

Woking Borough Council Strategic Risk Register April 2024

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 2024)	Risk Owner	Target Date	Revised Probability	Revised Severity		Revised Score
1	Finance	Financial Risk - Moderate Appetite (up to 9)	<p>Risk that the Council is unable to balance its General Fund and Housing Revenue Account budgets over the medium-term.</p> <p>The Council's General Fund had a budget shortfall for 2023/24 and potentially for 2024/25. These figures do not include the full impact of the debt issue, which is reliant on Government support. This support will mitigate the position in 2024/25 but significant financial challenges will remain in the budget due to the reliance on commercial estate and car park income. The Housing Revenue Account is balanced in 2024/25 but stock investment requirements mean the funding challenge remains in the medium-term.</p>	<ul style="list-style-type: none"> Reduction/removal in service levels. 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 being improved. Budget monitoring has been improved. Ongoing update of the Medium Term Financial Strategy via the member level finance group. Mitigation strategies in place for income generation rebasing the Council's general revenue budget. Improvement & Recovery Programme underway and being monitored. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Maintain current controls on spending (FCP). Clear understanding of financial monitoring/forecasts process and budget envelopes. Continue to review Investment Programme. Completion of the Asset Rationalisation and Disposal Strategy. Develop a clear approach to the management of group companies and their impact on the overall debt position of the Council. Seek different delivery models i.e. community transfer. Undertake service reviews, transformation and savings opportunities to meet MTFS savings targets. 	<ul style="list-style-type: none"> Commercial and Financial workstreams of Improvement Recovery Plan are now better integrated. Work being undertaken to develop the MTFS to be presented to Council in July 2024. 	Stephen Fitzgerald	Ongoing	4: Probable	3: Moderate	12	NO
2	Finance	Legal / Regulatory Risk - Low Appetite (up to 4)	<p>Risk that the Council is exposed to fraud.</p> <p>The risk of fraud both within and external is inherent within any organisation. Examples might include companies falsifying business rate returns, fraudulent applications for Council housing etc. It has been flagged that the Council does not have sufficiently robust policies and procedures in place in relation to the prevention of fraud and is therefore more exposed than it should be.</p>	<ul style="list-style-type: none"> Potential loss of income. Council potentially not meeting compliance requirements. Reputational damage. Exposure to criminal activity. 	<ul style="list-style-type: none"> Systems of checks do exist (finance, revs and bens, etc.) but are applied individually rather than in a sufficiently structured way. Internal audit plan for 2024/25 has been approved by the Council's audit committee and the council external auditors have been alerted to fraud issues within the Council. 	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> Approach Reigate Borough Council to provide expert support. Develop a Fraud Risk Assessment and counter fraud strategy. Develop and implement Counter Fraud Strategy. Ensure sufficient resource is in place to own and manage this process. 	<ul style="list-style-type: none"> Work underway with external partners to strengthen the control framework to limit the risk of fraud. Internal audit plan for 2024/25 has been approved by the Council's audit committee External auditors have been alerted to fraud issues within the Council. 	Stephen Fitzgerald	Ongoing	3: Possible	3: Moderate	9	NO
3	Corporate Resources	Financial Risk - Moderate Appetite (up to 9)	<p>Risk that the Council does not deliver value for money with the delivery of asset rationalisation in order to reduce the Council's debt to an agreed and affordable level.</p> <p>As a result of a large scale and continued programme of investment in fixed assets, the Council has £2billion of debt that it cannot afford. It also relies heavily on the receipt of significant income/funding streams to sustain that investment. A step towards recovery is the implementation of an asset rationalisation programme, however there is a risk that value for money cannot be delivered due to the complexity and timing of the programme.</p>	<ul style="list-style-type: none"> Company solvency issues. Assets not being disposed of at market value and/or in appropriate timeframes. Instability and reductions to Woking BC budgets and services to residents. Reputational damage with Government and residents. Service review and possible reduction/removal. 	<ul style="list-style-type: none"> Asset disposal plan developed and being delivered. Commercial governance board and workstream plan in place. Company governance framework in place. Commercial protocol established. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Development of a commercial strategy and establishment of commercial capability within the Council. Develop critical dependencies in the IRP between financial and commercial workstreams. Continued engagement with the Government. Appointment of a restructuring adviser to the Council's lenders. 	<ul style="list-style-type: none"> Improved alignment of commercial and financial workstreams of the Improvement and Recovery Plan. Production of short term cash-flows for companies. Company business plans prepared for Shareholder Executive in June. 	Kevin Foster	Ongoing	3: Possible	4: High	12	NO
