

Appendix 1: 'Fixing our Finances' Risks

Risk Ref	Business Unit	Risk	Inherent Rating	Residual Rating				Future 12 Month Rating
				12/24	03/25	06/25	09/25	
CDS0018	Chief Digital Officer	IT systems are compromised due to cyber-attack, misconfiguration, malware, ransomware outbreak, other malicious system breach; or human error / non-compliance with GDPR.	25	15	15	15	20	12
CDS0021	Chief Digital Officer	Failure of Croydon Council to meet its obligations under the UK General Data Protection Regulation (UK GDPR), Data Protection Act 2018, Privacy and Electronic Communications Regulations 2003, Freedom of Information Act	20	9	9	16	16	16
CDS0050	Chief Digital Officer	Microsoft will officially end support for Windows 10 on 14th October 2025, which will leave all user devices running this operating system vulnerable to viruses and potential cyber security threats.	25	n/i	n/i	n/i	20	12
CEHR0051	Chief People Officer	Under representation across protected characteristics at all levels of the organisation and under reporting due to high levels on non-disclosure.	20	12	12	12	12	9
CEHR0053	Chief People Officer	The key priorities of the Council's Future Croydon (workforce initiatives) are not fully implemented in particular addressing the challenges of an ageing workforce and reliance on interim staffing.	25	12	12	12	12	6
CEHR0059	Chief People Officer	Levels of agency/contract/temporary staff at all levels of the organisation including senior management may lead to service and workforce instability as well as increased cost.	25	12	12	16	16	8
CEHR0065	Chief People Officer	Payroll is not completed accurately and in a timely manner due to late notifications to payroll	25	15	15	9	9	9
CEHR0071	Chief People Officer	Organisational behaviours, culture and practices lead to the Council being unable to operate effectively and therefore not serve the residents of the borough and internally within the council	25	15	15	15	15	15
CEHR0072	Chief People Officer	Non-compliance with HMRC IR35 (Intermediaries) Legislation resulting in significant financial penalties.	25	9	9	9	9	6
CEHR0076	Chief People Officer	Potential deterioration in organisational resilience, high turnover and workforce sickness due to prolonged period of uncertainty and change.	25	16	16	16	16	16
CEHR0080	Chief People Officer	Managers completion of reasonable adjustments (or lack), when requested by a disabled employee, and/or upon receipt of an occupational health report making a reasonable adjustment recommendation.	25	12	12	12	12	9
CIC0010	Director of Property, Procurement &	Delays in closing down Brick By Brick (BBB) which would result in continued commitment by the Council to support the operations and exposes continued financial risk.	16	6	6	6	6	4
CIC0012	Director of Property, Procurement &	Inflation Impact on Contracts and Capital Spend. There is a significant risk associated with contract management and supply chain pressures.	16	15	15	15	15	9
CIC0025	Director of Property, Procurement &	Croydon Council companies: Robust governance, financial accounting treatment & risk management procedures/frameworks are not in place to safeguard the interests of the Council and it's taxpayers.	25	9	9	9	16	12
CIC0029	Director of Property, Procurement &	Late Procurement Risk. There is a risk that contract re-procurement processes are initiated too close to, or after, the expiry of existing agreements.	25	12	12	12	15	9

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CIC0030	Director of Property, Procurement &	Supply Volume Risk. There is a risk that insufficient visibility over the volume of services or goods commissioned from individual suppliers may lead to unintended over-reliance, supplier failure, or breaches of procurement	12	6	6	6	9	6
FIR0062	Director of Finance	Funding levels provided through Government Grants and Business Rates income for future financial years are uncertain and may be lower than anticipated following local government finance reform.	25	15	15	15	15	15
FIR0063	Director of Finance	General increasing demand for council services driven by several factors, including declining health in the borough, the effects of Covid-19, neighboring boroughs placing vulnerable families in the borough.	25	20	25	25	25	20
FIR0065	Director of Finance	The Council does not achieve financial sustainability owing to General Fund borrowing totaling £1.4bn and the costs of servicing that debt (over £70m annually).	25	25	25	25	25	25
FIR0066	Director of Finance	The South West London Integrated Commissioning Board may reduce funding towards services in the borough (cost shunts and/or reduced prevention services which then increase demand for Council services)	16	9	9	9	9	9
FIR0067	Director of Finance	The external audit of the 2024-25 accounts could identify issues that affect the financial position of the Council. This is due to the fact that accounts (2020-21 to 2023-24) have been impacted by the "backstop" arrangements	25	20	16	12	12	12
FIR0068	Director of Finance	Deterioration in Internal Control and Governance as a result of capacity, budget and resourcing constraints in the organisation.	25	15	15	15	15	8
FIR0070	Director of Finance	Stabilisation Plan Strategic: Failure to implement financial emergency measures (e.g. £9m inflation budget and £5m contingency holdback) could destabilise budget delivery.	25	n/i	n/i	n/i	15	8
FRI0001	Head of Anti Fraud, Risk & Insurance	The Council is subject to a sustained increase in attempted fraudulent activities from employees, suppliers and residents if levels of control are perceived to be low.	16	12	12	12	12	9
FRI0003	Head of Anti Fraud, Risk & Insurance	Ineffective management and identification of risk leads to organisational failure.	25	15	15	15	15	10
HP0003	Head of Pensions	Having triggered the capitalisation direction for 19/20 LBC can only borrow from PWLB, however PWLB have concerns about LBC increasing their level of external borrowing. In addition LBCs access to internal borrowing eg RTB	16	20	20	20	20	12
HP0010	Head of Pensions	Impact of higher interest rates	25	16	16	16	16	16
HP0011	Head of Pensions	Risk of Treasury investments defaulting.	15	5	5	5	5	5
HRC0001	Head of Resident Contact	Customer complaints at all stages, as well as LGO investigations and recommendations, are not responded to within service level agreements.	20	15	15	15	15	3
HSI0056	Director of Housing - Estates &	Increase in void costs as a result of the poor state of properties being returned following tenancy termination and lack of planned investment over the previous 10 years.	25	15	15	15	20	9
HSI0057	Director of Housing - Estates &	Large number of procurement projects required in the next 12-18 months as a result of existing contracts coming to an end or gaps in the existing supply chain; Insufficient resource in the corporate procurement team to manage	25	20	20	20	20	15

