

# CORPORATE RISK REGISTER

This register summarises the main risks faced by the Council in relation to achieving the objectives and priorities as defined in the Council's Corporate Plan. It also notes the current mitigation action being taken to control those risks, and identifies any further action needed to implement other necessary mitigation action. The register does not identify all risks, but seeks to highlight the relevant main strategic risks.<sup>1</sup>

## Introduction

The following summary matrix shows at high level overview the key risks faced by the Council. All identified risks have mitigating actions that are regularly reviewed to try and reduce the risk and bring them to an acceptable risk.

## Summary Matrix – key strategic risks after mitigation

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<sup>1</sup> COVID-19 and other viral infections impacts on the majority of the risks on Surrey Heath Borough Council's risk register. The Corporate Risk group has estimated these impacts in the updated risk ratings. However, please note that given COVID-19 is an emerging infectious disease, these risk ratings are only an estimate and cannot reflect unknown variables.

Nevertheless, a number of mitigative measures are being undertaken by Surrey Heath Borough Council to minimise the risks of COVID-19, including further wave planning and updating service level business continuity plans.



Likelihood				
<b>4</b> <b>Very Likely</b> (>80%)			<b>Failure of major contractor (4)</b>	
<b>3</b> <b>Likely</b> (50% - 80%)		<b>Business Continuity (3)</b> <b>Major incident (5)</b> <b>Cyber Security (10)</b> <b>Recruitment &amp; Retention (11)</b>		
<b>2</b> <b>Possible</b> (10% - 50%)		<b>Information management (1)</b> <b>Exposure to treasury risk (6)</b>	<b>Loss of funding (2)</b> <b>Exposure to property risk (7)</b> <b>Contaminated land (8)</b> <b>Vulnerable people (9)</b>	
<b>1</b> <b>Unlikely</b> (<10%)				
<b>Impact</b>	<b>1</b> <b>Low</b> (Minimal reputational damage) (< £10k)	<b>2</b> <b>Moderate</b> (Some reputational damage) (£10k to £200k)	<b>3</b> <b>Major</b> (Major reputational damage) (£200k to £1m)	<b>4</b> <b>Severe</b> (Significant reputational damage) (>£1m)



	RISK	Likelihood	Impact	Initial Rating	Mitigation	Progress made	Owner	Revised Likelihood	Revised Impact	Revised Rating
1	<b>Information Management, Data Sharing and Data Security</b> Loss, misuse or unauthorised disclosure of data leading to a breach of legislation, fines or reputational damage.	3	3	9	Data Protection and Security Toolkit Accreditation; paper and electronic data management systems; document and record retention schedules; system to respond to data access requests; email archiving system; training for all staff on data security. Data and Security breaches policy and procedure approved by Council. Data sharing protocol in place. Appointment of Data Protection Officer and Senior Information Risk Owner Operational changes as a result of lessons learnt. Data Loss Prevention tool on outlook set up to report on inappropriate use of email by staff. CCTV Management Group now in place to review governance of CCTV. Data Security and Protection Toolkit Accreditation achieved.	Records Retention audit undertaken, findings from the audit are being reviewed and actions being considered. Email Security Policy written and awaiting approval by CMT	GR	2	2	4
2	<b>Loss of funding for services</b> Reduction in Council Tax and Business Rates collection, also continued loss of funding from Government and reduction in income from service activities could result in a reduction in services to residents and	3	4	12	The Council's medium term financial strategy up to 2025/26 had a robust service efficiencies target which was achieved. The latest iteration of the MTFs (for Budget Council in Feb 23) has an increased pressure on Council budgets from the cost of utilities and contractual inflation. Whilst the Council assumes a balanced budget this is only by reducing reserve balances, which is not sustainable in the longer term, by the end of the period, based on the MTFs proposals being approved and	The current cost of living crisis may see more defaults of council tax as household budgets become squeezed. The Council has lowered its expected collection rates on Council Tax and Business Rates accordingly.	BW	2	3	6



