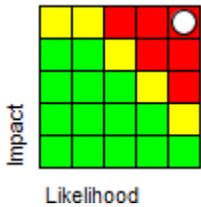
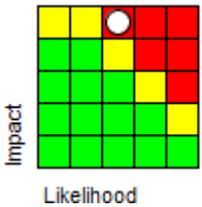
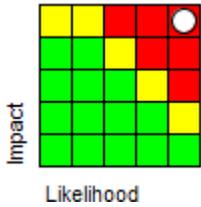
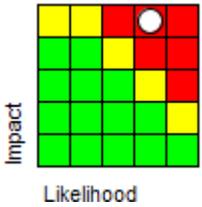
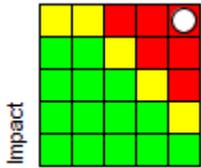
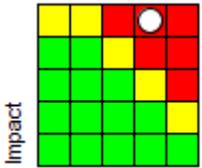
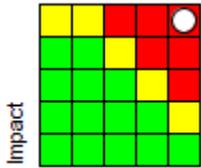
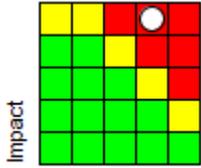
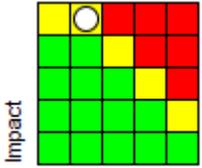


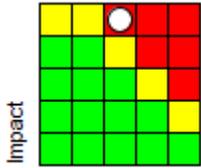
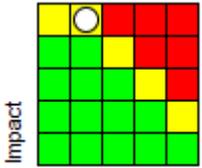
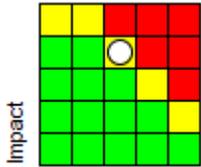
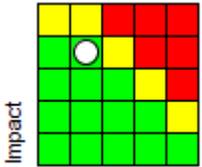
Appendix 1 Corporate Risk Report August 2020

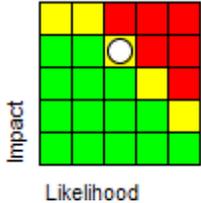
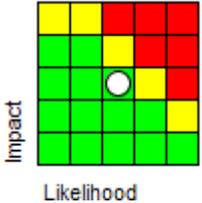
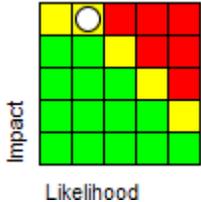
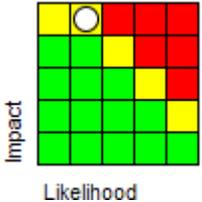
Risks ordered by RAG not numerically

Generated on: 16 September 2020

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2021</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	Jane Eaton		CRR.01b.1 Continue to keep a watching brief	Dominic Bradley		<p><u>August 2020 Update</u></p> <p>The Government has withdrawn the changes to business rates and revenue funding through the Fair Funding Review for the time being. This has removed this part of the risk.</p> <p>Government has also indicated that local government will get a three-year settlement in 2021/22, giving a little more insight in the medium term.</p> <p>However, Government funding for expenditure for the COVID-19 lockdown was only enough to cover 2 months' losses, maybe as low as 20% of the Council's 2020/21 losses. Some funding for 'lost' income may also be obtained, but likely to be only of a similarly low level.</p> <p>Losses in future years are expected to be severe and based on a much-reduced financial situation in the Council as a whole.</p>
				CRR.01b.2 Revisit the MTFS and if necessary 2020/21 budget in year, with Cabinet in September.	Dominic Bradley		
<p>CRR19 <u>Cause:</u> Uncertainty in the UK and World economy. The Government has spoken about an additional 5% reduction in local government funding, and further cuts in years to come. The impact on the financial markets and the pound following Covid-19 has brought forward a deeper depression and caused a slowdown in the property and financial markets.</p> <p><u>Risk:</u> Ongoing reduction in planning</p>	<p>Financial</p> <p>Service</p> <p>Delivery</p> <p>Compliance with Regulations</p>	Jane Eaton		CRR.19.2 Monitor the external environment	Dominic Bradley		<p><u>August 2020 Update</u></p> <p>Covid-19 has triggered a sudden and deep recession. The impact on the economy and income in particular is severe, running at approximately £0.8m a month. The Council has only received £1.6m from Government so far, although some 'loss of income' funding may be obtained.</p> <p>Swift action is required to review income and revenue and capital expenditure, revisiting the MTFS.</p>
				CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends	Dominic Bradley		