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MO0013	Director of Legal Services & Monitoring	Significant staffing vacancies, reliance on agency cover and lack of a stable resource arrangement in legal services. Poor market supply of suitable candidate in areas inc children safeguarding, planning, housing and	6	1	6	6	6	6
MO0014	Director of Legal Services & Monitoring	A significant demand for legal services to respond to increasing housing legal disrepair cases could lead to failures to protect the council's interest and award of significant damages.	9	1	6	6	6	6
MO0021	Director of Legal Services & Monitoring	Failure of Audio/Visual equipment in Council Chamber during Full Council / Committee meeting	20	n/i	n/i	9	9	3
RCS0047	Corporate Director Resources	Oracle Improvement Programme. There is a risk that the benefits are not realised if the programme is unable to deliver all of the identified improvements in the business case.	25	n/i	n/i	n/i	12	6
RCS0048	Corporate Director Resources	Oracle improvement Programme. There is a risk that there is a lack of buy in to the proposed changes, leading to poor compliance across the business.	25	n/i	n/i	n/i	12	6
RCS0049	Corporate Director Resources	Oracle Improvement Programme. There is a risk that as the project team exit to the end of 2025 that the BAU team are not clear on their roles and responsibilities and may not have the necessary capacity or skills to embed	25	n/i	n/i	n/i	20	8
RCS0050	Corporate Director Resources	Oracle Improvement Programme. There is a risk that users do not adopt/embrace the change to Finance, HR and Procurement processes.	20	n/i	n/i	n/i	15	9
TRA0009	Director of Transformation	Delivery: Inadequate planning, insufficient resources or poor change management means the programme fails to deliver expected benefits on time or in full, potentially undermining financial sustainability and service	25	n/i	n/i	n/i	12	9
TRA0010	Director of Transformation	Financial: Focus on achieving the more prudent Medium-Term Financial Strategy (MTFS) savings may fail to deliver the maximum available benefits, including potential stretch targets, from the Target Operating Model (TOM)	20	n/i	n/i	n/i	12	9
TRA0011	Director of Transformation	Financial: The programme fails to stay within agreed budget due to delays, poor partner management and poor management of scope.	25	n/i	n/i	n/i	9	6
TRA0012	Director of Transformation	Delivery: The Stabilisation Plan requires implementation of the Target Operating Model at a significantly accelerated pace compared to the original BCG plan. The initial delivery timeline was already highly ambitious.	25	n/i	n/i	n/i	20	16
TRA0013	Director of Transformation	Delivery: The inability to adequately resource projects, particularly with skilled subject matter experts, digital experts or agency staff, poses a significant threat to the transformation programme.	25	n/i	n/i	n/i	20	16
TRA0014	Director of Transformation	Delivery: Failure to successfully procure delivery partners, resulting in slow or delayed procurement processes, poses a significant threat to the transformation programme.	25	n/i	n/i	n/i	20	16
TRA0015	Director of Transformation	Delivery: The in-house digital capability is unable to cope with the pace, scope, and management demands of the digital change agenda.	25	n/i	n/i	n/i	20	16
TRA0016	Director of Transformation	Delivery: The loss of key personnel across the transformation programme, through resignation, illness, or other reasons, presents a significant risk to the project's success. Key personnel typically possess unique skills, knowledge,	20	n/i	n/i	n/i	12	9

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TRA0018	Director of Transformation	Strategic: The 2026 mayoral election may lead to shifts in strategic priorities, governance structures, or budget allocations. While the outcome is uncertain, any changes in policy direction could require adjustments.	15	n/i	n/i	n/i	15	12
TRA0019	Director of Transformation	People: The cumulative impact of on-going transformation initiatives and stabilisation plans may overwhelm staff, leading to change fatigue, reduced morale, and decreased receptiveness to further change.	25	n/i	n/i	n/i	20	16
TRA0020	Director of Transformation	Delivery: The compressed timeline in stabilisation plan could lead to delivery challenges and may not allow sufficient time for thorough testing, issue resolution, and knowledge transfer, increasing the likelihood of errors, rework,	20	n/i	n/i	n/i	20	16
TRA0021	Director of Transformation	Delivery: The transformation projects 'Learn Fast, Fail Fast' approach could impact delivery quality and stakeholder confidence.	25	n/i	n/i	n/i	12	9
TRA0022	Director of Transformation	Third-Party: The Council is embarking on a new relationship with external partners in the Voluntary, Community & Faith (VCFS) Sector, which they may not be ready for and able to respond to.	16	n/i	n/i	n/i	12	9
TRA0023	Director of Transformation	Strategic: A short, sharp reset that diverges from the Council's currently approved transformation plans could impact continuity, alignment, and the delivery of long-term transformation outcomes.	15	n/i	n/i	n/i	15	15
TRA0024	Director of Transformation	Strategic Risk: There is a risk that failure by leadership to consistently implement the One Council approach may undermine the successful delivery of the target operating model.	25	n/i	n/i	n/i	20	12
VRN0063	Director of Culture & Community	MPS unilaterally transfer coroner court support duties and responsibilities to local authorities by 2028.	25	n/i	12	20	20	15
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