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	businesses within the borough.				followed. In addition, the Council holds reserves to deal with fluctuations which are sufficient to cover the MTFS period. The Council actively pursues where appropriate parties that owe the Council money.					
3	<b>Business continuity systems, processes and resourcing</b> To plan for challenges to the continuity of the Council's business. Hence, to ensure the effects on the community in such cases are mitigated as much as is practicable. This includes mitigating impacts on resourcing of key services whereby the Council does not have sufficient staff available with the skills required.	3	3	9	Business Impact Assessments and Service Level Business Continuity Plans have been reviewed to address a loss of staff, property and IT scenario. There is ongoing work focusing on loss of power.	Changes are being made with support from IT to the template for the service level plans to encompass IT related details regarding recovery / backup timings.  Service Level Plan owners to be identified and approached with drop in sessions available in order to transfer existing plans into the new template.	NS	3	2	6
4	<b>Failure of major contractor or supplier</b>	4	3	12	The risks are mitigated by strong contracts with clear dispute resolution processes, good contract management and clear exit strategy if needed.	In the current economic climate, it becomes more important that	BW	4	3	12 (Temporary increase in



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	Major contractor goes into liquidation or enters into dispute with the Council which cannot be easily resolved. The impacts could be reduced performance and/or increased contract or procurement costs and loss of reputation.				Strong procurement processes ensure that major contracts have guarantee provisions and step in rights. Service teams to ensure alternative provider or in house ability to take on interim management in event of contract supplier failure. Service directors/heads of service to ensure they have their own plans for continuity of services in the event of supplier failure.	strong contract management is maintained along with the ability to engage early with suppliers around any difficulties they may be facing.  Temporary increase in likelihood factor to cover individual issues with major contractor.  Engagement made with members including Executive Committee and Portfolio Holder update				likelihood factor to cover individual issues with major contractors)
5	<b>Major incident</b> A major incident may directly or indirectly affect the Council's ability to deliver services.  The Council has been identified to be	3	4	12	The Council has a comprehensive Emergency Plan accompanied by multiple supplementary plans to ensure thorough preparation to major incidents in the Borough. Key staff have frequent training and exercising to ensure that they are well prepared to respond and that Council arrangements are rigorously tested. Mutual aid arrangements are in place with other Surrey Authorities.	Due to changes within the council there have been a reduction in staff members trained to respond during an emergency  ILO training has taken place, increasing the ILO capacity with 2	NS	3	2	6



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	the lead agency for Earthquakes. This increases our responsibility during major incidents as we could be asked to chair multi agency meetings following an earthquake.				Emergency planning and climate change colleagues liaise to align climate change impact with emergency planning arrangements.	expressions of interest for the next training, date TBC. New ILOs are being identified from existing staff and new starters to increase capacity.  BECC Coordinator capacity remains low. Senior staff to be identified and contacted to see if there is an interest in taking up the role. HR to be contacted regarding possibility to be added to the Council Induction Training.				
6	<b>Exposure to treasury risk</b> Volatility in interest rates is driven by market forces. Adverse movements in these rates could lead to financial pressure on Council budgets.	3	3	9	Investment decisions are made in consultation with professional advisers and after due diligence. The Council has an annual treasury management strategy which is approved annually by Council which controls the levels of borrowing, investment and the counter parties to be used. Future interest rates on borrowing are fixed where possible to bring certainty of costs. Last year the Council converted £50 million of short term debt into longer term debt	Longer term loans are now being utilised to mitigate the rise in interest rates driven by inflationary pressures. However, it is expected that the current high level of rates will reduce as inflation is lowered over the next couple of years and thus it would be	BW	2	2	4



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					at a fixed rate annuity to give certainty of interest rate levels.	prudent to remain with short-term loans until longer term rates become more favourable.				
7	<b>Exposure to Property risk</b> Reduction in property rental income caused by factors including tenant vacations, tenant business failures, reductions in market rental values and failure to secure full contractual rent payments, this resulting in unplanned shortfalls in budgeted income and increased void costs. The risk is enhanced in the current covid recovery period and by the structural changes in town centres and office occupancy.	3	3	9	Contracts in place for all tenant occupations. Business plans informed by detailed scenario planning for all properties to a tenancy level. Proactive lease management. Proactive rent recovery policy and processes, supported by legal action where appropriate. Monthly reporting and action logging to provide proactive warnings. Proactive letting of vacant areas	Systems and governance in place.  Improvement in letting %.  Legal action to recover arrears.	MB	2	3	6
8	<b>Contaminated land</b> Contamination leads to environmental damage and potential harm to human life	2	4	8	Contaminated land that the Council owns, and is responsible for, is actively monitored and remedial work is undertaken to responsibly manage site conditions.	No change to the progress in relation to site remediation on the two locations identified. One of	NS	2	3	6



