

<b>Project</b>	Corporate Risks
<b>Risk Log Owner</b>	Carol Chen, Group Head of Democracy and Governance
<b>Date</b>	28/02/2024

Ref	Risk Categories	Risk description	Cause	Consequence	Response	ORIGINAL RISK ASSESSMENT			Action agreed to respond / mitigate / control	CURRENT RISK ASSESSMENT			Action Taken
						Likelihood 1-4	Severity 1-4	Risk Score		Likelihood 1-4	Severity 1-4	Risk Score	
Project prefix and number	Risk Categories: - Financial - Reputational - Operational & Policy Delivery - Legal & Regulatory Compliance (Risks can have one or more categories)	Description of the risk - should be able to be preceded with the phrase "There is a risk that..."	What has caused the risk	What are the potential consequences of the risk - may be multiple which may optional alternatives (e.g. 1. Project will take longer or 2. Costs may increase)	Decision re the response to the risk: - Treat - Terminate - Tolerate - Transfer	Original pre-mitigation impact of the risk (1-4 score)	Original pre-controls likelihood of the risk (1-4 score)	Original pre-mitigation / controls score of the risk (IxL)	Proposed action and decisions required upon initial identification of the risk	Current impact of the risk (1-4 score)	Current likelihood of the risk (1-4 score)	Current score of the risk (IxL)	Chronological list of actions taken to mitigate / control the risk and changes made to the risk rating
1	Reputational	A breakdown in community cohesion within the Town and the ability to ensure our objectives meet the needs of our residents and businesses.	Watford has a diverse population and date shows we continue to welcome people both from eastern Europe and the Asian sub continent. We have also seen a high number of people moving from London due to high house prices which has had a knock on effect on house prices in the Borough. A shortage of affordable homes, a diverse population and a constrained boundary may lead to tensions in community relations. The council may not be able to deliver the services the expanding population requires leading to a reduced level of satisfaction in council services.	Higher rates of hate crime and anti social behaviour, communities not engaging with the council or each other. Sections of communities leave the Borough. Borough gets bad reputation in the press that then discourages businesses from investing in the Town.	Treat	3	4	12	Good engagement by Elected Mayor and local politicians with communities. Working with One Watford to understand our varied communities. Local plan up to date and looking at partnerships to create more affordable homes. Working with the community and the implementation of Council plan and Delivery Plan for 2022-24. Delivering a range of community led and focused events and attractions that bring people together and allow different groups within the community to share their experiences and engage across the Watford community as a whole.	2	3	6	Feb 2024: Development of new Council Plan and Delivery Plan for 2022-26 underway and due to be reviewed by Cabinet in June 2024. One Watford Place Board now established.
2	Reputational / Financial	Our major projects not being delivered on time and in budget. This includes Riverwell, the Town Hall Quarter, the Surplus Sites programme, Watford Junction, the Sustainable Transport Hub and Watford Business Park	The Council has a number of major projects, some of which are directly within its control and some of which it has to rely on third parties. Failure to deliver these projects would affect the finances of the council and its ability to provide its statutory services, will affect the economic prosperity and well being of the Borough, this would have a knock on effect for the reputation of the council. Cost of capital build and construction projects increase throughout the life of the project meaning that it becomes unviable.	The council will not have sufficient resources to provide statutory services. The council will not meet its 5 year land supply of housing. The council will not be able to engage with its customers in the way they would prefer. The Borough is not seen as a place for businesses to invest and the economic prosperity of the Town declines, leading to increased unemployment and homelessness and higher reliance on welfare benefits.	Treat / Transfer	3	4	12	Projects within the control of the council have good governance arrangements. Risks are regularly assessed by project boards and reported through the EPMO. For projects outside of the Council's control the council seeks to assert influence through its politicians and senior officers lobbying and influencing decision makers. Regular engagement with businesses and the LSP. Making use of external funding opportunities where ever possible such as the LEP, HLF or other similar funding streams to help make projects viable and achievable. Need to have plans in place in case critical staff are unavailable to keep projects going.	3	4	12	Feb 2024: Capital programme review complete and agreed at Full Council. A number of projects either placed on hold or reduced to ease budget pressures, including Woodside Sports Village, Surplus Sites, Wayfinding, TTIW and Green Spaces Strategy.