4	Corporate Resources	Supplier, Contractor, Partnership Risk - High Appetite (up to 12)	<p>Risk that Council companies do not have sufficiently robust cashflow forecasting and management arrangements in place.</p> <p>The Council has made significant long term investments in a number of Group Companies. The Council's medium term budget is 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"> Negative impact to companies liquidity and ability to operate. Curtailed capital investment. Significant impact on service delivery. Extra capacity, funding, 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 compliance with the companies framework. Assurance over Company cashflow modelling in place. Staff capacity has been increased to underpin business. Companies subject to robust financial reporting processes. Company Governance arrangements reviewed and agreed to adopt national best practice principles. Company operating manual developed and is used to direct improvements in company governance arrangements. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Asset advisers to be appointed by companies. Progress work to consolidate company structure. Continued dialogue between company directors and WBC in respect of funding and ongoing concern matters. 	<ul style="list-style-type: none"> Ongoing review of Thamesway and Victoria Square Business Plans. Additional resources approved to strengthen client side stakeholder advisory capacity and capability, and continued strengthening of this capacity. Engagement with Government on Council debt structure and affordability is underway. 	Kevin Foster	Ongoing	3: Possible	4: High	12	YES

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5	Corporate Resources	Service Delivery Risk - Moderate Appetite (up to 9)	As with any organisation, the Council is reliant on a workforce that can demonstrate a range of skills and understanding of key processes, systems, and projects. The Council is implementing a significant change agenda, and a dependable/stable workforce is key to future success. The effective delivery of service objectives and the IRP is central to Council activity, but there is a risk that workforce resilience, capability and capacity is not sufficient to meet these ambitions.	<ul style="list-style-type: none"> Corporate objectives will not be delivered. Outcomes and benefits for the community will not be realised. Reputational damage if the Council cannot deliver public statements of intent. 	<ul style="list-style-type: none"> The introduction of the IRB and Corporate Programme Board has provided a forum to which progress can be monitored and senior managers can escalate capability/capacity issues. Staff PDR process and 121 processes in place to manage staff performance/areas of concern. Current WFAS and vision in place to provide a framework. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Ensure that managers have a forum to escalate capability/capacity issues. Undertake a refresh of the WFAS to review the scope and number of objectives/actions in the strategy to ensure ambition aligns with Council capability and capacity. Develop a Learning and Organisational Development Strategy and Recruitment & Retention Strategy. Continued engagement with staff. Review workplans and prioritise. Develop improved HR dashboard reporting. 	<ul style="list-style-type: none"> Considerable attention being given to staff communication in respect of budget shortfalls and mitigation measures. Reviewed and implemented new management engagement structures in the form of ELT and Senior Managers. A new Council vision has been developed in consultation with Senior Officers and Members. Work to review the WFAS for 2024/25 is underway. 	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	YES
6	All NEW	Service Delivery Risk - Moderate Appetite (up to 9)	A great deal of corporate effort is focused on the delivery of the IRP, however the discharging of statutory services remains the primary role of the Council. Recent restructures and internal/external pressures have resulted in a challenging environment in the delivery of services. There is a risk that focus on the IRP will lead to a loss of strategic direction and attention to the performance of core services.	<ul style="list-style-type: none"> Service performance reducing. Statutory service requirements not met. Operational staff disenfranchised. Residents expectations not met leading to reputational damage. 	<ul style="list-style-type: none"> Ongoing communication from CLT to staff across the Council. A number of arrangements in place to monitor operational activity i.e. Directorate Risk Register, Corporate Programme Board, Performance Management reports, Budget Monitoring. 	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> Undertake a full review of the WFAS to ensure that the development of core service activity is represented alongside IRB objectives. Develop Directorate Service Plans to provide a focus for core services. Review PDR processes to instil a 'golden thread' principle. Enhance Performance Management and Budget Monitoring arrangement for Q1 2024/25. 	NA - New Risk	Kevin Foster	Ongoing	2: Unlikely	4: High	8	YES
