of the July MTFS.</li> <li>• Develop a strong communication strategy to provide necessary information and transparency.</li> </ul>	n/a - new risk	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	NO
11	Communities	Service Delivery Risk - Moderate Appetite (up to 9)	<p><b>Risk that the cost of living pressures for Woking residents will lead to increased demand on Council services that cannot be met within existing resources.</b></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 within existing resources.</p>	<ul style="list-style-type: none"> <li>• Residents unable to pay rent, potentially leading to homelessness.</li> <li>• Households falling into fuel poverty.</li> <li>• Households seeking additional assistance from the voluntary, community and faith sectors which are also facing challenging times.</li> <li>• Council might need to rationalise/prioritise services to focus on the needs of residents.</li> <li>• More homelessness presentations.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership working with the VCFS sector is well established.</li> <li>• the Woking for All Strategy has set clear priorities for the Council with the focus on supporting residents.</li> <li>• Efficient processes are in place for the distribution of Government relief funds.</li> <li>• Further Household Support Fund guaranteed for 23/24 by Government.</li> </ul>	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> <li>• Implement the cost of living action plan resulting from the Cost of Living Summit with key partners.</li> <li>• Clearly sign-post available support and Council services to residents online and in the Woking Magazine.</li> <li>• Maintain an up-to-date cost of living website.</li> <li>• Use Household Support Funding to full effect.</li> </ul>	<ul style="list-style-type: none"> <li>• Household Support Funding continuing to be used.</li> <li>• Dedicated cost of living webpage in place.</li> <li>• Action plan developed.</li> </ul>	Louise Strongitharm	Ongoing	4: Probable	3: Moderate	12	NO
12	Communities	Legal / Regulatory Risk - Low Appetite (up to 4)	<p><b>Risk that WBC fails to meet it statutory and regulatory requirements in respect of housing.</b></p> <p>The Council has a number of statutory and regulatory requirements that fall within the remit of housing - these include properties not meeting decent homes standards, use of B&amp;B over 6 wks. for homelessness etc. There is a risk that the Council will fail to meet these requirements due to budget pressures, (both General Fund and HRA), lack of historic investment, and risking demand for services.</p>	<ul style="list-style-type: none"> <li>• Loss of Government funding for homelessness.</li> <li>• Regulator interventions</li> <li>• Reputational damage.</li> <li>• Increased judicial reviews.</li> <li>• Increased disrepair claims.</li> </ul>	<ul style="list-style-type: none"> <li>• Working closely with DLUCH on an elimination plan in respect of B&amp;B use for homelessness.</li> <li>• Appointed resource to develop an asset management plan (RAND) to support decent homes - producing a 5 &amp; 30 yr. plan</li> </ul>	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> <li>• Assess options for property disposals to fund investment.</li> <li>• Continue to work on HRA recovery plan ready for submission to the Executive in July.</li> <li>• Development of a 30 yr. HRA Plan as part of the Council's recovery plan.</li> </ul>	n/a - new risk	Louise Strongitharm	Mar-25	2: Unlikely	3: Moderate	6	NO