3	Operational & Policy Delivery	Failure to have (and retain) a suitably skilled workforce and the capacity to deliver the council's services and objectives  Risk of general labour shortage and in particular challenges to delivery.	The council is unable to retain and recruit staff with the appropriate skills to deliver the council's objectives and that it does not have the correct number of staff to undertake and manage the work. This may be as a result of low morale, uncompetitive salaries / terms and conditions a buoyant local job market and competition from London authorities, as well as lack of career opportunities and failure to succession plan.  Global supply chain issues widely reported as multi causes including pandemic, extreme weather and Brexit.	Services are not delivered. Contracts are not managed, more resources are spent on using external providers without appropriate management and oversight. Loss of historical knowledge. Delays to project and increased costs.	Treat	4	4	16	Robust Organisational Development in place with clear reward and recognition. Robust job evaluation scheme. Employee well being and work life balance understood. Regular PDR process. Robust recruitment process. Good prioritisation of corporate objectives. Agile working environment allows for greater work/life balance, with refreshed office space, helps to attract applicants	2	4	8	Feb 2024: Corporate plan and delivery plan, along with OD strategy provide clear direction and objectives for Watford. This assists with retention of existing staff and recruitment to key posts. Our current experience is recruitment to posts in Watford has been successful, although still some limited areas where it is more difficult. There are good job seekers on the market and Watford has been able to attract a good calibre of applicant. Pay reviews and application of market factor supplements have also supported recruitment in difficult to fill areas. New agile working space in the Annexe designed to respond to feedback from staff and provide attractive, comfortable and flexible working environment. Development of new People Strategy underway. Ongoing engagement with unions in relation to ballots and announced strike action

4	Legal & Regulatory Compliance	Unable to provide our statutory services at all times	The council is unable to fulfil its statutory responsibilities to its residents and businesses due to catastrophic service failure or as a result of a civil emergency or strike	The council is unable to perform its statutory obligations, it fails its citizens and the government intervenes to run the services in its place. National media and government criticism. Major reputational damage and loss of trust and confidence in the council	Tolerate	3	4	12	Belong to Herts Resilience Partnership which supports the county response to civil emergencies. Keep emergency plan up to date. Encourage staff to volunteer to assist/look to change employment contracts to compel assistance. Developed relationships with partner agencies to also provide assistance. Undertake regular EP exercises. Keep Business Continuity Plans up to date and regularly tested. Statutory Service KPIs regularly monitored by Corporate Management Board and will form part of upcoming KPI Review.	2	4	8	Feb 2024: Business Continuity Plans updated and reviewed by Corporate Management Board.
5	Financial	Decline in economic prosperity and vibrancy of the borough	Global economic challenges, including those from Covid-19 and the Cost of Living Crisis. Insufficient funds to provide the necessary infrastructure to promote growth. South West Herts Joint Strategic Plan is not delivered.	Piecemeal inappropriate development in the Borough. Resident dissatisfaction, increased legal challenges to planning decisions with resultant expense. Businesses do not locate in the Borough, rise in house prices and unemployment, more homelessness, more congestion. South West Herts Joint Strategic Plan fails which would undermine South West Herts' ability to deliver the growth agenda.	Treat	3	4	12	Good working relationships at officer level with neighbouring authorities and joint working already taking place. Good dialogue with the County Council and input into SW Herts Transport Strategy. Making use of external funds like the LEP to bring forward infrastructure projects, robust use of s106 for site specific infrastructure, like schools. MARF, Developers Forum. Core strategy in place. Up to date Economic Growth Strategy. Establish a JSP Steering Group (Member and Officer)	3	3	9	Cabinet approved JSP with other SW Herts Councils and HCC to work together to produce joint policies on Housing and employment supply and infrastructure, statement of common ground being developed. Leaders in Hertfordshire agreed a Memorandum of Understanding to work together in a Hertfordshire Growth Board. Local Plan examined by the Planning Inspectorate in public January/February 2022 and adopted July 2022. Economic Growth Strategy approved at Cabinet in July 2021. EU Exit was planned for. Focus on economy in Council Plan and Delivery Plan 2022-26. Enhanced Economic Development team now in place. JSP Regulation 18 consultation complete. SPMG to agree next steps for JSP with recommendation from Steering Group to continue working towards a statutory plan.
6	Financial	Failure of investments or commercial ventures, including at Croxley Park or unable to borrow as required.	Downturn in commercial markets lead to failure in investments or reductions in income levels. Poor investment decisions. Services offered for sale may not be as high as anticipated and/or commercial properties may remain vacant for prolonged periods of time, including at Riverwell. PWLB borrowing rules and lack of Council's own funds for investment	Council does not have sufficient funds to undertake its day to day activities, reductions in service budgets, s151 officer constrains spending, intervention by central government. The income built into the budget may be less than the estimate. This may cause a budget pressure which will need to be managed.	Treat	4	4	16	Ensure appoint appropriate advisers to consider any potential transaction. Have proper governance arrangements in place. Clear monitoring and reporting. Effective management of reserves to guard against downturns.	3	4	12	Feb 2024: PIB continues to actively manage our income level and investment decisions.