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	that then needs to be cleaned up including adopted land with long term liabilities associated with it.				The Council may need to consider remediation on 2 sites of contaminated land which is likely to be expensive to mitigate, however currently there is no risk of harm to health associated with these locations due to the nature of the land use.	the sites monitoring assessment concluded as minimal risk, no further works are planned for this site as a result of the assessment recommendations at this current time.				
9	<b>Vulnerable people</b> The Council may not be able to support vulnerable people during a major incident due to the timing of uploading data to the Vulnerable Persons Reporting Systems (VPRS) and the quality of data being uploaded.	3	3	9	Information Sharing Agreement is being agreed to allow pro-active upload of the data on a daily/weekly basis. The Council is corporately responsible for collecting and quality checking the vulnerable peoples data.	SCC have rolled out the use of Cascade Technology Enabled Care technology Surrey-wide. Mobilisation of this system will amend the way in which Community Services can support vulnerable persons.  SCC have rolled out a new VPRS system that will assist in the identification of vulnerable people by postcode.	NS	2	3	6
10	<b>Cyber Security</b> A Cyber event taking place either directly	3	4	12	ICT have a number of measures in place to mitigate Cyber Security risks where we can, the measures include. Migration of key Council workloads to	Cyber Security Exercise with senior management completed. Applied	SK	3	2	6





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	within the Council or within a supplier to the Council could result in significant impact by way of loss of services, loss of data, financial impact; ransom demand or ICO fine, and impact on reputation.				cloud services / Intune laptop deployment, this approach reduces our on-prem attack surface and moves some of the security risk to the cloud vendors we use. Implementation of MFA for remote access along with access restrictions outside of the UK. Implementation of Barracuda email security (anti-phishing with impersonation protection and spam and virus protection). Undertaking annual health check for PSN compliance. Monthly server and endpoint patching. Adoption of Protective DNS on Intune laptops (blocks malicious links) Backups are part of a managed service (containing an air-gapped copy of data) Cyber awareness presentation for all staff – led by Surrey and Sussex Cyber Crime Unit. ICT are actively working with the DLUHC on our Cyber Treatment Plan and have addressed all high rated actions. Actions include deployment of a logging platform, creating separate standard accounts for all privileged users and ensuring admin accounts are only used for necessary admin purposes, following NEC guidance on passwords (using the three random word technique) and running a password audit to identify any accounts that are using	Resilience and ICT are producing a cyber response checklist to sit alongside the Strategic Business Continuity Plan. Implementation of actions on our Cyber Treatment plan which is monitored and updated as part of our quarterly check-ins with DLUHC.				



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					known bad passwords. Need to raise further awareness through training. Procurement contract to include Data Protection and Information Security clauses, Information Sharing Agreements to be written where appropriate.					
11	<b>Risk to note Recruitment and Retention</b> Local Authorities are struggling with retaining staff and being able to fill vacant posts with suitably experienced and qualified staff, as a result, there is a risk that this could result in serious service failures.	4	2	8	Create strong organisation culture. Recruitment brochure, and a robust induction process. Employer of choice status. Recent pay award to all staff. The Council has adopted an agile working environment creating a good work/life balance for staff. Staff appraisals take place twice a year with a mid-year progress review helping to promote staff development and improve motivation and wellbeing. Staff benefits include healthcare and employee assistance. We run an annual staff surveys which has a good uptake and has seen positive results.	Recent staff survey results have been published and action plan being set. Implementation of the People Strategy	SK	3	2	6

#### Key to initials

GR - Gavin Ramtohal - Head of Legal Services & Monitoring Officer  
 BW – Bob Watson - Strategic Director, Finance and Customer Services  
 NS - Nick Steevens – Strategic Director, Environment and Community  
 MB – Martin Breeden – Head of Investment & Property  
 SK – Sally Kipping– Head of HR, Performance and Communications



