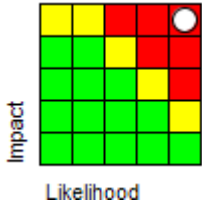
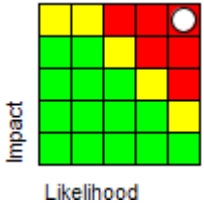
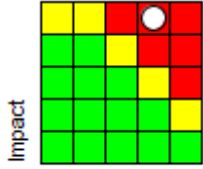
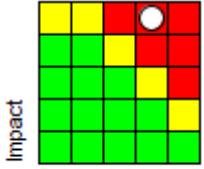
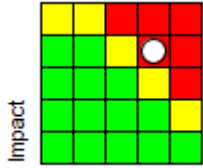
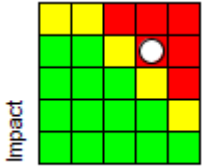


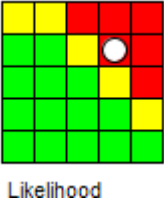

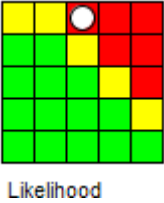

Appendix 1 Corporate Risk Report September 2021

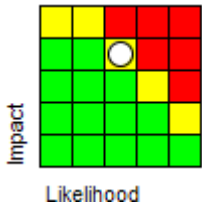
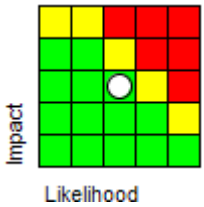
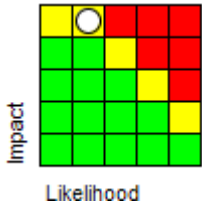
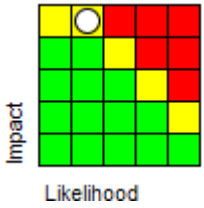
Risks ordered by RAG not numerically

Generated on: 16 August 2021

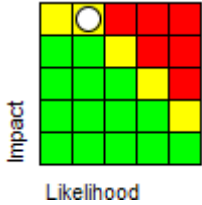
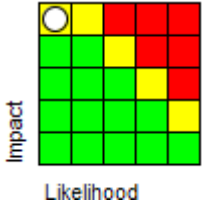
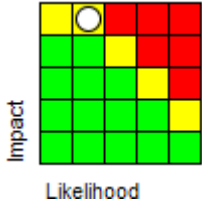
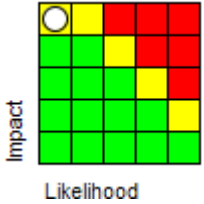
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR19</p> <p><u>Cause:</u> Uncertainty in the UK and World economy. The Government has spoken about an additional 5% reduction in local government funding, and further 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 fees; reduced car parking income; increased homelessness; and increased housing benefit claims, leisure centres, property income; investment income.</p>	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR.19.2 Monitor the external environment	Dominic Bradley		<p>September 2021 update:</p> <p>Covid-19 has had a significant impact on the economy and the Council's income.</p> <p>A balanced budget was set for 2021/22 as a result of a restructure in November 2020 and a better than expected one-year settlement which included further one-off Covid-19 related support. Income is currently tracking at the lower budgeted level. Some cost savings are anticipated where less support may be needed to the leisure service provider as people have returned to leisure activities faster than originally anticipated when the budget was set.</p> <p>However, budget shortfalls approaching £1.5m a year are still forecast by the end of the medium-term financial period. This is mostly driven by the estimated £1m to £1.3m costs of food collection, as well as income levels not recovering to previous levels. The future funding of local government also remains very uncertain.</p> <p>The restart of housing evictions since June 2021 may create more homeless people and benefits cases. Cumulative pressure on businesses since the start of the pandemic may also increase the risk on their ability to pay all rents.</p>
				CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends	Dominic Bradley		
				CRR19.4 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income	Jane Eaton		