7	Financial	Council budget is not sufficient to undertake all services and projects desired / required	Inflation, inaccurate calculation of fees and changes, ambition for projects outstrips budget, poor business casing and budget planning, reduced funding through streams such as AFM from HCC	Increasing income or reduction in income causing an in year budget pressure and the need to stop or reduce services and reprioritise projects. Increased temporary accommodation costs.	Treat	3	4	12	Capital programme review completed and budget setting process underway, including need to reprioritise project provision. All Associate Director areas have proposed savings which have been reviewed by Portfolio Holders and accepted into the MTFS.	3	4	12	Feb 2024: Council budget set January 2024 recognising the constraints on council funding. CMB regularly reviewing and monitoring the council's revenue and capital budget.
8	Operational & Policy Delivery	Lack of affordable housing in the Borough to meet demand including from schemes such as Homes for Ukraine, homelessness Increases, placing pressures upon temporary accommodation & bed and breakfast	Cost of living impact, inflation and interest rates.  Homeless / vulnerable families and individuals have no accommodation or unsuitable accommodation creating health, wellbeing and safety issues. The council is unable to fulfil its statutory duty towards homeless households by offering a sufficient supply of suitable affordable accommodation within the Borough. Unable to secure sufficient suitable affordable accommodation on privately developed sites due to viability issues. Unable to source sufficient affordable accommodation in the private rented sector due to the difference between local housing allowance rates and private rental income.	Increased cost to the council in finding temporary accommodation. Increased legal challenges as homeless families placed outside of the Borough. Families split up and disconnected from their support networks, schools work. Housing Department being overwhelmed with homeless presentations and the system being silted up. Clients not being assessed in time to prevent their homelessness, increase in Temporary Accommodation usage.  Reduction in TA availability due to competition with other LAs. Increasing pressure on council capacity to support clients, increase TA costs, increase costs for prevention work and to enable move to settled accommodation.	Treat	4	4	16	Refresh of temporary accommodation action plan to bring forward cost effective options and additional capacity to develop more affordable and social rented properties through recruitment of Enabling and Development Manager and focus of Directors. Implementation of new structure and new ways of working via Strengthening Housing Service project to ensure focus on prevention, swift decision making, monitoring and management of casework and solutions. Recruitment of Transformation and Continuous Improvement Lead to drive efficiency and quality of service. Reporting to CMB to ensure corporate focus. Weekly casework reviews. Various actions to focus spend of DHP and homeless prevention grant on essential outcomes - such as ceasing rent in advance payments to WCH. Exploring options to bring forward delayed affordable housing development through Hart Homes and use of commuted sums.	4	4	16	Feb 2024: Updated 'agreed actions' being progressed. Spending on prevention and resettlement reviewed and offering better value. Significant work underway to secure additional good value TA to reduce cost impact and to explore options for investment to increase settled homes available. Management controls on case work increased, weekly case reviews, management sign off on ALL TA placements, engagement with DHLUC on family cases and reporting satisfying them. CMB monitoring., Increasing risks due to delay in affordable homes completions, increasing unaffordability and availability in private sector housing, Update to CMB in March 2024 on future prediction.

9	Operational & Policy Delivery	Failure to actively manage growth within the borough, including in relation to major infrastructure schemes such as Watford Junction, Watford to Croxley Link, major sites and associated sustainable transport provision and social infrastructure for anticipated housing growth	Lack of available funding and lack of viable business case. Lack of leadership taking project forward, including inability of development partners to agree parameters of schemes and deliver in a timely and coordinated way. South West Herts Joint Strategic Plan not being delivered. Lack of political support for growth.	Impedes Watford's sustainable growth e.g. congestion of roads and unable to deliver against Local Plan. Planning applications being rejected, developers not willing to work with council to delivers strong good designs, lack of consensus with the growth of the town	Treat	3	4	12	Determine feasible and practical delivery options. Working closely with HCC and clear on WBC's involvement to deliver for the town and its residents. Establish a JSP Steering Group (Member and Officer)	3	3	9	Local Plan now adopted. Transforming Travel in Watford Strategy adopted to support sustainable transport options across the town.