7	Corporate Resources	Reputational Risk - Low Appetite (up to 4)	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.	<ul style="list-style-type: none"> Distrust of Council officers and councillors. Partners unwilling to engage/work with the Council. Negative impact on staff morale. Reputational damage. Stakeholder disengagement. 	<ul style="list-style-type: none"> Implementation of transparent governance arrangements. The implementation of the IRP is underway which will drive efficiencies and savings across the organisation. CLT working closely with DLUCH, CIPFA, LGA, and other key partners to manage/mitigate current financial challenges. A vision for the future Council in place with a focus on communities, businesses, and employees. 	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> Continue to maintain/implement recent controls that have been put in place. Develop a strong communication strategy to provide necessary information and transparency. Undertake a full refresh of the Woking for All Strategy (WFAS) to set clear objectives and expectations. 	<ul style="list-style-type: none"> Work to refresh the WFAS is underway alongside which a review of priorities is being undertaken. Discussion with Executive is underway to set future priorities. Budget setting was agreed by the Executive in February which set out the Council's approach to statutory and non-statutory services. The Grant Thornton report is nearing publication. 	Kevin Foster	Ongoing	3: Possible	3: Moderate	9	NO
8	Corporate Resources NEW	Service Delivery Risk - Moderate Appetite (up to 9)	Risk management is an integral component of good management and corporate governance. It is important that the Council is proactive in the identification and control of risk to ensure there is continued financial and organisational wellbeing. Whilst risk is managed effectively at the strategic level, there is a risk that risk management principles are not fully embedded at all levels of the Council.	<ul style="list-style-type: none"> Operational risks might not be captured which could impact service delivery or other corporate objectives. Corporate awareness of risk could be diluted. 	<ul style="list-style-type: none"> Risk Management Plan adopted and in place. Risk appetite and tolerance thresholds adopted. Robust monitoring of strategic / operational risks in place via the Strategic and Directorate Risk Registers. Quarterly updates/review of strategic risks by CLT. 	3: Possible	3: Moderate	9	Treat	<ul style="list-style-type: none"> Share the Risk Management Plan on Ewokplus for all staff. Encourage Heads of Service to share directorate risks with their staff to improve culture and understanding. Explore options for e-learning to be rolled out to all staff. 	<ul style="list-style-type: none"> Directorate Risks have been reviewed and updated with senior managers and Strategic Directors. Strategic Risk Register has been reviewed and updated by CLT. 	Kevin Foster	Ongoing	2: Unlikely	3: Moderate	6	YES

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9	Corporate Resources	Cyber Risk - Low Appetite (up to 4)	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, laptops, iPad and phones. 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. 	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 was rolled out to staff in 2023. Update all cyber security policies (1 outstanding). Consider cyber security specialist as part of wider organisation review of capability. 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. 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. Vast majority of WBC owned laptops now using M365 build. 	Adam Walther	ongoing	2: Unlikely	3: Moderate	6	NO
10	Place	Business Continuity / Resilience Risk - Moderate Appetite (up to 9)	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, such flooding may become more frequent in the future.	<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. Mutual aid agreements with other organisations are in place. Incident Liaison Officers have been trained. Business Continuity procedures in place with annual updates / monitoring. SCC Emergency Planning resource has been seconded to support the Council. 	3: Possible	4: High	12	Treat	<ul style="list-style-type: none"> Continue to develop partnerships. Maintain existing controls. Continue to explore collaboration opportunities with SCC to increase resilience. Work with SCC to deliver training/testing to CLT/ELT to respond effectively to an incident. Review relationship/ownership of Emergency Planning and Business Continuity. Review of Incident Liaison capacity within the Council. 	<ul style="list-style-type: none"> Senior Managers identified to support emergency planning response - training needs to be given. CLT rota is in place to deal with emergency situations. Annual Business Impact Analysis (BIA) has been undertaken to identify critical Council functions. Emergency Plan contact details have been updated to reflect recent changes. 	Beverley Kuchar	Ongoing	2: Unlikely	3: Moderate	6	YES