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fees; reduced car parking income; increased homelessness; and increased housing benefit claims, leisure centres, property income; investment income.							The £246k outturn surplus from 2019/20 was reported to Overview and Scrutiny Committee in June as part of the quarterly budget and performance monitoring. An MTFS update was presented to Members in July setting out the extent of the situation. Officers are already compiling a list of ideas for potential savings options for further discussion in the Autumn.
<p>CRR35 <u>Cause:</u> COVID-19 is a new illness that can affect your lungs and airways and is caused by a virus called coronavirus. The illness is highly contagious, and people with underlying health conditions are at a higher risk of becoming very ill. This includes older adults, and/or people with chronic medical conditions such as heart disease; diabetes; and lung disease.</p> <p><u>Risk:</u> (i) The Council is unable to deliver statutory front line services to the community due to, for example, staff shortages or unavailability of key officers. (ii) Substantial financial loss to the Council.</p>	<p>Failure of business objectives Health and safety Financial Service Delivery Compliance with regulations Reputation Staffing and culture</p>	<p>Glen Chipp</p>		<p>CRR.35.1 Essential services have been highlighted with the intention of redeployment of staff from other service areas. Staffing shortages on refuse collection may benefit from availability in the labour market.</p>	<p>Jane Eaton</p>		<p><u>August 2020 Update</u></p> <p>(i) Revenues and Benefits caseload remains high and Business Rate payment is low. The continued closure of the Courts is having an impact on all 2020/21 recovery action and could create problems for the Collection Fund.</p> <p>(ii) Funding from Government is still expected to leave an overspend on the year however full details of the income scheme are not yet known.</p>
				<p>CRR.35.2 Funding from Government</p>	<p>Jane Eaton</p>		
<p>CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p><u>Risk:</u> Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.</p>	<p>Reductions in funding Financial</p>	<p>Jane Eaton</p>		<p>CRR.01c.1 Continue to keep a watching brief</p>	<p>Dominic Bradley</p>		<p><u>August 2020 Update</u></p> <p>With business rates reform postponed and the COVID-19 recession further reductions in business rates seem inevitable.</p>