10	Reputational / Operational & Policy Delivery / Financial / Legal & Regulatory Compliance	Failure to ensure our ICT systems, including our customer front end, remain fit for purpose and services can maintain service delivery. This includes the risk of significant cyber attacks.	Inadequate resources secured both in-house and external leading to a skill set gap. Inadequate contract management, poor process & lack of procedures, poor governance. Service not fit for purpose. Failure of hardware and software. Increased likelihood of cyber attack.	Services unable to operate business as usual due to service interruption and down time. Security breaches leading to loss of information and reputation. Loss of income. High resident and customer dissatisfaction	Treat	3	4	12	ICT strategy reviewed. Resources being spent to upgrade hardware. Stronger contract management and governance arrangements around new projects. Staff structure being implemented.  - Systems regularly backed up - IT Health check conducted once a year and follow-up actions completed - All non-supported operating systems and third party software either removed or isolated from the network - Annual external audit focussing on Cybersecurity - Threat alerts and advice received from National Cyber Security Centre  In relation to a specific threat as result of the Russian invasion of Ukraine: - Direct user communications regarding vigilance and asking for help and support - Block at the perimeter known bad threat actors – prevention from entering our network - Review and update disaster recovery plan - Additional checks – out of hours – related to recovery and mitigation e.g. backups and anti-virus.	3	4	12	Feb 2024: IT continue to closely monitor all cyber risks due to increased threats and incidences as a result of conflicts and the number of elections worldwide.  IT are rolling out refresher training for staff on cyber security and a session is planned for members in the future.
11	Operational & Policy Delivery / Financial	Failure of Contract Management of Outsourced Services / Contractor insolvency / Increased contract costs (including waste and recycling contract, parking enforcement contract, sustainable transport contracts, Watford Market, Colosseum etc)	Failure of contracting partner to deliver required service to agreed specification. Contractor going into administration/liquidation or contract increases as a result of inflation. Failure of adequate contract monitoring. Failure to have appropriate contractual terms in place to remedy problems.	Service delivery inadequate, loss of income, reputation affected, step in to deliver services directly increasing costs	Treat	3	4	12	Robust procurement processes. External consultancy support used. Clear specifications and conditions. Contract monitoring officers and client teams and regular monitoring meetings in place. Legal conditions in contract. Full monitoring regime in place, and regular real time reporting procedures. Weekly / Monthly updates to review progress. Developing corporate wide "Centre of Excellence" approach in contract management and Toolkit development. Public Procurement Contract regulations complied with.	3	4	12	Governance arrangements in place to monitor contracts. Also regularly monitor financial health of companies we partner with or outsource to via Dunn and Bradstreet alerts and sharing intelligence via networks. Officers are also working with contractors to review contract performance. Contract Management Framework updated as per Delivery Plan 2022-2024.
12	Legal & Regulatory Compliance	Provision of incorrect procurement advice, missing of crucial deadlines, lack of suitably qualified staff internally, lack of awareness to seek advice. Loss of reputation either by being successfully challenged through court action or receive a financial penalty relating to any Procurement activity	Lack of capacity internally due to staff shortage, sickness or difficulty recruiting to posts. Lack of resources to research advice. Lack of time to consider advice being given. Lack of awareness by others that procurement advice should be sought	Council fails to follow its own procurement procedures and faces challenges from contractors. Contracts are delayed. Possible litigation. Potential for financial and reputational loss	Treat	3	4	12	Dedicated Procurement Manager in post. Regular monitoring of corporate procurement activity. Maintenance of the Corporate Contract Register and pipeline register. Training opportunities taken to keep abreast of case law and other relevant events affecting this service area.	3	3	9	EPMO oversees major projects. Contract register and pipeline monitored by services. Have watch list for key suppliers. Updated Procurement Strategy approved.
13	Reputational / Financial / Legal & Regulatory Compliance	Failure to comply with the GDPR and Data Protection Act 2018	Lack of staff awareness, failure in IT system security, failure to manage Data Processors, failure to use safe methods of sending personal data	Loss, or misuse of personal data, data breach, causing complaints to ICO with potential for heavy fines and also loss of reputation to Council	Treat	4	4	16	Data Protection Officer post created, outsourced to HCC for greater resilience. Training to be ongoing with regular refreshers. Installation of e-mail encryption. Regular IT upgrades to maintain security of systems.	3	4	12	From 1 April 2020 established HCC as DPO for Watford. Email encryption is operational. E-learning module is live and mandatory for all staff. Periodic review of privacy notices.