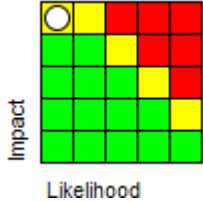
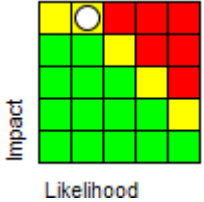
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates). <u>Risk:</u> Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.	Reductions in funding Financial	Jane Eaton		CRR.01c.1 Continue to keep a watching brief	Dominic Bradley		September 2021 update: With business rates reform postponed and the COVID-19 recession, further reductions in business rates seem inevitable. The impact in 2021/22 is lessened by Government giving 100% business rate relief to retail and leisure businesses in the first three months of 2021/22 and 67% relief for the remainder of the financial year. However, the uncertainty is now deferred to what happens in 2022/23. Appeals to the Valuation Office are increasing, which could trigger backdated refunds. The appeals provision remains high at £5m, albeit the Council's share is only 40% of this. Due to Covid-19, Business Rate payments were below normal at the end of 2020/21. Courts are resuming in June 2021 so a new recovery pattern will be established.
				CRR.01c.2 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income	Dominic Bradley		
CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates). <u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2021	Reductions in funding Adverse effect on morale Financial Failure to achieve agreed objectives	Jane Eaton		CRR.01b.1 Continue to keep a watching brief	Dominic Bradley		September 2021 update: 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 temporarily, although Government has only given a one-year settlement in 2021/22, giving little insight into the medium term. It is uncertain whether any future implementation of business rates reform will commence from 1 April 2022 or delayed to April 2023, although as time goes on, the latter is looking increasingly likely. With income not recovering to previous levels, even with some estimated Council tax rises factored in, £1.5m budget deficits are currently forecast across later years of the MTFS
				CRR.01b.2 Revisit the MTFS and if necessary 2020/21 budget in year, with Cabinet in September.	Dominic Bradley		
				CRR.01b.3 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income.	Jane Eaton		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
							unless significant action is taken. Further 'additional' Government funding is not expected into 2022/23
<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</p> <p>Health & Safety</p> <p>Financial</p> <p>Service Delivery</p> <p>Compliance with Regulations</p> <p>Personal Privacy Infringement</p> <p>Reputation damage</p>	Jane Eaton		CRR.05.1 Officer training	Jane Eaton		<p>September 2021 update:</p> <p>The Annual Governance Statement action plan included an increased focus on training for management and staff in this area. Head of Service, all manager and depot-based manager training has taken place. Training for Parks and Countryside management is planned for the winter when workloads for the team are lower.</p> <p>Due to extra work on the Local Plan the cultural compliance audit for Strategic Planning has been deferred to 2021/22 and a review of Environmental Health brought forward in its place. This does not increase risk because the Council's governance officers are generally of the view both Strategic Planning and Environmental Health are services mostly compliant with the Council's requirements.</p> <p>The review of governance at the museum is underway.</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		
				CRR.05.5 Programme of training and information to ensure all managers understand their roles.	Jane Eaton		
				CRR.05.6 Governance review of the Horsham Museum	Jane Eaton		
<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</p>	Jane Eaton		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		<p>September 2021 update:</p> <p>CRR.18.5 PSN Accreditation being worked on and PCI-DSS being looked into.</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	Andrea Curson		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
	coverage.			requirements for users of ICT			
				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 Plan developed, approved internally, and being carried out.	Andrea Curson		
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		September 2021 update: The service continues to maintain a robust QC process to mitigate financial loss via a qualified subsidy loss. However, in February 2021 colleagues found a long-standing error relating to a claim assessed under the CenSus regime leading to an overpayment of £35,000. This, combined with a small decline in 2020/21 quality due to workload pressure puts the Council closer than it has ever been to the lower threshold for 2020/21 since leaving the CenSus partnership. A further £8,000 historic error was found in April 2021. This will affect the 2021/22 claim but being a lower amount is less likely to lead to a subsidy loss.
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	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans		September 2021 update: CRR02.4 PSN Accreditation work 2020 Accreditation obtained. Health Checks done for 2021 and we are working towards 2021 Accreditation.