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR18 Technological <u>Cause:</u> Council services are increasingly reliant on IT systems at a time when there are greater opportunities for malicious attackers to exploit security weaknesses.</p> <p><u>Risk 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p><u>Risk 2:</u> IT not working due to environmental problems: fire, flood, power cut</p>	<p>Loss of key systems-disruption to Council services. Cost of investigation and recovery of systems. Fraud/theft. Loss of the integrity of Council Records. Penalties from the ICO. Adverse media coverage.</p>	Jane Eaton	 <p>Likelihood</p>	CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban	 <p>Likelihood</p>	<p><u>August 2020 update</u></p> <p>Level of attack, particularly Ransomware attacks has been raised by the Cabinet Office. Remediation ongoing.</p> <p>CRR.18.1 IT Security Training has been rolled out to all staff and the IT Security Officer has reviewed the training and some items have been sent out to staff. More staff training to follow.</p> <p>CRR.18.2 This work is ongoing.</p> <p>CRR.18.3 All work is ongoing.</p> <p>CRR.18.4 Patching of devices ongoing.</p> <p>CRR.18.5 PSN Accreditation</p> <p>CRR.18.6 This work is ongoing. New policies have been updated and are reviewed regularly.</p> <p>CRR.18.7 This work is ongoing.</p> <p>CRR 18.8 This work is ongoing</p> <p>CRR 18.9 We have undertaken a second stock take with an improved score and have adjusted the action plan accordingly. Work is progressing</p>
				CRR.18.2 Awareness of current threats	Andrea Curson		
				CRR.18.3 An effective ICT Service delivery team	Andrea Curson		
				CRR.18.4 Effective patching and updates to mitigate known vulnerabilities	Andrea Curson		
				CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Andrea Curson		
				CRR.18.6 Effective policies in place which outline security requirements for users of ICT	Andrea Curson		
				CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.	Andrea Curson		
				CRR.18.8 Transferring the risks to the cloud provider	Andrea Curson		
				CRR.18.9 LGA Cyber Security review plan developed, approved internally and being carried out.	Andrea Curson		
<p>CRR05 Governance <u>Cause:</u> Managers are responsible for ensuring that controls to mitigate risks are consistently applied.</p> <p><u>Risk:</u> Officers are either unaware of expected controls or do not comply with control procedures.</p>	<p>Failure of business objectives Health & Safety Financial Service Delivery Compliance with</p>	Jane Eaton	 <p>Likelihood</p>	CRR.05.1 Officer training	Jane Eaton	 <p>Likelihood</p>	<p><u>August 2020 Update:</u></p> <p>The cultural compliance audit in Building Control is underway as is a follow up review in the Capitol theatre</p>
				CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Jane Eaton		
				CRR.05.4 "Cultural compliance" Internal Audits identify service based issues and help managers to resolve these.	Jane Eaton		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
	Regulations Personal Privacy Infringement Reputation damage						
CRR17 <u>Cause:</u> The External Auditors audit the HDC Benefits Grant Subsidy return to the Department for Work and Pensions (DWP) on an annual basis to identify errors. <u>Risk:</u> The Benefit Subsidy claim may be qualified and/or financial losses. HDC has a case load with a particularly high number of working people with many changes of circumstances.	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Continuously monitor the level of quality control checking.	Beccy Salmon		<u>August 2020 update</u> The service continues to maintain a robust QC process to mitigate financial lost via a qualified subsidy loss. Despite the QC process that is in place the Amber status correctly reflects the potential for historic error in the caseload to be uncovered during a subsidy audit. The subsidy audit has commenced, however, it is too early to provide a meaningful position statement.
CRR02 Managerial / Professional <u>Cause:</u> The Council has a legal obligation to protect personal data. The Information Commissioners powers are much more far reaching when they change in May 2018. <u>Risk 1:</u> Major data breach or leak of sensitive information to a third party. <u>Risk 2:</u> Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR).	People and businesses come to harm and suffer loss that might not otherwise have occurred Complaints / claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy CRR.02.3 Provide a programme of Induction and at least annual training on Information Security to all staff. CRR.02.4 Annual PSN Accreditation CRR.02.5 Representatives from each department meet every other month to maintain compliance, updates and training	Andrea Curson / Sharon Evans Robert Laban Andrea Curson Sharon Evans		<u>August 2020 update</u> CRR.02.1 This work is ongoing CRR02.3 The Information Security Officer has compiled Information Security Training to be delivered to staff and members. The Head of Technology Services has obtained funding from the LGA to obtain Certified Information Security Accreditation by January 2021. CRR02.4 PSN Accreditation work underway to obtain 2020 Accreditation. CRR02.5 This is continuing and is ongoing.