11	Communities	Service Delivery Risk - Moderate Appetite (up to 9)	Risk that the cost of living pressures for Woking residents will lead to a reduction in income collected and increased demand on Council services that cannot be met within existing resources. 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. This may also worsen as a result of higher council tax and service charges set by the Council. 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. This could also impact the viability of some discretionary services (i.e. careline / community meals) that rely on full cost recovery through fees and charges.	<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. More homelessness presentations. Higher rent arrears. Discretionary services become unviable and may cease. 	<ul style="list-style-type: none"> Partnership working with the VCFS sector is well established. Efficient processes are in place for the distribution of the Household Support Fund. Further Household Support Fund guaranteed for 2024/25 by Government. Introduced a Hardship Support Package linked to 2024/25 Council Tax increase. 	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> Clearly sign-post available support and Council services to residents online. Use Household Support Funding to full effect. Ongoing liaison with CAW around hardship support. Increased marketing of discretionary services with regular monitoring of cost/customer numbers. 	<ul style="list-style-type: none"> Agreed hardship support package with CAW which unlocks social capital by rolling out 'Advice First Aid' to local charities and community groups. Household Support Funding confirmed for 2024/25. 	Louise Strongitharm	Ongoing	3: Possible	3: Moderate	9	YES
12	Communities	Legal / Regulatory Risk - Low Appetite (up to 4)	Risk that WBC fails to resolve its statutory and regulatory issues/requirements in respect of housing. 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&B over 6 wks. for homelessness, outstanding fire safety actions, etc. New regulatory standards came into effect from 1st April 2024 which result in inspections every 4 years by the Regulator for Social Housing. 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 poor systems/processes.	<ul style="list-style-type: none"> Loss of Government funding for homelessness. Regulator interventions Reputational damage. Increased judicial reviews. Increased disrepair claims. Residents welfare put at risk. 	<ul style="list-style-type: none"> Working closely with DLUHC on an elimination plan in respect of B&B use for homelessness. Commissioned 100% stock condition survey. Appointed specialist consultants (fire safety, programme management, etc.) Incorporated Housing into wider Improvement Programme. 	4: Probable	3: Moderate	12	Treat	<ul style="list-style-type: none"> Assess options for property disposals to fund investment. Continue to work on Housing Improvement Programme. Development of a 30 yr. HRA Plan as part of the Council's recovery plan. Procure systems to track progress with fire safety actions. Ongoing engagement with Regulator. Undertaken self-assessments against new regulatory standards. 	<ul style="list-style-type: none"> Devised expanded housing capital programme for 24/25 to address fire safety works and some Decent Homes works. Capital programme for 2024/25 agreed and project underway. Created a Housing Improvement Programme Board. Commissioned consultants to develop an HRA 30 yr. business plan. 	Louise Strongitharm	Ongoing	3: Possible	3: Moderate	9	NO

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13	Communities Directorate Housing Asset Management	Assets / Estates Risks - Moderate Appetite (up to 9)	Risk that the Housing property portfolio will continue to deteriorate without sufficient investment. A review of the Council's property portfolio (corporate and housing buildings) has indicated that certain assets are in poor condition. There is a risk that current pressures on capital/revenue programmes will mean that sufficient funds will not be available to invest in the assets and they will continue to deteriorate, with some key assets facing potential closure if not fit for purpose. Empty properties in Sheerwater continue to deteriorate pending the commencement of refurbishment/disposal.	<ul style="list-style-type: none"> Referral to Regulator of Social Housing (RSH). Breach of Statutory regulations. Breach of legislation. Increased costs to revenue budget. Poor reputation. Increased complaints to WBC and even to Ombudsman. Legal prosecution. 	<ul style="list-style-type: none"> Commissioned the 100% Stock Condition Survey. Repairs contract secured until March 2025 with options to extend. Skills increased within Housing Assets Team through use of specialist consultants. 	4: Probable	4: High	16	Treat	<ul style="list-style-type: none"> Produce 5yr to 30 yr. forecast of capital forecast based on stock condition data. Procure contracts in advance of works needing to commence. Implement regular estate inspections in Sheerwater. Devise a plan for the refurbishment of homes in Sheerwater along with the disposal of development parcels. 	<ul style="list-style-type: none"> The 2024/25 capital programme has been agreed and is underway. New Stock Condition Surveys commissioned for 2024/25. Procurement of Contracts for Fire Safety and Decent Homes works on track. 	Louise Strongitharm	Ongoing	3: Possible	3: Moderate	9	YES