				CRR.02.3 Provide a programme of Induction and at least annual training on Information Security to all staff.	Robert Laban		
				CRR.02.4 Annual PSN Accreditation	Andrea Curson		
				CRR.02.5 Representatives from each department meet every other month to maintain compliance, updates, and	Sharon Evans		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update	
	Fines from regulators Adverse publicity Reputation damage			training				
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. <u>Risk:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.	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 Censure by regulators Reputation damaged	Jane Eaton		CRR.03.1 Update corporate business continuity plan and regular review.	Robert Laban		September 2021 update: CRR.03.1 Full BC review due to take place in Jan 2022 once all debriefs and departmental reviews have been undertaken throughout Autumn/Winter 2021 CRR.03.2 Work is ongoing and will incorporate lessons learned from recent cyber resilience audit also. CRR.03.5 Work is progressing with HoS one to ones. CRR.03.6 Work is ongoing. For information: Emergency Planning has been moved under Robert Laban in HR&OD to work more closely with the Health and Safety officer.	
					CRR.03.2 Update departmental business continuity plans and regular review.			Robert Laban
					CRR.03.5 Bitesize workshops to address new procedures and processes.			Robert Laban
					CRR.03.6 Fortnightly BC meetings during Covid-19			Robert Laban
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. <u>Risk:</u> A health & safety failure occurs.	People come to harm Complaints/claims/ litigation Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism	Glen Chipp		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		September 2021 update: There are no changes to anything.	
								CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR35 <u>Cause:</u> COVID-19 is an 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. <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.</p>	<p>Failure of business objectives Health and safety Financial Service Delivery Compliance with regulations Reputation Staffing and culture</p>	Glen Chipp		<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>	Jane Eaton		<p>September 2021 Update: All Council services continue to run well, although Economic Development has been hampered by staff shortages due to 'Covid related' sickness and waste services faced some pressure in July due to the "pingdemic". Staff are being vaccinated through the national vaccination programme, reducing the risk of serious illness amongst staff. The majority of staff are now vaccinated.</p>
<p>CRR35a <u>Cause:</u> Covid-19 infection <u>Risk:</u> Serious risk to the health and safety of workers</p>	<p>Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.</p>	Jane Eaton		<p>CRR.35a.1 The director led Business Continuity Group to oversee H&S measures (staff H&S representative observes)</p> <p>CRR.35a.3 Regular updates on government advice on keeping safe</p> <p>CRR.35a.4 A balanced approach to home/office working in line with government advice</p> <p>CRR.35a.5 Re-modelling of workspaces to ensure social distancing</p> <p>CRR.35a.6 Provision of sanitary products and PPE</p> <p>CRR.35a.7 Risk assessments for offices and specific staff</p> <p>CRR.35a.8 Managed opening /closure of the Capitol, Museum, Leisure, Sports services and Reception in line with safety concerns</p>	<p>Jane Eaton</p> <p>Robert Laban</p> <p>Andrea Curson/Robert Laban</p> <p>Brian Elliott</p> <p>Brian Elliott</p> <p>Robert Laban</p> <p>Vicky Wise</p>		<p>September 2021 update: Item CRR.35a.3 Regular updates on government advice on keeping safe. The work is ongoing and monitored fortnightly by the Business Continuity Group. The H&S adviser routinely reviews all new HSE, NHS guidance and updates corporate processes/ accordingly. The Head of HR&OD communicates any changes as appropriate. Full detailed risk assessments were revisited for the aborted Local Plan meeting in July and will be reviewed again for the next large public meeting. CRR.35a.4 A balanced approach to home/office working in line with government advice. The Council has a plan to move to 50/50 working from September for a trial six-month period. CRR.35a.7 Risk assessments for offices and specific staff.</p>

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
							The work is ongoing and monitored fortnightly by the Business Continuity Group. The H&S Adviser has updated the corporate template for managers to make such assessment.
CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and high-profile failures. <u>Risk:</u> Key contractor failure	Financial	Jane Eaton		CRR.34.1 Regularly check accounts of key suppliers	Heads of Service		September 2021 Update: The impact on the loss of key suppliers is lessening and we no longer have the Head of Procurement on the business continuity group. A world shortage of building supplies is causing delays to building projects e.g., St Peter's Hall – which may affect external funding.
				CRR.34.2 Check public liability insurance of key suppliers	Heads of Service		
				CRR.34.3 Ask for key suppliers' business continuity plans	Heads of Service		
				CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan	Heads of Service		