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<p>CRR03 Legal <u>Cause:</u> The Civil Contingencies Act places a legal obligation upon the Council, with partners, to assess the risk of, plan, and exercise for emergencies, as well as undertaking emergency and business continuity management. The Council is also responsible for warning and informing the public in relation to emergencies, and for advising local businesses.</p> <p><u>Risk:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.</p>	<p>People and businesses come to harm and suffer loss that might not otherwise have occurred</p> <p>Complaints / claims / litigation</p> <p>Resources consumed in defending claims</p> <p>Financial losses</p> <p>Censure by regulators</p> <p>Reputation damaged</p>	Adam Chalmers		CRR.03.1 Update corporate business continuity plan and regular review.	Rob Jarvis		<p><u>August 2020 Update</u></p> <p>CRR.03.1 Lessons identified through departmental de-briefs are being incorporated into corporate BC plan.</p> <p>2nd wave plan has been written and agreed for a possible 2nd wave or local lockdown.</p> <p>BC working group still meeting weekly and any new developments or relevant information will be added to the BC plan.</p> <p>CRR.03.2 All departments asked to complete debrief proforma to capture valuable lessons learned from the last 5 months.</p> <p>Full reviews of department BC plans are due to take place in Oct/Nov 2020 as per usual.</p> <p>CRR.03.5 All bite size sessions postponed. Debrief and review sessions will be introduced and run once COVID-19 guidelines allow.</p> <p>(Estimated Oct/Nov 2020 but might extend depending upon the pandemic).</p>
				CRR.03.2 Update departmental business continuity plans and regular review.	Rob Jarvis		
				CRR.03.5 Bitesize workshops to address new procedures and processes.	Rob Jarvis		
<p>CRR06 Physical <u>Cause:</u> The Council is responsible for the health & safety of its clients, staff and other stakeholders, owns and maintains significant assets, and also has responsibility for H&S in some partner organisations where it does not have operational control.</p> <p><u>Risk:</u> A health & safety failure occurs.</p>	<p>People come to harm</p> <p>Complaints/claims/ litigation</p> <p>Financial losses</p> <p>Censure by audit / inspection</p> <p>Reputation damage</p> <p>Adverse effect on morale</p> <p>Stress and absenteeism</p>	Glen Chipp		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		<p><u>August 2020 Update</u></p> <p>Corporate inspection strategy and training programme fully implemented. Now an ongoing requirement.</p>
				CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation	Robert Laban		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR32 <u>Cause:</u> Nationally, NHS Foundation Trusts (and some NHS Trusts) have applied for mandatory charitable relief on their business rates, on the basis that they should be treated as charities.</p> <p><u>Risk:</u> Decrease in Rateable Value, and potentially backdated refunds to 2010.</p>	Reductions in funding Financial	Jane Eaton		CRR.32.1 Continue to keep a watching brief	Dominic Bradley		<p><u>August 2020 Update</u></p> <p>In view – no change (see below).</p> <p>A High Court judicial review dismissed the hearing in November 2019. The claimants have appealed to the Court of Appeal. The date of the appeal hearing has not yet been set. Permission for consideration of the appeal was granted on 28 July 2020.</p> <p>One NHS Foundation Trust appeal in the district has been received and was included in the business rates appeals provision at 31 March 2019.</p> <p>No separate provision has been created for appeals that have not yet been received.</p>
<p>CRR33 TO BE EXEMPTED <u>Cause:</u> Compensation claim received from L&Q (Landlord of adjacent buildings) in relation to new Piries Place car park works.</p> <p><u>Risk:</u> Potential litigation action from L&Q in relation to Piries Place car park project. Larger sums being claimed than anticipated</p>	Financial Reputation	Barbara Childs		CRR.33.1 Claim is being investigated by HDC Legal	Sharon Evans		<p><u>August 2020 Update</u></p> <p>Ongoing.</p>
<p>CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and recent high profile failures, e.g. Carillion</p> <p><u>Risk:</u> Key contractor failure</p>	Financial	Jane Eaton		<p>CRR.34.1 Regularly check accounts of key suppliers</p> <p>CRR.34.2 Check public liability insurance of key suppliers</p> <p>CRR.34.3 Ask for key suppliers' business continuity plans</p> <p>CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan</p>	<p>Heads of Service</p> <p>Heads of Service</p> <p>Heads of Service</p> <p>Heads of Service</p>		<p><u>August 2020 Update:</u></p> <p>The COVID-19 recession continues to make losses of major contractors more likely. The business continuity group is monitoring progress.</p>

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
CRR35a <u>Cause:</u> Covid-19 infection <u>Risk:</u> Serious risk to the health and safety of workers	Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Jane Eaton		CRR.35a.1 The director led Business Continuity Group to oversee H&S measures (staff H&S representative observes)	Jane Eaton		<u>August 2020 Update</u> CRR.35a.1 This work is ongoing. CRR35a.3 This work is ongoing. CRR35a.4 This work is ongoing. CRR35a.5 This work is ongoing. CRR35a.6 This work is ongoing. CRR35a.7 This work is ongoing. CRR35a.8 This work is ongoing
				CRR.35a.3 Regular updates on government advice on keeping safe	Robert Laban		
				CRR.35a.4 A balanced approach to home/office working in line with government advice	Andrea Curson/ Robert Laban		
				CRR.35a.5 Re-modelling of workspaces to ensure social distancing	Brian Elliott		
				CRR.35a.6 Provision of sanitary products and PPE	Brian Elliott		
				CRR.35a.7 Risk assessments for offices and specific staff	Robert Laban		
				CRR.35a.8 Managed opening /closure of the Capitol, Museum, Leisure, Sports services and Reception in line with safety concerns	Vicky Wise		