

## Annex 1 – Strategic risks 2022/23

Ref.	Description	Portfolio Holder
SR1	<p><b>Covid-19 pandemic</b></p> <p>The Council will continue to respond to the Covid-19 pandemic in supporting residents, businesses as well as partner voluntary and public sector organisations. However, the effects of, and the ongoing response to, the pandemic could result in significant disruption to the delivery of services and the wider achievement of corporate objectives.</p>	Cllr Brunt
SR2	<p><b>Financial sustainability</b></p> <p>The effects of the Covid-19 pandemic, coupled with current adverse macroeconomic conditions and the wider local government funding context, have created conditions of unprecedented financial uncertainty and challenge for the Council. The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives.</p>	Cllr Schofield
SR3	<p><b>Commercial investment</b></p> <p>The generation of income from commercial investment is key to the Council's financial sustainability. Following several high-profile commercial investment failures by local authorities, the ability to invest for a commercial purpose is being further restricted by changes in legislation, regulations and codes of practice. Moreover, investing for commercial purposes – either in assets or in trading services – is not without risk due to market fluctuations and factors outside of the Council's control. The risks associated with commercial investment range from the non-achievement of budgeted income to significant capital and revenue losses, as well as governance, legal and reputational issues.</p>	Cllrs Archer and Schofield
SR4	<p><b>Economic prosperity</b></p> <p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. The Covid-19 pandemic has resulted in significant negative impacts upon the economy – including on sectors particularly impacted by restrictions – the effects of these will continue to be felt for some time.</p> <p>Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from fees and charges and the collection of monies owed. Challenging financial circumstances for residents may also increase their reliance on Council services which could result in cost pressures on the Council. The risk of the latter is exacerbated by household budgets being stretched by current high levels of inflation and rising consumer prices.</p>	Cllrs Humphreys, Neame, Ashford and Sachdeva
SR5	<p><b>Organisational capacity and culture</b></p> <p>The Covid-19 pandemic has had a significant impact on the Council, with additional demands and challenges arising alongside the need to continue to deliver on corporate objectives. The pandemic has also drastically changed the way the Council operates, the context within which it does so, with a resultant shift in the organisational culture and ways of working.</p>	Cllr Lewanski

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	As we increasingly move into recovery, these factors underscore the importance of the Council prioritising its activities and being sustainably and efficiently resourced to meet the challenges ahead. In this new context, the embedding of a robust and resilient organisational culture that successfully supports officers and members and makes the Council an attractive place to work is similarly key. The failure to do will risk the delivery of the Council's objectives.	
SR6	<p><b>Cost pressures affecting the viability of Council developments</b></p> <p>The UK construction sector has seen an increase in building material and labour costs arising from global supply chain disruption and inflationary pressures. This disruption and increase in costs may impact the Council's ability to deliver economically viable development projects. The effects of this are multifaceted but could result in negative financial implications as well as jeopardising the delivery of strategic corporate objectives.</p>	Cllr Biggs
SR7	<p><b>Local government reorganisation, devolution and Levelling Up</b></p> <p>A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of the government's devolution and 'Levelling Up' agenda. The uncertainty surrounding, and subsequent results of, any local government reorganisation could adversely affect the Council and the delivery of services for residents.</p>	Cllr Brunt
SR8	<p><b>ICT network capacity and resilience</b></p> <p>The Covid-19 pandemic has sparked a significant shift in the way that the Council works, with increasing demands placed on technology and the underlying supporting ICT infrastructure. As the reliance and demands placed upon technology continues to increase, there is a risk of significant disruption to service delivery in the event of network disruption and/or outage, particularly following a cyber-attack. It is therefore imperative that the Council continues to invest in robust systems, infrastructure, network security and disaster recovery capabilities to manage this risk and maintain the delivery of services.</p>	Cllr Lewanski
SR9	<p><b>Fraud</b></p> <p>Due to the wide range of activities undertaken by the Council, there is a risk of fraud being committed. The risk of the latter is exacerbated by the new areas of activity as part of the Council's ongoing response to the Covid-19 pandemic.</p>	Cllr Schofield
SR10	<p><b>Gatwick Airport</b></p> <p>Despite the impact of the Covid-19 pandemic on international travel, Gatwick Airport is continuing to pursue its plans for expansion. Whilst the airport is a key local employer and its operations and supply chains have a significant bearing on the borough's economy, its expansion risks local environmental and infrastructural issues if not appropriately planned and managed.</p>	Cllr Biggs
SR11	<p><b>Planning system reform</b></p> <p>The government is considering changes to the planning system in England. There is a risk that, if adopted in the form contained in the consultation White Paper, these changes could result in a loss of local democratic control over planning matters.</p> <p>Although the government have confirmed that they will not be increasing the threshold at which affordable housing is required from developments (which was</p>	Cllr Biggs

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	included in a past consultation document), there is a risk that the other proposed changes, if adopted into national policy, could result in a reduction in the delivery of affordable housing in the borough.	
SR12	<p><b>Climate change</b></p> <p>It is widely recognised that the Earth's climate is changing, with this forecast to result in more extreme weather. This could have negative impacts, including on the built and natural environment, with vulnerable residents likely to be most severely impacted. In response, the Council may encounter difficulties in delivering services and may similarly have additional demands placed upon it, particularly as climate change adaptation and mitigation becomes increasingly necessary.</p>	Cllr Lewanski